

BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant: EnerVest Operating, L.L.C. )  
)  
)  
Relief Sought: Pooling VCI-530473 Nora Grid 60-AY )  
Nora Coalbed Gas Field )  
Legal )  
Description: )  
J.C. Sutherland T-373 Tract ) Docket Number:  
296.56 acres, more or less ) VGOB-17-0516-4121  
Ervinton District )  
Nora Quadrangle )  
Dickenson County, Virginia )  
)  
(See Exhibit "A" For Specific )  
Description) )

APPLICATION

1. Parties: Applicant herein is EnerVest Operating, L.L.C., whose address for the purposes hereof is 406 West Main Street, P. O. Box 2136 Abingdon, Virginia 24212 Telephone: (276) 628-9001. The attorney for Applicant is Timothy E. Scott, MCKINNIS & SCOTT, whose address is 135 West Main Street, Suite 200, Kingsport, Tennessee 37660, Telephone: (423) 247-9376. The unleased entities or persons are listed on Exhibit B-3, attached hereto and made a party hereto. Set forth in Exhibit B is the name and last-known address of each owner of record identified by Applicant as having an interest in the oil, gas and coalbed methane underlying the unit described in Exhibit A, attached hereto and made part hereof. Each of the unleased individuals named in Exhibit B-3 is being made a party if living; if any such individual is deceased, then the unknown heirs, executors, administrators, devisees, trustees and assignees, both immediate and remote, of any such deceased individual are made parties herein. Each of the unleased entities listed in Exhibit B-3 that is a corporation is being made a party if such entity continues to have legal existence, and if any such corporation is dissolved, then the unknown successors, trustees, and assigns, both immediate and remote, of such dissolved corporation are made parties herein. Each of the unleased entities listed in Exhibit B-3 that is an unincorporated association is being made a party if such entity continues to have legal existence, and if any such unincorporated association is dissolved or otherwise not in existence, then the unknown successors, trustees and assigns, both immediate and remote, of such unincorporated association are made parties herein.

2. Allegation of Facts: Applicant is the owner of the right to develop and produce coalbed methane from all formations, from the surface to the total depth drilled within the Nora Coalbed Gas Field and underlying the lands described on Exhibit A attached hereto and made a part hereof and to appropriate the oil, gas and coalbed methane produced therefrom.

(a) Applicant has proposed a plan of development and operation of the Formations underlying the drilling unit involved herein (described and depicted on Exhibit A attached hereto and made a part hereof) and has proposed to commence such plan of development and operation of such unit by a well, designated as well number VCI-530473 Nora Grid 60-AY under such plan in the lands involved herein so as to produce oil, gas and coalbed methane from the proposed unit.

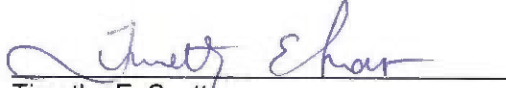
- (b) A Well work permit for well number VCI-530473 Nora Grid 60-AY is currently or is anticipated to be pending before the Department of Mines, Minerals and Energy.
- (c) Applicant has exercised due diligence to locate each of the oil, gas and coalbed methane interest owners named herein at Exhibit B-3 and has made or is making a bona fide effort to reach an agreement with all unleased parties as to pooling their interest for the development and operation of the well involved herein. Simultaneously with the filing of this application, Applicant has provided notice to each of the unleased parties set forth in Exhibit B-3 pursuant to the provisions of § 45.1-361.19 of the Virginia Code Annotated. Applicant hereby notifies the Board that where the identity or location of any person is shown as "unknown" on Exhibit B-3, then Applicant is unable to provide such person with written notice of the application herein. Conflicting Owners/Claimants in the Subject Drilling Unit are listed in Exhibit E. The interest of all unleased persons in the Formations underlying the drilling unit for well number VCI-530473 Nora 60-AY should be pooled for the development and operation thereof.
- (d) Applicant proposes to drill at the permitted location to an approximate depth of 2,529 feet on the Subject Lands to test for oil, gas and coalbed methane in the Subject Formations, including all Pennsylvanian age coals from the top of the Aily, including but not limited to Raven, Jawbone Rider, Jawbone, Tiller, Upper Seaboard, Greasy Creek, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas #9, Pocahontas #3, Pocahontas #2, and Pocahontas #1 and any unnamed coal seams and other associated formations known as the Nora Coalbed Gas Field. Applicant estimates the cost for a well to said depth to be \$358,350.00 for a well completed for production. Exhibit C, attached hereto and made part hereof, is Applicant's signed Authorization For Expenditure ("AFE") which shows the estimated cost of drilling, completing and equipping said well.
- (e) The estimated production over the life of the proposed well is 550 mmcf. 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.

