

STATE OF OHIO
DEPARTMENT OF NATURAL
RESOURCES

Division of Oil and Gas
Resources Management
WELL PERMIT

API WELL NUMBER
34-155-2-3196-00-00

OWNER NAME, ADDRESS KLEESE DEVELOPMENT ASSOCS 103 W MARKET ST 3RD FLOOR WARREN OH 44481	DATE ISSUED 2/1/2013	PERMIT EXPIRES 2/1/2015
	TELEPHONE NUMBER	(330) 392-7899

IS HEREBY GRANTED PERMISSION TO: Convert AND ABANDON WELL IF UNPRODUCTIVE
PURPOSE OF WELL: Water Injection - Disposal
COMPLETION DATE IF PERMIT TO PLUG: 4/12/1988

DESIGNATION AND LOCATION:	SURFACE NAD27	TARGET NAD27
LEASE NAME NATALE (SWIW #28)	X: 2442150	0
WELL NUMBER 1	Y: 587600	0
COUNTY TRUMBULL	LAT: 41.2683474875506	
CIVIL TOWNSHIP WARREN	LONG: -80.8915253533176	
TRACT OR ALLOTMENT		
SURFACE FOOTAGE LOCATION 1370'NL & 775'WL OF LOT 2		
TARGET FOOTAGE LOCATION		

TYPE OF TOOLS: Service Rig	GEOLOGICAL FORMATION(S):
PROPOSED TOTAL DEPTH 4513 FEET	NEWBURG
GROUND LEVEL ELEVATION 895 FEET	

SPECIAL PERMIT CONDITIONS: Salt Water Injection Well (Class II) Construction and Operating Conditions

CONDITIONALLY APPROVED CASING PROGRAM (SUBJECT TO APPROVAL OF THE OIL AND GAS WELL INSPECTOR):

- 8-5/8 " APPROX. 326' WITH CEMENT CIRCULATED TO SURFACE
- 4-1/2" CASING 4140' CEMENTED TO A MINIMUM OF 300' ABOVE INJECTION ZONE
- 2-7/8" TUBING SET ON A PACKER APPROX. 3846' ABOVE INJECTION ZONE

This permit is NOT TRANSFERABLE. This permit, or an exact copy thereof, must be displayed in a conspicuous and easily accessible place at the well site before permitted activity commences and remain until the well is completed. Ample notification to inspector is necessary.

OIL AND GAS WELL INSPECTOR: STEPHEN OCHS (330) 933-2090 TOM HILL - Supervisor (330) 283-3204 DISTRICT #: (330) 896-0616	FIRE AND EMERGENCY NUMBERS FIRE: () - 911 MEDICAL SERVICE () - 911
INSPECTOR NOTIFICATION The oil and gas inspector must be notified at least 24 hours prior to: 1. Commencement of site construction 2. Pit excavation and closure 3. Commencement of drilling, reopening, converting or plugback operations 4. Installation and cementing of all casing strings 5. BOP testing 6. Well stimulation 7. Plugging operations The oil and gas inspector must be notified immediately upon: 1. Discovery of defective well construction 2. Detection of any natural gas or H2S gas during drilling in urban areas 3. Discovery of defective well construction during well stimulation 4. Determination that a well is a lost hole 5. Determination that a well is a dry hole	Richard J. Simmers CHIEF, Division of Oil and Gas Resources Management

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API WELL NUMBER
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KLEESE DEVELOPMENT ASSOCS
103 W MARKET ST 3RD FLOOR
WARREN, OH 44481

DAILY ROUTE SLIP *Warren*

APPLICATION NO. aPATT020858 TYPE: Convert

CONAME KLEESE DEVELOPMENT ASS API 34155231960000

WELL NAME /NO. NATALE 1

COUNTY 155 TRUMBULL INITIALS DATE

DATE APPLICATION REC'D *DN* 8/31/2012

PERMIT FEE AND CHECK NO. \$1,000.00 14777

RUSH AMOUNT RUSH CHECK NO. \$0.00 0

APPLICATION ENTERED *DN* 8/31/12

APPLICATIONS AND PLATS SENT FOR MINE APPROVAL *DN* NA

COAL APPROVAL RECEIVED *DN* NA

OIL/GAS AFFIDAVIT REC'D *DN* NA

URBANIZED AREA NOTIFICATION SENT *DN* NA

URBANIZED AREA NOTIFICATION SENT TO INSPECTOR/REC'D BACK *DN* NA

URBAN MAP REVIEW *DN* NA

SAMPLES: YES /SPECIAL AREAS *DN* NA

GEOLOGIST APPROVAL *DN* 2/1/13

DATA ENTRY /ISSUED *DN* 2/1/13

PERMIT: TAKEN MAILED *DN* 2/1/13

FAX TO:

FINAL MAP CHECK RC 3-1-13 3-1-13

COMMENTS:

Proof Sheet

APPL NUMBER	aPATT020858
OWNER NUMBER	2655
OWNER NAME	KLEESE DEVELOPMENT ASSOCS
EXISTING WELL	-1
API PERMIT NO	34155231960000
APPL TYPE	CO
TYPE OF WELL	SWD
VARIANCE REQUEST	
WELL NAME	NATALE (SWW#28)
WELL NUMBER	1
PREV/PROPOSED TD	4513
DRILL UNIT ACRES	40
TYPE OF TOOL	SERV
WELL CLASS	SWW
FIRE PHONE	() - 911
MEDICAL PHONE	() - 911
COUNTY CODE	155
COUNTY NAME	TRUMBULL
COAL (Y=-1/N=0)	0
CIVIL TOWNSHIP	WARREN
SURF QUAD	SOUTHINGTON
Nad 27 SURF ORIG X	2,442,150
Nad 27 SURF ORIG Y	587,600
GROUND ELEVATION	895
SURF SEC	
SURF LOT	2
SURF QTR TWP	
SURF ALLOT	
SURF TRACT	
SURF FRACTION	

URBANIZED AREA ?

