

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Magnum Hunter Production, Inc.

DIVISION OF GAS AND OIL

DOCKET NO. VGOB 16-0419-4091

RELIEF SOUGHT: POOLING

LOCATION: See Exhibit "A"

WELL NUMBER: DPI-1740

HEARING DATE: May 10, 2016

Lee County, Virginia

APPLICATION

COMMONWEALTH OF VIRGINIA:

1. **Applicant:** Applicant is Magnum Hunter Production, Inc., 120 Prosperous Place, Suite 201, Lexington, Kentucky 40509. Applicant is not represented by counsel.
2. **Relief sought:** Pooling.
3. **Legal Authority:** Va. Code Ann. §45.1-361.1 et seq. 4 VAC 25-160-10 et seq. and relevant Virginia Gas and Oil Board Orders hereto fore promulgated pursuant to law including OGCB 3-90; VGOB-91-1119-162; VGOB 92/02/16-0336; and VGOB 93/03/16-0349.
4. **Type of well(s):** Oil and Gas
5. **Permit Number:** 6869
6. **Plat:** Annexed hereto are Exhibit A, and the Tract Identifications for Exhibit A. The Plat shows the size and shape of the unit and the boundaries of the tracts within the unit. The Tract Identification page shows the percentage of acreage in each tract. The plat is certified by a licensed professional engineer and is attested by the undersigned on behalf of the applicant to be in conformity with existing orders issued by the Board.
7. **Status of interests to be pooled/repoiled and Applicant' standing:** The respondent whose interest is sought to be pooled/repoiled by the Applicant is:

Southwest Virginia Mineral Land Company

Further, said respondent is listed in Tract Identifications for Exhibit A hereto which describes their interest/claim. The Respondent and others, if any, whose interests are subject to escrow under §45.1-361.21D. are identified at Exhibit A.

8. **Formation(s) to be produced and estimates:** Oil, natural gas, and all associated hydrocarbons from all depths and strata from the surface to and including a depth of 100 feet below the base of the Devonian Brown Shale formation underlying said lands. Coalbed methane gas, occluded gas and other naturally occurring gases contained in or associated with any coal seam, vein, bed, strata or deposit, are hereby excluded. The estimated total production from the subject unit is 1 to 54 MMCF and 1 to 1,290 bbl oil. The estimated amount of reserves from the subject drilling unit is 1 to 54 MMCF and 1 to 1,290 bbl oil. These figures concerning estimated production and the amount of reserves are, however, estimates only that are not based upon actual production and should not be relied upon for any purpose. It should not be assumed that final production before plugging and abandonment will equal estimated reserves.

9. **Estimate of allowable costs prior to drilling:** \$ 321,830.00 well costs plus \$30,325.00 gathering costs

10. **Attestation:** The foregoing application to the best of my knowledge, information, and belief is true and correct.

MAGNUM HUNTER PRODUCTION, INC.

By: 

D. Michael Wallen
Senior Vice President of Operations
120 Prosperous Place, Suite 201
Lexington, Kentucky 40509

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Magnum Hunter Production, Inc.

DIVISION OF GAS AND OIL

DOCKET NO. VGOB 16-0419-4091

RELIEF SOUGHT: POOLING

WELL NUMBER: DPI-1740

NOTICE OF HEARING

HEARING DATE: May 10, 2016
PLACE: Russell County Conference Center
135 Highlands Drive
Lebanon, Virginia 24266
TIME: 9:00 AM

COMMONWEALTH OF VIRGINIA:

To: Southwest Virginia Mineral Land Company

1. **Applicant:** Applicant is Magnum Hunter Production, Inc., 120 Prosperous Place, Suite 201, Lexington, Kentucky 40509. Applicant is not represented by counsel.
2. **Relief sought:** Pooling
3. **Proposed provisions of order:** (a) Pooling all the interest and estates of the persons and/or entities named above in oil and gas in the unit in question; (b) Establishing a procedure whereby each respondent shall have the right to make elections; (c) Providing that any respondent who does not make a timely election shall be deemed to have leased or assigned his/her/its oil and gas interests to the applicant at a rate to be established by the Board; (d) Designating Magnum Hunter Production, Inc. as Unit Operator; (e) Making any necessary provision for the escrow of funds; (f) Granting such other relief as is merited by the evidence and is just and equitable, whether or not such relief has been specifically requested herein.
4. **Legal Authority:** Va. Code Ann. §45.1-361.1 et seq. 4 VAC 25-160-10 et seq. and relevant Virginia Gas and Oil Board Orders hereto fore promulgated pursuant to law including OGCB 3-90; VGOB-91-1119-162; VGOB 92/02/16-0336; and VGOB 93/03/16-0349.
5. **Type of well(s):** Oil and Gas
6. **Plat:** Annexed hereto are Exhibit A, Exhibit A1 and the Tract Identifications for Exhibit A. The Plat shows the size and shape of the unit and the boundaries of the tracts within the unit. The Tract Identification page shows the percentage of acreage in each tract. The plat is certified by a licensed professional engineer and is attested by the undersigned on behalf of the applicant to be in conformity with existing orders issued by the Board.

