

west virginia department of environmental protection

Office of Oil and Gas 601 57th Street, S.E. Charleston, WV 25304 (304) 926-0450 fax: (304) 926-0452

Austin Caperton, Cabinet Secretary www.dep.wv.gov

Friday, May 25, 2018 WELL WORK PERMIT Horizontal 6A / New Drill

ARSENAL RESOURCES LLC 6031 WALLACE ROAD EXTENSION SUITE 603

WEXFORD, PA 15090

Re: Permit approval for HOWDERSHELT BCH 206 47-001-03360-00-00

This well work permit is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to any additional specific conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas Inspector.

Please be advised that form WR-35, Well Operators Report of Well Work is to be submitted to this office within 90 days of completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

Per 35 CSR 4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0450.

James A. Martin Chief

Operator's Well Number: Farm Name: U.S. WELL NUMBER: Horizontal 6A Date Issued: 5/25/2018 HOWDERSHELT BCH 206 HOWDERSHELT LIVING TRU

Promoting a healthy environment.

API Number:

PERMIT CONDITIONS 4700103360

West Virginia Code § 22-6A-8(d) allows the Office of Oil and Gas to place specific conditions upon this permit. Permit conditions have the same effect as law. <u>Failure to adhere to the specified permit</u> conditions may result in enforcement action.

CONDITIONS

- 1. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACE). Through this permit, you are hereby being advised to consult with USACE regarding this proposed activity.
- 2. If the operator encounters an unanticipated void, or an anticipated void at an unanticipated depth, the operator shall notify the inspector within 24 hours. Modifications to the casing program may be necessary to comply with W. Va. Code § 22-6A-5a (12), which requires drilling to a minimum depth of thirty feet below the bottom of the void, and installing a minimum of twenty (20) feet of casing. Under no circumstance should the operator drill more than one hundred (100) feet below the bottom of the void or install less than twenty (20) feet of casing below the bottom of the void.
- 3. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the moisture content of the fill material shall be within limits as determined by the Standard Proctor Density test of the actual soils used in specific engineered fill, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort, to achieve 95 % compaction of the optimum density. Each lift shall be tested for compaction, with a minimum of two tests per lift per acre of fill. All test results shall be maintained on site and available for review.
- 4. Operator shall install signage per § 22-6A-8g (6) (B) at all source water locations included in their approved water management plan within 24 hours of water management plan activation.
- 5. Oil and gas water supply wells will be registered with the Office of Oil and Gas and all such wells will be constructed and plugged in accordance with the standards of the Bureau for Public Health set forth in its Legislative rule entitled *Water Well Regulations*, 64 C.S.R. 19. Operator is to contact the Bureau of Public Health regarding permit requirements. In lieu of plugging, the operator may transfer the well to the surface owner upon agreement of the parties. All drinking water wells within fifteen hundred feet of the water supply well shall be flow tested by the operator upon request of the drinking well owner prior to operating the water
- 6. Pursuant to the requirements pertaining to the sampling of domestic water supply wells/springs the operator shall, no later than thirty (30) days after receipt of analytical data provide a written copy to the Chief and any of the users who may have requested such analyses.
- 7. 24 hours prior to the initiation of the completion process the operator shall notify the Chief or his designee.
- 8. During the completion process the operator shall monitor annular pressures and report any anomaly noticed to the chief or his designee immediately.
- 9. If any explosion or other accident causing loss of life or serious personal injury occurs in or about a well or well work on a well, the well operator or its contractor shall give notice, stating the particulars of the explosion or accident, to the oil and gas inspector and the Chief, within 24 hours of said accident.
- 10. During the casing and cementing process, in the event cement does not return to the surface, the oil and gas inspector shall be notified within 24 hours.

API Number: 4700103360 PERMIT CONDITIONS

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11. The operator shall provide to the Office of Oil and Gas the dates of each of the following within 30 days of their occurrence: completion of construction of the well pad, commencement of drilling, cessation of drilling, completion of any other permitted well work, and completion of the well. Such notice shall be provided by sending an email to DEPOOGNotify@wv.gov.

WW-6B (04/15) API NO. 47-____-OPERATOR WELL NO. Howdershelt BCH 206

Well Pad Name: Howdershelt BCH

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS WELL WORK PERMIT APPLICATION

I) Well Operat	_{tor:} Arsena	al Resources		494519412	Barbour	Cove	Nestorville
-				Operator ID	County	District	Quadrangle
2) Operator's V	Well Numbe	r: Howdershelt BC	CH 2	206 Well Pa	d Name: How	dershelt BC	СН
3) Farm Name	/Surface Ow	ner: Melvin and Renee I	How	dershelt Public Ro	ad Access: CF	38	
4) Elevation, c	urrent grour	nd: <u>1550.9'</u>	El	evation, proposed	l post-construct	tion: 1558.	0'
5) Well Type	(a) Gas	X Oil		Und	lerground Stora	nge	
	Other				·····		· · · · · · · · · · · · · · · · · · ·
	(b)If Gas	Shallow X		Deep			
6) Existing Pa	d: Yes or No	Horizontal X					
7) Proposed Ta	arget Format	tion(s), Depth(s), Ar s Shale, Top- 7513.0ft,		-	-	• •	ted Pressure- 0.5 psi/ft
3) Proposed To	otal Vertical	Depth: 7594' TVE)				
) Formation a	it Total Vert	ical Depth: Marce	llus				
0) Proposed	Fotal Measu	red Depth: 16570	•				
1) Proposed I	Horizontal L	eg Length: 8332.1	15'				
2) Approxima	ate Fresh Wa	ater Strata Depths:		950'			
 Method to Approximation 		Fresh Water Depths: r Depths: 1900'	; <u> </u>	Offsetting Well Water De	epths(001-01564, 00	1-01782, 001-01	784, 001-03054, 001-03058)
15) Approxima	ate Coal Sea	m Depths: Upper Free	port	163', Lower Freeport 195'	, Upper Kittanning 25	5', Middle Kittann	ing 344', Lower Kittanning 364'
		Possible Void (coal					
· ·		cation contain coal s ent to an active mine		ns Yes	Ne	None Kn	own
(a) If Yes, pr	ovide Mine	Info: Name:					
.,		Depth:					
		Seam:					RECEIVED Gas
		Owner:					. OALUNG
							WV Dapadmant o WV Dapadmant o Environmental Prote

4700103360 API NO. 47-

OPERATOR WELL NO. Howdershelt BCH 206 Well Pad Name: Howdershelt BCH

WW-6B (04/15)

18)

CASING AND TUBING PROGRAM

ТҮРЕ	<u>Size</u> (in)	<u>New</u> <u>or</u> <u>Used</u>	Grade	<u>Weight per ft.</u> (lb/ft)	<u>FOOTAGE: For</u> <u>Drilling (ft)</u>	INTERVALS: Left in Well (ft)	<u>CEMENT:</u> <u>Fill-up</u> (Cu. Ft.)/CTS
Conductor	24	New	H-40	94	80	80	CTS
Fresh Water	13.375	New	J-55	54.5	1,025	1,025	CTS
Coal							
Intermediate	9.625	New	J-55	40	2,000	2,000	CTS
Production	5.5	New	P-110	20	16,570	16,570	TOC @ 1,850
Tubing							
Liners							

Lenned L. Luyordi 12-13-17

					1215	•	
ТҮРЕ	Size (in)	<u>Wellbore</u> Diameter (in)	<u>Wall</u> <u>Thickness</u> <u>(in)</u>	<u>Burst Pressure</u> (psi)	<u>Anticipated</u> <u>Max. Internal</u> <u>Pressure (psi)</u>	<u>Cement</u> <u>Type</u>	<u>Cement</u> <u>Yield</u> (cu. ft./k)
Conductor	24	36			0	Type 1, 3% CaCl2	1.2
Fresh Water	13.375	17.5	0.38	2,730	900	Class A, 3% CaCl2	1.2
Coal							
Intermediate	9.625	12.25	0.395	3,950	1,500	Class A, 3% CaCl2	1.29
Production	5.5	8.5-8.75	0.361	12,640	9,500	Class A/50:50 Poz	1.29/1.34
Tubing					5,000		
Liners					N/A		

PACKERS

Kind:			
Sizes:			
Depths Set:	 		TINED. Cas
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19) Describe proposed well work, including the drilling and plugging back of any pilot hole:

The well will be started with a conductor rig drilling a 36" hole to Conductor programmed depth then running 24" casing and circulate cement back to surface. The conductor rig will move out and the drilling rig will move in and rig up. The drilling rig will then spud a 17 $\frac{1}{2}$ " hole and drill to fresh water casing (Surface) to the programmed depth, Run 13- 3/8" casing and cement to surface. The rig will continue drilling a 12- $\frac{1}{2}$ " intermediate hole to the programmed depth, run 9- 5/8" casing and cement to surface. The rig with then continue to drill an 8- $\frac{3}{4}$ " hole to a designed KOP. We will then start drilling the curve and lateral section to the programmed total measured depth, run 5 $\frac{1}{2}$ " casing and cement according to the program.

20) Describe fracturing/stimulating methods in detail, including anticipated max pressure and max rate:

The well will be completed using a plug and perforation method and stimulated with a slickwater and sand slurry. The anticipated maximum rate will be 90 bpm and the maximum pressure will be 9,500 psi.

21) Total Area to be disturbed, including roads, stockpile area, pits, etc., (acres): 10.9

22) Area to be disturbed for well pad only, less access road (acres): 6.8

23) Describe centralizer placement for each casing string:

24"- No centralizers 13 3/8" – one bow spring centralizer on every other joint 9 5/8" – one bow spring centralizer every third joint from TD to surface 5 $\frac{1}{2}$ " – one semi rigid centralizer on every joint from TD of casing to end of curve. Then every other joint to KOP. Every third joint from KOP to 2,100'; there will be no centralizers from 2,100 to surface.