NAME

DISPOSAL PLAN 1 ND

DISPOSAL PLAN 2

DISPOSAL PLAN 3

DISPOSAL PLAN 4

DISPOSAL PLAN 5

MP Check # 0

PROPOSED FORMATIONS

NEWBURG/ UNION

UTICA/POINT PLEASANT SHALE

MARCELLUS SHALE

TARG CIVIL TWP

TARG QUAD

Nad 27 TARG ORIG X 0

Nad 27 TARG ORIG Y 0

TARG ELEV 0

TARG SECTION

TARG LOT

TARG QTR TWP

TARG ALLOT

TARG TRACT

TARG FRACTION 0

Proof Sheet

SURFACE FOOTAGE

1370'NL & 775'WL OF LOT 2

TARGET FOOTAGE

CASING PROGRAM

09	8 5/8"	326'
32	4 1/2"	4487 4140'
40	2 7/8"	3846'

SPECIAL CONDITIONS/COMMENTS

<div style="text-align: center; font-size: small; color: gray;">(continued)</div> Class II drilling & operational conditions

COMPLETION DT	4/12/1988
MINES APPROVAL	—
AFFIDAVIT APPROV	—
FINAL ENTRY DATE	2/1/2013



Ohio Department of Natural Resources

JOHN R. KASICH, GOVERNOR

JAMES ZEHRINGER, DIRECTOR

Richard J. Simmers, Chief
Division of Oil and Gas Resources Management
2045 Morse Road, Bldg. F-2
Columbus, OH 43229-6693
Phone (614) 265-6922 Fax (614) 265-6910

February 1, 2013

Kleese Development Associates
103 West Market Street, Third Floor
Warren, Ohio 44481

**RE: Permit # 3196, SWIW #28, Natale No. 1, Warren
Township, Trumbull County, Ohio**

Dear Sir/Madam:

The enclosed saltwater injection well permit is issued subject to the following construction conditions.

Constructional conditions:

1. The 4-1/2" casing must be enclosed with **Class A cement** from the total depth to approximately **3584 feet** (minimum of 300 feet above the top of the injection zone).
2. **Existing perforations in the Clinton sandstone shall be squeezed off with Class A cement and casing plugged back with cement to no more than 100 feet below the Newburg injection zone at approximately 4140 feet. After allowing the cement to cure to the appropriate compressive strength, pressure test the cement plug to 1120 psi and monitor it for at least 15 minutes with no more than a five (5) percent decline in pressure. All work must be witnessed by a Division representative.**
3. A cement bond log shall be run to locate the top of the cement behind the production casing **prior to conversion of the well and submitted to the Division for review.** If inadequate cement exists above the proposed injection zone, then a cement squeeze job using Class A cement will be required to attain at adequate cement above the top of the proposed Newburg injection zone. At a minimum, the cement bond log tool shall be centralized and consist of a combination VDL-Travel Time-Amplitude bond curve. All work must be witnessed by a Division representative. Immediately after completion of the cement bond logging operation, a copy of the cement bond log shall be sent to the UIC Section for review and evaluation.
4. Injection tubing must be set on a packer at approximately **3852 feet**. A 1/4", female, threaded fitting with a stop valve must be installed on the tubing and accessible at the surface.
5. **The annular space between the injection tubing and the 4-1/2" production casing must be filled with a fluid (e.g., freshwater with a corrosion inhibitor additive), pressure tested to at least 895 psi, and**

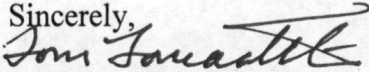
monitored for at least 15 minutes with no more than a five percent decline in pressure. Additionally, the injection line must also be tested to 895 psi for 15 minutes with no more than a five percent decline.

6. The UIC Section and the Mineral Resources Inspector must be notified at a minimum of 48 hours in advance of the time of cementing, placing and removing of casing, installation of the tubing and packer, testing of the casing, construction of the surface facilities, pressure testing of the injection line, and initial injection so that a representative of the Division can be present to witness the operations. The Division must also be notified in advance of any subsequent removal of the injection tubing or resetting the packer. A pressure test will also be required.
7. Surface facilities as proposed in the application are satisfactory and must be constructed under the supervision of a representative of the Division. A concrete pad with drain must be constructed so as to contain any spillage of saltwater during unloading from the trucks. Any proposed changes in the surface facilities must be submitted in writing and must have prior approval of the UIC Section.
8. **If an unloading pad is to be constructed, the underground concrete vault associated with the catch basin on the unloading pad shall be of one-piece construction and if the concrete vault has a detached lid, the lid must be exposed above the ground level. Additionally, the inside walls of the concrete vault shall be sealed with a salt-corrosion type material such as an asphalt-based coating to prevent deterioration of the vault from the brine water.**
9. A Well Construction Record (Form 8) must be submitted within 30 days after completion describing how the well was completed for injection operations. This report should include the amount and grade of tubing, type and depth of packer, treatment of the injection formation, testing of the system integrity, method used to monitor pressure in the annulus and injection tubing, and method used to monitor volumes of injected fluid.
10. **A Murphy Switch or other cut-off switch device must be in-line with the injection pump and set at the maximum allowable surface injection pressure of 895 psi, so that the pump will automatically shut-down upon exceeding the maximum allowable surface injection pressure.**
11. **Kleese Development Associates shall notify the Division in writing prior to the initiation of injection operations and injection operations shall not commence until the Division provides Kleese Development Associates with written approval that authorizes injection. Operational conditions to the permit shall be issued with the written approval.**

If there are any questions concerning this well or the above conditions, please feel free to contact me at (614) 265-1032.

