

DAILY ROUTE SLIP Youngstown

APPLICATION NO. aPATT017894

TYPE: Drill New Well

CONAME D & L ENERGY INC

API

WELL NAME /NO. NORTH STAR

1

COUNTY 99 MAHONING

INITIALS

DATE

DATE APPLICATION REC'D

pn

4/2/2010

PERMIT FEE AND CHECK NO.

\$1,000.00

19965

RUSH AMOUNT RUSH CHECK NO.

\$0.00

0

APPLICATION ENTERED

pn

4/2/2010

APPLICATIONS AND PLATS SENT FOR MINE APPROVAL

pn

4/2/2010

COAL APPROVAL RECEIVED

OIL/GAS AFFIDAVIT REC'D

URBANIZED AREA NOTIFICATION SENT

—

—

URBANIZED AREA NOTIFICATION SENT TO INSPECTOR/REC'D BACK

pn

4/13 4/20

URBAN MAP REVIEW

MDW

04/02/2010

SAMPLES: YES ___ /SPECIAL AREAS

GEOLOGIST APPROVAL

KB

4/22/2010

DATA ENTRY /ISSUED

pn

4/22/2010

PERMIT: TAKEN _____ MAILED

pn

4/23/2010

FAX TO:

Ben Lupo 330-792-9584

FINAL MAP CHECK

COMMENTS: 04/02/2010 on hold, no aerials w/o contours, urban area not clearly named, require 3 aerials. Surveyor's plat too small a scale 1:600. Received 4/12/2010. Received revised aerials 4/21/10.

Send Urbanized Area + Knox Unconformity Special Conditions

Proof Sheet

| | |
|------------------|------------------|
| APPL NUMBER | aPATT017894 |
| OWNER NUMBER | 2651 |
| OWNER NAME | D & L ENERGY INC |
| EXISTING WELL | 0 |
| API PERMIT NO | |
| APPL TYPE | NW |
| TYPE OF WELL | OG |
| VARIANCE REQUEST | |
| WELL NAME | NORTH STAR |
| WELL NUMBER | 1 |
| PREV/PROPOSED TD | 10000 |
| DRILL UNIT ACRES | 40 |
| TYPE OF TOOL | RTAF |
| WELL CLASS | 20PW |
| FIRE PHONE | () - 911 |
| MEDICAL PHONE | () - 911 |
| COUNTY CODE | 99 |
| COUNTY NAME | MAHONING |
| COAL (Y=1/N=0) | -1 |
| CIVIL TOWNSHIP | YOUNGSTOWN |
| SURF QUAD | YOUNGSTOWN |
| SURF ORIG X | 2,500,532 |
| SURF ORIG Y | 534,715 |
| GROUND ELEVATION | 861 |
| SURF SEC | |
| SURF LOT | |
| SURF QTR TWP | |
| SURF ALLOT | |
| SURF TRACT | |
| SURF FRACTION | |

| | |
|------------------|-------------------------------------|
| URBANIZED AREA ? | <input checked="" type="checkbox"/> |
| NAME | YOUNGSTOWN CITY |
| DISPOSAL PLAN 1 | <input type="checkbox"/> ND |
| DISPOSAL PLAN 2 | <input type="checkbox"/> |
| DISPOSAL PLAN 3 | <input type="checkbox"/> |
| DISPOSAL PLAN 4 | <input type="checkbox"/> |
| DISPOSAL PLAN 5 | <input type="checkbox"/> |

Trenton through

| |
|---------------------|
| PROPOSED FORMATIONS |
| ST. SIMON |
| |
| |
| |

| | |
|----------------|---|
| TARG CIVIL TWP | |
| TARG QUAD | |
| TARG ORIG X | |
| TARG ORIG Y | |
| TARG ELEV | 0 |
| TARG SECTION | |
| TARG LOT | |
| TARG QTR TWP | |
| TARG ALLOT | |
| TARG TRACT | |
| TARG FRACTION | |

Proof Sheet

SURFACE FOOTAGE

| |
|---------------------|
| 3372' NL + 4080' EL |
| OF TWP |
| |
| |
| |

TARGET FOOTAGE

| |
|--|
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| |
| |
| |
| |

CASING PROGRAM

| | | |
|----|-------|------|
| 04 | | |
| 60 | 85/8 | 1000 |
| 19 | 5 1/2 | |
| | | |
| 26 | | |
| 27 | | |
| | | |
| | | |
| | | |

SPECIAL CONDITIONS/COMMENTS

| |
|-------|
| -PER |
| UASC |
| KNX 1 |
| |
| |

COMPLETION DT

MINES APPROVAL

AFFIDAVIT APPROV

FINAL ENTRY DATE

OHIO DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF MINERAL RESOURCES MANAGEMENT
 2045 Morse Road, Building H-3
 COLUMBUS, OHIO 43229-6893
 (614) 285-6633

aPat 17894

SEE INSTRUCTIONS ON PAGE 2 (BACK)

