

west virginia department of environmental protection

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

UIC Permit

VIKING ENERGY CORPORATION P. O. BOX 13366 SISSONVILLE, WV 25360

Dear Applicant:

Enclosed you will find Underground Injection Control Permit Number UIC2D0392210 dated June 03, 2011. Be advised that the duration of the permit is for a period of five (5) years.

Also be advised that all conditions established by UIC Permit Number UIC2D0392210 either expressly or incorporated by reference, must be strictly adhered to. All monitoring forms shall be submitted to the Office of Oil and Gas in the manner and frequency prescribed. The monitoring forms will be compared with the scope of permitted activity to verify compliance.

Please review the permit carefully and be aware of all permit conditions. Compliance of all permit conditions will be strictly enforced.

The operation of this injection well facility in general, including maintenance of all related surface equipment, shall be conducted so as to preclude any unlawful discharge of waste materials into the surface or ground waters of the state.

James Martin Chief, Office of Oil and Gas

Enclosures as stated

UIC PERMIT NO. UIC2D0392210 WELL NO. Wallace #1

UNDERGROUND INJECTION CONTROL PERMIT FOR DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS AND DIVISION OF WATER AND WASTE MANAGEMENT FOR COMMERCIAL CLASS II DISPOSAL WELL

This document consists of the Underground Injection Control (UIC) Permit required by the Department of Environmental Protection, Office of Oil and Gas (OOG), and Division of Water and Waste Management. The permittee is allowed to engage in underground injection in accordance with the terms and conditions of this permit based upon an approved UIC Permit.

The Underground Injection Control Permit No. **UIC2D0392210** consists of Forms WW-3A and WW-3B and the terms and conditions below:

- 1. The underground injection activity authorized by this permit shall not allow the movement of fluid, as per (47CSR13-2.26), containing any contaminant into any subsurface area other than that which is specified and may not cause a violation of any primary drinking water regulation promulgated under 40 CFR Chapter 1, Part 141 or any water quality standard promulgated by the Department of Environmental Protection.
- 2. This permit is issued in accordance with the provisions of Article 11 and 12, Chapter 22 of the Code of West Virginia and the Legislative Rule 47CSR13.
- 3. All reports required by this permit shall be submitted to the Office of Oil and Gas with the exception to paragraph 4 below.
- 4. The following activities require the immediate cessation of facility operations and prompt notification of the Director of Water and Waste Management (47CSR13-13.6.d and 47CSR13-13.12.1.6).
 - a) Any monitoring or other information which indicates that any contaminant has caused or may cause an endangerment to an underground source of drinking water;
 - b) Any non-compliance with a permit condition or any malfunction of the injection system which may cause fluid migration into or between underground sources of drinking water; and
 - c) Any non-compliance which may endanger health and environment.

- 5. This permit is for authorization of injection of only fluids as defined for Class II wells in 47CSR13-4.2. The fluids to be injected shall only be from those sources listed in the permit application. Additional sources of fluids may be approved upon written request by the permittee. However, permittee's acceptance of additional sources of fluid(s) shall be deemed approved provided that such fluids meet all Class II injection standards and the permittee reports within five (5) business days the source, API# and formation(s) for the sources added during the previous week. Accepting any fluid that does not meet Class II injection standards is grounds for revocation of this permit.
- 6. The permit must satisfy the requirements of the Office of Oil and Gas regarding any corrective action needed on all known wells penetrating the injection zone within the area of review.
- 7. Any production well within a ¼ mile radius of disposal well# 47-039-02210 which does not have cemented production casing shall be plugged immediately upon becoming inactive. Any temporary inactive well shall be monitored at a frequency and by a method prescribed by the Office of Oil and Gas upon notice by the permittee of such activity. Any well shut-in more than one (1) week shall be considered inactive.
- 8. The area of review is designated as a 1 / 4 mile radius around the injection project.
- 9. This permit approves the Newburg formation for injection from 5514' to 5584' (open hole).
- 10. The maximum wellhead injection pressure shall be established at 2,018 PSI.
- 11. The permittee shall provide for security and safety at the injection facility to guard against illegal or unauthorized dumping and injection at the injection facility. A gated security fence shall be maintained around the permitted well system. The facility shall be monitored 24 hours. All unnecessary equipment (determined by the WVDEP-OOG) shall be removed from the UIC facility upon request by the Office of Oil and Gas.
- 12. The permittee shall monitor the 2 3/8" X 5 1/2" and 5 1/2" X 8 5/8" casing annuli with pressure sensitive devices or with such a method as approved or required by the Office of Oil and Gas to allow early detection on any leaks from the injection zone or casing. The results of such monitoring shall be reported on Form WR-40.
- 13. Authorization to inject is contingent upon submission and approval of the Office of Oil and Gas Form WR-37 for each well. Construction modifications from the proposed work plan (O&G Form WW-3) and mechanical integrity will be evaluated at this time. Operational conditions will be finalized at this time. Upon approval of Form WR-37, conditions established on this form are incorporated by reference as conditions of this permit. FORM WR-37 SHALL BE SUBMITTED WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THE UIC PERMIT.