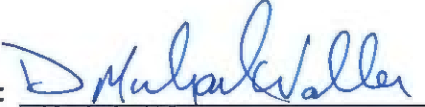
7. Your interest or claim sought to be pooled by this Application pertains to oil and gas.
8. Formation(s) to be produced and estimates: Oil, natural gas, and all associated hydrocarbons from all depths and strata from the surface to and including a depth of 100 feet below the base of the Devonian Brown Shale formation underlying said lands. Coalbed methane gas, occluded gas and other naturally occurring gases contained in or associated with any coal seam, vein, bed, strata or deposit, are hereby excluded. The estimated total production from the subject unit is 1 to 54 MMCF and 1,290 bbl oil. The estimated amount of reserves from the subject drilling unit is 1 to 54 MMCF and 1,290 bbl oil. These figures concerning estimated production and the amount of reserves are, however, estimates only that are not based upon actual production and should not be relied upon for any purpose. It should not be assumed that final production before plugging and abandonment will equal estimated reserves.
9. Estimate of allowable costs: \$ 321,830.00 well costs plus \$30,325.00 gathering costs
10. Attestation: The foregoing application to the best of my knowledge, information, and belief is true and correct.

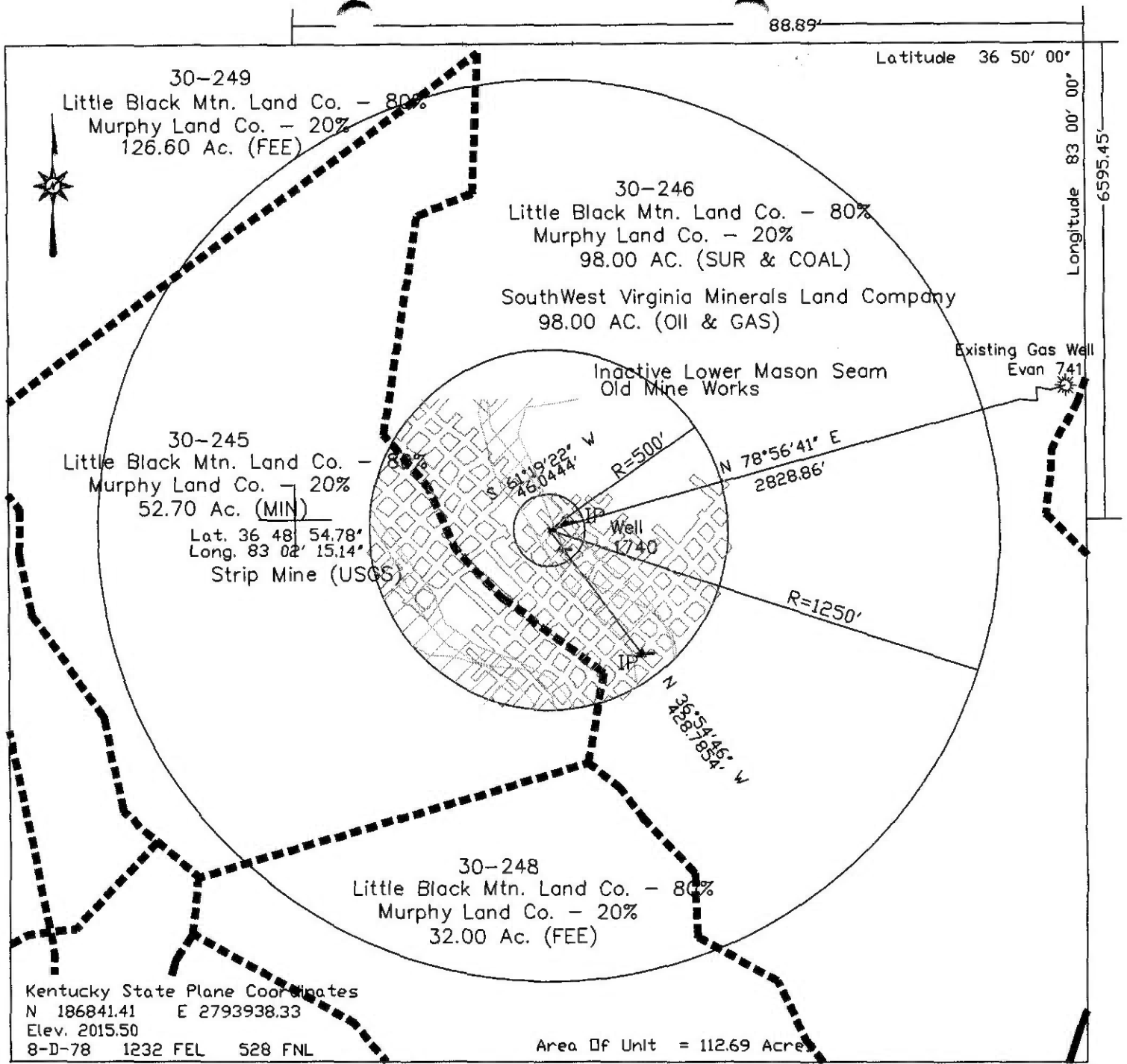
NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at 9:00 AM, on May 10, 2016, at the Russell County Government Conference Center, 139 Highlands Drive, Lebanon, Virginia 24266, and that notice will be published as required by law and the Rules of the Board.

NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. For further information or a copy of the Application and Exhibits, either contact the Virginia Gas and Oil Board, State Oil and Gas Inspector, Department of Mines, Minerals and Energy, the Division of Gas and Oil, 135 Highland Drive, Lebanon, Virginia 24266, 276/415-9650 or the Applicant at the address shown below.

DATED: March 16, 2016

MAGNUM HUNTER PRODUCTION, INC.