| | | | |
|---|--|--|--|
| 1. I, We (applicant) <u>D & L ENERGY, INC.</u> | | 2. Owner #: <u>2651</u> | |
| (address) <u>2761 SALT SPRINGS RD., YOUNGSTOWN, OH 44509</u> | | Phone #: <u>330-792-9524</u> | |
| hereby apply this date <u>1-Apr</u> , 20 <u>10</u> | | for a permit to: | |
| <input type="checkbox"/> Reissue (check appropriate blank) <input checked="" type="checkbox"/> Drill New Well <input type="checkbox"/> Drill Directionally <input type="checkbox"/> Drill Horizontally | | <input type="checkbox"/> Revised Location & Reissue <input type="checkbox"/> Plug Back <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Orphan Well Program | |
| <input type="checkbox"/> Convert <input type="checkbox"/> Deepen <input type="checkbox"/> Reopen | | | |
| 3. TYPE OF WELL: | | | |
| <input checked="" type="checkbox"/> Oil & Gas <input type="checkbox"/> Stratigraphic Test <input type="checkbox"/> Other (explain): <input type="checkbox"/> Solution Mining* | | <input type="checkbox"/> Annular Disposal <input type="checkbox"/> Storage of: _____ <input type="checkbox"/> Saltwater Injection | |
| <input type="checkbox"/> Input/Injection <input type="checkbox"/> Water Supply | | <input type="checkbox"/> Enhanced Recovery* *check appropriate box below <input type="checkbox"/> Production/Extraction <input type="checkbox"/> Observation | |
| 4. MAIL PERMIT TO: <u>D & L ENERGY, INC</u> <u>2761 SALT SPRINGS RD.</u> <u>YOUNGSTOWN, OH 44509</u> | | 20. TYPE OF TOOLS: | |
| | | <input type="checkbox"/> Cable <input type="checkbox"/> Cable & Air Rotary <input type="checkbox"/> Cable & Fluid Rotary <input type="checkbox"/> Cable & Air Rotary & Fluid Rotary | |
| | | <input type="checkbox"/> Air Rotary <input checked="" type="checkbox"/> Air & Fluid Rotary <input type="checkbox"/> Fluid Rotary | |
| 5. COUNTY: <u>MAHONING</u> | | 21. PROPOSED CASING PROGRAM: | |
| 6. CIVIL TOWNSHIP: <u>YOUNGSTOWN</u> | | 11" FOR 100 FEET 8-5/8" FOR 400 FEET CEMENTED TO SURFACE 1/2" CEMENTED TO SURFACE | |
| 7. SECTION: <u>8.</u> LOT: <u></u> | | | |
| 9. FRACTION: <u></u> 10. QTR TWP: <u></u> | | | |
| 11. TRACT/ALLOT: <u></u> | | | |
| 12. WELL #: <u>1</u> | | | |
| 13. LEASE NAME: <u>NORTH STAR</u> | | | |
| 14. PROPOSED TOTAL DEPTH: <u>10000</u> | | | |
| 15. PROPOSED GEOLOGICAL FORMATION: <u>Trenton through</u> | | 22. FIRE AND MEDICAL DEPARTMENT TELEPHONE NUMBERS: (closest to well site) | |
| 16. DRILLING UNIT IN ACRES (must be same as acres indicated on plat): <u>40</u> | | Fire: <u>911</u> | |
| | | Medical: <u>911</u> | |
| 17. IF PERMITTED PREVIOUSLY: | | 23. MEANS OF INGRESS & EGRESS: | |
| API #: <u>N/A</u> | | Township Road: _____ | |
| OWNER: _____ | | County Road: _____ | |
| WELL #: _____ | | Municipal Road: <u>OHIO WORKS DRIVE</u> | |
| LEASE NAME: _____ | | State Highway: _____ | |
| TOTAL DEPTH: _____ | | 24. IS THE WELL LOCATION OR PRODUCTION FACILITIES WITHIN AN URBANIZED AREA AS DEFINED BY 1509.03 ? | |
| GEOLOGICAL FORMATION: _____ | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| 18. IF SURFACE RIGHTS ARE OWNED BY THE OHIO DEPARTMENT OF NATURAL RESOURCES: | | 25. WILL THE PROPOSED LOCATION OF THIS WELL REQUIRE THE NOTICE SPECIFIED UNDER 1509.06 (I) ? | |
| Division Name: <u>N/A</u> | | <input type="checkbox"/> Yes (Submit Copies) <input checked="" type="checkbox"/> No | |
| Division Phone: _____ | | | |
| 19. LANDOWNER ROYALTY INTEREST: | | | |
| Is There An Attached List ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| Name: <u>BRIER HILL SLAG</u> | | | |
| Address: <u>18 HOGUE ST., YOUNGSTOWN, OH 44502</u> | | | |
| Name: _____ | | | |
| Address: _____ | | | |
| Name: _____ | | | |
| Address: _____ | | | |

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 further more, 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), and that the notice required under Section 1509.06 (I), ORC has been given. 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 to all orders and rules issued by the Chief, Division of Mineral Resources Management.

Signature of Owner/Authorized Agent: NICHOLAS PAPAODIOS Title: V.P. LAND OPERATIONS

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

Sworn to and subscribed before me this the 1 day of APRIL, 2010

Kimberly A. Little
 Notary Public
 KIMBERLY A. LITTLE
 MY COMMISSION EXPIRES
 JUNE 1, 2014

Before this application can be processed, a Form 9 (Authority and Organization Form), indicating the exact owner name on this Form 1, and proof of compliance with the surety requirements of Chapter 1509.07, Ohio Revised Code, must be on file with the Division of Mineral Resources Management. If a new owner name (i.e., one not currently on file with the Division) is used, a Form 9 and evidence of meeting the surety and insurance requirements must be filed with this application. The signature of owner/authorized agent must correspond with the signature of listing provided with the Form 9 on file with the Division.

All information requested on this form must be provided unless exempted by the instructions below. Incomplete applications may be returned to the applicant. An application for a permit requires the following:

1. Drill, Reissue, Reopen, Deepen and Plug Back an Oil and Gas Well

- a. Original and two (2) copies of Application for a Permit (Form 1);
- b. Original and four (4) copies of an Ohio registered surveyor's plat;
- c. Original and one (1) copy of the Restoration Plan (Form 4);
- d. Reopen, deepen, plug back and convert will require three (3) copies of the Well Completion Record (Form 8);
- e. \$250.00 check or money order payable to the Division of Mineral Resources Management and;
- f. If requesting an expedited review, an additional \$500 fee is required; and an Oil & Gas Affidavit (if the proposed well location is in a coal-bearing township).

2. Urbanized Area Drilling Fees

For an urbanized area new well drilling permit, the fee is as follows: \$500 for a township with a population of 5,001 to 9,999; \$750 for a township with a population of 10,000 to 14,999; \$1,000 for a township with a population exceeding 15,000; and \$1,000 for all municipal corporations regardless of population. These fees do not apply to revised drilling units, re-issues of permits already issued and plug-backs.

3. Plug and Abandon

- a. Original copy of Application for a Permit (Form 1);
- b. Two (2) copies of the Ohio registered surveyor's plat originally filed, or modified, if available;
- c. Three (3) copies of the Well Completion Record (Form 8) if available; if there is no Well Completion Record on file with the Division, provide any drilling information that is available;
- d. \$50 check or money order payable to the Division of Mineral Resources Management;
- e. If requesting an expedited review, an additional \$250 fee is required.

4. Drill, Reissue, Reopen, Deepen, Plug Back or Convert a Well to Saltwater Injection

- a. Same as above: 1(a), (b), (c), (d); and
- b. \$100 check or money order payable to the Division of Mineral Resources Management.

Item 1. Permit holder's name - as it appears on Form 9. Indicate the type of or combination of activities to be permitted.

Item 2. Indicate owner number, if the owner number is not known, please contact the Division.

Item 3. Indicate the type of well for which the application is being submitted.

Item 4. Provide name, address, city, state and zip code where the permit is to be mailed.

Items 5-11. Indicate drilling location.

Items 12-16. Provide requested information.

Item 17. Complete when application is for a permit to reopen, deepen, reissue, plug back, convert, or plug and abandon. If the well was never permitted, list "NONE" under permit #; all other wells require the permit number.

Item 18. Complete if surface rights are owned by the Ohio Department of Natural Resources.

