

Claude C. Hissem #1 Complaint

API# 47-085-05755

The complaint was called in to Mike Goff, (Ritchie County Oil and Gas Inspector) on January 10, 2017. Mike Lamp (local resident) stated his concerns about the (Claude C. Hissem #1), the well was flowing a liquid substance out between the polish rod liner and stuffing box on Weigh Station Rd, Ritchie County. Prior to visiting the site, Goff contacted Haught Energy Corp. (previous owner/operator) and Jon Miller (currently in process of buying). Miller was not aware of leak, but stated the he suspected communication issues with the Fountain Quail injection wells (47-085-09721 & 47-085-10142).

Upon arriving on the well lease road, a liquid/mist could be seen spraying out between the stuffing box and the polish rod. Goff proceeded onto the site, where a split in polish rod liner could be clearly viewed. The liquid originating from the well had a strong brine smell. Then Goff contacted Jon Miller to discuss personnel or resources in area to repair the well/stop the leak. Miller contacted Clay Perkins (owner of Perkins Oil & Gas) to address this issue. Perkins employees responded quickly to well site and stopped the leak / set-up for repair work.

Goff visited the Fountain Quail injection facility. Dave Casto (Facilities Manager) was notified of the incident and discussed possible causes. Fountain Quail voluntarily shut down injection operations. Injection data (for the new well 47-085-10142) was reviewed and pressures checked for possible communication. The pressure on tubing and 4 ½" was checked for variation (on the old well 47-085-09721). No major pressure spikes or drops could be determined from the data.

The two parties involved agreed for Fountain Quail to resume operations, to determine if a possible communication occurred between injection wells and producing well. Haught Energy and Jon Miller set up a recorder on the (Hissem #1) to monitor for pressure spikes. Fountain Quail started injecting / monitoring pressures on the old and new injection wells. Pressures on the old well remained the same, and the new well pressures built back to normal injecting pressure. The Hissem #1 pressures remained the same.

Jon Miller was contacted January 12, 2017 approx. 11:10 am to explain results. Mr. Miller stated during the phone call, that he didn't think there was a communication issue. The recorder will remain on his well to monitor pressure for 30 days. Fountain Quail will also monitor both the new and old wells.

Form IR-11A
Rev. 8/21/2013

State of West Virginia
Office of Oil and Gas

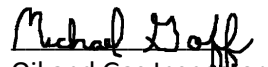
INSPECTORS REPORT

Operator: Fountain Quail

API Number: 47-085-10142

FINDING: See attached:

Does this inspection identify any dust issues? ___ YES X NO If yes, explain.


Oil and Gas Inspector

1 / 12 / 17
Date