By: 
D. Michael Wallen
Senior Vice President of Operations
120 Prosperous Place, Suite 201
Lexington, Kentucky 40509



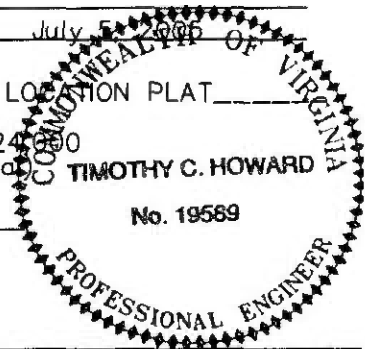
WELL LOCATION PLAT

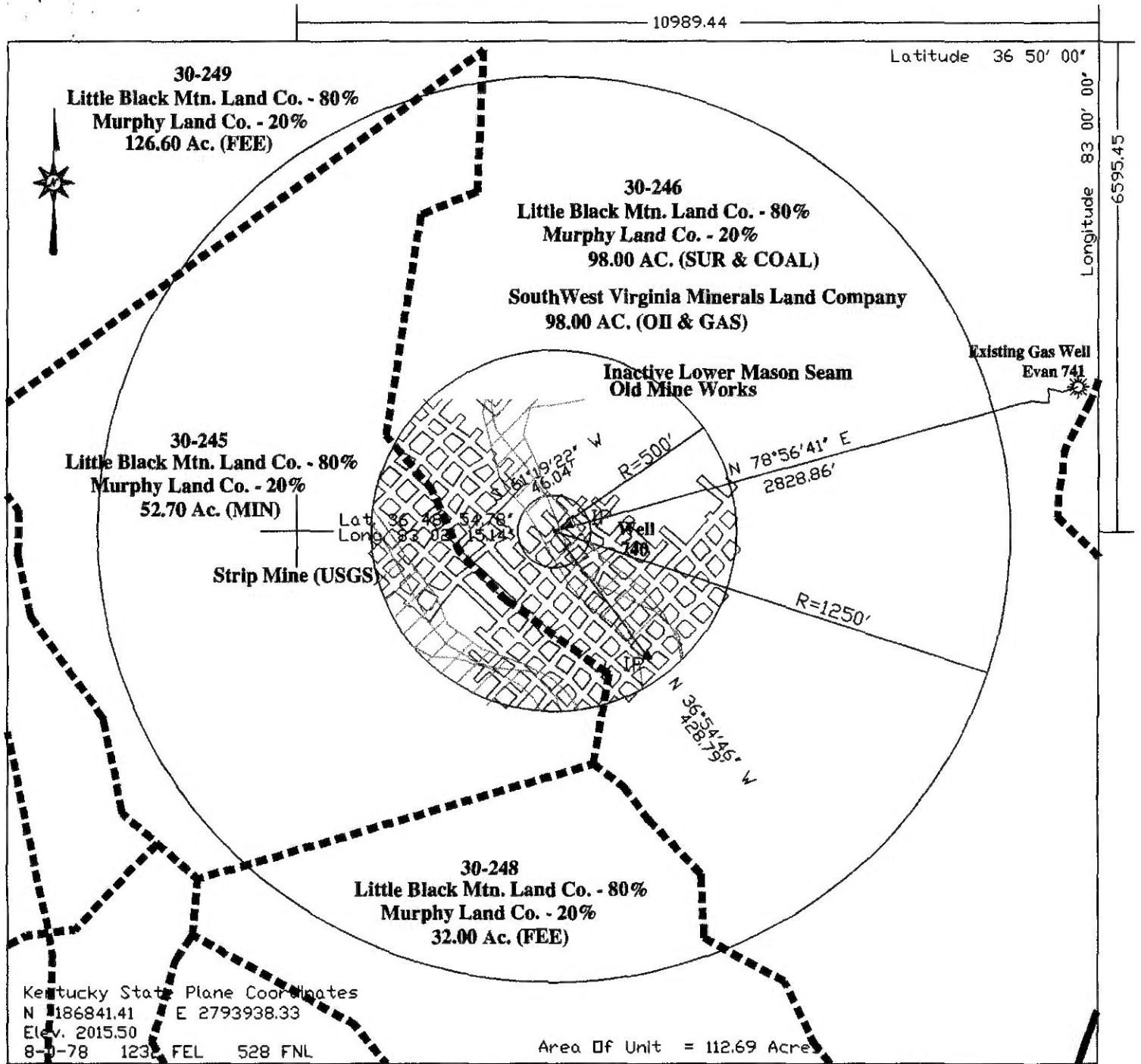
COMPANY: Daugherty Petroleum Inc. WELL NAME OR NUMBER 1740
 TRACT NUMBER 30-246 Little Black Mtn. Land Co. & Murphy Land Co. QUADRANGLE Pennington Gap
 DISTRICT Rocky Station
 WELL COORDINATES (VIRGINIA STATE PLANE): N 207361.93 E 672181.93
 ELVATION 2015.50 METHOD USED TO DETERMINE ELEVATION:
Trigometric leveling from Powell Mountain Coal Company Survey Station Mon 27
 COUNTY Lee SCALE- 1" = 400' DATE: July 5, 2006

THIS PLAT IS A NEW PLAT _____; AN UPDATED PLAT X _____; OR A FINAL LOCATION PLAT _____

Denotes the location of a well on United States topographic Maps, scale 1 to 24,880 latitude and longitude lines being represented by border lines as shown. (optional)