3. Legal Authority: The relief sought by this Application is authorized by Virginia Code Annotated § 45.1-361.21 et seq. and § 4 VAC 25-160-70 et seq.

4. Relief Sought: Applicant requests the Virginia Gas and Oil Board to enter an order pooling all unleased interests or estates of all persons or entities owning oil, gas and coalbed methane interests in the Formations underlying the tracts encompassed by the drilling unit supporting well number VCI-530473 Nora Grid 60-AY, and (I) authorizing the drilling and operation of a well for the production of oil, gas and coalbed methane from the pooled acreage; (II) designating Applicant as the party authorized to drill and operate such well; (III) prescribing the time, manner, and other conditions under which unleased parties owning an interest in the oil, gas and coalbed methane may elect to participate in the operation of such well, or to exercise their rights of election under the applicable statutes; (IV) providing that all reasonable costs and expenses of drilling, completing, equipping, operating, plugging and abandoning such well shall be borne, and all production therefrom, shared, by all participating parties in the proportion which the acreage in the pooled tracts owned or under lease to each such participating party bears to the total acreage in such unit; and (V) making provision for the payment of all reasonable costs of the operation, including a reasonable supervision fee, to the Applicant by all parties who elect to participate therein or who elect to be carried interest owners.

Dated this 14<sup>th</sup> day of April, 2017.

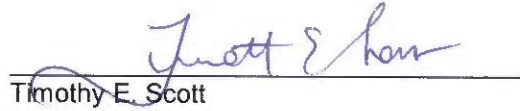
ENERVEST OPERATING, L.L.C



Timothy E. Scott  
MCKINNIS & SCOTT  
135 West Main Street, Suite 200  
Kingsport, Tennessee 37660  
(423) 247-9376

**VERIFICATION**

The foregoing Application to the best of my knowledge, information and belief is true and correct.



Timothy E. Scott

MCKINNIS & SCOTT

BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant: EnerVest Operating, L.L.C. )  
)  
)  
Relief Sought: Pooling )  
)  
)  
Location: See Exhibit "A" ) Docket No.  
Well Number: VCI-530473 Nora Grid 60-AY ) VGOB-17-0516-4121  
Nora Coalbed Gas Field )  
)  
)  
Legal )  
Description: J.C. Sutherland T-373 Tract )  
296.56 acres, more or less )  
Ervinton District )  
Nora Quadrangle )  
Dickenson County, Virginia )

NOTICE OF HEARING

HEARING DATE: May 16, 2017  
PLACE: Russell County Conference Center  
Highland Drive  
Lebanon, Virginia  
TIME: 9:00 a.m.

COMMONWEALTH OF VIRGINIA: To all unleased persons owning an interest in the oil, gas and coalbed methane in and underlying the unit surrounding VCI-530473 Nora Grid 60-AY described on Exhibit "A" to the Application, which is attached to this Notice, in Dickenson County, Virginia (hereinafter "Subject Lands") and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote:

See attached Exhibit B-3.