24) Describe all cement additives associated with each cement type:

24" will be grouted from surface. The 13 3/8" casing will be cemented to surface with Class A cement and no greater than 3% CaCl (calcium chloride). The 9 5/8" casing will be cemented to surface with Class A cement, & no greater than 3% calcium chloride. The 5 1/2" production string will be cemented back to 1,850' (+/- 150' above the casing shoe for the 9 5/8") with Type 1 or Class A and 50/50 Poz cement retarded (to extend pumpability) cellophane flaked for fluid loss, Bentonite gel as an extender (increased pumpability and fluid loss), a defoaming agent to decrease cement foaming during mixing to insure the cement is of proper weight to placement and possibly gypsum gas blocking additive to aid in blocking/gas migration (in combination with other additive mentioned here, helps cement achieve a "right angle" set) during the plastic phase of the cement set-up.

25) Proposed borehole conditioning procedures:

Top holes will be drilled with fresh water to KOP. At KOP, the wellbore will be loaded with synthetic oil based mud, barite-weighted mud system with such properties as to build a filter-cake on the face to the bore-hole. This will provide lubricity as well as stabilizing the well bore. We will begin rotating the drill string and mud will be circulated upon reaching TD until no further cuttings are observed coming across the shaker screens. Once clean mud is circulated back to surface, we will pull three stands of drill pipe, load the hole, pull three stands and load the hole. The weight indicator on the rig will be monitored for any of occurrences of drag and if any, additional hole cleaning efforts will be applied to that section of the well.

Howdershelt 206					
	CI	EMENT ADDITIVES			
	Name	Purpose			
Additive #1:	Bentonite	Helping fluid loss, reducing free water			
Additive #2:	Calcium Chloride	Accelerator for low temp application			
Additive #3:	Celloflake	Loss circulation additive			
Additive #4:	Gypsum	Used for thixotropic properties			
Additive #5:	Lignosulfonate	Low temp cement retarder			
Additive #6:	Naphthalene Based	Used to improve rheological properties of cement			
	Dispersant				
Additive #7:	Cellulose	Help with fluid loss			

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•			Directional Plan #		
ther Names: urface Location:	N/A TBD			County: State:	Barbour West Virginia
ottom Hole Location:	TBD			AFE #:	27 XX API#: XX
otal Depth:	16,570 MD (ft) 7,594 TVD (ft)			RKB: Ground Level:	1,558
ogs	Significant Formations (TVD)	Depth (ft) MD	Depth (ft) TVD	Hole Size	Casing and Mud Directional & Surveys Cement Drig /Csg Point
one	Section 1		Drive Pipe		
		80	50	24" 94# H-40 STC	Vertical
one				17 1/2" (PDC)	Floc Water
	Section 2		Floc	тос	ement: Class A 489 Sacks w/ 30% Excess :: Surface (top off if needed) ement volumes are estimates
ossible Bi, after cement job		1,025	1,025	13 3/8" 54.5# J-55 STC	Vertical
ione	Section 3		Floc	12 1/4" (PDC)	Floc Water
				TOC: S	ement: Class A 678 Sacks w/ 50% Excess urface (top off if needed) ement volumes are estimates
ossible BL after cement job		2,000	2,000	9 5/8" 40# J-55 LTC	Vertical
	Section 4		Floc	Mud Data Floc Water Floc Water 11.5-12.0 ppg SOBM	Fram Te 80 2000 2000 7,237 7,237 16,570
				Bit Data 17-1/2" & 12 1/4" PDC 8- 3/4" (PDC) 8- 1/2" (PDC)	Fram Te 80 2,000 2,000 8,337 8,237 16,570
				Directional Data	See Directional Plan
			ОВМ		
	Big Lime		1,295		
	1st Elk Siltstone		4,425		
	Tully Lime		7,165		
	Purcell (Limestone)		7,569		
	Lower Marcellus		7,572	Cement: Type 1 1.2 ft3/sack +10% Exs in All ce	OH = 2822 sacks TOC: 1,850 ft ement volumes are estimates
	16,570 MD 7594 TVD				
					5 1/2" 20# P-110 VAR
Revision	1			ale	Cement Outside Casing

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*Connection Address



Purpose

The purpose of this pad-specific Hydraulic Fracturing Monitoring Plan is to identify and notify conventional well operators near Arsenal Resources hydraulic fracturing in Barbour County, WV prior to hydraulic fracturing at the following ARSENAL RESOURCES wells on the Howdershelt BCH 206 Pad.

Due to the apparent presence of unique geological conditions, the potential for communication between deep geologic zones exists in this area. This potential communication, via natural gas, water, or both, may occur between hydraulically fractured wells in the Marcellus formation (approximately 7,600'TVD) and existing conventional natural gas wells in the partially-depleted, relatively high permeability Haverty formation (approximately 5,700' TVD).

The plan is being implemented as an additional safety measure to be utilized in conjunction with best management practices and emergency action plans for this site. These additional measures include pre-notification of conventional well operators of the timing and location of the hydraulic fracturing, establishment of measures conventional well operators should implement, and assurance that the Division of Oil and Gas is notified of the timeline, as well as any issues that may arise during fracturing.

1. Communications with Conventional Operators.

ARSENAL RESOURCES, using available data (WV Geological Survey, WVDEP Website, and IHS data service), has identified all known conventional wells and well operators within 500 feet of this pad and the lateral sections. A map showing these wells along with a list of the wells and operators is included in Attachment A. Upon approval of this plan, ARSENAL RESOURCES will notify these operators, via letter, of the hydraulic fracturing schedule for these wells. A copy of this letter is included in Attachment B.

The letter provides recommendations to these conventional operators to 1) increase their monitoring of their wells during that time period, 2) ensure that their well head equipment is sound, and 3) provide immediate notification to ARSENAL RESOURCES and the OOG in the event of any changes in their well conditions.

Specifically, the letter recommends that conventional well operators conduct the following activities during and after fracturing operations:

- 1. Inspect their surface equipment prior to fracturing to establish integrity and establish prefrac well conditions.
- Observe wells closely during and after fracturing and monitor for abnormal increases in water, gas or pressure.
- Inspect or install master valves rated to 3,000 psi or other necessary equipment for RECEIVED Office of Oil and Gas wellhead integrity.
- 4. Notify the OOG and ARSENAL RESOURCES if any changes in water, gas production, pressure 2 4 2018 or other anomalies are identified.

6031 Wallace Road Extension, Suite 300, Wexford, PA 15090 Phone (724) 940-1100 eFax 1-800-428-6981



2. Reporting

ARSENAL RESOURCES will provide information relating to the hydraulic fracturing schedule, communication with conventional operators, and ongoing monitoring of the work upon request of OOG or immediately after any event of any noted abnormalities.

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JAN 2 4 2018

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Click or tap to enter a date.

Commonwealth Energy, Inc Address State

RE: Click or tap here to enter text.

Dear Sir/Madam,

Arsenal Resources has developed a Marcellus pad Howdershelt BCH 206, located in Barbour County, WV. As an owner or operator of conventional natural gas wells in this area, we are requesting your assistance in this matter.

Due to the apparent presence of unique geological conditions, the potential for communication between deep geologic zones exists in this area. This potential communication, via natural gas, water, or both, may occur between hydraulically fractured wells in the Marcellus formation (approximately 7,600' TVD) and existing conventional natural gas wells included in the attached well list for which you are believed to be the operator.

Arsenal Resources anticipates conducting hydraulic fracturing at the Howdershelt BCH 206 Pad during the Quarter of 2018. We have identified conventional natural gas wells operated by your company within 500' (lateral distance) of our newly planned wells. Plats for each well on this pad are attached.

We recommend that conventional well operators conduct the following activities before, during and after fracturing operations:

- 1. Inspect surface equipment, prior to fracturing, to establish integrity and establish well conditions.
- Observe wells closely during and after fracturing and monitor for abnormal increases in water, gas, or pressure.
- Inspect or install master valves rated to 3,000 psi or other necessary equipment for wellhead integrity.
- Notify the OOG and Arsenal Resources if any changes in water, gas production, pressure or other anomalies are identified.

Please feel free to contact me at 724-940-1218 with any questions or comments. You may also contact the WV Office of Oil and Gas at 304-926-0440.

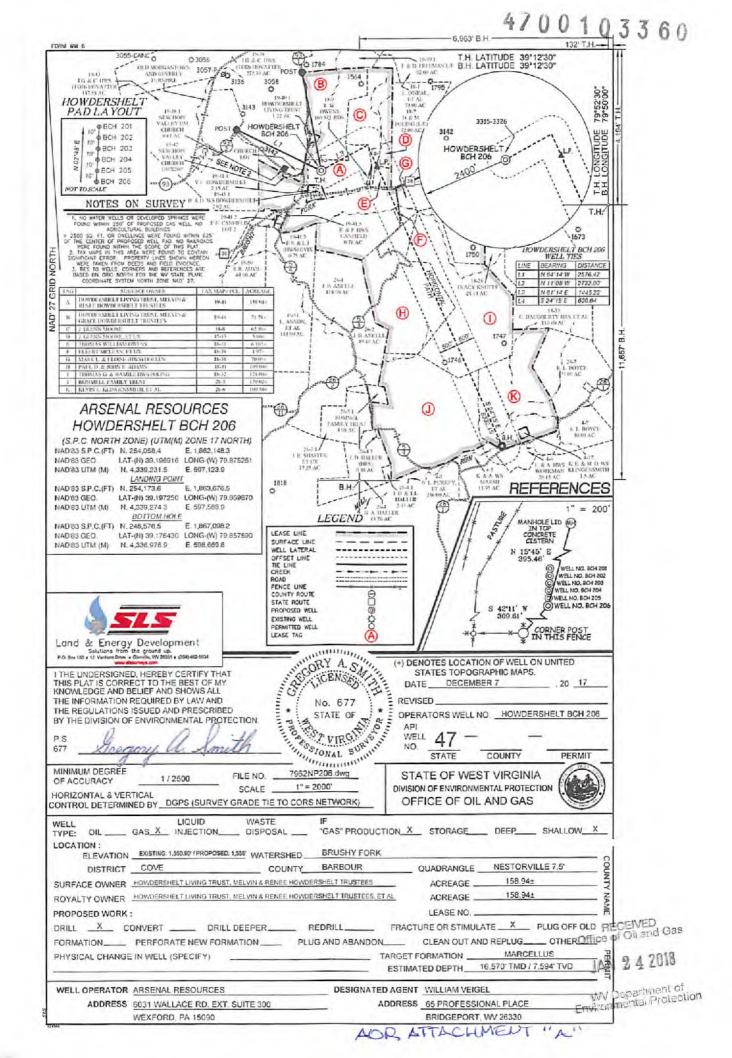
Sincerely,

Kelly Daviw Permitting Specialist

Office of Oil and Gas

JAN 2 4 2018

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	API Number	Operator Name / Address	Well Type	Latitude	Longitude	Total Depth	Total Depth Perforated Formation(s)	Producing Zones not Perforated
							Balltown, Alexander, Elk,	
Harley O Poling et ux 1	001-01746	Commonwealth Energy, Inc	Vertical existing	39.182211	-79.862133	5619	Haverty	NA