For the Chief of the Division of Oil and Gas Resources Management

Sincerely,



Tom Tomastik, Geologist 4

UIC Section

Division of Oil and Gas Resources Management

2045 Morse Road, F-2

Columbus, Ohio 43229-6693

Cc: Steve Ochs, Mineral Resources Inspector

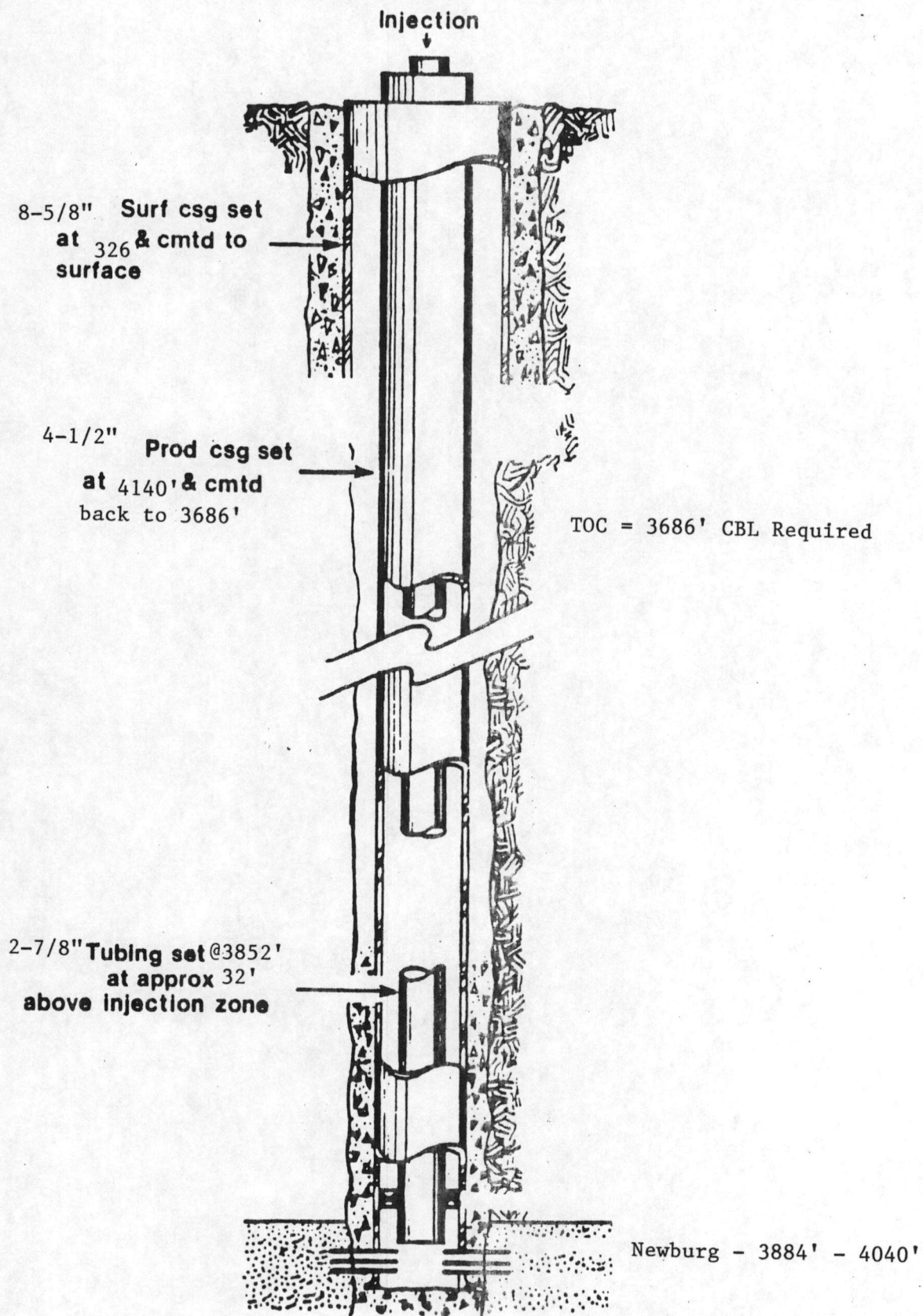
Permitting File

UIC File



Subsurface Construction For Injection Well

Maximum Injection Pressure: 895 psi



Total Depth: 4140 feet



#14777
810000

APPLICATION FOR A PERMIT (Form 1)
OHIO DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT
2045 MORSE ROAD, BUILDING F-2
COLUMBUS, OHIO 43229-6693
(614) 265-6922

aPAHO20858

SEE INSTRUCTIONS ON BACK

1. We (applicant) Kleese Development 2. Owner #: 2655
Address: 103 West Market, Warren OH 44481 Phone #: 330 392-7899
hereby apply this date August 29, 20 12 for a permit to:

Drill New Well Revised Location Convert
 Drill Horizontally Plug Back Deepen
 Drill Directionally Plug and Abandon Reopen
 Reissue Orphan Well Program Temporary Inactive

3. TYPE OF WELL: Oil & Gas Annular Disposal Saltwater Injection
 Stratigraphic Test Gas Storage Other (explain):
 Solution Mining* Enhanced Recovery* (*if checked, select appropriate box below)
 Input/Injection Water Supply Observation Production/Extraction