NOTICE IS HEREBY GIVEN that the Applicant is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order pooling all the rights, interests, and estates of the unleased persons pursuant to Virginia Code Ann. § 45.1-361.1 et seq. in regard to the drilling, development and production of oil, gas and coalbed methane from drilling unit VCI-530473 Nora Grid 60-AY, containing approximately 58.77 acres, located on the above-referenced tracts situated approximately 4,450 feet southwest of the intersection of Virginia State Routes 600 and 625 and approximately 4,800 feet northwest of Tiny in the Ervinton District, Nora Quadrangle of Dickenson County, Virginia.

Applicant requests that the Board issue an order providing as follows:

- a. Pooling all the interests and estates of the persons named herein and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling, development and production of oil, gas and coalbed methane from the subject drilling unit for the Subject Formations underlying and comprised of the Subject Lands;
- b. Establishing a procedure whereby each person named herein shall have the right to elect (1) to assign or lease his oil, gas and coalbed methane interest in the subject drilling unit to the designated operator; (2) to enter into a voluntary agreement with the designated operator

to share in the operation (including the sharing in all reasonable costs of the drilling of the well and development of the unit) at a rate of payment mutually agreed to by the person making the election hereunder and the designated operator herein; or (3) to share in the operation of the well as a nonparticipating operator on a carried basis after the proceeds allocable to such person's share equal the following:

In the case of a leased tract, 300 percent of the share of the costs allocable to such person's interest; or

In the case of an unleased tract, 200 percent of the share of costs allocable to such person's interest;

c. Providing that any person named herein who does not make a timely written election under the terms of the Order to be entered herein shall be deemed to have leased his oil, gas and coalbed methane interest in the subject drilling unit to the operator designated herein at a rate to be established by the Board;

d. Designating Applicant, EnerVest Operating, L.L.C., as Operator; providing that the Operator shall have the right to drill, develop, produce, market and sell oil, gas and coalbed methane produced from the subject drilling unit; granting the Operator the right to market and sell oil, gas and coalbed methane produced from the subject drilling unit which is attributable to the conflicting claims and interest pooled herein; providing that the Operator shall have an operator's lien on the oil, gas and coalbed methane estate and rights owned or claimed by the unleased persons named herein in the subject drilling unit; and granting the Operator the right to drill at any legal or specially permitted location on the subject drilling unit;

e. Making any necessary provision for the escrow of funds pursuant to Va. Code Ann. § 45.1-361.22;

f. Providing that the Order to be entered herein shall expire two (2) years from the date of its issuance if operations for the development of the subject drilling unit have not commenced by said date; but further providing that if operations have commenced during said two year period, then said order shall remain in effect for so long as operations continue on the subject drilling unit;

g. Providing that the conduct of operations on any tract in the subject drilling unit shall be deemed to be the conduct of operations on all tracts in the drilling unit; and providing that the production allocated to any tract in the pooled drilling unit shall be in the same proportion as the acreage of that tract bears to the total acreage in the drilling unit; and

h. 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.

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 16, 2017** at the **Russell County Conference Center, Highland Drive**, Lebanon, Virginia, and that notice will be published as required by the 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. The Board rules require that any written objections you wish to file must be filed with the Board at least 10 days before the hearing. 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, 135 Highland Drive, Lebanon, Virginia, 24266, (276) 415-9650 or the Applicant at the address shown below.

DATED this 14<sup>th</sup> day of April, 2017.

EnerVest Operating, L.L.C.  
406 West Main Street  
P. O. Box 2136  
Abingdon, Virginia 24212



---

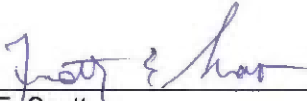
Timothy E. Scott

MCKINNIS & SCOTT,  
of Counsel for  
EnerVest Operating, L.L.C.  
135 West Main Street  
Suite 200  
Kingsport, Tennessee 37660  
(423) 247-9376

CERTIFICATE OF SERVICE

I, Timothy E. Scott, of Counsel for EnerVest Operating, L.L.C., hereby certify that I have on this, the 14<sup>th</sup> day of April, 2017, caused the foregoing notice and application to be served upon parties listed herein, at their address, by certified mail, return receipt requested.

