

Office of Oil and Gas 601 57th Street Charleston, WV 25304 (304) 926-0450 fax: (304) 926-0452 Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

January 2, 2014

The Honorable Jeffrey V. Kessler Senate President Building 1, Room 227M State Capitol Complex Charleston, WV 25305 The Honorable Tim Miley Speaker of the House of Delegates Building 1, Room 228M State Capitol Complex Charleston, WV 25305

Dear President Kessler and Speaker Miley:

Enclosed with this letter of transmittal is the West Virginia Department of Environmental Protection's (DEP's) 2013 Waiver Report pursuant to W.Va. Code § 22-6A-2(a)(6). Should you have any questions or require additional information, please do not hesitate to contact me at 304-926-0450.

Sincerely,

James A. Martin

Chief

Enclosures



Office of Oil and Gas 601 57th Street, S.E. Charleston, WV 25304 (304) 926-0450 fax: (304) 926-0452 Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

January 2, 2014

2013 Waiver Report

Pursuant to W. Va. Code§ 22-6A-2(a)(6), commencing on January 1, 2013 and each year thereafter, the Office of Oil and Gas shall submit to the Legislature a written report of the number of waivers of certain minimum requirements of Chapter 22, Article 6A granted by the Secretary during the preceding year. During the 2013 calendar year, the Office of Oil and Gas granted six (6) waivers from the site restriction requirements of W. Va. Code § 22-6A-12(b), which states:

No well pad may be prepared or well drilled within one hundred feet measured horizontally from any perennial stream...or a wetland... 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.

Copies of the Orders granting the waivers are attached.

Thus submitted, the 2nd day of January 2014.

IN THE NAME OF THE STATE OF WEST VIRGINIA:

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

JAMES A. MARTIN, CHIEF

FILE COPY



west virginia department of environmental protection

Office of Oil and Gas 601 57th Street Charleston, WV 25304 (304) 926-0450 fax (304) 926-0452 Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

ORDER ISSUED UNDER WEST VIRGINIA CODE, CHAPTER 22, ARTICLE 6

TO: PDC Mountaineer, LLC

120 Genesis Boulevard, P.O. Box 26

Bridgeport, West Virginia 26330

DATE: April 23, 2013

ORDER NO.: 2013-W-1

INTRODUCTION

This Order (hereinafter "Order") is issued by the Office of Oil and Gas (hereinafter "OOG"), by and through its Chief, pursuant to the authority of W. Va. Code §§ 22-1-1, 22-6-1 and 22-6A-1 et seq. to PDC Mountaineer, LLC (hereinafter "PDC" or "Operator"), collectively the "Parties."

FINDINGS OF FACT

- 1. OOG, an office within the West Virginia Department of Environmental Protection, is the agency with the duty and authority to execute and enforce W. Va. Code § 22-6-1 et seq., and the rules and regulations promulgated thereunder.
- 2. PDC is a "person" as defined by W. Va. Code § 22-6-1(n), with an official address registered with OOG as 120 Genesis Boulevard, P.O. Box 26, Bridgeport, WV, 26330.
- On December 21, 2012, PDC submitted applications for gas wells identified as API #s 47-091-01278, 47-091-01279, 47-091-01280, and 47-091-01281, also known as the Armstrong 1HM, 2HM, 3HM, and 4HM wells, located on the Armstrong-Reynolds Pad in Taylor County, West Virginia.
- 4. On December 21, 2012, PDC requested a waiver for wetlands 3, 5, 6 and 8, outlined in Exhibit 1, from well location restriction requirements in W. Va. Code § 22-6A-12(b) for a gas well permit applications identified as API #s 47-091-01278, 47-091-01279, 47-091-01280, and 47-091-01281, also known as the Armstrong 1HM, 2HM, 3HM, and 4HM wells, located on the Armstrong-Reynolds Pad in Taylor County, West Virginia.

- 1. West Virginia Code § 22-1-6(d) requires, in part, that "[i]n addition to other powers, duties and responsibilities granted and assigned to the secretary by this chapter, the secretary is authorized and empowered to...(3) Enter private lands to make surveys and inspections for environmental protection purposes; to investigate for violations of statutes or rules which the Office of Oil and Gas is charged with enforcing; to serve and execute warrants and processes; to make arrests; issue orders, which for the purposes of this chapter include consent agreements; and to otherwise enforce the statutes or rules which the Office of Oil and Gas is charged with enforcing"
- 2. West Virginia Code § 22-6A-2(a)(6) requires, in part, that "[c]oncomitant with the broad powers to condition the issuance of well work permits, the secretary should also have broad authority to waive certain minimum requirements of this article when, in his or her discretion, such waiver is appropriate: *Provided*, That the secretary shall submit a written report of the number of waivers granted to the Legislature commencing January 1, 2013, and each year thereafter;"
- 3. West Virginia Code § 22-6A-12(b) requires, in part, that "[n]o 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 wellpad 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 Office of Oil and Gas 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 Office of Oil and Gas 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."