Item 19. List names and addresses of all landowner royalty interest holders. Names must coincide with those shown on the designated unit or subject tract on the surveyor's plat or an explanation must be included. Additional sheets may be attached (overriding royalty and working interests are not required).

Item 20. Indicate type of tools that may be used.

Item 21. Indicate size and amount of casing to be used, and/or formations to be cased off.

Item 22. Indicate fire and medical department emergency telephone numbers closest to the well site.

Item 23. List all county, township, and/or municipal roads, streets and highways by name or number that applicant anticipates to use as means of ingress and egress to and from the well site.

Item 24. An "urbanized area" is a municipal corporation or a township that has an unincorporated population of more than five thousand, as defined under Section 1509.03 of the Ohio Revised Code.

Item 25. If yes, copies of the notices required under Section 1509.06 (I) of the Ohio Revised Code must be provided.

For an application for a permit to drill a new well, a sworn statement that the applicant has provided notice of the application to the owner of each occupied dwelling unit that is located within five hundred feet of the surface location of the well if the surface location will be less than five hundred feet from the boundary of the drilling unit and more than fifteen occupied dwelling units are located less than five hundred feet from the surface location of the well, excluding any dwelling that is located on real property all or any portion of which is included in the drilling unit. The notice shall contain a statement that an application has been filed with the Division of Mineral Resources Management, identify the name of the applicant and the proposed well location, include the name and address of the Division, and contain a statement that comments regarding the application may be sent to the division. The notice may be provided by hand delivery or regular mail. The identity of the owners of occupied dwelling units shall be determined using the tax records of the municipal corporation or county in which the dwelling unit is located as of the date of the notice.



D & L ENERGY, INC.
LAND DEPARTMENT

2761 Salt Springs Road, Youngstown, Ohio 44509
(330) 792-9524 (888) 343-4427 Fax (330) 270-1202
www.dandlenergy.com

April 1, 2010

Ohio Department of Natural Resources
Division of Mineral Resources Management
2045 Morse Road, Building H-3
Columbus, OH 43229-6693

Ladies and Gentlemen:

Enclosed please find the Application for a permit to drill and the required documentation for the following well:

North Star #1

Also, enclosed is check #19964 in the amount of \$750.00 and check #19965 in the amount of \$250.00 for a total of \$1,000.00 to cover drilling fees.

If you have any questions, please contact Nicholas Paparodis at 330-792-9524, ext. 132.

Very truly yours,

D&L ENERGY, INC.

A handwritten signature in cursive script that reads 'Kimberly Little'.

Kimberly Little
Land Administration

/kl

Enclosures



D & L ENERGY, INC.
LAND DEPARTMENT

2761 Salt Springs Road, Youngstown, Ohio 44509
(330) 792-9524 (888) 343-4427 Fax (330) 270-1202
www.dandlenergy.com

Date: April 9, 2010

To: Mike Williams
Division of Mineral
Resources Management

From: Kimberly Little
Land Administration

Subject: North Star #1

Please find enclosed revised documents for the above subject well.

Should you have any questions please contact Nicholas Paparodis, VP
Land Operations, at 330-792-9524 extension 132.

Thank you.

APR 12 2010



**D & L ENERGY, INC.
LAND DEPARTMENT**

2761 Salt Springs Road, Youngstown, Ohio 44509
(330) 792-9524 (888) 343-4427 Fax (330) 270-1202
www.dandlenergy.com

April 20, 2010

Ohio Department of Natural Resources
Division of Mineral Resources Management
2045 Morse Road, Building H-3
Columbus, OH 43229-6693
Attention: Mike Williams

Dear Mike,

Please find revised site plan for the North Star No. 1 permit pursuant to my April 19th, 2010 meeting with Carl Roberts on location.

If you have any questions, or if additional information is required please advise. I may be reached at 330-792-9524, ext. 132.

Very truly yours,

D&L ENERGY, INC.


