

VIRGINIA: Docket No. VGOB-89-126-0009-90

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: ENERVEST OPERATING, LLC

ACTION UNDER
CONSIDERATION: MODIFICATION OF THE NORA COALBED GAS FIELD
RULES TO ALLOW FOR A TOTAL OF TWO (2) COAL
BED METHANE GAS WELLS TO BE DRILLED WITHIN
EACH DRILLING UNIT PURSUANT TO VA. CODE §
45.1-361.20.

LEGAL DESCRIPTION:

THE NORA COALBED GAS FIELD DRILLING
POOL LYING IN BUCHANAN, DICKENSON,
RUSSELL, AND WISE COUNTIES, VIRGINIA; AND
DEPICTED IN EXHIBIT 'H-2' ATTACHED
HERETO AND MADE PART HEREOF

1. **Hearing Date and Place:** This cause came on for hearing before the Virginia Gas and Oil Board (Hereinafter "Board") upon the Board's own motion at 9:00 AM January 17, 2017 at the Russell County Government Complex, Conference Center, 135 Highland Drive, Lebanon, Virginia.
2. **Appearances:** EnerVest Operating, LLC, 408 W. Main Street, Abingdon, Virginia 24210. Counsel for EnerVest Operating, LLC, is Timothy E. Scott, 135 W. Main Street, Suite 200, Kingsport, TN 37660 (423) 247-9376.
3. **Jurisdiction and Notice:** Pursuant to Section 45.1-361.1 *et seq.*, Virginia Code, 1950 as amended, the Board finds that it has jurisdiction over the subject matter. The Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.
4. **Legal Authority:** 4 VAC 25-160-50 and § 45.1-361.2 of the Code of Virginia
5. **Relief Sought:**
 - a. Modification of the Nora Coalbed Gas Field rules to allow for a total of two (2) coal bed methane gas wells to be drilled within each drilling unit. Table 1 provides a listing of the grid units in the Nora Coalbed Gas Field.
 - b. All restrictions and rules regarding well spacing, unit acreage, unit naming convention, and geologic formations established in the original and subsequent Nora Coalbed Gas Field orders remain unchanged.

- c. All requests for second coalbed methane well in each drilling unit will be incorporated into the permit application by the applicant for review and approval by the Division Director. The Division Director will have the discretion to refer approval to the Virginia Gas and Oil Board if needed.
 - d. The permit application process will provide for notice to all interested parties.
 - e. The Field Rules are a reasonable exercise of a gas owner's right to explore for gas.
 - f. The Field Rules will not unreasonably interfere with the present or future mining of coal.
 - g. Acreage to be included in Order (See attached Exhibit H-2).
 - h. The Board may set an allowable production from each well if it deems it necessary to prevent waste or protect correlative rights.
 - i. Providing that the Order to be issued herein be made effective as of the date of hearing.
 - j. Granting such other and further relief as may be appropriate based on the evidence presented at the hearing.
6. **Attestation:** The foregoing application to the best of my knowledge, information and belief is true and correct.

EnerVest Operating, LLC

By: 

Timothy E Scott, Counsel
135 W. Main Street, Suite 200
Kingsport, Tennessee 37660
(423) 247-9376

Notice of Nora Coalbed Field rules Modification

The following description will be included in the publication notice by the Virginia Gas and Oil Board for the January 2017 meeting. Notice will be provided in newspapers of general circulation for Buchanan, Dickenson, Russell, and Wise Counties as well as the Virginia Regulatory Town Hall website.

On the Board's on motion, an application seeking to modify the Nora Coalbed Gas Field rules to allow for a total of two (2) coal bed methane wells to be drilled within each drilling unit. The Nora Coalbed Gas Field drilling pool includes all of Dickenson County and portions of Buchanan, Russell, and Wise Counties, Virginia. Docket Number VGOB 89-0126-0009-90.