- 14. Permittee shall conduct a mechanical integrity test (MIT) at least once every five years per regulation submitting a copy of the test chart and WR-37 Form to the OOG. If a mechanical integrity test should fail, the permittee shall cease operation/injection and shut-in the well immediately until repaired or permanently plugged and abandoned per regulation. The well must be repaired or permanently plugged within 90 days of the failure date. If repaired, the well must be re-tested making sure to submit a WR-37 Form to the Office of Oil and Gas. The Office of Oil and Gas shall be notified 24 hours in advance of the re-test date to witness said test.
- 15. A well head pressure gauge shall be installed and maintained on the injection tubing / casing to facilitate inspection and ensure compliance of maximum injection pressures as approved on Oil and Gas Form WR-37. A daily reading of the injection pressure shall be taken and reported monthly on Form WR-40 to the Office of Oil and Gas.
- 16. The permittee shall sample and analyze injection fluids upon request by the Office of Oil and Gas. Analyses shall cover all parameters listed on Attachment A of this permit or any other requested by the Office of Oil and Gas. Results of all analyses shall be submitted to the Office of Oil and Gas. Permittee shall submit a letter of explanation for any parameter which exceeds the ranges on Attachment A.
- 17. All injection lines shall be inspected, maintained, operated and monitored to allow early detection of any leakage and so that the occurrence of leaks will be minimized.
- 18. Pipeline(s) connecting UIC above-ground storage tanks and permitted well (UIC2D0392210) shall be tested for integrity at least once every five years reporting results on Form WR-37 to this agency.
- 19. Permittee shall construct and/or maintain adequate secondary containment for all tanks on site and for unloading area for fluids coming into the facility.
- 20. Permittee shall sample the stream (Tuppers Creek) bi-annually both above and below the injection facility submitting results to the Office of Oil and Gas. Any existing groundwater monitoring wells shall also be sampled bi-annually submitting results to the Office of Oil and Gas.
- 21. Permittee shall install and maintain a vapor recovery system on all tanks and any other equipment (if practical) that has the potential to put off vapors.
- 22. The permittee shall fulfill the requirements of the Office of Oil and Gas regarding maintaining financial responsibility and resources to close, plug, and abandon permitted wells. An additional five-thousand dollar performance bond shall be maintained on permitted UIC well #47-039-02210.
- 23. The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit; with the information submitted with the Permit Application No. UIC2D0392210 with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the Department of Environmental Protection.

- 24. This permit is issued in accordance with the provisions of Article 11 and 12, Chapter 22, of the Code of West Virginia and Legislative Rule 47CSR13.
- 25. Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with the Permit Application No. **UIC2D0392210** and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and for the invocation of all the enforcement procedures set forth in Article 11 and 12, Chapter 22, of the Code of West Virginia and Legislative Rule 47CSR13.
- 26. The operation of this injection well facility in general, including maintenance of all unrelated surface equipment, shall be conducted so as to preclude any unlawful discharge of waste materials into the surface or ground waters of this State.
- 27. The permittee must satisfy the requirement of the Office of Oil and Gas for plugging and abandonment of permitted injection wells in such a manner as to ensure that no fluid movement occurs either from the injection zone into an underground source of drinking water or from one underground source of drinking water to another.
- 28. Permittee shall implement a manifesting system to record all loads hauled to the facility making sure to document the source of the waste fluid and hauler identification. The Office of Oil and Gas shall approve the instrument, prior to the transportation of any fluids.
- 29. Permittee shall haul all fluids from the source to the facility for disposal or designate by letters to the Office of Oil and Gas, a single hauler to transport all fluids. No third party haulers will be permitted to transport fluid to the facility.

ATTACHMENT A

Injection Fluid Analyses Parameters

<u>Parameter</u>	Ranges
PH TDS TSS Aluminum Arsenic Barium Cadmium Chromium Iron Lead Magnesium Manganese Potassium Sodium Zinc Surfactants TKN Oil and Grease TOC COD Acidity Chloride Sulfate Cyanide Phenols Calcium BNA – Extractables Purgeable Aromatics Purgeable Halocarbons	>2-10 0-265,000 mg/1 0-1000 mg/1 0-10 mg/1 0-10 mg 0-1500 mg/1 0-2 mg/1 0-1 mg/1 0-1000 mg/1 0-7.5 mg/1 0-5000 mg/1 0-5000 mg/1 0-15 mg/1 0-10 mg/1 0-10 mg/1 0-10 mg/1 0-10 mg/1 0-25 mg/1 0-100 mg/1 0-30,000 mg/1 0-30,000 mg/1 0-500 mg/1 0-500 mg/1 0-500 mg/1 0-500 mg/1 0-10 mg/1 0-10 mg/1 0-500 mg/1 0-10 mg/1 0-500 mg/1 0-60,000 mg/1 Trace Trace Trace
Purgeable Halocarbons	Trace
PCBs Benzene Ethylbenzene Toluene Total Xylenes TPHs (ORO, DRO, GRO)	<mdl 50="" or="" ppm<="" td=""></mdl>