Nicholas C. Pappas
V.P. Land Operations

Cc:files

RECEIVED

APR 21 2010

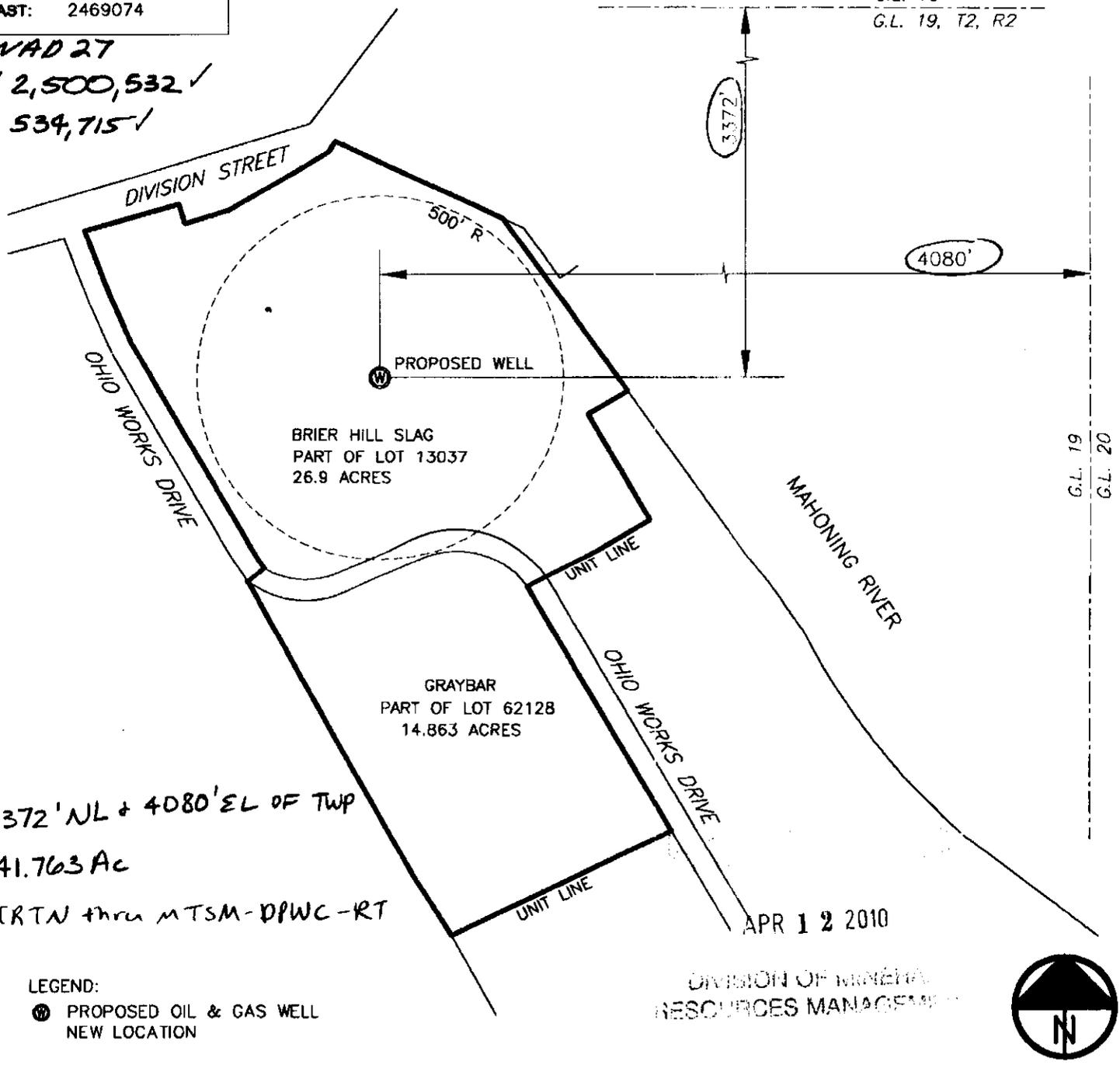
DIVISION OF MINERAL
RESOURCES MANAGEMENT

Latitude: 41° 07' 12.47"
 NORTH: 534746
 Longitude: 80° 40' 58.81"
 EAST: 2469074

WELL LOCATION PLAT

NAD 27
 X 2,500,532 ✓
 Y 534,715 ✓

G.L. 18
 G.L. 19, T2, R2



3372' NL + 4080' EL OF TWP
 41.763 Ac
 TRTN thru MTSM-DPWC-RT

APR 12 2010

LEGEND:

- ⊙ PROPOSED OIL & GAS WELL
- NEW LOCATION

DIVISION OF MINERAL
 RESOURCES MANAGEMENT



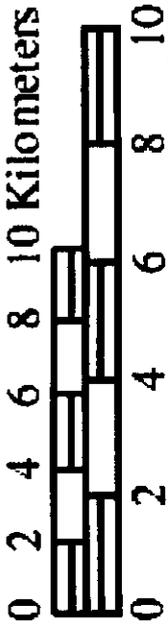
| | | | | |
|---|--|--|--------------------------------------|--|
| Surveyor or Engineer GARY TANERI | Phone # 330-207-5502 | Date REV. 4/09/10 MARCH 23, 2010 | Scale 1" = 400' | Acres 41.763 |
| Lat. & Long. Method GPS | Accuracy 3 R. | Datum NAD83 | Elevation Method USGS | Accuracy 10 ft. |
| Survey Date 3/15/10 | Applicant / Well Operator Name D & L ENERGY, INC. | Well(Farm) Name NORTH STAR | Well # 1 | Municipality YOUNGSTOWN TOWNSHIP |
| Address 2761 SALT SPRINGS ROAD YOUNGSTOWN, OH 44509 | County MAHONING | Municipality CITY OF YOUNGSTOWN | Surface Landowner BRIER HILL SLAG | USGS 7 1/2 Quadrangle Map Name YOUNGSTOWN |
| Surface Lessor D & L ENERGY, INC. | Angle & Course of Deviation (Drilling) VERTICAL | Surface Elevation 861 ft. ✓ | Anticipated Total Depth 9300 ft. | |

The location of all buildings, public roads, railroads and streams within two hundred (200) feet of the proposed well site, and their distances from the proposed well site have been shown.

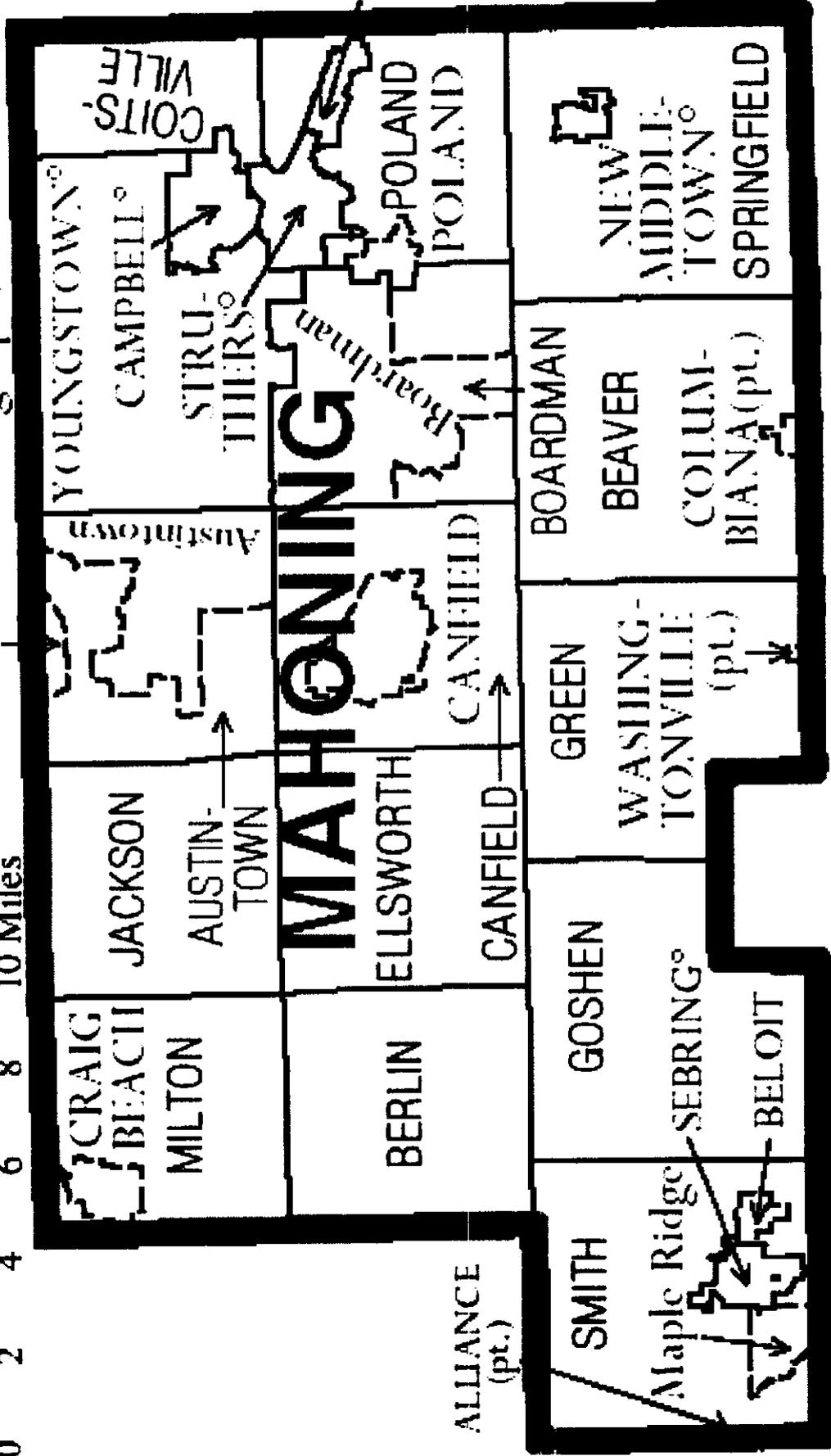
[Signature] 4/9/10
 Gary Richard Taneri
 Registered Professional Surveyor No. 7672