County, WV 206 Lateral, Barbour Pad, Area of Review Report - __Howdershelt BCH_

JAN 2 4 2018 WV Department of AOR - ATTACHMENENVironMigned Protection

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WW-9 (4/16)

API Number	47	-	
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Operator's Well No. Howdershelt BCH 206

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

Operator Name_Arsenal Resources	OP Code494519412
Watershed (HUC 10) Brushy Fork	Quadrangle Nestorville
Do you anticipate using more than 5,000 bbls of water to complete will a pit be used? Yes No V	e the proposed well work? Yes No
If so, please describe anticipated pit waste:	
Will a synthetic liner be used in the pit? Yes No	No If so, what ml.?
Proposed Disposal Method For Treated Pit Wastes:	
Land Application	
Underground Injection (UIC Permit Nu	lumber)
Reuse (at API Number)
Off Site Disposal (Supply form WW-9 f	for disposal location)
Other (Explain	and the second

Will closed loop system be used? If so, describe: Yes, the closed loop system will contain all of the drilling medium and drill cuttings on location and then be taken to landfill. Drilling medium anticipated for this well (vertical and horizontal)? Air, freshwater, oil based, etc. Vertical Freshwater, Horizontal, Oil based mud

-If oil based, what type? Synthetic, petroleum, etc. Synthetic

Additives to be used in drilling medium? Bentonite, Soap & Polymer sticks, Soda Ash, Sodium Bicarbonate, Defoamer, Base Oil, Emulsifiers, Lime Bartite

Drill cuttings disposal method? Leave in pit, landfill, removed offsite, etc. Landfill

-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust) N/A

-Landfill or offsite name/permit number? Advanced Disposal Services & Chestnut Valley Landfill

Permittee shall provide written notice to the Office of Oil and Gas of any load of drill cuttings or associated waste rejected at any West Virginia solid waste facility. The notice shall be provided within 24 hours of rejection and the permittee shall also disclose where it was properly disposed.

I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable law or regulation can lead to enforcement action.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fipe or imprisonment.

Company Official Signature <u>William Veigel</u>		
Company Official Title Designated Agent		
		BECEIVED Office of Oil and Gas
Subscribed and sworn before me this 13th day of December	, 20 17	JAN 2 4 2018
My commission expires 9/15/2021	Notary Public	WV OFFICILISEAP (DUBONO WV OFFICILISEAP (DUBONO Envir (NOTARY PUBLIC STATE OF WEST VARIANIA
		CAROLINDA FLANAGAN PO Box 603 Lumberport WV 25385 My Commission Expires September 15, 2021

Operator's Well No. Howdershelt BCH 206

Form	WW-9)

Arsenal Resources

Proposed Revegetation Treatment: Acres Disturbed 10.9			Prevegetation pH	6.8 Average
Lime 2.67	Tons/acre or to c	correct to pH		
Fertilizer type 10-2	20-20			
Fertilizer amount 1	000			
Mulch 3-4				
		Seed Mixtures		
Те	mporary		Perman	ent
Seed Type	lbs/acre	:	Seed Type	lbs/acre
Orchard Grass	129	Orchard	Grass	129

Rye93Rye93Clover24Clover24Timothy45Timothy45

Attach:

Maps(s) of road, location, pit and proposed area for land application (unless engineered plans including this info have been provided). If water from the pit will be land applied, include dimensions ($L \times W \times D$) of the pit, and dimensions ($L \times W$), and area in acreage, of the land application area.

Photocopied section of involved 7.5' topographic sheet.

Plan Approved by: Comment L. Keynol

Comments: Re-seed and mulch all disturbed areas as soon as reasonably possible

per regulation. Upgrade erosion and sediment control measures where needed

per the West Virginia Erosion and Sediment Control Field Manual.

RECEIVED Office of Oil and Gas wed? (_____Yes (_____ Date: 12-13-1 Title: Field Reviewed?) No JAN 2 4 2018 WV Department of Environmental Protection



SITE SAFETY PLAN

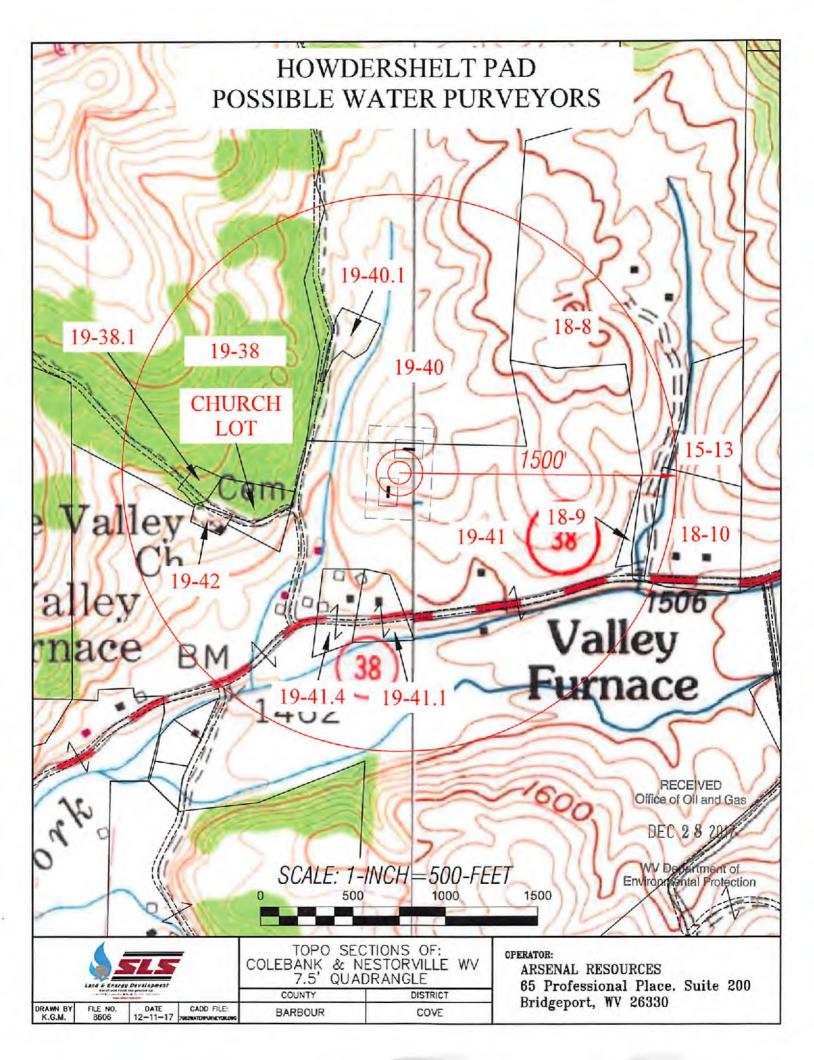
Howdershelt BCH #206 WELL PAD

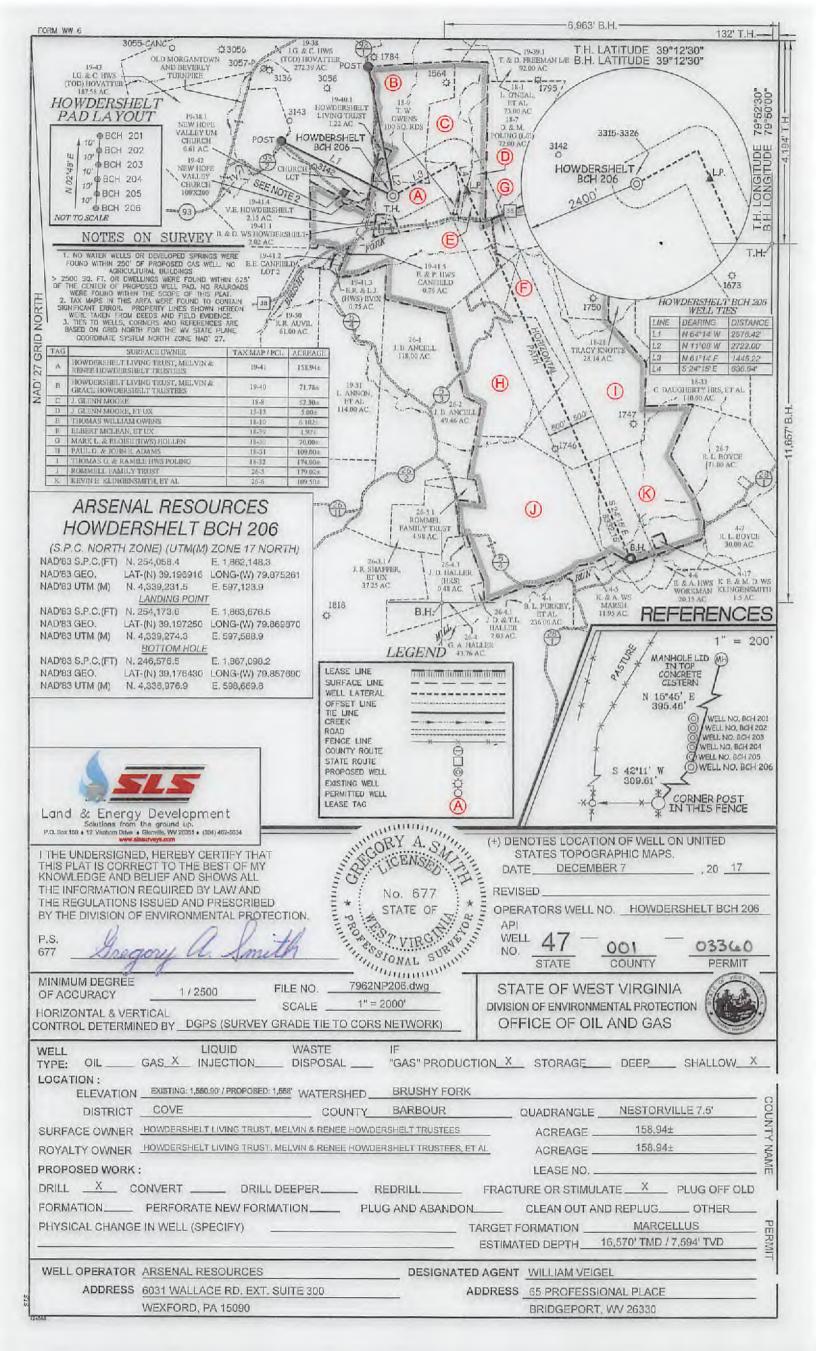
911 Address:

WV State Route 38

RECEIVED Office of Oil and Gas

JAN 2 4 2018





WW-6A1 (5/13)

Operator's Well No. Howdershelt BCH 206

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6A, Section 5(a)(5) IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that -

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Number	Grantor, Lessor, etc.	Grantee, Lessee, etc.	Rovalty	Book/Page
INUMOUT	Grantor, Lessor, etc.	Oranice, Lessee, ele.	Royanty	Doolarage

See Attached

Acknowledgement of Possible Permitting/Approval In Addition to the Office of Oil and Gas

The permit applicant for the proposed well work addressed in this application hereby acknowledges the possibility of the need for permits and/or approvals from local, state, or federal entities in addition to the DEP, Office of Oil and Gas, including but not limited to the following: RECEIVED Office of Oil and Gas

- WV Division of Water and Waste Management
- WV Division of Natural Resources WV Division of Highways .
- U.S. Army Corps of Engineers ٠
- . U.S. Fish and Wildlife Service
- County Floodplain Coordinator .

WV Department of Environmental Protect The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be acquired from the appropriate authority before the affected activity is initiated.

Well Operator:	Arsenal Resources
By:	William Veigel
lts:	Designated Agent

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Letter Designation/Number Designation on Plat	Grantor, Lessor, Assignor, etc.	Grantee, Lessee, Assignee, etc.	Royalty	Book/Page	Acreage
	Melvin Howdershelt and Grace				
A/B	Renee Howdershelt	R.P. Land Company, LLC	0.18	160/272	233.96
	R.P. Land Company, LLC	Mar Key, LLC		157/100	
	J. Glen Moore and Wanda Lea				
C/D/E	Moore, husband and wife	Mar Key, LLC	0.15	160/524	73.665
E	Thomas W. Owens, widower	Mar Key, LLC	0.15	160/486	6.108
	Melvin Howdershelt and Grace R.				
F	Howdershelt	R.P. Land Company, LLC	0.18	160/274	1.97
	R.P. Land Company, LLC	Mar Key, LLC		163/248	
G	Mark Hollen and Eloise Hollen	Commonwealth Energy, Inc	0.125	138/411	70
	Commonwealth Energy, Inc	Mar Key, LLC		161/248	
	John R. Adams and Martha V.				
H Adams, husband and wife		Mar Key, LLC	0.15	161/115	109.0012875
Н	Paul D. Adams, single	Mar Key, LLC	0.15	161/113	109.0012875
	Thomas G. Poling	Commonwealth Energy, Inc.	0.125	138/417	174
	Commonwealth Energy, Inc.	Mar Key, LLC		161/248	
····	Rommel Family Trust, c/o Sandra J.				
J	Rommel, Trustee	R.P. Land Company, LLC	0.18	160/100	172.02
	R.P. Land Company, LLC	Mar Key, LLC		157/100	
	Harry T. Shaffer and Mildred M.				
κ	Shaffer, husband and wife	Mar Key, LLC	0.15	160/522	111
	John R. Shaffer and Nancy L. Shaffer,				
К	husband and wife	Mar Key, LLC	0.15	160/518	111

Attachment to WW-6A1, Howdershelt BCH 206

RECEIVED Gas Office of Oil and Gas JAN 2 4 2018 MAN Department of MAN Department of Environmental Protection

4700103360

Agreement to Drill, Complete and Operate Oil & Gas Wells

This Agreement to Drill, Complete and Operate Oil & Gas Wells (this "Agreement"), by and among Mountaineer Keystone LLC, a West Virginia limited liability company ("Mountaineer Keystone"), PDC Mountaineer, LLC, a Delaware limited liability company ("PDC"), and PDC Mountaineer Holdings, LLC, a Delaware limited liability company ("PDC"), and PDC October 15, 2014. (the "Effective Date") and sets forth the terms pursuant to which Mountaineer Keystone will drill, complete and operate the Wells (as defined below) on behalf of PDC and PDC Holdings. Mountaineer Keystone, PDC, and PDC Holdings are each a "Party" and are collectively the "Parties". In consideration of the foregoing and the respective agreements hereinafter set forth and the mutual benefits to be derived therefrom, the Parties, intending to be legally bound, hereby agree as follows:

- 1. Term: This Agreement is effective from the Effective Date until terminated by Mountaineer Keystone on the one hand or PDC and PDC Holdings on the other hand with 30 days' written notice to the other Party or Parties, as applicable (the "Term").
- 2. Authorization to Operate: PDC and PDC Holdings authorize Mountaineer Keystone to undertake and perform, on PDC and PDC Holdings behalf, all operations, including without limitation permit applications, well pad preparation, drilling and completing wells, and marketing gas, oil and other hydrocarbons therefrom with respect to all oil and gas wells to be drilled on oil and gas leasehold acreage held by PDC or PDC Holdings. PDC, PDC Holdings and Mountaineer Keystone are affiliates with a common parent. Mountaineer Keystone was formed to operate oil and gas leasehold acreage held by PDC, PDC Holdings and certain other affiliates. Mountaineer and gas leasehold acreage held by PDC, PDC Holdings and certain other affiliates. Mountaineer Keystone agrees that it shall, in a good and workmanlike manner and in accordance with industry standards as they prevail in the area, drill, complete and operate oil and gas wells on leasehold acreage owned by PDC or PDC Holdings from time to time as directed by PDC or PDC Holdings
- 3. No Third Party Beneficiary: This Agreement is for the benefit of the Parties and is not for the benefit of any third party.
- 4. Counterparts: This Agreement may be simultaneously executed in several counterparts and via facsimile or similar electronic transmittal, each of which shall be deemed to be an original and taken together shall constitute one and the same instrument.

[Signature Page Follows]

RECEIVED Office of Oil and Gas JAN 2 4.2018

IN WITNESS WHEREOF, Mountaineer Kcystone, PDC, and PDC Holdings have caused their duly authorized representatives to execute this Agreement as of the Effective Date.

MOUNTAINEER KEYSTONE LLC

By: Name: Lokers Title: CEO

PDC MOUNTAINEER, LLC

By: Name:

Title: Coo

PDC MOUNTAINEER HOLDINGS, LLC

By: Name: LL of Kenel

Title: CEO

RECEIVED Office of Oil and Gas

JAN 2 4 2018

Agreement to Drill, Complete and Operate Oil & Gas Wells

This Agreement to Drill, Complete and Operate Oil & Gas Wells (this "Agreement"), by and among Arsenal Resources LLC, a West Virginia limited liability company ("Arsenal"), River Ridge Energy, LLC, a Delaware limited liability company ("River Ridge"), and River Ridge Energy, Holdings, LLC, a Delaware limited liability company ("River Ridge Holdings"), is effective as of March 1, 2017. (the "Effective Date") and sets forth the terms pursuant to which Arsenal will drill, complete and operate the Wells (as defined below) on behalf of River Ridge and River Ridge Holdings. Arsenal, River Ridge, and River Ridge Holdings are each a "Party" and are collectively the "Parties". In consideration of the foregoing and the respective agreements hereinafter set forth and the mutual benefits to be derived therefrom, the Parties, intending to be legally bound, hereby agree as follows:

- 1. Term: This Agreement is effective from the Effective Date until terminated by Arsenal on the one hand or River Ridge and River Ridge Holdings on the other hand with 30 days' written notice to the other Party or Parties, as applicable (the "Term").
- 2. Authorization to Operate: River Ridge and River Holdings authorize Arsenal to undertake and perform, on River Ridge and River Ridge Holdings behalf, all operations, including without limitation permit applications, well pad preparation, drilling and completing wells, and marketing gas, oil and other hydrocarbons therefrom with respect to all oil and gas wells to be drilled on oil and gas leasehold acreage held by River Ridge or River Ridge Holdings. River Ridge, River Ridge Holdings and Arsenal are affiliates with a common parent. Arsenal was formed to operate oil and gas leasehold acreage held by River Ridge, River Ridge Holdings and certain other affiliates. Arsenal agrees that it shall, in a good and workmanlike manner and in accordance with industry standards as they prevail in the area, drill, complete and operate oil and gas wells on leasehold acreage owned by River Ridge or River Ridge Holdings from time to time as directed by River Ridge or River Ridge or River Ridge or River Ridge or River Ridge Holdings from time to time as directed by River Ridge or River Ridge Holdings from time to time as directed by River Ridge or River Ridge Holdings from time to time as directed by River Ridge or River Ridge Holdings from time to time as directed by River Ridge or River Ridge Holdings (collectively, the "Wells").
- 3. No Third Party Beneficiary: This Agreement is for the benefit of the Parties and is not for the benefit of any third party.
- 4. Counterparts: This Agreement may be simultaneously executed in several counterparts and via facsimile or similar electronic transmittal, each of which shall be deemed to be an original and taken together shall constitute one and the same instrument.

[Signature Page Follows]

RECEIVED Office of Oil and Gas

JAN .2 4 2018

IN WITNESS WHEREOF, Arsenal, River Ridge, and River Ridge Holdings have caused their duly authorized representatives to execute this Agreement as of the Effective Date.