4. IS THE WELL LOCATION OR PRODUCTION FACILITY(S) WITHIN AN URBANIZED AREA AS DEFINED BY 1509.01 (Y)? Yes No

5. MAIL PERMIT TO: Same

6. COUNTY: Trumbull

7. CIVIL TOWNSHIP: Warren

8. SECTION: 2 9. LOT: 2

10. FRACTION: 1/4 11. QTR TWP: Southington

12. TRACT/ALLOT: 1

13. WELL #: 1

14. LEASE NAME: Natale

15. PROPOSED TOTAL DEPTH: 4513

16. PROPOSED GEOLOGICAL FORMATION(S): NEWBURG/CLINTON, AA

17. DRILLING UNIT ACRES: 40

18. IF PERMITTED PREVIOUSLY: API #: 34-155-2-3196 OWNER: Kleese Development

19. TYPE OF TOOLS: Cable Rotary (Air Fluid)
 Cable/Rotary Service Rig

20. SOURCE(S) OF GROUND AND/OR SURFACE WATER USED IN PRODUCTION OPERATION: NONE Proposed
Watershed: Lake Erie Ohio River
Estimated Withdrawal Rate (gal/day):
Estimated Total Volume (gal):
If Recycled Water - Estimated Total Volume (gal):

21. EMERGENCY TELEPHONE NUMBERS: (closest to well site):
Fire: 911
Medical: 911

22. MEANS OF INGRESS & EGRESS: Road: SR 422

23. ROAD USE FOR A HORIZONTAL WELL: Maintenance Agreement Attached
Non-agreement Affidavit Attached

24. ARE THE SURFACE RIGHTS OWNED BY STATE OF OHIO? Agency Name: NO

25. ATTACH LANDOWNER ROYALTY LISTING

RECEIVED

AUG 30 2012

26. PROPOSED CASING AND CEMENTING PROGRAM

Type Casing	Borehole Diameter (in)	Borehole Depth (ft)	Casing Diameter (in)	Casing Depth (ft)	Cement Volume (sacks)	Formation	Zone Tested of produced (✓ if Yes)	Hydraulic Fracturing (✓ if Yes)
Drive Pipe							<input type="checkbox"/>	<input type="checkbox"/>
Conductor							<input type="checkbox"/>	<input type="checkbox"/>
Mine String							<input type="checkbox"/>	<input type="checkbox"/>
Surface			8 5/8"	300'	2025ks	Surface	<input type="checkbox"/>	<input type="checkbox"/>
1 st Intermediate							<input type="checkbox"/>	<input type="checkbox"/>
2 nd Intermediate							<input type="checkbox"/>	<input type="checkbox"/>
Production			4 1/2"	4162'	150sks	Clinton	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Liner							<input type="checkbox"/>	<input type="checkbox"/>
							<input type="checkbox"/>	<input type="checkbox"/>

I, the undersigned, being first duly sworn, depose and state under penalties of law, that I am authorized to make this application, that this application was prepared by me or under my supervision and direction, and that the facts stated herein are true, correct, and complete, to the best of my knowledge.

I, the undersigned, further depose and state that I am the person who has the right to drill on the tract or drilling unit and to drill into and produce from a pool and to appropriate the oil or gas that I produce therefrom either for myself or others as described in this application. And furthermore, I the undersigned, being duly sworn, depose and state at this time that I am not liable for any final nonappealable order of a court for damage to streets, roads, highways, bridges, culverts, or drainage ways pursuant to Section 5577.12 of the Ohio Revised Code (ORC). I, the undersigned, further depose and state that all notices required by 1509.06 (A) (9) ORC for this application have been duly provided by me. If applying for a permit to plug and abandon a well, I hereby certify that the written notices, as required in Section 1509.13, ORC, have been given.

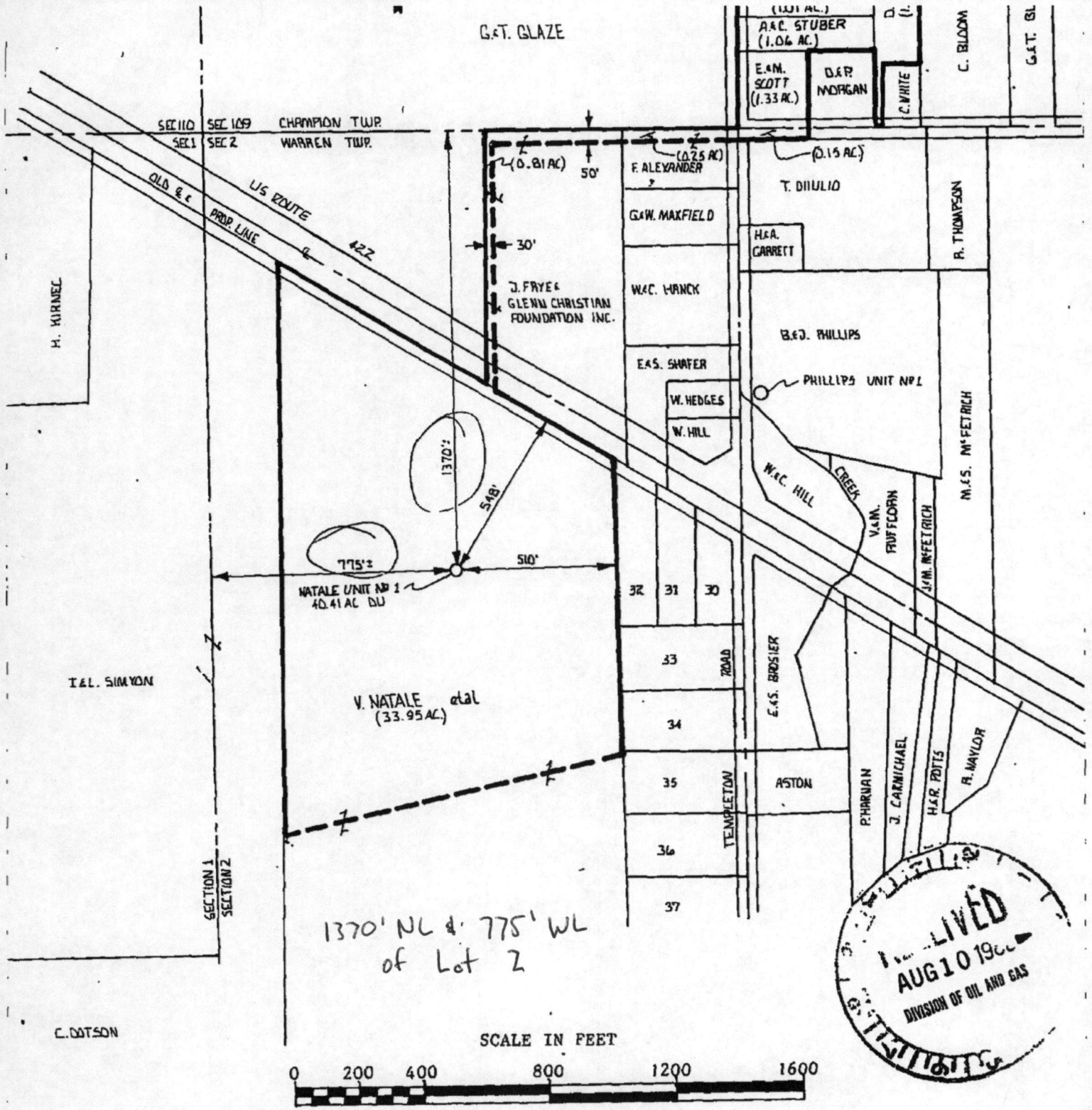
That I hereby agree to conform with all provisions of Chapter 1509, ORC, and Chapter 1501, OAC, and all orders and conditions issued by the Chief, Division of Oil and Gas Resources Management.