Timothy C. Howard
 Licensed Professional Engineer or Licensed Land Surveyor(Affix Seal)





WELL LOCATION PLAT

COMPANY: Evan Energy Co., LC WELL NAME OR NUMBER: QUADRANGLE
TRACT NUMBER 30-246 Little Black Mtn. Land Co. & Murphy Land Co. DISTRICT Rocky Station
WELL COORDINATES (VIRGINIA STATE PLANE): N 207361.93 E 672181.93 METHOD USED TO DETERMINE ELEVATION:
Trigometric leveling from Powell Mountain Coal Company Survey Station Mon 27
COUNTY Lee SCALE- 1" = 400' DATE: July 17, 2002
THIS PLAT IS A NEW PLAT X ; AN UPDATED PLAT _____ ; OR ORIGINAL LOCATION PLAT _____



Denotes the location of a well on United States topographic Maps, scale 1 to 24,000 latitude and longitude lines being represented by border lines as shown. (optional)

W. R. Palmer
Licensed Professional Engineer or Licensed Land Surveyor(Affix Seal)

MAGNUM HUNTER PRODUCTION, INC.
WELL NO. 1740
Permit No. 6869
DOCKET NO. VGOB 16-0419-4091
EXHIBIT A

Being a 112.69 acre unit lying in the Rocky Station District of Lee County, Virginia, and being a portion of the following leases:

<u>Tract</u>	<u>Lessor</u>	<u>Lease Status</u>	<u>Interest Within Unit</u>	<u>Gross Acreage In Unit</u>
1	Southwest Virginia Mineral Land Co.	Unleased	54.87%	61.8277
2, 3, 4	Exco Resources 12377 Merit Drive Suite 1700 Dallas, Texas 75251	*Leased	45.13%	50.8614
	Percentage of Unit Leased		45.130000%	
	Percentage of Unit Unleased		54.870000%	
	Acreage in Unit Leased			50.8614
	Acreage in Unit Unleased			61.8277

*Tracts 2, 3 and 4 were acquired by that certain Oil and Gas Lease between Dulcimer Land Company, as Lessor, and Daugherty Petroleum, Inc., as Lessee dated October 12, 2004, covering 26,777.54 acres located in Harlan County, Kentucky and Lee County, Virginia. A memorandum of said lease being recorded in the Lee County Clerk's Office as Instrument #0412706, and being subject to a certain Farmout Agreement dated June 15, 2000, between Amvest East, Inc. as Farmor, and Stone Mountain Energy, LC, as Farmee, and also being subject to an Assignment and Assumption Agreement dated October 12, 2004, between Stone Mountain Energy, LC and Daugherty Petroleum, Inc., and being recorded as Instrument #0609497 in the Lee County Clerk's Office. On February 18, 2010, Daugherty Petroleum, Inc. changed its name to NGAS Production Co. On June 28, 2011, NGAS Production Co. changed its name to Magnum Hunter Production, Inc.

MAGNUM HUNTER PRODUCTION, INC.
WELL NO. 1740
Permit No. 6869
DOCKET NO. VGOB 16-0419-4091
TRACT IDENTIFICATION SHEET

Being a 112.69 acre unit lying in the Rocky Station District of Lee County, Virginia, and being a portion of the following leases:

<u>Tract</u>	<u>Lessor</u>	<u>Lease Status</u>	<u>Interest Within Unit</u>	<u>Gross Acreage In Unit</u>	<u>Tax ID</u>
1	Southwest Virginia Mineral Land Co.	Unleased	54.87%	61.8277	13M-(A)-7
2, 3, 4	Exco Resources 12377 Merit Drive Suite 1700 Dallas, Texas 75251	*Leased	45.13%	50.8614	13M-(A)-8 13-(A)-20 12-(A)-222
	Percentage of Unit Leased		45.130000%		
	Percentage of Unit Unleased		54.870000%		
	Acreage in Unit Leased			50.8614	
	Acreage in Unit Unleased			61.8277	

*Tracts 2, 3 and 4 were acquired by that certain Oil and Gas Lease between Dulcimer Land Company, as Lessor, and Daugherty Petroleum, Inc., as Lessee dated October 12, 2004, covering 26,777.54 acres located in Harlan County, Kentucky and Lee County, Virginia. A memorandum of said lease being recorded in the Lee County Clerk's Office as Instrument #0412706, and being subject to a certain Farmout Agreement dated June 15, 2000, between Amvest East, Inc. as Farmor, and Stone Mountain Energy, LC, as Farmee, and also being subject to an Assignment and Assumption Agreement dated October 12, 2004, between Stone Mountain Energy, LC and Daugherty Petroleum, Inc., and being recorded as Instrument #0609497 in the Lee County Clerk's Office. On February 18, 2010, Daugherty Petroleum, Inc. changed its name to NGAS Production Co. On June 28, 2011, NGAS Production Co. changed its name to Magnum Hunter Production, Inc.