STATE OF OHIO
 DEPARTMENT OF NATURAL RESOURCES
 MINERAL RESOURCES MANAGEMENT
 COLUMBUS, OH 43224



Mineral Ridge (pt.)



LOWELLVILLE

COITSVILLE

POLAND

YOUNGSTOWN

CAMPBELL

STRU-TIERS

MAHONING

ELLSWORTH

CANFIELD

BOARDMAN

BEAVER

COLUMBIANA (pt.)

GREEN

WASHING-TONVILLE

(pt.)

JACKSON

AUSTIN-TOWN

CANFIELD

GOSHEN

CRAIG BEACH

MILTON

BERLIN

SMITH

Maple Ridge SEBRING

BELOIT

NEW MIDDLE

TOWN

SPRINGFIELD

Broadman

ALLIANCE (pt.)

**Aerial Maps
are available for
this Permit.**

**Maps are on file
with the Division.**




 SCALE: 1"=200'
 PROPOSED SITE PLAN
 FOR
 NORTH STAR NO. 1
 D & L ENERGY, INC.
 2761 SALT SPRINGS ROAD
 YOUNGSTOWN, OH 44509
 330-792-9524

REVISED 4.20.10

P# 34-099-2-3127-00-00

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

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 of Mineral Resources Management.

Signature of Owner/Authorized Agent 

Name (Typed or Printed) NICHOLAS PAPARODIS Date April 1, 2010

RESTORATION PLAN MUST BE SUBMITTED TO THE DIVISION IN DUPLICATE.


 APR 1 9 2010
 DIVISION OF MINERAL
 RESOURCES MANAGEMENT

OHIO DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF MINERAL RESOURCES MANAGEMENT
 2045 Morse Road, Building H-3
 COLUMBUS, OHIO 43229-6893
 (614) 265-6633

g m

PAH 17894

SEE INSTRUCTIONS ON PAGE 2 (BACK)

| | | | |
|---|---|--|--|
| 1. I, We (applicant) <u>D & L ENERGY, INC.</u> | | 2. Owner #: <u>2651</u> | |
| (address) <u>2761 SALT SPRINGS RD., YOUNGSTOWN, OH 44509</u> | | Phone #: <u>330-782-9524</u> | |
| hereby apply this date <u>9-Apr</u> , 20 <u>10</u> | | for a permit to: | |
| <input type="checkbox"/> Reissue (check appropriate blank) | <input type="checkbox"/> Revised Location & Reissue | <input type="checkbox"/> Convert | |
| <input checked="" type="checkbox"/> Drill New Well | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Deepen | |
| <input type="checkbox"/> Drill Directionally | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Reopen | |
| <input type="checkbox"/> Drill Horizontally | <input type="checkbox"/> Orphan Well Program | | |
| 3. TYPE OF WELL: | | | |
| <input checked="" type="checkbox"/> Oil & Gas | <input type="checkbox"/> Annular Disposal | <input type="checkbox"/> Saltwater Injection | |
| <input type="checkbox"/> Stratigraphic Test | <input type="checkbox"/> Storage of: _____ | | |
| <input type="checkbox"/> Other (explain): _____ | | | |
| <input type="checkbox"/> Solution Mining* | <input type="checkbox"/> Enhanced Recovery* | * check appropriate box below | |
| <input type="checkbox"/> Input/Injection | <input type="checkbox"/> Water Supply | <input type="checkbox"/> Production/Extraction | <input type="checkbox"/> Observation |
| 4. MAIL PERMIT TO: D & L ENERGY, INC 2761 SALT SPRINGS RD. YOUNGSTOWN, OH 44509 | | 20. TYPE OF TOOLS: | |
| | | <input type="checkbox"/> Cable | <input type="checkbox"/> Air Rotary |
| | | <input type="checkbox"/> Cable & Air Rotary | <input checked="" type="checkbox"/> Air & Fluid Rotary |
| | | <input type="checkbox"/> Cable & Fluid Rotary | <input type="checkbox"/> Fluid Rotary |
| | | <input type="checkbox"/> Cable & Air Rotary & Fluid Rotary | |
| 5. COUNTY: <u>MAHONING</u> | | 21. PROPOSED CASING PROGRAM: | |
| 8. CIVIL TOWNSHIP: <u>YOUNGSTOWN, URBANIZED AREA CITY OF YOUNGSTOWN</u> | | | |
| 7. SECTION: <u>8</u> . LOT: _____ | | 16" FOR 100 FEET | |
| 9. FRACTION: _____ 10. QTR TWP: _____ | | 8-5/8" FOR 400 FEET CEMENTED TO SURFACE | |
| 11. TRACT/ALLOT: _____ | | 1/2" CEMENTED TO SURFACE | |
| 12. WELL #: <u>1</u> | | | |
| 13. LEASE NAME: <u>NORTH STAR</u> | | 22. FIRE AND MEDICAL DEPARTMENT TELEPHONE NUMBERS: (closest to well site) | |
| 14. PROPOSED TOTAL DEPTH: <u>10000</u> | | Fire: <u>911</u> | |
| 15. PROPOSED GEOLOGICAL FORMATION: <u>ST. SIMON</u> | | Medical: <u>911</u> | |
| 16. DRILLING UNIT IN ACRES (must be same as acres indicated on plat): <u>41.763</u> | | 23. MEANS OF INGRESS & EGRESS: | |
| 17. IF PERMITTED PREVIOUSLY: | | Township Road: _____ | |
| API #: <u>N/A</u> | | County Road: _____ | |
| OWNER: _____ | | Municipal Road: <u>OHIO WORKS DRIVE</u> | |
| WELL #: _____ | | State Highway: _____ | |
| LEASE NAME: _____ | | 24. IS THE WELL LOCATION OR PRODUCTION FACILITIES WITHIN AN URBANIZED AREA AS DEFINED BY 1509.03 ? | |
| TOTAL DEPTH: _____ | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| GEOLOGICAL FORMATION: _____ | | 25. WILL THE PROPOSED LOCATION OF THIS WELL REQUIRE THE NOTICE SPECIFIED UNDER 1509.06 (I) ? | |
| 18. IF SURFACE RIGHTS ARE OWNED BY THE OHIO DEPARTMENT OF NATURAL RESOURCES: | | <input type="checkbox"/> Yes (Submit Copies) <input checked="" type="checkbox"/> No | |
| Division Name: <u>N/A</u> | | | |
| Division Phone: _____ | | | |
| 19. LANDOWNER ROYALTY INTEREST: | | | |
| Is There An Attached List ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| Name: <u>BRIER HILL SLAG</u> | | | |
| Address: <u>18 HOGUE ST., YOUNGSTOWN, OH 44502</u> | | <u>APR 12 2010</u> | |
| Name: <u>GRAYBAR</u> | | | |
| Address: <u>BOX 7231, ST. LOUIS, MO 63177</u> | | | |
| Name: _____ | | | |
| Address: _____ | | | |