Dated this 14<sup>th</sup> day of April, 2017.

  
\_\_\_\_\_  
Timothy E. Scott  
MCKINNIS & SCOTT

1,430'

Well Coordinates: (Geographic N83)  
37.109440° -82.254772°

Well Coordinates: (UTM N27, Zone 17)  
N 13,476,135.65 E 1,274,597.35

Latitude 37° 07' 30"

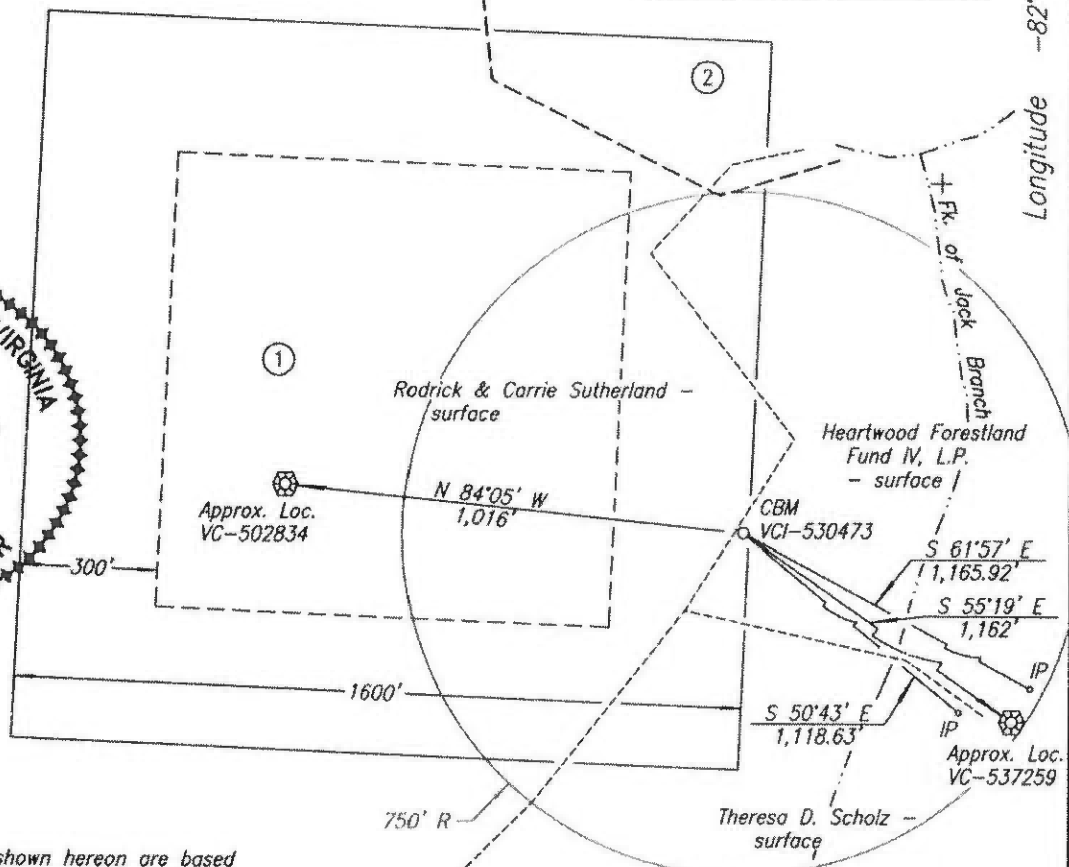
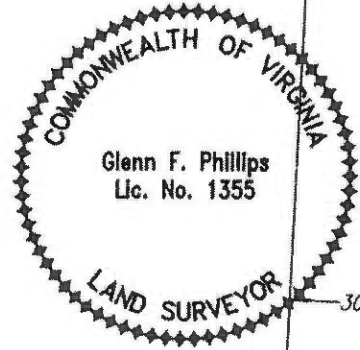
Note: See Attached Tract  
Ownership Information Schedule

---	Mineral Line
- - - -	Surface Line
- · - · -	Lease Line

NOTE: Stream course is shown  
from USGS Nora Quad. It has  
been altered by surface mining.