Signature of Owner/Authorized Agent [Signature]
Name (Type or Print) Nick S. Perod Title PARTNER

If signed by Authorized Agent, a certificate of appointment of agent must be on file.

Sworn to and subscribed before me this the 29th day of August, 20 12.

SHARON THARP
(Notary Public)
SHARON C. THARP
Notary Public, State of Ohio
My Comm. Expires Dec. 10, 2014
(Date Commission Expires)



PLAT SHOWING PROPOSED LOCATION OF OIL OR GAS WELL

OPERATOR	KLEESE DEVELOPEMENT
ADDRESS	45 NORTH RD. NILES OHIO 44446
COUNTY	TRUMBULL TWP. WARREN
QUAD.	SOUTHINGTON N 587600 ✓
OHIO PLANE COORDINATES	E 2442150 ✓
	ELEV. 895 ✓

TWP.	4
RANGE	4
SECTION	2 LOT
TRACT	
DATE STAKED:	2-19-66
DRAWN BY:	L.T.Z. JOB NO. 8826-1



I hereby certify that all drilling or producing wells within 1000 feet and all buildings and streams within 150 feet have been shown, there are no drilling unit lines nearer than 500 feet, that this plat is true and correct and was prepared according to the current State of Ohio, Department of Natural Resources, Division of Oil and Gas Regulations.

RESTORATION PLAN
OHIO DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINERAL RESOURCES MANAGEMENT, 1855 FOUNTAIN SQ. CT., H-3, COLUMBUS, OH 43224-1383