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), and that the notice required under Section 1509.06 (I), ORC has been given. 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 to all orders and rules issued by the Chief, Division of Mineral Resources Management.

Signature of Owner/Authorized Agent: NICHOLAS PAPAODIS Title: V.P. LAND OPERATIONS

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

Sworn to and subscribed before me this 9th day of April, 2010.

Kimberly A. Little
 (Notary Public)
 KIMBERLY A. LITTLE
 MY COMMISSION EXPIRES
 JUNE 1, 2014

Before this application can be processed, a Form 9 (Authority and Organization Form), indicating the exact owner name on this Form 1, and proof of compliance with the surety requirements of Chapter 1509.07, Ohio Revised Code, must be on file with the Division of Mineral Resources Management. If a new owner name (i.e., one not currently on file with the Division) is used, a Form 9 and evidence of meeting the surety and insurance requirements must be filed with this application. The signature of owner/authorized agent must correspond with the signature of listing provided with the Form 9 on file with the Division.

All information requested on this form must be provided unless exempted by the instructions below. Incomplete applications may be returned to the applicant. An application for a permit requires the following:

1. Drill, Reissue, Reopen, Deepen and Plug Back an Oil and Gas Well

- a. Original and two (2) copies of Application for a Permit (Form 1);
- b. Original and four (4) copies of an Ohio registered surveyor's plat;
- c. Original and one (1) copy of the Restoration Plan (Form 4);
- d. Reopen, deepen, plug back and convert will require three (3) copies of the Well Completion Record (Form 8);
- e. \$250.00 check or money order payable to the Division of Mineral Resources Management and;
- f. If requesting an expedited review, an additional \$500 fee is required; and an Oil & Gas Affidavit (if the proposed well location is in a coal-bearing township).

2. Urbanized Area Drilling Fees

For an urbanized area new well drilling permit, the fee is as follows: \$500 for a township with a population of 5,001 to 9,999; \$750 for a township with a population of 10,000 to 14,999; \$1,000 for a township with a population exceeding 15,000; and \$1,000 for all municipal corporations regardless of population. These fees do not apply to revised drilling units, re-issues of permits already issued and plug-backs.

3. Plug and Abandon

- a. Original copy of Application for a Permit (Form 1);
- b. Two (2) copies of the Ohio registered surveyor's plat originally filed, or modified, if available;
- c. Three (3) copies of the Well Completion Record (Form 8) if available; if there is no Well Completion Record on file with the Division, provide any drilling information that is available;
- d. \$50 check or money order payable to the Division of Mineral Resources Management;
- e. If requesting an expedited review, an additional \$250 fee is required.

4. Drill, Reissue, Reopen, Deepen, Plug Back or Convert a Well to Saltwater Injection

- a. Same as above: 1(a), (b), (c), (d); and
- b. \$100 check or money order payable to the Division of Mineral Resources Management.

Item 1. Permit holder's name - as it appears on Form 9. Indicate the type of or combination of activities to be permitted.

Item 2. Indicate owner number, if the owner number is not known, please contact the Division.

Item 3. Indicate the type of well for which the application is being submitted.

Item 4. Provide name, address, city, state and zip code where the permit is to be mailed.

Items 5-11. Indicate drilling location.

Items 12-16. Provide requested information.

Item 17. Complete when application is for a permit to reopen, deepen, reissue, plug back, convert, or plug and abandon. If the well was never permitted, list "NONE" under permit #; all other wells require the permit number.

Item 18. Complete if surface rights are owned by the Ohio Department of Natural Resources.

Item 19. List names and addresses of all landowner royalty interest holders. Names must coincide with those shown on the designated unit or subject tract on the surveyor's plat or an explanation must be included. Additional sheets may be attached (overriding royalty and working interests are not required).

Item 20. Indicate type of tools that may be used.

Item 21. Indicate size and amount of casing to be used, and/or formations to be cased off.

Item 22. Indicate fire and medical department emergency telephone numbers closest to the well site.

Item 23. List all county, township, and/or municipal roads, streets and highways by name or number that applicant anticipates to use as means of ingress and egress to and from the well site.

Item 24. An "urbanized area" is a municipal corporation or a township that has an unincorporated population of more than five thousand, as defined under Section 1509.03 of the Ohio Revised Code.

Item 25. If yes, copies of the notices required under Section 1509.06 (I) of the Ohio Revised Code must be provided. For an application for a permit to drill a new well, a sworn statement that the applicant has provided notice of the application to the owner of each occupied dwelling unit that is located within five hundred feet of the surface location of the well if the surface location will be less than five hundred feet from the boundary of the drilling unit and more than fifteen occupied dwelling units are located less than five hundred feet from the surface location of the well, excluding any dwelling that is located on real property all or any portion of which is included in the drilling unit. The notice shall contain a statement that an application has been filed with the Division of Mineral Resources Management, identify the name of the applicant and the proposed well location, include the name and address of the Division, and contain a statement that comments regarding the application may be sent to the division. The notice may be provided by hand delivery or regular mail. The identity of the owners of occupied dwelling units shall be determined using the tax records of the municipal corporation or county in which the dwelling unit is located as of the date of the notice.



John F. Husted, Chief
Ohio Department of Natural Resources
Division of Mineral Resources Management
2045 Morse Road, Building H-3
Columbus, OH 43229-6693
Phone: (614) 265-6633 Fax: (614) 265-7998

Memorandum

To: Patty Nicklaus, Office Assistant 3, Division of Mineral Resources Management

From: Steven McKee, Division of Mineral Resources Management

Date: April 22, 2010

Subject: Oil and Gas Well Application # APATT017894.