ARSENAL RESOURCES LLC

By \sim Name: Joel E. Symonds

Title: Vice President - Land

RIVER RIDGE ENERGY, LLC

By Name: Joel E. Symonds

Title: Vice President - Land

RIVER RIDGE HOLDINGS, LLC

By Name: Joel E. Symonds

Title: Vice President - Land

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JAN 2 4 2018

West Virginia Secretary of State — Online Data Services

Business and Licensing

Online Data Services Help

Business Organization Detail

NOTICE: The West Virginia Secretary of State's Office makes every reasonable effort to ensure the accuracy of information. However, we make no representation or warranty as to the correctness or completeness of the information. If information is missing from this page, it is not in the The West Virginia Secretary of State's database.

MAR KEY LLC

Organization Information								
Org Type	Effective Date	Established Date	Filing Date	Charter	Class	Sec Туре	Termination Date	Termination Reason
LLC Limited Liability Company	7/11/2011		7/11/2011	Domestic	Profit			

Business Purpose	2111 - Mining, Quarrying, Oil & Gas Extraction - Oil and Gas Extraction - Crude Oil and Natural Gas Extraction	Capital Stock		
Charter County		Control Number	99Q1F	
Charter State	w	Excess Acres		
At Will Term	A	Member Managed	MBR	
At Will Term Years		Par Value		RECE Office of JAN

Г

Authorized Shares	47	00	1	0	33	60

Addresses	
Туре	Address
Designated Office Address	65 PROFESSIONAL PLACE SUITE 200 BRIDGEPORT, WV, 26330
Mailing Address	6031 WALLACE ROAD EXTENSION SUITE 300 WEXFORD, PA, 15090 USA
Notice of Process Address	CORPORATION SERVICE COMPANY 209 WEST WASHINGTON STREET CHARLESTON, WV, 25302
Principal Office Address	6031 WALLACE ROAD EXTENSION SUITE 300 WEXFORD, PA, 15090 USA
Туре	Address

Officers				
Туре	Name/Address			
Member	ARSENAL RESOURCES ENERGY LLC 6031 WALLACE ROAD EXTENSION SUITE 300 WEXFORD, PA, 15090			
Organizer	PAUL M HERZING 560 EPSILON DR. PITTSBURGH, PA, 15238 USA			
Туре	Name/Address			

Annual Reports	RECEIVED Office of Oil and Gas
Date filed	
	Wy Department of Environmental Protection

3/30/2017	4700103360
6/20/2016	
6/30/2015	
4/28/2014	
6/28/2013	
5/8/2012	
Date filed	

For more information, please contact the Secretary of State's Office at 304-558-8000.

Tuesday, November 28, 2017 — 9:44 AM

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People Powered. Asset Strong.



December 14, 2017

Mr. James Martin, Chief of Oil and Gas West Virginia Department of Environmental Protection 601 57th Street, SE Charleston, WV 25304

RE: Ownership of Roadways; Howdershelt Pad

Dear Mr. Martin:

In preparation of filing a permit application for the above referenced well, the Title Department of Arsenal Resources has conducted a thorough title examination in order to determine the ownership of the oil and gas underlying all roadways crossed by the proposed wells. The findings of the title examination show that some of the roadways crossed by the proposed wells are owned in fee by the West Virginia Department of Transportation, Division of Highways and that some are only right of ways. If owned in fee by the West Virginia Department of Transportation, Division of Highways, a lease covering its interest in the roadway or roadways has been properly obtained and provided in the application materials. If a right of way only, the oil and gas underlying such roadway or roadways is owned by the adjoining landowners and is also covered by the leaseholds provided in the application materials.

If you have any questions, concerns or need further information, please do not hesitate to contact me at the address listed below.

Sincerely,

Ryan Brode

Title Attorney

6031 Wallace Road Ext, Suite 300 Wexford, PA 15090 P: 724-940-1100 F-800-428-0981 www.arsenairesources.com

JAN 2 4 2018

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS <u>NOTICE CERTIFICATION</u>

Date of Notice Certification: 12-15-17

API No. 47-	A management
Operator's Well No	Howdershelt BCH 206
Well Pad Name: H	lowdershelt BCH

Notice has been given:

Pursuant to the provisions in West Virginia Code § 22-6A, the Operator has provided the required parties with the Notice Forms listed below for the tract of land as follows:

State:	West Virginia	UTM NAD 83 Easting:	597123.9
County:	Barbour	Northing	: 4339231.5
District:	Cove	Public Road Access:	CR 38
Quadrangle:	Nestorville	Generally used farm name	Howdershelt
Watershed:	Brushy Fork		

Pursuant to West Virginia Code § 22-6A-7(b), every permit application filed under this section shall be on a form as may be prescribed by the secretary, shall be verified and shall contain the following information: (14) A certification from the operator that (i) it has provided the owners of the surface described in subdivisions (1), (2) and (4), subsection (b), section ten of this article, the information required by subsections (b) and (c), section sixteen of this article; (ii) that the requirement was deemed satisfied as a result of giving the surface owner notice of entry to survey pursuant to subsection (a), section ten of this article six-a; or (iii) the notice requirements of subsection (b), section sixteen of this article were waived in writing by the surface owner; and Pursuant to West Virginia Code § 22-6A-11(b), the applicant shall tender proof of and certify to the secretary that the notice requirements of section ten of this article by the applicant.

Pursuant to West Virginia Code § 22-6A, the Operator has attached proof to this Notice Certification that the Operator has properly served the required parties with the following: *PLEASE CHECK ALL THAT APPLY	OOG OFFICE USE ONLY
□ 1. NOTICE OF SEISMIC ACTIVITY or ■ NOTICE NOT REQUIRED BECAUSE NO SEISMIC ACTIVITY WAS CONDUCTED	RECEIVED/
■ 2. NOTICE OF ENTRY FOR PLAT SURVEY or □ NO PLAT SURVEY WAS CONDUCTED	RECEIVED
□ 3. NOTICE OF INTENT TO DRILL OF INTER NOTICE NOT REQUIRED BECAUSE NOTICE OF ENTRY FOR PLAT SURVEY WAS CONDUCTED OF	RECEIVED/ NOT REQUIRED
U WRITTEN WAIVER BY SURFACE OWNER (PLEASE ATTACH)	,
4. NOTICE OF PLANNED OPERATION	RECEIVED
5. PUBLIC NOTICE	RECEIVED
■ 6. NOTICE OF APPLICATION	RECEIVED

Required Attachments:

The Operator shall attach to this Notice Certification Form all Notice Forms and Certifications of Notice that have been provided to the required parties and/or any associated written waivers. For the Public Notice, the operator shall attach a copy of the Class II Legal Advertisement with publication date verification or the associated Affidavit of Publication. The attached Notice Forms and Certifications of Notice shall serve as proof that the required parties have been noticed as required under West Virginia Code § 22-6A. Pursuant to West Virginia Code § 22-6A-11(b), the Certification of Notice to the person may be made by affidavit of personal serves, the return receipt card or other postal receipt for certified mailing.

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WW-6AC (1/12)

Certification of Notice is hereby given:

THEREFORE, I William Veigel

, have read and understand the notice requirements within West Virginia Code § 22-6A. I certify that as required under West Virginia Code § 22-6A, I have served the attached copies of the Notice Forms, identified above, to the required parties through personal service, by registered mail or by any method of delivery that requires a receipt or signature confirmation. I certify under penalty of law that I have personally examined and am familiar with the information submitted in this Notice Certification and all attachments, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Well Operator:	Arsenal Resources	Address:	6031 Wallace Road Extension, Suite 300
By:	William Veigel Musul		Wexford, PA 15090
Its:	Designated Agent	Facsimile:	304-848-9134
Telephone:	724-940-1218	Email:	kdavis@arsenalresources.com
	NOTARY SEAL SOTATE OF WE' "HIGHNA GAROLINDA STANAGAN ADRIVE	Subscribed and swg	alle la

Oil and Gas Privacy Notice:

Umberoni W. 2015 Vir Commission Expires September 15, 2021

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use or your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wy.gov.

RECEIVED Office of Oil and Gas

JAN 2 4 2018

APINO. 47- 47.00 103360

OPERATOR WELL NO. Howdershelt BCH 200 Well Pad Name: Howdershelt BCH

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF APPLICATION

Notice Time Requirement: notice shall be provided no later than the filing date of permit application.

Date of Notice: <u>2-15-17</u> Date Permit Application Filed: <u>1-23-18</u>					
Notice of:					
PERMIT FOR ANY	CERTIFICATE OF APPROVAL FOR				

PERMIT FOR ANY	CERTIFICATE OF APPROVAL FOR THE
WELL WORK	CONSTRUCTION OF AN IMPOUNDMENT OR PIT

Delivery method pursuant to West Virginia Code § 22-6A-10(b)

PERSONAL	REGISTERED	METHOD OF DELIVERY THAT REQUIRES A
SERVICE	MAIL	RECEIPT OR SIGNATURE CONFIRMATION

Pursuant to W. Va. Code § 22-6A-10(b) no later than the filing date of the application, the applicant for a permit for any well work or for a certificate of approval for the construction of an impoundment or pit as required by this article shall deliver, by personal service or by registered mail or by any method of delivery that requires a receipt or signature confirmation, copies of the application, the erosion and sediment control plan required by section seven of this article, and the well plat to each of the following persons: (1) The owners of record of the surface of the tract on which the well is or is proposed to be located; (2) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed well work, if the surface tract is to be used for roads or other land disturbance as described in the crosion and sediment control plan submitted pursuant to subsection (c), section seven of this article; (3) The coal owner, operator or lessee, in the event the tract of land on which the well proposed to be drilled is located [sic] is known to be underlain by one or more coal seams; (4) The owners of record of the surface tract or tracts overlying the oil and gas leasehold being developed by the proposed well work, if the surface tract is to be used for the placement, construction, enlargement, alteration, repair, removal or abandonment of any impoundment or pit as described in section nine of this article; (5) Any surface owner or water purveyor who is known to the applicant to have a water well, spring or water supply source located within one thousand five hundred feet of the center of the well pad which is used to provide water for consumption by humans or domestic animals; and (6) The operator of any natural gas storage field within which the proposed well work activity is to take place. (c)(1) If more than three tenants in common or other co-owners of interests described in subsection (b) of this section hold interests in the lands, the applicant may serve the documents required upon the person described in the records of the sheriff required to be maintained pursuant to section eight, article one, chapter eleven-a of this code. (2) Notwithstanding any provision of this article to the contrary, notice to a lien holder is not notice to a landowner, unless the lien holder is the landowner. W. Va. Code R. § 35-8-5.7, a requires, in part, that the operator shall also provide the Well Site Safety Plan ("WSSP") to the surface owner and any water purveyor or surface owner subject to notice and water testing as provided in section 15 of this rule.