Therefore, the Office of Oil and Gas grants PDC Mountaineer, LLC a waiver for wetlands 3, 5, 6 and 8 from well location restriction requirements in W. Va. Code § 22-6A-12(b) for gas well permit applications identified as API #s 47-091-01278, 47-091-01279, 47-091-01280, and 47-091-01281, also known as the Armstrong 1HM, 2HM, 3HM, and 4HM wells, located on the Armstrong-Reynolds Pad in Taylor County, West Virginia. The Office of Oil and Gas hereby **ORDERS** that PDC Mountaineer, LLC shall meet the following site construction and operational requirements for the Ridenour well pad:

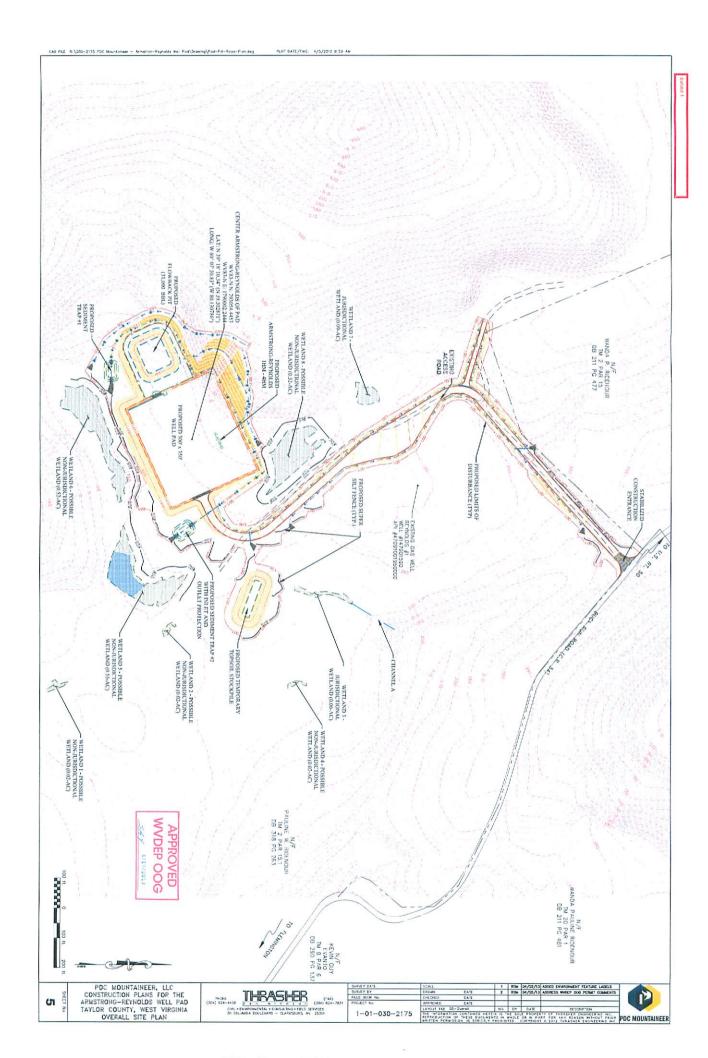
- 1. A berm shall be constructed around the perimeter of the pad to contain any potential spills and storm water runoff. Berm is to be at least 2.5 feet in height;
- Filter/silt socks and erosion control blankets shall be installed on all slopes and down gradient locations of the pad and topsoil pile areas as erosion and sediment controlling BMPs;
- 3. Wetland 8 shall have super silt fence installed around its entire 20' wetland buffer;
- 4. Wetlands 5 and 6 shall have double layer super silt fences installed at the northern boundary of the wetland buffer and two sediment traps shall be installed north of the wetland buffer, such sediment traps shall be no more than 25% full of sediment at any given time;
- 5. Disturbed areas not used for operations shall be seeded and mulched per the seeding tables in the WVDEP-OOG Erosion and Sediment Control Manual;
- 6. A drill rig matting and liner system shall be utilized during drilling and completion operations. Liner consists of 40 mil HDPE plastic underlain by felt pad and small pea size gravel;
- 7. Drill cuttings shall be handled by a closed loop system via a conveyor belt and sent to an offsite disposal at a landfill permitted by the State of WV;
- 8. Drilling muds shall be disposed of in a permitted landfill;
- 9. Waste generated by the flowback treatment systems shall be sent to offsite disposal at a permitted landfill;
- 10. Weekly site inspections shall be conducted to monitor and maintain the integrity of the wetland fencing and BMP storm water controls;
- 11. Weekly storm water and spill prevention inspections shall be conducted focusing on storm water and spill prevention BMPs and maintenance of these BMPs;
- 12. Inspections of the storm water and spill prevention measures shall be conducted after any major storm event defined as a half inch (½") rain within any twenty-four (24) hour period;
- 13. Pad inspections shall be conducted no less than once a week to identify and mitigate potential deficiencies; and
- 14. All records from inspections shall be maintained on site for the life of the project and be available upon request.