I have reviewed the attached Permit Application and find there are no affected mines in area referred to on the attached map.

Therefore, pursuant to 1509.09 of the Ohio Revised Code, I am recommending approval of the permit application # APATT017894.

Attachment

Latitude: 41° 07' 12.47"

NORTH: 534746

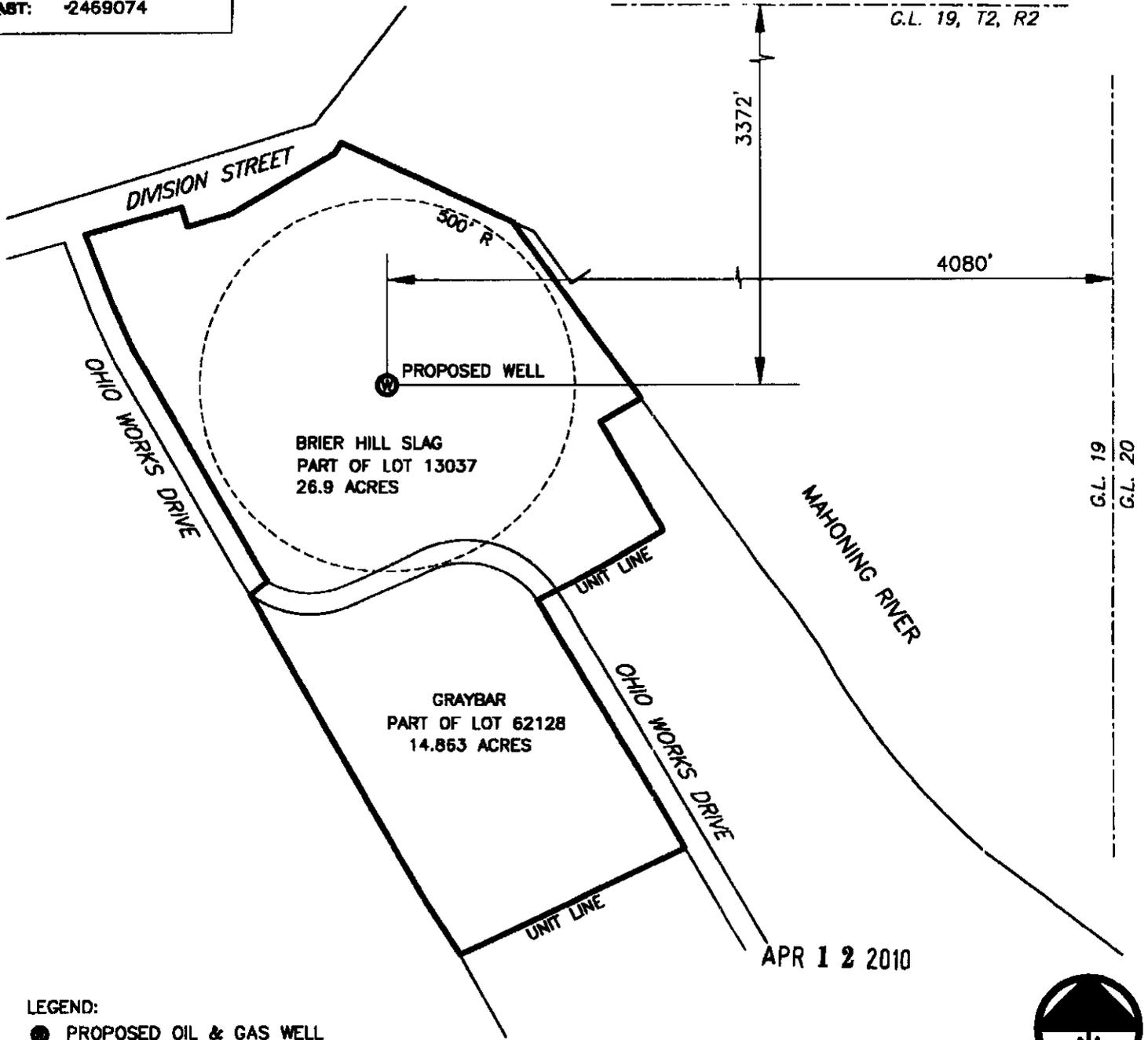
Longitude: 80° 40' 58.81"

EAST: -2469074

WELL LOCATION PLAT

PAH 17894
G.L. 18

G.L. 19, T2, R2



LEGEND:

- PROPOSED OIL & GAS WELL NEW LOCATION



| | | | | |
|---|--|--|--|---------------------------|
| Surveyor or Engineer GARY TANERI | Phone # 330-207-5502 | Date REV. 4/09/10 MARCH 23, 2010 | Scale 1"=400' | Acres 41.763 |
| Lat. & Long. Method GPS | Accuracy 3 ft. | Datum NAD83 | Elevation Method USGS | Accuracy 10 ft. |
| Survey Date 3/15/10 | Appl./Well Owner Name D & L ENERGY, INC. | Well Name NORTH STAR | Well ID 1 | |
| Address 2761 SALT SPRINGS ROAD YOUNGSTOWN, OH 44509 | County MAHONING | Municipality YOUNGSTOWN TOWNSHIP | Unincorporated Area CITY OF YOUNGSTOWN | |
| Surface Landowner BRIER HILL SLAG | USGS 7 1/2 Quadrangle Map Name YOUNGSTOWN | Surface Elevation 861 ft. | Anticipated Total Depth 9300 ft. | |
| Surface Lessee D & L ENERGY, INC. | Angle & Course of Deviator (Drilling) VERTICAL | | | |

The location of all buildings, public roads, railroads and streams within two hundred (200) feet of the proposed well site, and their distances from the proposed well site have been shown.