MAGNUM HUNTER PRODUCTION, INC.
WELL NO. 1740
Permit No. 6869
DOCKET NO. VGOB 16-0419-4091
EXHIBIT B

Being a 112.69 acre unit lying in the Rocky Station District of Lee County, Virginia, and being a portion of the following leases:

<u>Tract</u>	<u>Lessor</u>	<u>Lease Status</u>	<u>Interest Within Unit</u>	<u>Gross Acreage In Unit</u>
1	Southwest Virginia Mineral Land Co.	Unleased	54.87%	61.8277
2, 3, 4	Exco Resources 12377 Merit Drive Suite 1700 Dallas, Texas 75251	*Leased	45.13%	50.8614
	Percentage of Unit Leased		45.130000%	
	Percentage of Unit Unleased		54.870000%	
	Acreage in Unit Leased			50.8614
	Acreage in Unit Unleased			61.8277

*Tracts 2, 3 and 4 were acquired by that certain Oil and Gas Lease between Dulcimer Land Company, as Lessor, and Daugherty Petroleum, Inc., as Lessee dated October 12, 2004, covering 26,777.54 acres located in Harlan County, Kentucky and Lee County, Virginia. A memorandum of said lease being recorded in the Lee County Clerk's Office as Instrument #0412706, and being subject to a certain Farmout Agreement dated June 15, 2000, between Amvest East, Inc. as Farmor, and Stone Mountain Energy, LC, as Farmee, and also being subject to an Assignment and Assumption Agreement dated October 12, 2004, between Stone Mountain Energy, LC and Daugherty Petroleum, Inc., and being recorded as Instrument #0609497 in the Lee County Clerk's Office. On February 18, 2010, Daugherty Petroleum, Inc. changed its name to NGAS Production Co. On June 28, 2011, NGAS Production Co. changed its name to Magnum Hunter Production, Inc.

MAGNUM HUNTER PRODUCTION, INC.
WELL NO. 1740
Permit No. 6869
DOCKET NO. VGOB 16-0419-4091
EXHIBIT B-3 List of Unleased Owners

Being a 112.69 acre unit lying in the Rocky Station District of Lee County, Virginia, and being a portion of the following leases:

<u>Tract</u>	<u>Lessor</u>	<u>Lease Status</u>	<u>Interest Within Unit</u>	<u>Gross Acreage In Unit</u>
1	Southwest Virginia Mineral Land Co.	Unleased	54.87%	61.8277

MAGNUM HUNTER PRODUCTION, INC.

WELL NO. 1740

Permit No. 6869

DOCKET NO. VGOB 16-0419-4091

EXHIBIT C

Well and Gathering Costs AFE

**AUTHORITY FOR EXPENDITURES
EVAN ENERGY COMPANY,LC**

PROJECT: Well # 740	TARGETS: Big Lime, Weir, Shale, Corniferous
DATE: 7/15/2002	Projected TD: 5850'
COUNTY: Lee	FIELD: Dulcimer Land
STATE: VA	PREPARED BY: JGC

SCOPE OF WORK: To drill and complete well

INTANGIBLE COSTS:	Dry Hole	Account	Completion	Account
Title and Curative	\$ 2,200.00	4.120	\$ -	
Abstract	\$ 1,500.00	4.115	\$ -	
Surveying and Plats	\$ 1,500.00	4.130	\$ -	
Permits and Bonds	\$ 550.00	4.140	\$ -	
Right-of Ways	\$ 3,200.00	4.145	\$ -	4.400
Surface Damages	\$ -	4.270	\$ -	
Location / Roads Construction	\$ 12,500.00	4.150	\$ -	
Location / Roads Reclamation	\$ 1,300.00	4.390	\$ 1,000.00	4.390
Gravel / Stone	\$ 2,000.00	4.175	\$ -	4.175
Contract Drilling	\$ 108,230.00	4.100	\$ -	
Day Work	\$ 7,800.00	4.105	\$ -	
Mobilization / Setup	\$ 2,500.00	4.110	\$ -	
Drilling Mud/Chemicals	\$ 500.00	4.165	\$ -	
Bits / Tools / Hammers	\$ -	4.170	\$ -	
Water Hauling	\$ 3,000.00	4.185	\$ 1,000.00	4.375
Pit Liner	\$ 500.00	4.210	\$ -	
Power Tongs	\$ 750.00	4.230	\$ 750.00	4.230
Open Hole Logging	\$ 5,500.00	4.190	\$ -	
Cement - Surface	\$ 5,000.00	4.215	\$ -	
Cement - Intermediate	\$ 10,000.00	4.220	\$ -	
Cement - Production	\$ -		\$ 6,500.00	4.355
Cement - Miscellaneous	\$ -	4.225	\$ -	4.360
Casing Attachments/Baffles	\$ 500.00	4.235	\$ 500.00	4.335
Equipment Rental	\$ -	4.240	\$ -	4.240
Dozer	\$ -	4.245	\$ 5,000.00	4.415
Trucking - haul csg, tbg; dozer	\$ 2,000.00	4.250	\$ 4,000.00	4.425
Cased Hole Logging - CBL	\$ -		\$ 3,000.00	4.340
Perforating	\$ -		\$ 2,000.00	4.345
Stimulation Work	\$ -		\$ 42,000.00	4.365
Service Rig Work	\$ -		\$ 6,500.00	4.315
Contract Labor	\$ -		\$ -	4.385
Tank Rental	\$ -		\$ 600.00	4.445
Frac Valve Rental	\$ -		\$ 600.00	4.450
Fluid Disposal - Frac water	\$ -		\$ 500.00	4.395
Well Hookup Labor	\$ -		\$ 800.00	4.460
Supervision	\$ 3,000.00	4.275	\$ 3,000.00	4.435
Engineering	\$ -		\$ -	
Geological	\$ -	1.130	\$ -	
Overhead	\$ -	4.285	\$ -	4.455
Well Drilling Insurance	\$ 1,500.00	4.440	\$ -	
Other	\$ -	4.305	\$ 2,000.00	4.470
INTANGIBLES:	\$ 175,530.00	<i>Dry Hole</i>	\$ 79,750.00	<i>Completed</i>