Thus ORDERED, the 23rd day of April 2013.

IN THE NAME OF THE STATE OF WEST VIRGINIA:

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

JAMES A. MARTIN, CHIEF





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

Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

ORDER ISSUED UNDER WEST VIRGINIA CODE, CHAPTER 22, ARTICLE 6

TO: CNX Gas Company LLC

One Energy Drive Jane Lew, WV 26378 DATE: May 17, 2013

ORDER NO.: 2013-W-2

INTRODUCTION

This Order (hereinafter "Order") is issued by the Office of Oil and Gas (hereinafter "OOG"), by and through its Chief, pursuant to the authority of W. Va. Code §§ 22-1-1, 22-6-1 and 22-6A-1 *et seq*. to CNX Gas Company LLC (hereinafter "CNX" or "Operator"), collectively the "Parties."

FINDINGS OF FACT

- 1. OOG, an office within the West Virginia Department of Environmental Protection, is the agency with the duty and authority to execute and enforce W. Va. Code §§ 22-6-1 and 22-6A-1 *et seq.*, and the rules and regulations promulgated thereunder.
- 2. CNX is a "person" as defined by W. Va. Code § 22-6-1(n), with a corporate address as One Energy Drive, Jane Lew, WV 26378.
- On September 14, 2012, CNX submitted applications for gas wells identified as API #s 47-001-003284, 47-001-003285 and 47-001-003286, located on the AUD7HS Pad in Barbour County, West Virginia.
- 4. On May 10, 2013, CNX requested a waiver for Wetland H, outlined in Exhibit 1, from well location restriction requirements in W. Va. Code § 22-6A-12(b) for a gas well permit applications identified as API #s 47-001-003284, 47-001-003285 and 47-001-003286, located on the AUD7HS Pad in Barbour County, West Virginia.

- 1. West Virginia Code § 22-1-6(d) requires, in part, that "[i]n addition to other powers, duties and responsibilities granted and assigned to the secretary by this chapter, the secretary is authorized and empowered to...(3) Enter private lands to make surveys and inspections for environmental protection purposes; to investigate for violations of statutes or rules which the Office of Oil and Gas is charged with enforcing; to serve and execute warrants and processes; to make arrests; issue orders, which for the purposes of this chapter include consent agreements; and to otherwise enforce the statutes or rules which the Office of Oil and Gas is charged with enforcing"
- 2. West Virginia Code § 22-6A-2(a)(6) requires, in part, that "[c]oncomitant with the broad powers to condition the issuance of well work permits, the secretary should also have broad authority to waive certain minimum requirements of this article when, in his or her discretion, such waiver is appropriate: *Provided*, That the secretary shall submit a written report of the number of waivers granted to the Legislature commencing January 1, 2013, and each year thereafter;"
- 3. West Virginia Code § 22-6A-12(b) requires, in part, that "[n]o 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 wellpad 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 Office of Oil and Gas 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 Office of Oil and Gas 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."