Longitude -82° 15' 00"

5,705'



Note 1: The boundary lines shown hereon are based  
on deeds, plats and maps of record and do not  
depict a current boundary survey.

Note 2: The well will be drilled within 10' of  
the permitted coordinates.

Note 3: Well spot is 12.26' west of exterior grid line

Well elevation determined by GPS  
survey from HARN Monument P-424

Area of Unit = 58.77 Ac.

Well Coordinates: (VA St. Plane S. Zone,  
NAD 83 (1993))  
N 3,585,174.11 E 10,388,312.71

Well Coordinates: (VA St. Plane S. Zone,  
NAD 27 Calculated from NAD 83 (1993))  
N 304,298.20 E 905,327.44

Well Coordinates: (Cinchfield Coal Co.)  
N 3,417.10 E 37,487.74

WELL LOCATION PLAT NORA GRID AY-60

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER VCI-530473  
 TRACT NO. T-373 ELEVATION 1,968.44' QUADRANGLE Nora  
 COUNTY Dickenson DISTRICT Ervinton SCALE 1" = 400' DATE 01-18-2017  
 This Plat is a new plat x; an updated plat     ; or a final 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.

Glenn F. Phillips  
Licensed Professional Engineer or Licensed Land Surveyor

EXHIBIT A

**VCI-530473 PLAT**  
**TRACT OWNERSHIP INFORMATION SCHEDULE**  
1/18/2017

- 1 . T-373  
J. C. Sutherland  
296.56 Acres  
ACIN LLC - coal  
Paramont Contura, LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Contura, LLC - coal lessee  
EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-AI, L.P., &  
EnerVest Energy Institutional Fund XIV-WIC, L.P. - oil, gas & CBM  
Gas 55.31 Ac. 94.11%
  
- 2 . Lease No.  
Theresa D. Scholz  
59.00 Acres  
Theresa D. Scholz - coal, oil & gas (CBM)  
Gas 3.46 Ac. 5.89%

**Exhibit "B"**  
**VCI-530473**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Coal Estate Only</b>				
1	EnerVest Energy Institutional Fund XIV-A, L.P. & EnerVest Energy Institutional Fund XIV-WIC, L.P. Attn: Jim McKinney 408 West Main Street Abingdon, VA 24210 Tax # 20551	Owner	94.11000000	55.31000000
2	Theresa & Richard Scholz 6824 Bluegrass Drive Clarkston, MI 48346 Tax # 3883	Unleased	5.89000000	3.46000000
<b>TOTAL GAS ESTATE</b>			100.00000000	58.77000000
Percentage of Unit Leased			94.11000000	
Percentage of Unit Unleased			5.89000000	
Acreage in Unit Leased			55.31000000	
Acreage in Unit Unleased			3.46000000	

**Exhibit "B"**  
**VCI-530473**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
1	EnerVest Energy Institutional Fund XIV-A, L.P. & EnerVest Energy Institutional Fund XIV-WIC, L.P. Attn: Jim McKinney 408 West Main Street Abingdon, VA 24210 Tax # 20551	Owner	94.11000000	55.31000000
2	Theresa & Richard Scholz 6824 Bluegrass Drive Clarkston, MI 48346 Tax # 3883	Unleased	5.89000000	3.46000000
<b>TOTAL GAS ESTATE</b>			<b>100.00000000</b>	<b>58.77000000</b>
Percentage of Unit Leased		94.11000000		
Percentage of Unit Unleased		5.89000000		
Acreage in Unit Leased		55.31000000		
Acreage in Unit Unleased		3.46000000		

**Exhibit "B-3"**  
**VCI-530473**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
2	Theresa & Richard Scholz 6824 Bluegrass Drive Clarkston, MI 48346 Tax # 3883	Unleased	5.89000000	3.46000000
<b>TOTAL GAS ESTATE</b>			<b>5.89000000</b>	<b>3.46000000</b>

Company: EnerVest Operating, LLC.