Nora Coalbed Gas Field

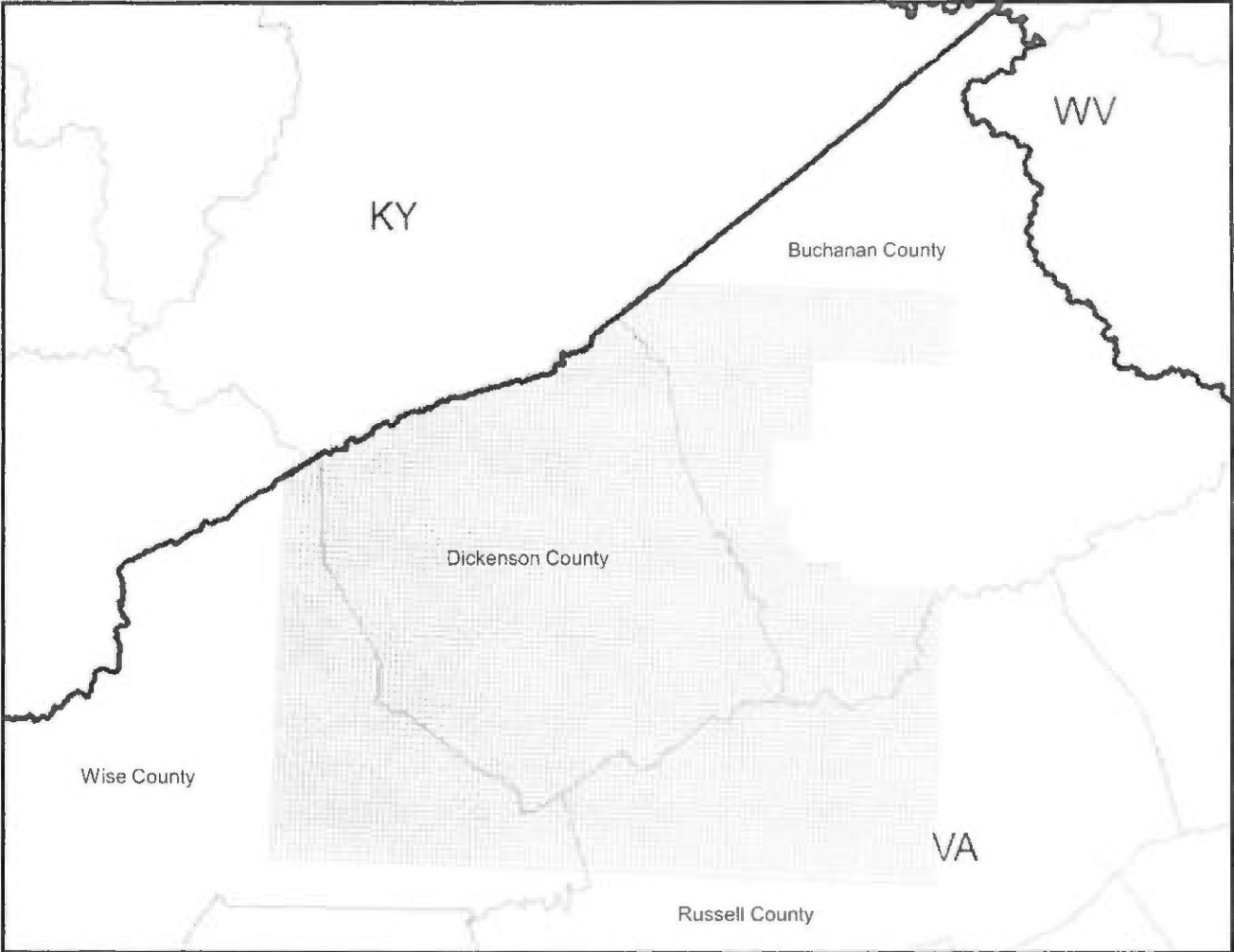


EXHIBIT H-2

Areas Included in the Nora CBM Field

| County | Quad | District |
|---------------|----------------|-----------------|
| Buchanan | Elkhorn City | Lick |
| | Harman | North Grundy |
| | Grundy | South Grundy |
| | Prater | Prater |
| | Vansant | Hurricane |
| | Duty | |
| | Big A Mountain | |
| Dickenson | Hellier | Kenady |
| | Elkhorn City | Clintwood |
| | Harman | Willis |
| | Jenkins East | Sandlick |
| | Clintwood | Ervinton |
| | Haysi | |
| | Prater | |
| | Pound | |
| | Caney Ridge | |
| | Nora | |
| | Duty | |
| | Coeburn | |
| | Saint Paul | |
| Carbo | | |
| Russell | Duty | Lebanon |
| | Big A Mountain | Castlewood |
| | Saint Paul | New Garden |
| | Carbo | |
| | Lebanon | |
| Wise | Jenkins East | Lipps |
| | Pound | Roberson |
| | Caney Ridge | Gladeville |
| | Wise | |
| | Coeburn | |