Therefore, the Office of Oil and Gas grants CNX Gas Company LLC a waiver for Wetland H from well location restriction requirements in W. Va. Code § 22-6A-12(b) for gas well permit applications identified as API #s 47-001-003284, 47-001-003285 and 47-001-003286, located on the AUD7HS Pad in Barbour County, West Virginia. The Office of Oil and Gas hereby **ORDERS** that CNX Gas Company LLC shall meet the following site construction and operational requirements for the AUD7HS well pad:

- CNX Gas Company, LLC shall meet the following site construction and operational requirements for the AUD7HS well pad:
 - a. A berm shall be constructed around the perimeter of the pad to contain any potential spills and storm water runoff. Berm is to be at least two feet (2') in height;
 - Filter/silt socks and erosion control blankets shall be installed on all slopes and down gradient locations of the pad and topsoil pile areas as erosion and sediment controlling BMPs;
 - c. Wetland H shall have a triple compost filter sock stack installed no less than twenty-five feet (25') away from the eastern boundary of the wetland;
 - d. Sediment Trap #1 shall be installed upslope and east of the wetland boundary, and shall be no more than twenty-five percent (25%) full of sediment at any given time;
 - e. Disturbed areas not used for operations shall be seeded and mulched per the seeding tables in the WVDEP-OOG Erosion and Sediment Control Manual;
 - f. Drilling muds shall be disposed of in a permitted landfill;
 - g. Waste generated by the flowback treatment systems shall be sent to offsite disposal at a permitted landfill;
 - h. Weekly site inspections shall be conducted to monitor and maintain the integrity of the BMP storm water controls;
 - Weekly storm water and spill prevention inspections shall be conducted focusing on storm water and spill prevention BMPs and maintenance of these BMPs;
 - j. Inspections of the storm water and spill prevention measures shall be conducted after any major storm event defined as a half inch (½") rain within any twenty-four (24) hour period;
 - k. Pad inspections shall be conducted no less than once a week to identify and mitigate potential deficiencies;
 - All records from inspections shall be maintained on site for the life of the project and be available upon request.

Thus ORDERED, the 17th day of May 2013.

IN THE NAME OF THE STATE OF WEST VIRGINIA:

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

JAMES A. MARTIN, CHIEF

Order No. 2013-W-2 Page 3





Office of Oil and Gas 601 57th Street Charleston, WV 25304 (304) 926-0450 fax (304) 926-0452 Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

ORDER ISSUED UNDER WEST VIRGINIA CODE, CHAPTER 22, ARTICLE 6

TO: CNX Gas Company LLC One Energy Drive Jane Lew, WV 26378 DATE: June 6, 2013

ORDER NO.: 2013-W-3

INTRODUCTION

This Order (hereinafter "Order") is issued by the Office of Oil and Gas (hereinafter "OOG"), by and through its Chief, pursuant to the authority of W. Va. Code §§ 22-1-1, 22-6-1 and 22-6A-1 et seq. to CNX Gas Company LLC (hereinafter "CNX" or "Operator"), collectively the "Parties."

FINDINGS OF FACT

- 1. OOG, an office within the West Virginia Department of Environmental Protection, is the agency with the duty and authority to execute and enforce W. Va. Code §§ 22-6-1 and 22-6A-1 *et seq.*, and the rules and regulations promulgated thereunder.
- 2. CNX is a "person" as defined by W. Va. Code § 22-6-1(n), with a corporate address as One Energy Drive, Jane Lew, WV 26378.
- On February 14, 2013, CNX submitted applications for gas wells identified as API #s 47-001-03293, 47-001-03294, and 47-001-03295; and on March 25, 2013, API #s 47-001-03297, 47-001-03298, 47-001-03299 and, 47-001-03300, located on the AUD5HS Pad in Barbour County, West Virginia.
- 4. On May 15th, 2013, CNX requested a waiver for a wetland along the northern boundary ("wetland") of the proposed well pad outlined in Exhibit 1, from well location restriction requirements in W. Va. Code § 22-6A-12(b) for a gas well permit applications identified as API #s 47-001-03293, 47-001-03294, 47-001-03295, 47-001-03297, 47-001-03298, 47-001-03299 and, 47-001-03300, located on the AUD5HS Pad in Barbour County, West Virginia.

- 1. West Virginia Code § 22-1-6(d) requires, in part, that "[i]n addition to other powers, duties and responsibilities granted and assigned to the secretary by this chapter, the secretary is authorized and empowered to...(3) Enter private lands to make surveys and inspections for environmental protection purposes; to investigate for violations of statutes or rules which the Office of Oil and Gas is charged with enforcing; to serve and execute warrants and processes; to make arrests; issue orders, which for the purposes of this chapter include consent agreements; and to otherwise enforce the statutes or rules which the Office of Oil and Gas is charged with enforcing"
- 2. West Virginia Code § 22-6A-2(a)(6) requires, in part, that "[c]oncomitant with the broad powers to condition the issuance of well work permits, the secretary should also have broad authority to waive certain minimum requirements of this article when, in his or her discretion, such waiver is appropriate: *Provided*, That the secretary shall submit a written report of the number of waivers granted to the Legislature commencing January 1, 2013, and each year thereafter;"
- 3. West Virginia Code § 22-6A-12(b) requires, in part, that "[n]o 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 wellpad 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 Office of Oil and Gas 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 Office of Oil and Gas 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."