Application Notice WSSP Notice E&S Plan Notice Well Plat Notice is hereby provided to:

SURFACE OWNER(s)	COAL OWNER OR LESSEE
Name: Melvin and Renee Howdershelt	Name: See Attached
Address: 306 Stony Run Road	Address:
Moatsville, WV 26405	
Name:	COAL OPERATOR
Address:	Name:
	Address:
SURFACE OWNER(s) (Road and/or Other Disturbance)	
Name: Melvin and Renee Howdershelt	SURFACE OWNER OF WATER WELL
Address: 306 Stony Run Road	AND/OR WATER PURVEYOR(s)
Moatsville, WV 26405	Name: See Attached
Name:	Address:
Address:	
	OPERATOR OF ANY NATURAL GAS STORAGE FIELD
□ SURFACE OWNER(s) (Impoundments or Pits)	Name:
Name:	Address:
Address:	
	*Please attach additional forms if necessary

RECEIVED Office of Oil and Gas

JAN 2 4 2018

4700 103360 APLNO. 47-

OPERATOR WELL NO. Howdershelt BCH 200 Well Pad Name: Howdershelt BCH

Notice is hereby given:

Pursuant to West Virginia Code § 22-6A-10(b), notice is hereby given that the undersigned well operator has applied for a permit for well work or for a certificate of approval for the construction of an impoundment or pit.

This Notice Shall Include:

Pursuant to W. Va. Code § 22-6A-10(b), this notice shall include: (1) copies of the application; (2) the erosion and sediment control plan required by section seven of this article; and (3) the well plat.

Pursuant to W. Va. Code § 22-6A-10(f), this notice shall include: (1) a statement of the time limits for filing written comments; (2) who may file written comments; (3) the name and address of the secretary for the purpose of filing the comments and obtaining additional information; and (4) a statement that the persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

Pursuant to W. Va. Code R. § 35-8-5.7.a, the operator shall provide the Well Site Safety Plan to the surface owner and any water purveyor or surface owner subject to notice and water testing as provided in section 15 of this rule.

Pursuant to W. Va. Code R. § 35-8-15.2.c, this notice shall: (1) contain a statement of the surface owner's and water purveyor's right to request sampling and analysis; (2) advise the surface owner and water purveyor of the rebuttable presumption for contamination or deprivation of a fresh water source or supply; advise the surface owner and water purveyor that refusal to allow the operator to conduct a pre-drilling water well test constitutes a method to rebut the presumption of liability; (3) advise the surface owner and water purveyor of his or her independent right to sample and analyze any water supply at his or her own expense; advise the surface owner and water purveyor whether or not the operator will utilize an independent laboratory to analyze any sample; and (4) advise the surface owner and or water purveyor that he or she can obtain from the Chief a list of water testing laboratories in the subject area capable of and qualified to test water supplies in accordance with standard acceptable methods.

Additional information related to horizontal drilling may be obtained from the Secretary, at the WV Department of Environmental Protection headquarters, located at 601 57th Street, SE, Charleston, WV 25304 (304-926-0450) or by visiting <u>www.dep.wv.gov/oil-and-gas/pages/default.aspx</u>.

Well Location Restrictions

Pursuant to W. Va. Code § 22-6A-12, Wells may not be drilled within two hundred fifty feet measured horizontally from any existing water well or developed spring used for human or domestic animal consumption. The center of well pads may not be located within six hundred twenty-five feet of an occupied dwelling structure, or a building two thousand five hundred square feet or larger used to house or shelter dairy cattle or poultry husbandry. This limitation is applicable to those wells, developed springs, dwellings or agricultural buildings that existed on the date a notice to the surface owner of planned entry for surveying or staking as provided in section ten of this article or a notice of intent to drill a horizontal well as provided in subsection (b), section sixteen of this article was provided, whichever occurs first, and to any dwelling under construction prior to that date. This limitation may be waived by written consent of the surface owner transmitted to the department and recorded in the real property records maintained by the clerk of the county commission for the county in which such property is located. Furthermore, the well operator may be granted a variance by the secretary from these distance restrictions upon submission of a plan which identifies the sufficient measures, facilities or practices to be employed during well site construction, drilling and operations. The variance, if granted, shall include terms and conditions the department requires to ensure the safety and protection of affected persons and property. The terms and conditions may include insurance, bonding and indemnification, as well as technical requirements. (b) No well pad may be prepared or well drilled within one hundred feet measured horizontally from any perennial stream, natural or artificial lake, pond or reservoir, or a wetland, or within three hundred feet of a naturally reproducing trout stream. No well pad may be located within one thousand feet of a surface or ground water intake of a public water supply. The distance from the public water supply as identified by the department shall be measured as follows: (1) For a surface water intake on a lake or reservoir, the distance shall be measured from the boundary of the lake or reservoir. (2) For a surface water intake on a flowing stream, the distance shall be measured from a semicircular radius extending upstream of the surface water intake. (3) For a groundwater source, the distance shall be measured from the wellhead or spring. The department may, in its discretion, waive these distance restrictions upon submission of a plan identifying sufficient measures, facilities or practices to be employed during well site construction, drilling and operations to protect the waters of the state. A waiver, if granted, shall impose any permit conditions as the secretary considers necessary. (c) Notwithstanding the foregoing provisions of this section, nothing contained in this section prevents an operator from conducting the activities permitted or authorized by a Clean Water Act Section 404 permit or other approval from the United States Army Corps of Engineers within any waters of the state or within the restricted areas referenced in this section. (d) The well location restrictions set forth in this section shall not apply to any well on a multiple well pad if at least one of the wells was permitted prior to the effective date of this article. (e) The secretary shall, by December 31, 2012, report to the one Legislature on the noise, light, dust and volatile organic compounds generated by the drilling of horizontal wells as they relate to the well location restrictions regarding occupied dwelling structures pursuant to this section. Upon a finding, if any, by the secretary that § the well location restrictions regarding occupied dwelling structures are inadequate or otherwise require alteration to address the items



examined in the study required by this subsection, the secretary shall have the authority to propose for promulgation legislative rules establishing guidelines and procedures regarding reasonable levels of noise, light, dust and volatile organic compounds relating to drilling horizontal wells, including reasonable means of mitigating such factors, if necessary.

Water Well Testing:

Pursuant to West Virginia Code § 22-6A-10(d), notification shall be made, with respect to surface landowners identified in subsection (b) or water purveyors identified in subdivision (5), subsection (b) of this section, of the opportunity for testing their water well. The operator shall provide an analysis to such surface landowner or water purveyor at their request.

Water Testing Laboratories:

Pursuant to West Virginia Code § 22-6A-10(i), persons entitled to notice pursuant to subsection (b) of this section may contact the department to ascertain the names and locations of water testing laboratories in the subject area capable and qualified to test water supplies in accordance with standard accepted methods. In compiling that list of names the department shall consult with the state Bureau for Public Health and local health departments. A surface owner and water purveyor has an independent right to sample and analyze any water supply at his or her own expense. The laboratory utilized by the operator shall be approved by the agency as being certified and capable of performing sample analyses in accordance with this section.

Rebuttable Presumption for Contamination or Deprivation of a Fresh Water Source or Supply:

W. Va. Code § 22-6A-18 requires that (b) unless rebutted by one of the defenses established in subsection (c) of this section, in any action for contamination or deprivation of a fresh water source or supply within one thousand five hundred feet of the center of the well pad for horizontal well, there is a rebuttable presumption that the drilling and the oil or gas well or either was the proximate cause of the contamination or deprivation of the fresh water source or supply. (c) In order to rebut the presumption of liability established in subsection (b) of this section, the operator must prove by a preponderance of the evidence one of the following defenses: (1) The pollution existed prior to the drilling or alteration activity as determined by a predrilling or prealteration water well test. (2) The landowner or water purveyor refused to allow the operator access to the property to conduct a predrilling or prealteration water well test. (3) The water supply is not within one thousand five hundred feet of the well. (4) The pollution occurred more than six months after completion of drilling or alteration activities. (5) The pollution occurred as the result of some cause other than the drilling or alteration activity. (d) Any operator electing to preserve its defenses under subdivision (1), subsection (c) of this section shall retain the services of an independent certified laboratory to conduct the predrilling or prealteration water well test. A copy of the results of the test shall be submitted to the department and the surface owner or water purveyor in a manner prescribed by the secretary. (e) Any operator shall replace the water supply of an owner of interest in real property who obtains all or part of that owner's supply of water for domestic, agricultural, industrial or other legitimate use from an underground or surface source with a comparable water supply where the secretary determines that the water supply has been affected by contamination, diminution or interruption proximately caused by the oil or gas operation, unless waived in writing by that owner. (f) The secretary may order the operator conducting the oil or gas operation to: (1) Provide an emergency drinking water supply within twenty-four hours; (2) Provide temporary water supply within seventy-two hours; (3) Within thirty days begin activities to establish a permanent water supply or submit a proposal to the secretary outlining the measures and timetables to be used in establishing a permanent supply. The total time in providing a permanent water supply may not exceed two years. If the operator demonstrates that providing a permanent replacement water supply cannot be completed within two years, the secretary may extend the time frame on case-by-case basis; and (4) Pay all reasonable costs incurred by the real property owner in securing a water supply. (g) A person as described in subsection (b) of this section aggrieved under the provisions of subsections (b), (e) or (f) of this section may seek relief in court... (i) Notwithstanding the denial of the operator of responsibility for the damage to the real property owner's water supply or the status of any appeal on determination of liability for the damage to the real property owner's water supply, the operator may not discontinue providing the required water service until authorized to do so by the secretary or a court of competent jurisdiction.

Written Comment:

Pursuant to West Virginia Code § 22-6A-11(a), all persons described in subsection (b), section ten of this article may file written comments with the secretary as to the location or construction of the applicant's proposed well work within thirty days after the application is filed with the secretary. All persons described in West Virginia Code § 22-6A-10(b) may file written comments as to the location or construction of the applicant's proposed well work to the Secretary at:

Chief, Office of Oil and Gas Department of Environmental Protection 601 57th St. SE Charleston, WV 25304 (304) 926-0450

Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water. NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT.