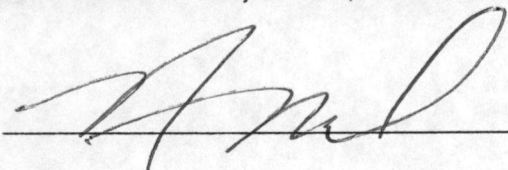
<p>1. DATE OF APPLICATION:</p>	FORM 4: Revised 08/00/sly
<p>2. OWNER NAME, ADDRESS, & TELEPHONE NO.:</p> <p style="text-align: center;">KLEESE DEVELOPMENT ASSOC. 100 West Market St. Third Floor Warren, OH 44461</p>	<p>3. API #: 34 <u>LS523L96</u> ** 14</p> <p>4. WELL #: <u>1</u></p> <p>5. LEASE NAME: <u>Natale</u></p> <p>6. PROPERTY OWNER: <u>Natale</u></p> <p>7. COUNTY: <u>Trumbull</u></p> <p>8. CIVIL TOWNSHIP: <u>Warren</u></p> <p>9. SECTION: <u>10.</u> LOT: <u>1</u></p>
<p>11. CURRENT LAND USE:</p> <p><input type="checkbox"/> Cropland <input type="checkbox"/> Commercial</p> <p><input type="checkbox"/> Pasture <input type="checkbox"/> Idle Land</p> <p><input type="checkbox"/> Wetlands <input type="checkbox"/> Recreational</p> <p><input type="checkbox"/> Residential <input type="checkbox"/> Industrial</p> <p><input type="checkbox"/> Unreclaimed strip mine</p> <p><input checked="" type="checkbox"/> Woodland: (Circle <u>Broad-leaved</u> or <u>Needlelike</u>)</p>	<p>17. TYPE OF WELL:</p> <p style="text-align: center;"><input type="checkbox"/> Oil <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Other</p> <p>18. STEEPEST SLOPE GRADIENT CROSSING SITE:</p> <p><input checked="" type="checkbox"/> 0 to 2% <input type="checkbox"/> 2.1 to 8% <input type="checkbox"/> 8.1 to 10%</p> <p><input type="checkbox"/> 10.1 to 24% <input type="checkbox"/> greater than 24%</p>
<p>12. SLOPE GRADIENT & LENGTH DETERMINED FROM:</p> <p><input checked="" type="checkbox"/> Ground Measurement</p> <p><input type="checkbox"/> U.S. Geological Survey Topographical Maps</p> <p><input type="checkbox"/> Other (explain) _____</p>	<p>19. LENGTH OF STEEPEST SLOPE CROSSING SITE:</p> <p><input checked="" type="checkbox"/> 1 to 100 ft. <input type="checkbox"/> 101 to 200 ft.</p> <p><input type="checkbox"/> 201 to 400 ft. <input type="checkbox"/> greater than 400 ft.</p>
<p>13. TYPE OF FALL VEGETAL COVER:</p> <p><input type="checkbox"/> Little or no vegetal cover</p> <p><input type="checkbox"/> Short grasses</p> <p><input checked="" type="checkbox"/> Tall weeds or short brush (1 to 2 ft.)</p> <p><input type="checkbox"/> Brush or bushes (2 to 6 ft.)</p> <p><input type="checkbox"/> Agricultural crops</p> <p><input checked="" type="checkbox"/> Trees with sparse low brush</p> <p><input type="checkbox"/> Trees with dense low brush</p>	<p>20. RESTORATION OF DRILLING PITS: **</p> <p><input type="checkbox"/> Haul drilling fluids and fill pits</p> <p><input type="checkbox"/> Use steel circulating tanks</p> <p><input type="checkbox"/> Proposed alternative _____</p> <p style="text-align: center;">NO PIT NEEDED</p>
<p>14. SOIL & RESOILING MATERIAL AT WELLSITE:</p> <p><input checked="" type="checkbox"/> Stockpile and protect topsoil to be used when preparing seedbed</p> <p><input type="checkbox"/> Use of soil additives (e.g., lime, fertilizer)</p> <p><input type="checkbox"/> No resoiling planned</p> <p><input type="checkbox"/> Proposed alternative _____</p>	<p>21. BACKFILLING AND GRADING AT SITE:</p> <p><input checked="" type="checkbox"/> Construct diversions channeled to naturally established drainage systems</p> <p><input type="checkbox"/> Construct terraces across slopes</p> <p><input checked="" type="checkbox"/> Grade to approximate original contour</p> <p><input type="checkbox"/> Grade to minimize erosion & control offsite runoff</p> <p><input type="checkbox"/> Proposed alternative _____</p>
<p>15. DISPOSAL PLAN FOR TREES AND TREE STUMPS:</p> <p><input type="checkbox"/> No trees disturbed <input type="checkbox"/> Haul to landfill</p> <p><input checked="" type="checkbox"/> Cut into firewood <input checked="" type="checkbox"/> Sell to lumber company</p> <p><input checked="" type="checkbox"/> Bury with landowner's approval</p> <p><input type="checkbox"/> Mulch small trees and branches, erosion control</p> <p><input type="checkbox"/> Use for wildlife habitat with landowner approval</p> <p><input type="checkbox"/> Proposed alternative _____</p>	<p>22. VEGETATIVE COVER TO BE ESTABLISHED AT SITE:</p> <p><input checked="" type="checkbox"/> Seeding plan <input type="checkbox"/> Sod</p> <p><input type="checkbox"/> Agricultural crops <input checked="" type="checkbox"/> Trees and/or Bushes</p> <p><input type="checkbox"/> Proposed alternative _____</p>
<p>16. SURFACE AND SUBSURFACE DRAINAGE FACILITIES:</p> <p><input checked="" type="checkbox"/> No existing drainage facilities for removal of surface and/or subsurface water</p> <p><input type="checkbox"/> Tile drainage system underlying land to be disturbed</p> <p><input type="checkbox"/> Drain pipe(s) underlying land to be disturbed</p> <p><input type="checkbox"/> Surface drainage facilities on land to be disturbed</p>	<p>23. ADDITIONAL HOLES:</p> <p><input type="checkbox"/> Rat/Mouse, if used, will be plugged</p> <p>24. PROPOSED OR CURRENT LENGTH OF ACCESS ROAD:</p> <p><input type="checkbox"/> 100 ft. or less <input checked="" type="checkbox"/> 101 to 500 ft.</p> <p><input type="checkbox"/> 501 to 1500 ft. <input type="checkbox"/> greater than 1500 ft.</p>
<p>16. SURFACE AND SUBSURFACE DRAINAGE FACILITIES:</p> <p><input checked="" type="checkbox"/> No existing drainage facilities for removal of surface and/or subsurface water</p> <p><input type="checkbox"/> Tile drainage system underlying land to be disturbed</p> <p><input type="checkbox"/> Drain pipe(s) underlying land to be disturbed</p> <p><input type="checkbox"/> Surface drainage facilities on land to be disturbed</p>	<p>25. CURRENT LAND USE OF PATH OF ACCESS ROAD:</p> <p><input type="checkbox"/> Cropland <input type="checkbox"/> Pasture <input type="checkbox"/> Commercial</p> <p><input checked="" type="checkbox"/> Idle land <input type="checkbox"/> Wetlands <input type="checkbox"/> Recreational</p> <p><input type="checkbox"/> Industrial <input type="checkbox"/> Residential</p> <p><input type="checkbox"/> Unreclaimed strip mine</p> <p><input checked="" type="checkbox"/> Woodland: (Circle <u>Broad-leaved</u> or <u>Needlelike</u>)</p>

RECEIVED
AUG 30 2002

REQUIRED BY SECTION 1509.06 (L), OHIO REVISED CODE - FAILURE TO SUBMIT MAY RESULT IN AN ASSESSMENT OF CRIMINAL FINES NOT LESS THAN \$100.00 NOR MORE THAN \$2,000.00 OR CIVIL PENALTIES NOT LESS THAN \$4,000.00. **PITS MUST BE FILLED WITHIN FIVE MONTHS AFTER COMMENCEMENT OF THE WELL.

