STATE OF WEST VIRGINIA

EXECUTIVE DEPARTMENT

At Charleston

A PROCLAMATION

By the Governor

I, EARL RAY TOMBLIN, by virtue of the authority vested in me as Governor by Section 7, Article VII of the Constitution of West Virginia, do hereby call the Legislature of West Virginia to convene in Extraordinary Session at five o'clock p.m., on the eleventh day of December, Two Thousand Eleven, in its chambers in the State Capitol, City of Charleston, for the sole purpose of considering and acting upon the following matters:

FIRST: Legislation requiring West Virginia Workforce Investment Council to complete certain reviews and report to Legislature; relating to certain definitions; providing for powers of the Secretary of the Department of Environmental Protection ("Secretary") with respect to oil and gas matters; authorizing the Secretary to hire oil and gas inspectors, and require inspections; providing for examination, qualifications, and salaries for inspectors; creating the Natural Gas Horizontal Well Act and applying it prospectively; establishing standards and rules for drilling into karst terrain; applying certain provisions of article six, chapter twenty-two of the Code of West Virginia to horizontal wells; providing that the Secretary shall regulate permitting, location, spacing, drilling, fracturing, stimulation, well completion activities, operation, other drilling and production processes, plugging and reclamation of horizontal wells; requiring well work permit for horizontal wells and establishing criteria and contents of application; providing for permit application review; establishing bonding requirements for horizontal wells; establishing permit fee not to exceed $10,000 for the initial horizontal well drilled at a location and $5,000 for each additional horizontal well drilled on a single pad at the same location; providing for emergency permits; requiring the Secretary to propose legislative rules for testing of water flow and quality of certain water wells; providing for performance standards for horizontal well permits; requiring

horizontal well operators who withdraw certain amounts of water to follow additional permitting requirements; requiring application, fees and certificate of approval and inspection for large pits and impoundments; requiring operators to provide notice to certain surface owners, coal owners, natural gas storage field operators and water purveyors in certain instances; establishing procedure for considering objections and protests of coal operators and coal seam owners and considering written comments filed by certain surface owners, natural gas storage field operators and water purveyors; establishing well location restrictions with respect to existing water wells, developed springs, perennial streams, lakes, ponds, reservoirs, wetlands and trout streams, occupied dwelling structures and other certain buildings; requiring the Secretary to promulgate legislative rules for plugging of horizontal wells; providing reclamation requirements for horizontal wells; providing for one-time reimbursement of certain surface owners for certain amounts of property taxes not to exceed $2,500; creating a rebuttable presumption in civil actions for contamination or deprivation of fresh water sources or supplies; establishing civil offenses and penalties; establishing a public website and electronic notification registry for horizontal well permit applications; requiring the Secretary to conduct certain studies and to report findings to the Legislature; authorizing the Secretary to propose legislative rules pertaining to air quality and impoundment and pit safety; establishing casing and cementing standards and authorizing the Secretary to grant waivers, exceptions and revisions to such standards; creating the Oil and Gas Horizontal Well Production Damage Compensation Act; establishing compensation for horizontal well production damage to surface owners, including lost income or expenses related to surface occupied by the operator, market value of crops or timber damaged, damage to water supply, damage to personal property and diminution in value of surface lands according to the market value of the actual use made thereof prior to commencement of the permitted activity, and providing that each party shall pay its own fees and costs.

SECOND: Certain ceremonial and memorial resolutions.

THIRD: Legislation authorizing and appropriating the expenditure of public moneys to pay the expenses of this extraordinary session.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of West Virginia to be affixed.

DONE at the Capitol in the City of Charleston, State of West Virginia, this tenth day of December, in the year of our Lord, Two Thousand Eleven, and in the One Hundred Forty-Ninth year of the State.

GOVERNOR

By the Governor

SECRETARY OF STATE