Therefore, the Office of Oil and Gas grants CNX Gas Company LLC a waiver for this wetland from well location restriction requirements in W. Va. Code § 22-6A-12(b) for gas well permit applications identified as API #s 47-001-03293, 47-001-03294, 47-001-03295, 47-001-03297, 47-001-03298, 47-001-03299 and, 47-001-03300, located on the AUD5HS Pad in Barbour County, West Virginia.. The Office of Oil and Gas hereby **ORDERS** that CNX Gas Company LLC shall meet the following site construction and operational requirements for the AUD5HS well pad:

- 1. CNX Gas Company, LLC shall meet the following site construction and operational requirements for the AUD5HS well pad:
 - a. A berm shall be constructed around the perimeter of the pad to contain any potential spills and storm water runoff. Berm is to be at least two feet (2') in height;
 - Filter/silt socks and erosion control blankets shall be installed on all slopes and down gradient locations of the pad and topsoil pile areas steeper than 3H:1V, as erosion and sediment controlling BMPs;
 - c. The wetland shall have a compost filter sock installed no less than twenty-five feet (25') away from the northern boundary;
 - d. Disturbed areas not used for operations shall be seeded and mulched per the seeding tables in the WVDEP-OOG Erosion and Sediment Control Manual;
 - e. Drilling muds shall be disposed of in a permitted landfill;
 - f. Waste generated by the flowback treatment systems shall be sent to offsite disposal at a permitted landfill;
 - Weekly site inspections shall be conducted to monitor and maintain the integrity of the BMP storm water controls;
 - Weekly storm water and spill prevention inspections shall be conducted focusing on storm water and spill prevention BMPs and maintenance of these BMPs;
 - i. Inspections of the storm water and spill prevention measures shall be conducted after any major storm event defined as a half inch (½") rain within any twenty-four (24) hour period;
 - j. Pad inspections shall be conducted no less than once a week to identify and mitigate potential deficiencies:
 - k. All records from inspections shall be maintained on site for the life of the project and be available upon request.

Thus ORDERED, the 6th day of June 2013.

IN THE NAME OF THE STATE OF WEST VIRGINIA:

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

AMES A. MARTIN, CHIEF



Office of Oil and Gas 601 57th Street Charleston, WV 25304 (304) 926-0450 fax (304) 926-0452 Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

ORDER ISSUED UNDER WEST VIRGINIA CODE, CHAPTER 22, ARTICLE 6

TO: CNX Gas Company LLC One Energy Drive Jane Lew, WV 26378 DATE: Oct 7, 2013

ORDER NO.: 2013-W-4

INTRODUCTION

This Order (hereinafter "Order") is issued by the Office of Oil and Gas (hereinafter "OOG"), by and through its Chief, pursuant to the authority of W. Va. Code §§ 22-1-1, 22-6-1 and 22-6A-1 et seq. to CNX Gas Company LLC (hereinafter "CNX" or "Operator"), collectively the "Parties."

FINDINGS OF FACT

- 1. OOG, an office within the West Virginia Department of Environmental Protection, is the agency with the duty and authority to execute and enforce W. Va. Code §§ 22-6-1 and 22-6A-1 et seq., and the rules and regulations promulgated thereunder.
- 2. CNX is a "person" as defined by W. Va. Code § 22-6-1(n), with a corporate address as One Energy Drive, Jane Lew, WV 26378.
- On June 18, 2013, CNX submitted applications for gas wells identified as 47-001-03309, 47-001-03310, 47-001-03311, 47-001-03312, and 47-001-03313, located on the Philippi 29 Pad in Barbour County, West Virginia.
- 4. On September 19, 2013, CNX requested a waiver for Wetland A and Wetland C, outlined in Exhibit 1, from well location restriction requirements in W. Va. Code § 22-6A-12(b) for a gas well permit applications identified as 47-001-03309, 47-001-03310, 47-001-03311, 47-001-03312, and 47-001-03313, located on the Philippi 29 Pad in Barbour County, West Virginia.