<p>26. SURFACING MATERIAL FOR ACCESS ROAD:</p> <p><input checked="" type="checkbox"/> Gravel <input type="checkbox"/> Brick and/or tile waste</p> <p><input type="checkbox"/> Slag <input type="checkbox"/> Crushed stone</p> <p><input type="checkbox"/> No surfacing material to be used</p> <p><input type="checkbox"/> Proposed alternative _____</p>	<p>29. STEEPEST SLOPE GRADIENT ON ACCESS ROAD:</p> <p><input checked="" type="checkbox"/> 0 to 5% <input type="checkbox"/> 6 to 10% <input type="checkbox"/> greater than 10%</p>
<p>27. PATH OF ACCESS ROAD TO BE DETERMINED BY:</p> <p><input type="checkbox"/> Landowner <input type="checkbox"/> Contractor</p> <p><input checked="" type="checkbox"/> Existing access road <input type="checkbox"/> Operator</p>	<p>30. APPROXIMATE LENGTH OF STEEPEST SLOPE ON ROAD:</p> <p><input checked="" type="checkbox"/> 0 to 100 ft. <input type="checkbox"/> 101 to 200 ft.</p> <p><input type="checkbox"/> 201 to 400 ft. <input type="checkbox"/> greater than 400 ft.</p>
<p>28. GRADING AND EROSION CONTROL PRACTICE ON ROAD:</p> <p><input type="checkbox"/> Diversions <input type="checkbox"/> Water breaks <input type="checkbox"/> Drains</p> <p><input type="checkbox"/> Outsloping of road <input type="checkbox"/> Open Top Culverts</p> <p><input checked="" type="checkbox"/> Pipe Culverts <input type="checkbox"/> Filter Strips <input type="checkbox"/> Riprap</p> <p><input type="checkbox"/> Proposed alternative _____</p>	<p>31. HAS LANDOWNER RECEIVED A COPY OF THIS RESTORATION PLAN?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

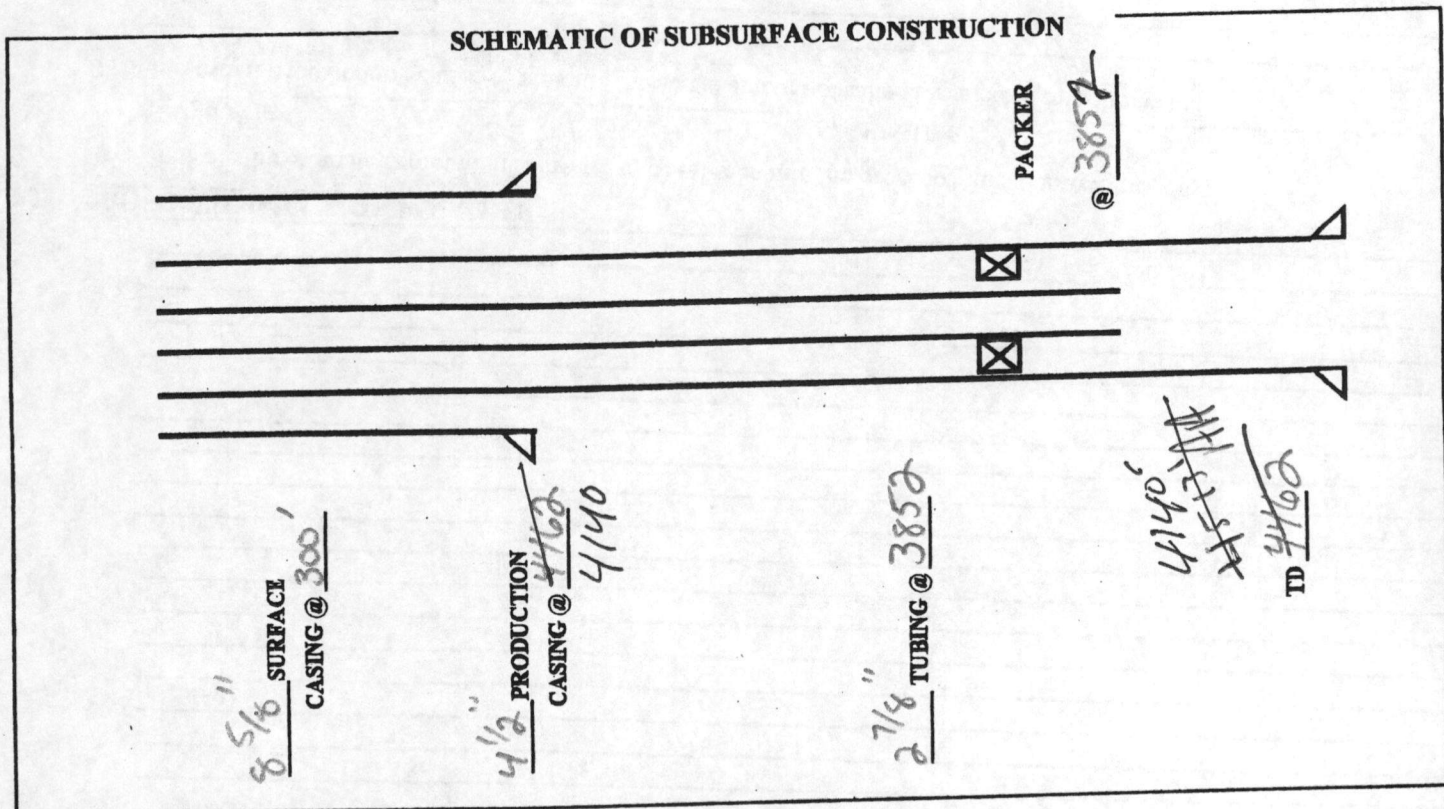
The undersigned hereby agrees to implement all restoration operations identified on this form, and conform to all provisions of Section 1509.072 of the Ohio Revised Code, and to all Orders and rules issued by the Chief, Division Mineral Resources Management.

Signature of Owner/Authorized Agent 

Name (Typed or Printed) Nick S. Perrod Date Aug. 29th, 2012

RESTORATION PLAN MUST BE SUBMITTED TO THE DIVISION IN DUPLICATE.