TANGIBLE EQUIPMENT COSTS:	Dry Hole	Account	Completion	Account
Conductor 40'	\$ 500.00	3.120	\$ -	
Surface Casing 350'	\$ 2,450.00	3.100	\$ -	
Intermediate Casing 3750'	\$ 22,500.00	3.110	\$ -	
Production Casing 5820'	\$ -		\$ 17,460.00	3.135
Tubing 5720'	\$ -		\$ 11,440.00	3.145
Tank Battery	\$ -		\$ 4,000.00	3.220
Separator/Drips	\$ -		\$ 2,000.00	3.200
Pump Jack / Motor	\$ -		\$ -	3.230
Plunger Lift System	\$ -		\$ 3,000.00	3.250
Metering Equipment	\$ -		\$ 2,000.00	3.175
Wellhead Equipment	\$ -		\$ 1,200.00	3.150
TANGIBLES:	\$ 25,450.00	<i>Dry Hole</i>	\$ 41,100.00	<i>Completed</i>
TOTAL DRY HOLE COSTS:	\$ 200,980.00	<i>Dry Hole</i>	\$ 120,850.00	<i>Completed</i>
TOTAL COMPLETED COSTS:			\$ 321,830.00	<i>Total Well</i>
TOTAL WELL COSTS:			\$ 321,830.00	<i>Total Well</i>

**AUTHORITY FOR EXPENDITURES
EVAN ENERGY COMPANY, LC**

PROJECT: Well # 740	Pipeline Size: 6" / 2"
DATE: 7/15/2002	Projected Length: 2000' / 2500'
COUNTY: Lee	FIELD: Dulcimer Land
STATE: VA	PREPARED BY: JGC

SCOPE OF WORK: To construct 6" / 2" gathering line.

INTANGIBLE COSTS:	Dry Hole	Account	Completion	Account
Title and Curative	\$ -	4.120	\$ -	
Abstract	\$ -	4.115	\$ -	
Surveying and Plats	\$ -	4.130	\$ -	
Permits and Bonds	\$ -	4.140	\$ -	
Right-of Ways	\$ -	4.145	\$ -	4.400
Surface Damages	\$ -	4.270	\$ -	
Location / Roads Construction	\$ -	4.150	\$ -	
Location / Roads Reclamation	\$ -	4.390	\$ -	4.390
Gravel / Stone	\$ -	4.175	\$ -	4.175
Contract Drilling	\$ -	4.100	\$ -	
Day Work	\$ -	4.105	\$ -	
Drilling Mud/Chemicals	\$ -	4.165	\$ -	
Bits / Tools / Hammers	\$ -	4.170	\$ -	
Water Hauling	\$ -	4.185	\$ -	4.375
Pit Liner	\$ -	4.210	\$ -	
Power Tongs	\$ -	4.230	\$ -	4.230
Open Hole Logging	\$ -	4.190	\$ -	
Cement - Surface	\$ -	4.215	\$ -	
Cement - Intermediate	\$ -	4.220	\$ -	
Cement - Production	\$ -		\$ -	4.355
Cement - Miscellaneous	\$ -	4.225	\$ -	4.360
Casing Attachments/Baffles	\$ -	4.235	\$ -	4.335
Equipment Rental	\$ -	4.240	\$ -	4.240
Dozer	\$ -	4.245	\$ -	4.415
Trucking - haul csg, tbg; dozer	\$ -	4.250	\$ -	4.425
Cased Hole Logging - CBL	\$ -		\$ -	4.340
Perforating	\$ -		\$ -	4.345
Stimulation Work	\$ -		\$ -	4.365
Service Rig Work	\$ -		\$ -	4.315
Contract Labor	\$ -		\$ -	4.385
Tank Rental	\$ -		\$ -	4.445
Frac Valve Rental	\$ -		\$ -	4.450
Fluid Disposal - Frac water	\$ -		\$ -	
Pipeline Installation	\$ -		\$ 19,500.00	4.405
Supervision	\$ -	4.275	\$ -	4.435
Engineering	\$ -		\$ -	
Geological	\$ -	1.130	\$ -	
Overhead	\$ -	4.285	\$ -	4.455
Other	\$ -	4.305	\$ -	4.470
INTANGIBLES:	\$ -	<i>Dry Hole</i>	\$ 19,500.00	<i>Completed</i>

TANGIBLE EQUIPMENT COSTS:	Dry Hole	Account	Completion	Account
Conductor	\$ -	3.120	\$ -	
Surface Casing	\$ -	3.100	\$ -	
Intermediate Casing	\$ -	3.110	\$ -	
Production Casing	\$ -		\$ -	3.135
6" / 2" Gathering Line	\$ -		\$ 9,325.00	3.165
Tank Battery	\$ -		\$ -	3.220
Separator/Drips	\$ -		\$ -	3.200
Pump Jack / Motor	\$ -		\$ -	3.230
Power/Motor/Electric Hookup	\$ -		\$ -	3.240
Metering Equipment	\$ -		\$ -	3.175
Valves, Fitting, L. Pipe for Hookup	\$ -		\$ 1,500.00	3.150
TANGIBLES:	\$ -	<i>Dry Hole</i>	\$ 10,825.00	<i>Completed</i>

TOTAL DRY HOLE COSTS:	\$ -	<i>Dry Hole</i>	
TOTAL COMPLETED COSTS:	\$ 30,325.00		<i>Completed</i>

TOTAL GATHERING COSTS: \$ 30,325.00

MAGNUM HUNTER PRODUCTION, INC.