LOCATION MAP OF PROPOSED DISPOSAL WELL 20320

1432'50 38°30'00' 7400' WO 81°37' 30"



11	Date:	September 27,	2010
1,) Date:	September 27,	2010

2) Operator's Well No.3) API Well No.: 47

No. Wallace #1

47
State

O39
Co

039 County 02210 Permit

4) UIC Permit No.

2D0392210

STATE OF WEST VIRGINIA NOTICE OF LIQUID INJECTION OR WASTE DISPOSAL WELL WORK PERMIT APPLICATION FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

5) WELL TYP				Gas Inj	ection (not	storage)	_ / Waste	Disposal	/		
6) LOCATION: Elevation: 647.16 Watershed: Tuppers Creek											
	Distr				_ (County Ka	nawha	Quadi	angle Pocatal	ico	
7) WELL OPERATOR: Viking Energy, Inc.					8) DESIG	GNATED A	GENT Mich	Michael Pinkerton			
A	Address	P. O. Box	13366				Add	ress P. O.	Box 13366		
		Sissonville	e, WV 253	60				Sisso	onville, WV 2536	0	
9) OIL & GAS	INSPEC	TOR TO	BE NOTI	FIED		10) DRII	LING CON				
Name -	Terr	10 1)	-ba	\sim		Name					
Address	P. 0	BO	× 1-	2.07)	Address	-				
	Cle	nder	1 rie	NY	2504	15					
11) PROPOSEI	D WELL	WORK	Drill		/ Dri	ll deeper	/ R	Redrill	/ Stim	ulate	
			Plug of	f old for	mation	/	Perforate nev	w formation		Convert X	-
			Other p	hysical	change in	well			(B	encual of	اما
			(specify							permit) It	, ,
12) GEOLOGI	C TARG	ET FORM	ATION	Ne	حاس	ca D	epth 55	57 Feet	(top) to 557	H Feet (bottom)
13) Estimated I	Depth of	Completed	Well, (o	r actual	depth of e		. 030			1	
well):				-	1201	9	5584	F	eet	open h	-1()
14) Approxima	te water s	strata dept	hs: Fre	esh	NIF	Feet	Salt	1191	Feet \	5514-5	1881
15) Approxima	te coal se	am depths	í:	NIX	7						
16) Is coal bein	g mined	in the area	? Yes		N	о х					-
17) Virgin reser	rvoir pres	ssure in tar	get forma	ation 7	17.5	psig So	urce U)	e11 F	Record		
18) Estimated r	eservoir	fracture pr	essure		psig (E	BHFP)					_
19) MAXIMUN	M PROPO	OSED INJ	ECTION	OPER.	ATIONS:	Volume pe	r hour 150	BA-1 BO	ottom hole pres	sure 432	0
20) DETAILED	DIDENT	IFICATIO	N OF M	ATERIA	ALS TO B	E INJECTE	D, INCLUDI	NG ADDIT	IVES		
Prod	ocer	e u	ote	T 0	and	TIG	Fluid	5			
21) FILTERS (IF ANY) 50 micron bag and 10 meron cartridge											
22) SPECIFICA	ATIONS	FOR CAT						N CONTRO)L	7	_
23) CASING AN	D TUBIN	IG PROGR	AM								_
								CEMENT FILL	_		
								UP			
CASING OR	enecirio A	TIONE				FOOTAGEINT	TEDWALE	OR SACKS (CU			
TUBING TYPE	SPECIFICA	TIONS	Weight			FOOTAGE INT	ERVALS	FT.)	PACKERS		1
	Size	Grade	per ft.	New	Used	For Drilling	Left In Well				
Conductor	26"	14-40	94	~		15'	15'		Kinds		
Fresh Water	133/8"	H-40	H8			241'	241'	CTS		er R-3	
Coal									Sizes		
Intermediate	8%"	J-55	24	V		1738	1738	CTS	51/2"	x 23/8"	
Production	51/2"	N-80	17	V		5514	5514'	1705K	Depths set	=125.1	(/
Tubing	23/8"	7-55	4.7	V		5462	5462'		55		(5478)
Liners									Perforation:	011	,
									Тор	Bottom	
24) APPLICANT'S OPERATING RIGHTS were acquired from Triple B Lumber & Forming											
by deed	//	lease			contract	/	dated 11			f record in the	200
Kangula County Clerk's office in Deed Book 2142 Page(s) 295											