36. **MAP.** Each application for a permit shall be accompanied by a map or maps showing and containing the following information:
- A. The subject tract of land on which the proposed injection well is to be located.
 - B. The location of the proposed injection well on the subject tract established by an Ohio registered surveyor showing the distances in feet from the proposed well site to the boundary lines on the subject tract;
 - C. The geographic location of all wells, penetrating the formation proposed for injection regardless of status, within the area of review;
 - D. All holders of the land owner's royalty interest of record, or holders of the severed oil and gas mineral estates of record in the subject tract;
 - E. All owners or operators of wells producing from or injecting into the same formation proposed as the injection formation.
37. **SCHEMATIC DRAWING OF SUBSURFACE CONSTRUCTION.** Label the schematic drawing below indicating size and setting depth of surface casing, intermediate (if any) and production casings; amount of cement used, measured or calculated tops of cement; size and setting depth of tubing; type and setting depth of packer; geologic name of injection zone showing top and bottom of injection interval. If the proposed input well design is substantially different from the schematic below, attach on a separate sheet a schematic of your proposal labeled with the above information.



38. Public notice of an application for an enhanced recovery project is required by law. In addition, the applicant must submit, on an attached sheet, a list of the names and address of those persons required to receive personal notice in accordance with Rule 1501:9-5-05(E)(1), of the Ohio Administrative Code.

After submitting the application, and after a determination by the Division that it is complete as required by the rules of the Division, a legal notice must be published by the applicant in a newspaper of general circulation in the area of review. The legal notice must contain the information described in Rule 1501:9-5-05(E)(1) of the Ohio Administrative Code. A copy of the notice must be delivered to all owners or operators of wells within the area of review producing from or injecting into the same formation proposed as the injection formation. Proof of publication, publication date, and an oath as to the delivery to those entitled to receive personal notice under this method must be filed with the Division within thirty days after the Division determines that the application is complete.

In addition, notice of all applications for enhanced recovery projects will be published in the Division's Weekly Circular.

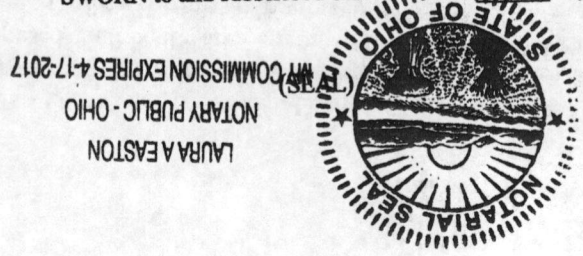
The undersigned hereby agrees to comply with all provisions for an enhanced recovery project as required by Chapter 1501:9-5 of the Ohio Administrative Code. In addition, the undersigned deposes and says that he shall conform to all provisions of Section 1509.072 of the Ohio Revised Code, and to all orders and rules issued by the Chief, Division of Mineral Resources Management.

Owner/Authorized Agent (Type or Print): NICOL S PEROD
 Signature of Owner/Authorized Agent: [Signature] Title: Partner
 Permanent Address of Home Office: 103 W. MARKET ST, WARREN, OH 44481

If signed by Authorized Agent, a certified copy of appointment of agent must be on file with the Division.

SWORN to and subscribed before me this 29 day of August, 2012.

[Signature]
 Notary Public



Date Commission Expires

**SUPPLEMENT TO APPLICATION
PERMIT FOR A SALTWATER INJECTION WELL**

AREA OF REVIEW: An application for a saltwater injection well (SWIW) will be evaluated on the basis of an "area of review" surrounding the proposed well. The area of review for wells in which injection of greater than two hundred barrels per day is proposed shall be the area circumscribed by a circle with the center point at the location of the injection well and a radius of one-half mile. The area of review for wells in which a maximum injection of two hundred barrels per day or less is proposed shall be the area circumscribed by a circle with the center point at the location of the injection well and a radius of one-quarter mile.

PROPOSED INJECTION ZONE

Geological Formation: Newburg/Ginton
 Injection Interval: From: 3918' - 4036' feet to 4036'
 Geologic description of injection zone: Newburg & Ginton

WELL CONSTRUCTION AND OPERATION

A. Description of the proposed casing and cement program for new wells, or of the casing, cementing or sealing with prepared clay for existing wells to be converted:
Cementing completed
200 sacks for 300' surface & 150 sacks used for long string

B. Proposed method for testing the casing:
Fiber plug, just into cement, set, then pressure casing to states pressure for 15 minutes

C. Description of the proposed method for completion and operation of the injection well:
pull 1/2" get sands water, & kill well, set fiber plug, test casing, knock out plug

D. Description of the proposed unloading, surface storage, and spill containment facilities:
Set packer, pressure test, complete
SSG Attached
Photo, some site on currently operating for Kern 1A & 1438 & 144

RECEIVED

AUG 30 2012

PROPOSED INJECTION VOLUMES

A. Indicate the estimated amount of saltwater to be injected into the proposed injection well per day:
 AVERAGE: 500 - 800 bbl
 MAXIMUM: 1500 - 2000

B. Indicate the method to be used to measure the actual amount of saltwater injected into the well:
Barrel meter / gauge, clean tank on site 4 time / 12 hrs

PROPOSED INJECTION PRESSURES

A. Indicate the estimated pressure to be used for injection of saltwater into the proposed injection well:
 AVERAGE: 700 - 1000 psi
 MAXIMUM: 1350 psi

B. Indicate the method to be used to measure the actual daily injection pressure:
By gauge reading & record into database & it will
average for operator

PROPOSED CORRECTIVE ACTION

35. Explain any corrective action proposed for wells penetrating the proposed injection formation or zone within the area of review.
To states advise ment if issue occurs

895
 H