[Signature] 4/9/10
 Gary Richard Taneri
 Registered Professional Surveyor No. 7872



STATE OF OHIO
 DEPARTMENT OF NATURAL RESOURCES
 MINERAL RESOURCES MANAGEMENT
 COLUMBUS, OH 43224

ROUTE SLIP FOR CORRECTION/CHANGE OF EXISTING PERMITS

COUNTY: MAHONING TOWNSHIP: YOUNGSTOWN PERMIT # 3127
PERSON RECEIVING REQUEST OPRITZA DATE 9/9/10
OWNER: D & L ENERGY
LEASE NAME: NORTH STAR (SW1/4 #10) WELL NO: 1

CHANGES:

_____ change in acreage/drill unit and/or _____ As Drilled Plat for Directional Drill
_____ Unit Configuration only
(new plat submitted: yes _____ no _____)
(fee required: yes _____ no _____)
(check no: _____)
_____ change in type of tool _____ correction in footage
description (_____ surface _____ target)
_____ change in formation/total depth
_____ change in lease name/well number _____ correction to X,Y coordinates
_____ change in casing program (_____ surface _____ target)
_____ other (specify) _____

CORRECTION SHOULD READ:

3372' NL ; 4080' EL of lot 19

CHANGES AUTHORIZED BY: (Geologist) SO Date: 9/9

HAS MINES BEEN NOTIFIED OF CHANGE: (where applicable) Yes _____ No _____ BY _____

DATA ENTERED INTO COMPUTER/ISSUED BY: PN DATE: 9/10/2010

REISSUE PERMIT: YES _____ NO ADD CORRECTION TO PERMIT LIST YES _____ NO

DATE CORRECTION NEEDED: _____ TO BE MAILED: _____ TO BE FAXED: _____

FAX NUMBER: _____

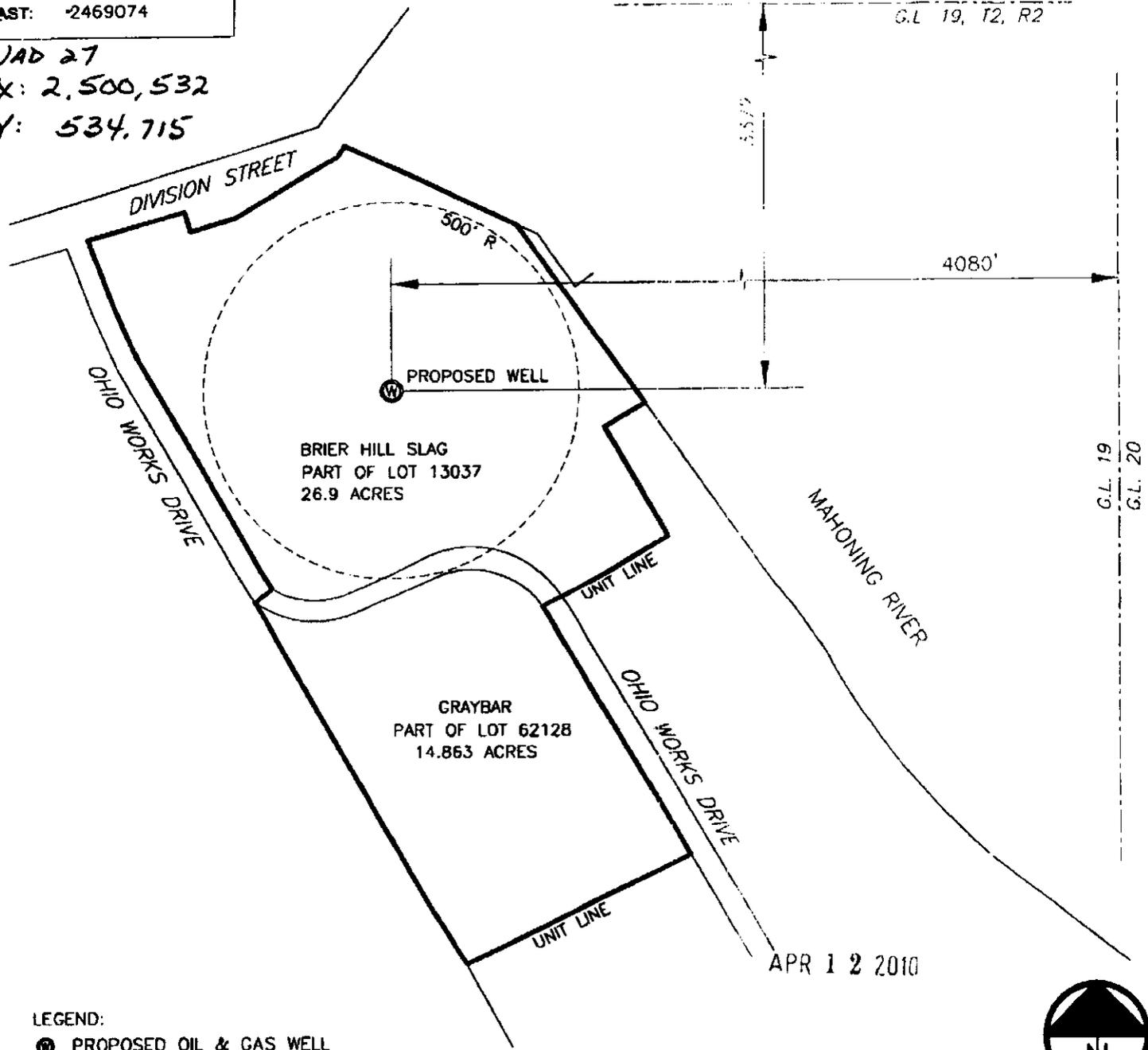
COMMENTS: _____

Latitude: 41° 07' 12.47"
 NORTH: 534746
 Longitude: 80° 40' 58.81"
 EAST: 2469074

WELL LOCATION PLAT

PAH 17394
 G.L. 18
 G.L. 19, T2, R2

NAD 27
 X: 2,500,532
 Y: 534,715



APR 12 2010

LEGEND:

- ⊙ PROPOSED OIL & GAS WELL
NEW LOCATION



3372 NL; 4080 EL of Lot 19 41.763 AC RR-MTSM/SW1W/RT

| | | | | |
|---|---|--|---|--|
| Surveyor or Engineer GARY TANERI | Phone # 330-207-5502 | Date REV. 4/09/10 MARCH 23, 2010 | Scale 1"=400' | Acres 41.763 |
| Lat. & Long. Method Method: GPS Accuracy: 3 ft. Datum: NAD83 | Elevation Method Method: USGS Accuracy: 10 ft. Datum: NGVD29 | Survey Date 3/15/10 | Well # 1 | |
| Applicant / Well Operator Name D & L ENERGY, INC. | | Well (Farm) Name NORTH STAR | | |
| Address 2761 SALT SPRINGS ROAD YOUNGSTOWN, OH 44509 | | County MAHONING | Municipality YOUNGSTOWN TOWNSHIP Urbanized Area: CITY OF YOUNGSTOWN | |
| Surface Landowner BRIER HILL SLAG | | USGS 712 Quadrangle Map Name YOUNGSTOWN | | |
| Surface Lessor D & L ENERGY, INC. | | Angle & Course of Deviator (Drilling) VERTICAL | Surface Elevation 861 ft. | Anticipated Total Depth 9300 ft. |

The location of all buildings, public roads, railroads and streams within two hundred (200) feet of the proposed well site, and their distances from the proposed well site have been shown.

[Signature] 4/9/10
 Gary Richard Taneri
 Registered Professional Surveyor, No. 7672



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