- 1. West Virginia Code § 22-1-6(d) requires, in part, that "[i]n addition to other powers, duties and responsibilities granted and assigned to the secretary by this chapter, the secretary is authorized and empowered to...(3) Enter private lands to make surveys and inspections for environmental protection purposes; to investigate for violations of statutes or rules which the Office of Oil and Gas is charged with enforcing; to serve and execute warrants and processes; to make arrests; issue orders, which for the purposes of this chapter include consent agreements; and to otherwise enforce the statutes or rules which the Office of Oil and Gas is charged with enforcing."
- 2. West Virginia Code § 22-6A-2(a)(6) requires, in part, that "Concomitant with the broad powers to condition the issuance of well work permits, the secretary should also have broad authority to waive certain minimum requirements of this article when, in his or her discretion, such waiver is appropriate: *Provided*, That the secretary shall submit a written report of the number of waivers granted to the Legislature commencing January 1, 2013, and each year thereafter."
- 3. West Virginia Code § 22-6A-12(b) requires, in part, that "[n]o 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 Office of Oil and Gas 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 Office of Oil and Gas 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."

Therefore, the Office of Oil and Gas grants CNX Gas Company LLC a waiver for Wetland H from well location restriction requirements in W. Va. Code § 22-6A-12(b) for gas well permit applications identified as 47-001-003284, 47-001-003285 and 47-001-003286, located on the AUD7HS Pad in Barbour County, West Virginia. The Office of Oil and Gas hereby **ORDERS** that CNX Gas Company LLC shall meet the following site construction and operational requirements for the AUD7HS well pad:

CNX Gas Company, LLC shall meet the following site construction and operational requirements for the AUD7HS well pad:

- a. A berm shall be constructed around the perimeter of the pad to contain any potential spills and storm water runoff. Berm is to be at least two feet (2') in height;
- b. Filter/silt socks and erosion control blankets shall be installed on all slopes and down gradient locations of the pad and topsoil pile areas as erosion and sediment controlling BMPs;
- c. Wetland A shall have a triple compost filter sock stack installed adjacent to the wetland;
- d. Wetland C shall have a triple compost filter sock stack installed no less than seventy-five feet (60') away from the eastern boundary of the wetland;
- e. Disturbed areas not used for operations shall be seeded and mulched per the seeding tables in the WVDEP-OOG Erosion and Sediment Control Manual;
- f. Drilling muds shall be disposed of in a permitted landfill;
- g. Waste generated by the flowback treatment systems shall be sent to offsite disposal at a permitted landfill;
- Weekly site inspections shall be conducted to monitor and maintain the integrity of the BMP storm water controls;
- Weekly storm water and spill prevention inspections shall be conducted focusing on storm water and spill prevention BMPs and maintenance of these BMPs;
- j. Inspections of the storm water and spill prevention measures shall be conducted after any major storm event defined as a half inch (½") rain within any twenty-four (24) hour period;
- k. Pad inspections shall be conducted no less than once a week to identify and mitigate potential deficiencies;
- All records from inspections shall be maintained on site for the life of the project and be available upon request.

Thus ORDERED, the 7th day of October 2013.

IN THE NAME OF THE STATE OF WEST VIRGINIA:

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

Зу:

MES A. MARTIN, CHIEF

EXHIBIT 1



Office of Oil and Gas 601 57th Street Charleston, WV 25304 (304) 926-0450 fax (304) 926-0452 Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

ORDER ISSUED UNDER WEST VIRGINIA CODE, CHAPTER 22, ARTICLE 6

TO: CNX Gas Company LLC

One Energy Drive Jane Lew, WV 26378 DATE: November 14, 2013

ORDER NO.: 2013-W-5

INTRODUCTION

This Order (hereinafter "Order") is issued by the Office of Oil and Gas (hereinafter "OOG"), by and through its Chief, pursuant to the authority of W. Va. Code §§ 22-1-1, 22-6-1 and 22-6A-1 et seq. to CNX Gas Company LLC (hereinafter "CNX" or "Operator"), collectively the "Parties."