WELL NO. 1740

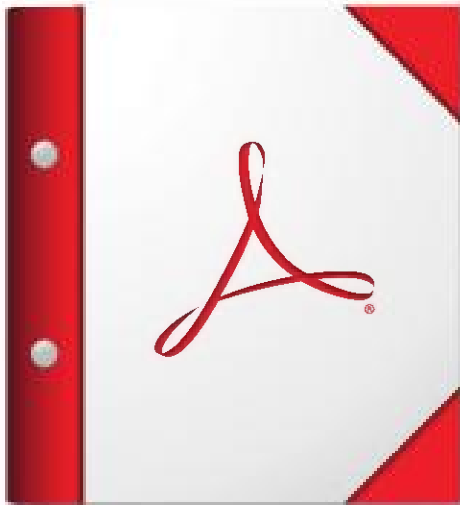
Permit No. 6869

DOCKET NO. VGOB 16-0419-4091

EXHIBIT E

LIST OF CONFLICTING OWNERS/CLAIMANTS THAT REQUIRE ESCROWING

<u>Tract</u>	<u>Lessor</u>	<u>Lease Status</u>	<u>Interest Within Unit</u>	<u>Gross Acreage In Unit</u>
1	Southwest Virginia Mineral Land Co.	Unleased	54.87%	61.8277



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AFFIDAVIT OF DUE DILIGENCE

Commonwealth of Kentucky

County of Fayette

I, D. Michael Wallen, after being duly sworn upon oath, state as follows:

1. I am the Senior Vice President of Operations of Magnum Hunter Production, Inc. and am responsible for the notification process required by Va. Code Ann. §45.1-361.19 and VR 480-05-22.2 §4.
2. That Magnum Hunter Production, Inc. has exercised due diligence in attempting to locate and notice all owners and claimants who are unleased all as required by Va. Code Ann. §45.1-361.19 and VR 480-05-22.2.
3. That on March 16, 2016 a true and correct copy of the Notice of Hearing with Exhibits was mailed, via certified mail return receipt requested, to all owners and claimants listed in Exhibit A for whom mailing addresses were then available.
4. That every individual or entity having an unleased or unpooled interest in the oil and gas underlying the 112.69 acre unit surrounding Well No. 1740, whether known or unknown, including those persons whose mailing address were unknown, were notified of the filing of Magnum Hunter Production, Inc.'s application by publication of the Notice of Hearing in the Powell Valley New.
5. That Magnum Hunter Production, Inc. will continue to exercise due diligence in attempting to locate and identify the names and/or addresses of any unknown or unlocatable parties and, if located or identified, will notify them of Magnum Hunter Production, Inc.'s application.

I have read the foregoing, and information given above is true and correct to the best of my knowledge.



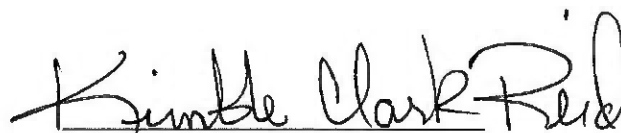
D. Michael Wallen
Senior Vice President of Operations
Magnum Hunter Production, Inc.

ACKNOWLEDGMENT

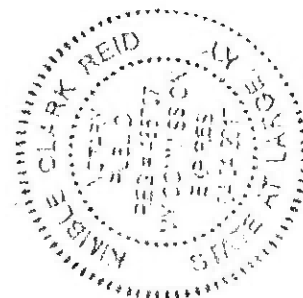
Commonwealth of Kentucky

County of Fayette

29th The foregoing Affidavit of Due Diligence was taken, subscribed and sworn to before me this
day of April, 2016.


Notary Public

My Commission Expires: 4/4/2017



CERTIFICATE OF PUBLICATION

Magnum Hunter Production, Inc.

Plaintiff

VS.

Notice of Hearing Before The

Department of Mines, Minerals & Energy

Division of Gas and Oil

Docket Number VGOB-16-0419-4091

Well Number 1740

Defendant

I, Rick L. Watson, Publisher of The Powell Valley News, a weekly newspaper published in the County of Lee, State of Virginia, do hereby certify that the enclosed notice was published in said paper, once a week for four successive weeks, commencing on the thirtieth day of March, 2016 and ending on the twentieth day of April, 2016.

Fee \$240.00


Magnum Hunter Production, Inc., Attn: Deborah Reid

120 Prosperous Place, Ste. 201

Lexington, KY 40509

P.Q.

Rick L. Watson, Publisher



**NOTICE OF HEARING BEFORE THE
DEPARTMENT OF MINES, MINERALS &
ENERGY, DIVISION OF GAS AND OIL
Docket Number VGOB-16-0419-4091
Well Number 1740**

TO: All persons, their known and unknown heirs, executors, administrators, devisees, assigns and successors, owning an interest in the gas, oil, coal or minerals underlying the Dulcet Acquisition, LLC 98 acre surface and coal tract, and adjacent tracts situated 3,457 feet East of the intersection of State Roads 635 and 636, being 8,100 feet Northeast of the confluence of Big Branch and Straight Creek and 9,190 feet West of the confluence of Meadow Fork and Summers Creek in Rocky Station District, Pennington Gap Quadrangle, Lee County, Virginia.