JAN 2 4 2018 WV Department of WV USPAILING OF

4700 103360 APINO. 47-

OPERATOR WELL NO. Howdershelt BCH 206 Well Pad Name: Howdershelt BCH

Time Limits and Methods for Filing Comments.

The law requires these materials to be served on or before the date the operator files its Application. You have **THIRTY (30) DAYS** after the filing date to file your comments. Comments must be filed in person or received in the mail by the Chief's office by the time stated above. You may call the Chief's office to be sure of the date. Check with your postmaster to ensure adequate delivery time or to arrange special expedited handling. If you have been contacted by the well operator and you have signed a "voluntary statement of no objection" to the planned work described in these materials, then the permit may be issued at any time.

Pursuant to West Virginia Code § 22-6A-11(c)(2), Any objections of the affected coal operators and coal seam owners and lessees shall be addressed through the processes and procedures that exist under sections fifteen, seventeen and forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article. The written comments filed by the parties entitled to notice under subdivisions (1), (2), (4), (5) and (6), subsection (b), section ten of this article shall be considered by the secretary in the permit issuance process, but the parties are not entitled to participate in the processes and proceedings that exist under sections fifteen, seventeen or forty, article six of this chapter, as applicable and as incorporated into this article by section five of this article.

Comment Requirements

Your comments must be in writing and include your name, address and telephone number, the well operator's name and well number and the approximate location of the proposed well site including district and county from the application. You may add other documents, such as sketches, maps or photographs to support your comments.

Disclaimer: All comments received will be placed on our web site http://www.dep.wv.gov/oil-and-gas/Horizontal-

<u>Permits/Pages/default.aspx</u> and the applicant will automatically be forwarded an email notice that such comments have been submitted. The applicant will be expected to provide a response to comments submitted by any surface owner, water purveyor or natural gas storage operator noticed within the application.

Permit Denial or Condition

The Chief has the power to deny or condition a well work permit. Pursuant to West Virginia Code § 22-6A-8(d), the permit may not be issued or be conditioned, including conditions with respect to the location of the well and access roads prior to issuance if the director determines that:

- (1) The proposed well work will constitute a hazard to the safety of persons;
- (2) The plan for soil erosion and sediment control is not adequate or effective;
- (3) Damage would occur to publicly owned lands or resources; or
- (4) The proposed well work fails to protect fresh water sources or supplies.

A permit may also be denied under West Virginia Code § 22-6A-7(k), the secretary shall deny the issuance of a permit if the secretary determines that the applicant has committed a substantial violation of a previously issued permit for a horizontal well, including the applicable erosion and sediment control plan associated with the previously issued permit, or a substantial violation of one or more of the rules promulgated under this article, and in each instance has failed to abate or seek review of the violation within the time prescribed by the secretary pursuant to the provisions of subdivisions (1) and (2), subsection (a), section five of this article and the rules promulgated hereunder, which time may not be unreasonable.

Pursuant to West Virginia Code § 22-6A-10(g), any person entitled to submit written comments to the secretary pursuant to subsection (a), section eleven of this article, shall also be entitled to receive from the secretary a copy of the permit as issued or a copy of the order modifying or denying the permit if the person requests receipt of them as a part of the written comments submitted concerning the permit application. Such persons may request, at the time of submitting written comments, notice of the permit decision and a list of persons qualified to test water.

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JAN 2 4 2018

API NO. 47-4700 103360

OPERATOR WELL NO. Howdershelt BCH 206 Well Pad Name: Howdershelt BCH

	ereby given by: tor:Arsenal Resources	utusik
Telephone:	724-940-1218	
Email: kdavis	@arsenalresources.com	-

 Address: 6031 Wallace Road Extension, Suite 300

 Wexford, PA

 15090

 Facsimile:

 304-848-9134

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use or your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.

NOTARY PUBLIC STATE OF WEST VIRGINA CAROLINDA FLANAGAN PO Box 603 Lumbaron WV 26336 My Commission Expires 9/15/2021	December 2017 D Notary Public
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JAN 2 4 2018

4700 + 03360

Howdershelt BCH

Drill Site (Surface)

Melvin & Renee Howdershelt 306 Stony Run Road Moatsville, WV 26405

Road (Surface)

Melvin & Renee Howdershelt 306 Stony Run Road Moatsville, WV 26405

Drill Site – Coal

Melvin & Renee Howdershelt 306 Stony Run Road Moatsville, WV 26405

Blackhawk Land and Resources, LLC ¹ 3328 Summit Square Place, Suite 180 Lexington, KY 40509

Drill Site – Oil & Gas

Melvin & Renee Howdershelt 306 Stony Run Road Moatsville, WV 26405

Water Purveyors

Melvin & Renee Howdershelt 306 Stony Run Road Moatsville, WV 26405

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JAN 2 4 2018

Bradley & Desiree Howdershelt 2527 Mountaineer Road Moatsville, WV 26405

Eric V. Howdershelt c/o Adam & Jessica McLean 2469 Mountaineer Road Moatsville, WV 26405

Glenn J. Moore et ux / 2781 Mountaineer Road Moatsville, WV 26405

Ira G. & Carol Hovatter / 1838 Kasson Road Moatsville, WV 26405

New Hope Valley Church RR 2 Box 87C Philippi, WV 26416

William Thomas Owens 2851 Mountaineer Road Moatsville, WV 26405

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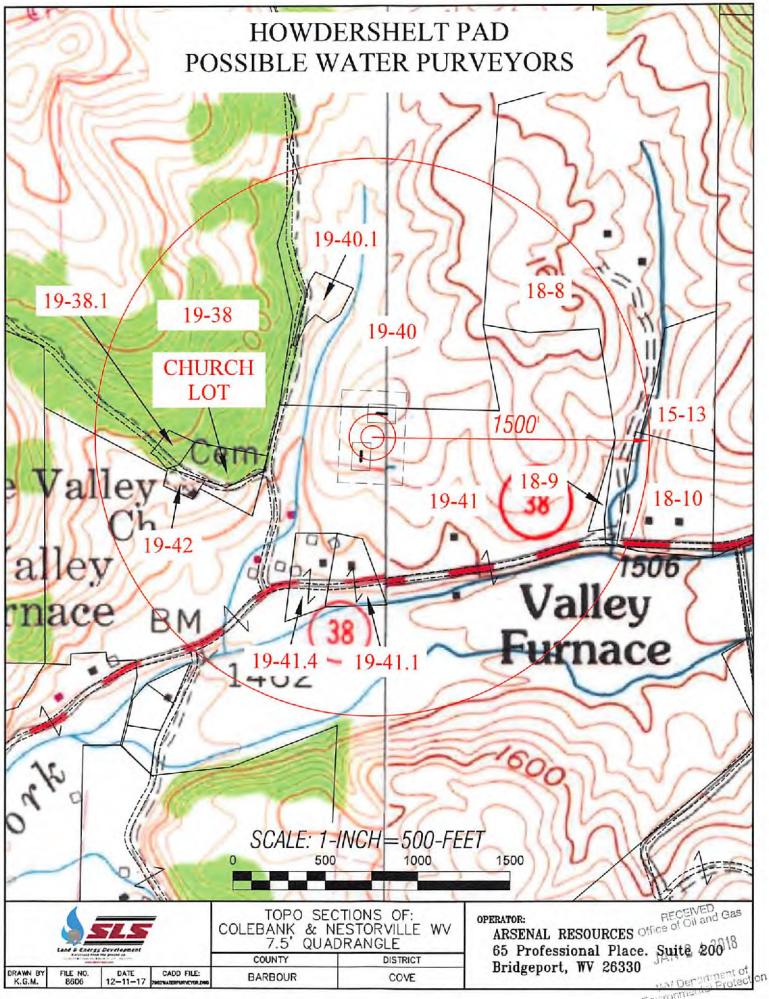
JAN 2 4 2018



Possible Water Purveyors within 1,500 feet of Howdershelt Pad

MAP	PARCEL	OWNER	IN CARE OF	ADDRESS
15	13	MOORE J GLENN ET UX		2781 MOUNTAINEER RD , MOATSVILLE , WV 26405
18	8	MOORE J GLENN		2781 MOUNTAINEER RD , MOATSVILLE , WV 26405
18	9	OWENS THOMAS WILLIAM		2851 MOUNTAINEER RD , MOATSVILLE , WV 26405
18	10	OWENS THOMAS WILLIAM		2851 MOUNTAINEER RD , MOATSVILLE , WV 26405
19	38	HOVATTER IRA G & CAROL HWS (TOD)		1838 KASSON RD , MOATSVILLE , WV 26405
19	38.1	NEW HOPE VALLEY UM CHURCH		, xx , xx
19	40	HOWDERSHELT LIVING TRUST MELVIN & GRACE HOWDERSHELT	TRUSTEES	306 STONY RN , MOATSVILLE , WV 26405
19	40.1	HOWDERSHELT LIVING TRUST MELVIN & RENEE HOWDERSHELT	TRUSTEES	3D6 STONY RN , MOATSVILLE , WV 26405
19	41	HOWDERSHELT LIVING TRUST MELVIN & RENEE HOWDERSHELT	TRUSTEES	306 STONY RN , MOATSVILLE , WV 26405
19	41.1	HOWDERSHELT BRADLEY & DESIREE W5		2527 MOUNTAINEER RD , MOATSVILLE , WV 26405
19	41.4	HOWDERSHELT V ERIC	C/O ADAM & JESSICA MCLEAN WS	2469 MOUNTAINEER RD , MOATSVILLE , WV 26405
19	42	NEW HOPE VALLEY CHURCH		RR , PHILIPPI , WV 25416

Office of Oil and Gas JAN 242018 WN Desatment of Environmental richard



Environmen

WW-6A3 (1/12)

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS <u>NOTICE OF ENTRY FOR PLAT SURVEY</u>

Notice Time Requirement: Notice shall be provided at least SEVEN (7) days but no more than FORTY-FIVE (45) days prior to entry Date of Notice: 6-8-17 Date of Planned Entry: 6-15-17

Delivery method pursuant to West Virginia Code § 22-6A-10a

PERSONAL	REGISTERED	• 1	METHOD OF DELIVERY THAT REQUIRES A
SERVICE	MAIL	F	RECEIPT OR SIGNATURE CONFIRMATION

Pursuant to West Virginia Code § 22-6A-10(a), Prior to filing a permit application, the operator shall provide notice of planned entry on to the surface tract to conduct any plat surveys required pursuant to this article. Such notice shall be provided at least seven days but no more than forty-five days prior to such entry to: (1) The surface owner of such tract; (2) to any owner or lessee of coal seams beneath such tract that has filed a declaration pursuant to section thirty-six, article six, chapter twenty-two of this code; and (3) any owner of minerals underlying such tract in the county tax records. The notice shall include a statement that copies of the state Erosion and Sediment Control Manual and the statutes and rules related to oil and gas exploration and production may be obtained from the Secretary, which statement shall include contact information, including the address for a web page on the Secretary's web site, to enable the surface owner to obtain copies from the secretary.