FINDINGS OF FACT

- 1. OOG, an office within the West Virginia Department of Environmental Protection, is the agency with the duty and authority to execute and enforce W. Va. Code §§ 22-6-1 and 22-6A-1 et seq., and the rules and regulations promulgated thereunder.
- 2. CNX is a "person" as defined by W. Va. Code § 22-6-1(n), with a corporate address as One Energy Drive, Jane Lew, WV 26378.
- 3. On May 16, 2013, CNX submitted applications for gas wells identified as 47-001-03302, 47-001-03302, 47-001-03303 and 47-001-03304 located on the AUD 11 HS Pad in Barbour County, West Virginia.
- 4. On May 16, 2013, CNX requested a waiver for Wetland A and Wetland C, outlined in Exhibit 1, from well location restriction requirements in W. Va. Code § 22-6A-12(b) for gas well permit applications identified as 47-001-03301, 47-001-03302, 47-001-03303 and 47-001-03304, located on the AUD 11 HS Pad in Barbour County, West Virginia.

5. On October 9, 2013, CNX obtained a Nationwide Permit from the Army Corps of Engineers to impact 0.096 acres of wetland. Activities associated with projects of this type are authorized by Nationwide Permit 39, previously issued by the Corps of Engineers, for purposes of Section 404 of the Clean Water Act as published in the February 21, 2012 issue of the Federal Register.

- 1. West Virginia Code § 22-1-6(d) requires, in part, that "[i]n addition to other powers, duties and responsibilities granted and assigned to the secretary by this chapter, the secretary is authorized and empowered to...(3) Enter private lands to make surveys and inspections for environmental protection purposes; to investigate for violations of statutes or rules which the Office of Oil and Gas is charged with enforcing; to serve and execute warrants and processes; to make arrests; issue orders, which for the purposes of this chapter include consent agreements; and to otherwise enforce the statutes or rules which the Office of Oil and Gas is charged with enforcing."
- 2. West Virginia Code § 22-6A-2(a)(6) requires, in part, that "Concomitant with the broad powers to condition the issuance of well work permits, the secretary should also have broad authority to waive certain minimum requirements of this article when, in his or her discretion, such waiver is appropriate: *Provided*, That the secretary shall submit a written report of the number of waivers granted to the Legislature commencing January 1, 2013, and each year thereafter."
- 3. West Virginia Code § 22-6A-12(b) requires, in part, that "[n]o 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 Office of Oil and Gas 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 Office of Oil and Gas 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."

<u>ORDER</u>

Therefore, the Office of Oil and Gas grants CNX Gas Company LLC a waiver for Wetland A and Wetland C from well location restriction requirements in W. Va. Code § 22-6A-12(b) for gas well permit applications identified as 47-001-03301, 47-001-03302, 47-001-03303 and 47-001-103304, located on the AUD11HS Pad in Barbour County, West Virginia. The Office of Oil and Gas hereby **ORDERS** that CNX Gas Company LLC shall meet the following site construction and operational requirements for the AUD11 HS well pad:

- a. A berm shall be constructed around the perimeter of the pad to contain any potential spills and storm water runoff. Berm is to be at least two feet (2') in height;
- b. Filter/silt socks and erosion control blankets shall be installed on all slopes and down gradient locations of the pad and topsoil pile areas as erosion and sediment controlling BMPs;
- c. Wetland A and Wetland C are upslope from the proposed well pad cut and therefore no additional measures will be needed to prevent drainage into the impacted wetlands;
- d. Disturbed areas not used for operations shall be seeded and mulched per the seeding tables in the WVDEP-OOG Erosion and Sediment Control Manual;
- e. Drilling muds shall be disposed of in a permitted landfill;
- f. Waste generated by the flowback treatment systems shall be sent to offsite disposal at a permitted landfill;
- g. Weekly site inspections shall be conducted to monitor and maintain the integrity of the BMP storm water controls;
- h. Weekly storm water and spill prevention inspections shall be conducted focusing on storm water and spill prevention BMPs and maintenance of these BMPs;
- i. Inspections of the storm water and spill prevention measures shall be conducted after any major storm event defined as a half inch (½") rain within any twenty-four (24) hour period;
- j. Pad inspections shall be conducted no less than once a week to identify and mitigate potential deficiencies; and
- k. All records from inspections shall be maintained on site for the life of the project and be available upon request.

Thus ORDERED, the 14th day of November, 2013.

IN THE NAME OF THE STATE OF WEST VIRGINIA:

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

Bv: /

AMES A. MARTIN, CHIEF





Office of Oil and Gas 601 57th Street Charleston, WV 25304 (304) 926-0450 fax (304) 926-0452 Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

ORDER ISSUED UNDER WEST VIRGINIA CODE, CHAPTER 22, ARTICLE 6A

TO: DAC Energy, L.L.C. P.O. Box 99 Alma, WV 26320

DATE: November 15, 2013 ORDER NO.: 2013-W-6

INTRODUCTION

This Order (hereinafter "Order") is issued by the Office of Oil and Gas (hereinafter "OOG"), by and through its Chief, pursuant to the authority of W. Va. Code §§ 22-1-1, 22-6-1 and 22-6A-1 *et seq*. to DAC Energy, L.L.C. (hereinafter "DAC Energy" or "Operator"), collectively the "Parties."