NOTICE IS HEREBY GIVEN that Magnum Hunter Production, Inc., 120 Prosperous Place, Suite 201, Lexington, Kentucky 40509, is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order pooling all the rights, interests, and estates pursuant to Virginia Code §45.1-361.1 et seq. in regard to the drilling, development and production of oil and gas from drilling Unit 1740, containing approximately 112.69 acres, located on the above-referenced tracts.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at 9:00 a.m. on May 10, 2016 at the Conference Center at the Russell County Office Facility, Lebanon, Virginia.

All interested persons may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. For further information, contact the Virginia Gas and Oil Board, State Gas and Oil Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P.O. Box 159, Lebanon, Virginia 24286, (276) 415-9650 or the Applicant at the address shown above.

Published in the *Powell Valley News* on March 30, April 6, 13 and 20, 2016.

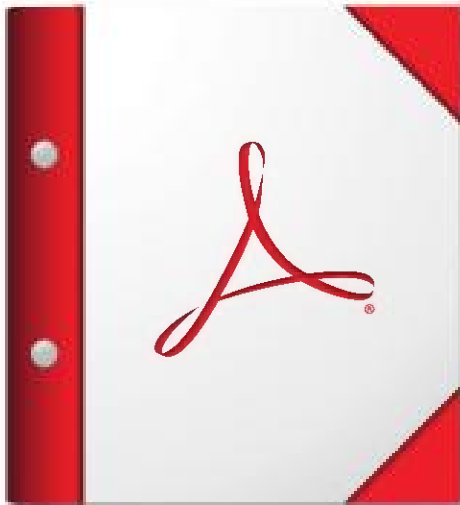
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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Luis Soto</i></p> <p>C. Date of Delivery <i>3-29-16</i></p>																
<p>1. Article Addressed to:</p> <p><i>Exco Resources 12317 Merit Dr., Suite 1700 Dallas, TX 75251</i></p>  <p>9590 9403 0586 5183 9148 87</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>																
<p>2. Article Number (Transfer from service label)</p> <p>112 2210 0001 5640 6667</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
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PS Form 3811, April 2015 PSN 7530-02-000-9053

Domestic Return Receipt

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PS Form 3800, August 2006 See Reverse for Instructions											

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AFFIDAVIT OF DUE DILIGENCE

Commonwealth of Kentucky

County of Fayette

I, D. Michael Wallen, after being duly sworn upon oath, state as follows:

1. I am the Senior Vice President of Operations of Magnum Hunter Production, Inc. and am responsible for the notification process required by Va. Code Ann. §45.1-361.19 and VR 480-05-22.2 §4.
2. That Magnum Hunter Production, Inc. has exercised due diligence in attempting to locate and notice all owners and claimants who are unleased all as required by Va. Code Ann. §45.1-361.19 and VR 480-05-22.2.
3. That on March 16, 2016 a true and correct copy of the Notice of Hearing with Exhibits was mailed, via certified mail return receipt requested, to all owners and claimants listed in Exhibit A for whom mailing addresses were then available.
4. That every individual or entity having an unleased or unpooled interest in the oil and gas underlying the 112.69 acre unit surrounding Well No. 1740, whether known or unknown, including those persons whose mailing address were unknown, were notified of the filing of Magnum Hunter Production, Inc.'s application by publication of the Notice of Hearing in the Powell Valley New.
5. That Magnum Hunter Production, Inc. will continue to exercise due diligence in attempting to locate and identify the names and/or addresses of any unknown or unlocatable parties and, if located or identified, will notify them of Magnum Hunter Production, Inc.'s application.

I have read the foregoing, and information given above is true and correct to the best of my knowledge.



D. Michael Wallen
Senior Vice President of Operations
Magnum Hunter Production, Inc.

ACKNOWLEDGMENT

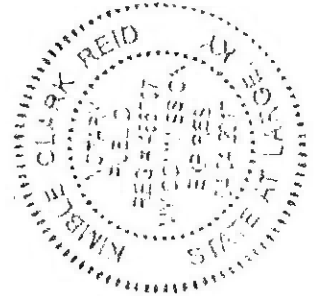
Commonwealth of Kentucky

County of Fayette

29th The foregoing Affidavit of Due Diligence was taken, subscribed and sworn to before me this
day of April, 2016.

Kimble Clark Reid
Notary Public

My Commission Expires: 4/4/2017



CERTIFICATE OF PUBLICATION

Magnum Hunter Production, Inc.

Plaintiff

VS.

Notice of Hearing Before The
Department of Mines, Minerals & Energy
Division of Gas and Oil
Docket Number VGOB-16-0419-4091
Well Number 1740

Defendant

I, Rick L. Watson, Publisher of The Powell Valley News, a weekly newspaper published in the County of Lee, State of Virginia, do hereby certify that the enclosed notice was published in said paper, once a week for four successive weeks, commencing on the thirtieth day of March, 2016 and ending on the twentieth day of April, 2016.

Fee \$240.00

Magnum Hunter Production, Inc., Attn: Deborah Reid

120 Prosperous Place, Ste. 201

Lexington, KY 40509

P.Q.

Rick L. Watson, Publisher



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