Notice is hereby provided to:

SURFACE OWNER(s) COAL OWNER OR LESSEE		
Name: Melvin and Renee Howdershelt	Name: See Attached	
Address: 306 Stony Run Road	Address:	
Moatsville, WV 26405		
Name:		
Address:	MINERAL OWNER(s)	
	Name: Melvin and Renee Howdershelt	
Name:	Address: 306 Stony Run Road	
Address:	Moatsville, WV 26405	
	*please attach additional forms if necessary	

Notice is hereby given:

Pursuant to West Virginia Code § 22-6A-10(a), notice is hereby given that the undersigned well operator is planning entry to conduct a plat survey on the tract of land as follows:

State:	West Virginia	Approx. Latitude & Longitude:	39.197459, -79.764113	
County:	Barbour	Public Road Access:	CR 38	
District:	Cove	Watershed:	Brushy Fork	
Quadrangle:	Nestorville	Generally used farm name:	Howdershelt	

Copies of the state Erosion and Sediment Control Manual and the statutes and rules related to oil and gas exploration and production may be obtained from the Secretary, at the WV Department of Environmental Protection headquarters, located at 601 57th Street, SE, Charleston, WV 25304 (304-926-0450). Copies of such documents or additional information related to horizontal drilling may be obtained from the Secretary by visiting <u>www.dep.wv.gov/oil-and-gas/pages/default.aspx</u>.

Notice is hereby given by:

Well Operator:	Arsenal Resources	Address:	6031 Wallace Road Extension, Suite 300	
Telephone:	724-940-1218		Wexford, PA 15090	
Email:	kdavis@arsenalresources.com	Facsimile:	304-848-9134	

Oil and Gas Privacy Notice:

The Office of Oil and Gas processes your personal information, such as name, address and telephone number, as part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal course of business of as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests of office will appropriately secure your personal information. If you have any questions about our use or your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov.

Howdershelt BCH Attachment for Notice of Entry for Plat Survey

Drill Site – Coal

Melvin & Renee Howdershelt 306 Stony Run Road Moatsville, WV 26405

Blackhawk Land and Resources, LLC 3328 Summit Square Place, Suite 180 Lexington, KY 40509

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JAN 2 4 2018

WW-6A5 (1/12)

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Operator Well No. Howdershelt BCH 206

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE OF PLANNED OPERATION

Notice Time Requirement: notice shall be provided no later than the filing date of permit application. Date of Notice: 12 - 15 - 17 Date Permit Application Filed: 1 - 23 - 18

Delivery method pursuant to West Virginia Code § 22-6A-16(c)

CERTIFIED MAIL	HAND
RETURN RECEIPT REQUESTED	DELIVERY

Pursuant to W. Va. Code § 22-6A-16(c), no later than the date for filing the permit application, an operator shall, by certified mail return receipt requested or hand delivery, give the surface owner whose land will be used for the drilling of a horizontal well notice of the planned operation. The notice required by this subsection shall include: (1) A copy of this code section; (2) The information required to be provided by subsection (b), section ten of this article to a surface owner whose land will be used in conjunction with the drilling of a horizontal well; and (3) A proposed surface use and compensation agreement containing an offer of compensation for damages to the surface affected by oil and gas operations to the extent the damages are compensable under article six-b of this chapter. (d) The notices required by this section shall be given to the surface owner at the address listed in the records of the sheriff at the time of notice.

Notice is hereby provided to the SURFACE OWNER(s)

(at the address listed in the records of the sheriff at the time of notice):

Name: Melvin and Renee Howdershelt	Name:
Address: 306 Stony Run Road	Address:
Moatsville, WV 26405	

Notice is hereby given:

Pursuant to West Virginia Code § 22-6A-16(c), notice is hereby given that the undersigned well operator has developed a planned operation on the surface owner's land for the purpose of drilling a horizontal well on the tract of land as follows:

State:	West Virginia	UTM NAD 83 Easting	597123.9
County:	Barbour	Northin	ng: 4339231.5
District:	Cove	Public Road Access:	GR 38
Quadrangle:	Nestorville	Generally used farm nam	e: Howdershelt
Watershed:	Brushy Fork		V A To share share

This Notice Shall Include:

Pursuant to West Virginia Code § 22-6A-16(c), this notice shall include: (1)A copy of this code section; (2) The information required to be provided by W. Va. Code § 22-6A-10(b) to a surface owner whose land will be used in conjunction with the drilling of a horizontal well; and (3) A proposed surface use and compensation agreement containing an offer of compensation for damages to the surface affected by oil and gas operations to the extent the damages are compensable under article six-b of this chapter. Additional information related to horizontal drilling may be obtained from the Secretary, at the WV Department of Environmental Protection headquarters, located at 601 57th Street, SE, Charleston, WV 25304 (304-926-0450) or by visiting <u>www.dep.wv.gov/oil-and-gas/pages/default.aspx</u>.

Well Operator:	Arsenal Resources	Address:	8031 Wallace Road Extension, Suite 300	
Telephone:	724-940-1218		Wexford, PA 15090	
Email:	kdavis@arsenalresources.com	Facsimile:	304-848-9134	

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JAN 2 4 2018



WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

Division of Highways

1900 Kanawha Boulevard East • Building Five • Room 110 Charleston, West Virginia 25305-0430 • (304) 558-3505

May 23, 2018

Thomas J. Smith, P. E. Secretary of Transportation/ Commissioner of Highways

> Jill M. Newman Deputy Commissioner

James A. Martin, Chief Office of Oil and Gas Department of Environmental Protection 601 57th Street, SE Charleston, WV 25304

Subject: DOH Permit for the Howdershelt Pad and Tank Site, Barbour County

Howdershelt BCH 206 Well Site

Dear Mr. Martin,

The West Virginia Division of Highways has issued Permits #07-2018-0253 & 07-2018-0252 for the subject site to ARSENAL Resources for access to the State Road for the well site located off of WV Route 38 in Barbour County.

The operator has signed a DISTRICT WIDE OIL AND GAS ROAD MAINTENANCE BONDING AGREEMENT for DOH District 7 and provided the required Bond. This operator is currently in compliance with the DOH OIL AND GAS POLICY dated January 3, 2012.

Very Truly Yours,

Dary K. Clayton

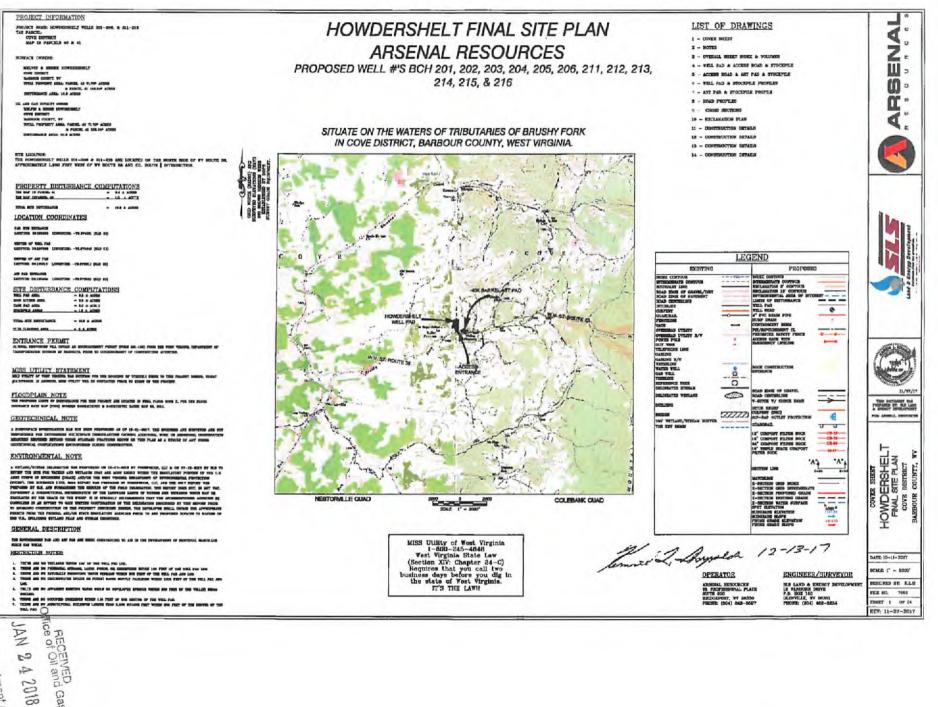
Gary K. Clayton Regional Maintenance Engineer Central Office Oil &Gas Coordinator

Cc: Kelly Davis ARSENAL Resources CH, OM, D-7 File

Howdershelt 206				
FRACTURING ADDITIVES				
	PURPOSE	TRADE NAME	CAS #	
Additive #1:	Friction Reducer	WFRA-405	Proprietary	
Additive #2:	Scale Inhibitor	SI-1000	7440-21-3	
Additive #3:	Biocide	BIOCLEAR 2000	25314-61-8	
Additive #4:	Gelling Agent	LGC-15	9000-30-0	
Additive #5:	Corrosion Inhibitor	AI-300	111-76-2	
Additive #6:	Gel Breaker	AP-One	7727-54-0	
Additive #7:	Acid	HCI - 7.5%	7647-01-0	

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JAN 2 4 2018



WV Department of Environmental Protect

Gas