FINDINGS OF FACT

- 1. OOG, an office within the West Virginia Department of Environmental Protection, is the agency with the duty and authority to execute and enforce W. Va. Code §§ 22-6-1 and 22-6A-1 et seq., and the rules and regulations promulgated thereunder.
- 2. DAC Energy is a "person" as defined by W. Va. Code § 22-6-1(n), with a corporate address as DAC Energy, L.L.C.
- 3. On August 12, 2013, DAC Energy submitted an application for a gas well identified as 103-02936, located on the Shuman Haynes Pad in Wetzel County, West Virginia.
- 4. On August 12, 2013, DAC Energy requested a waiver for Little Fishing Creek, outlined in Exhibit 1, from well location restriction requirements in W. Va. Code § 22-6A-12(b) for a gas well permit applications identified as 103-02936, located on the Shuman Haynes Pad in Wetzel County, West Virginia.

- 1. West Virginia Code § 22-1-6(d) requires, in part, that "[i]n addition to other powers, duties and responsibilities granted and assigned to the secretary by this chapter, the secretary is authorized and empowered to...(3) Enter private lands to make surveys and inspections for environmental protection purposes; to investigate for violations of statutes or rules which the Office of Oil and Gas is charged with enforcing; to serve and execute warrants and processes; to make arrests; issue orders, which for the purposes of this chapter include consent agreements; and to otherwise enforce the statutes or rules which the Office of Oil and Gas is charged with enforcing."
- 2. West Virginia Code § 22-6A-2(a)(6) requires, in part, that "Concomitant with the broad powers to condition the issuance of well work permits, the secretary should also have broad authority to waive certain minimum requirements of this article when, in his or her discretion, such waiver is appropriate: *Provided*, That the secretary shall submit a written report of the number of waivers granted to the Legislature commencing January 1, 2013, and each year thereafter."
- 3. West Virginia Code § 22-6A-12(b) requires, in part, that "[n]o 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 Office of Oil and Gas 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 Office of Oil and Gas 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."

Therefore, the Office of Oil and Gas grants DAC Energy, L.L.C. a waiver for Little Fishing Creek from well location restriction requirements in W. Va. Code § 22-6A-12(b) for gas well permit applications identified as 103-02936, located on the Shuman Haynes Pad in Wetzel County, West Virginia. The Office of Oil and Gas hereby **ORDERS** that DAC Energy, L.L.C. shall meet the following site construction and operational requirements for the Shuman Haynes well pad:

DAC Energy, L.L.C. shall meet the following site construction and operational requirements for the PHL3HS well pad:

- a. A berm shall be constructed around the perimeter of the pad to contain any potential spills and storm water runoff. Berm is to be at least two feet (2') in height;
- b. Filter/silt socks and erosion control blankets shall be installed on all slopes and down gradient locations of the pad and topsoil pile areas as erosion and sediment controlling BMPs;
- c. Super silt fence shall be installed along pad slopes parallel to Little Fishing Creek
- d. Diversion culvert with rock check dams and sumps shall be installed along pad slopes parallel to Little Fishing Creek
- e. Disturbed areas not used for operations shall be seeded and mulched per the seeding tables in the WVDEP-OOG Erosion and Sediment Control Manual;
- f. Drilling muds shall be disposed of in a permitted landfill;
- g. Waste generated by the flowback treatment systems shall be sent to offsite disposal at a permitted landfill;
- h. Weekly site inspections shall be conducted to monitor and maintain the integrity of the BMP storm water controls:
- i. Weekly storm water and spill prevention inspections shall be conducted focusing on storm water and spill prevention BMPs and maintenance of these BMPs;
- i. Inspections of the storm water and spill prevention measures shall be conducted after any major storm event defined as a half inch (1/2") rain within any twenty-four (24) hour period;
- k. Pad inspections shall be conducted no less than once a week to identify and mitigate potential deficiencies:
- 1. All records from inspections shall be maintained on site for the life of the project and be available upon request.

Thus ORDERED, the 15th day of November, 2013.

IN THE NAME OF THE STATE OF WEST VIRGINIA:

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

By: JAMES A. MARTIN, CHIEF