Virginia Gas And Oil Template -- Estimate Authorization For Expenditure (AFE)

AFE #

Well Name: VCI-530473

Location: DICKENSON, VA

Expected Pay Zone: PENNSYLVANIA COALS

Proposed Work: DRILL, COMPLETE AND PLACE INTO PRODUCTION

Property #

Fields: NORA FIELD

Version # 1

Operator: EnerVest Operating, LLC.

Completed By: TEAM

Estimated Total Depth: 3,529 FT

Date: 4/12/2017

AAPG Class: DEVELOPMENT

Participant(s): EnerVest Operating, LLC

W.I. 100%

Amount: \$358,350

Description	Casing Point	Completion	Total Cost
Leasehold Costs	\$0	\$0	\$0
Permit / Title Opinion / Survey / Insurance	\$13,000	\$0	\$13,000
Building Location/Materials	\$20,000	\$5,000	\$25,000
Roads / Stone / Culverts	\$14,000	\$0	\$14,000
Surface Damages	\$0	\$0	\$0
Drilling - Footage	\$42,100	\$0	\$42,100
Drilling - Mobilization	\$0	\$0	\$0
Drilling - Dayrate	\$0	\$0	\$0
Mud & Chemicals (Drilling)	\$0	\$0	\$0
Fuel	\$0	\$0	\$0
Cement Services	\$6,500	\$0	\$6,500
Open Hole Logging & Testing	\$3,400	\$5,000	\$8,400
Trucking / Dozer (Drilling)	\$2,000	\$0	\$2,000
Rental Tools & Equipment (Drilling)	\$560	\$0	\$560
Drilling - Bits	\$0	\$0	\$0
Technical Supervision (Drilling)	\$0	\$0	\$0
Fresh Water Hauling (Drilling)	\$2,000	\$0	\$2,000
Overhead Rate	\$1,000	\$5,000	\$7,000
Misc. & Contingencies (Insurance)	\$300	\$0	\$300
Location Rds/Stone/Culverts	\$0	\$1,000	\$1,000
Trucking / Dozer (Completion)	\$0	\$4,000	\$4,000
Technical Supervision (Completion)	\$0	\$0	\$0
Cased Hole Logging / Perforating	\$0	\$11,600	\$11,600
Stimulation / Fracturing	\$0	\$70,000	\$70,000
Completion Rig	\$0	\$11,000	\$11,000
Reclamation & Damages	\$6,000	\$0	\$6,000
Haul Pit Water / Disposal	\$0	\$4,000	\$4,000
Cement Production Casing	\$0	\$12,500	\$12,500
Rental Tools & Equipment (Completion)	\$0	\$4,000	\$4,000
Fresh Water Hauling (Completion)	\$0	\$3,500	\$3,500
Roustabout Labor	\$1,500	\$2,000	\$3,500
Environmental & Safety	\$500	\$500	\$1,000
<b>TOTAL INTANGIBLES</b>	<b>\$114,800</b>	<b>\$140,000</b>	<b>\$264,800</b>

Description	Casing Point	Completion	Total Cost
Conductor	\$700	\$0	\$700
26 lbft LS Surface Csg	\$0	\$0	\$0
18 lbft LS Intermediate Csg	\$3,000	\$0	\$3,000
4 1/2" 9.5 lbft M-65 Production Csg	\$0	\$12,100	\$12,100
4 1/2" 10.5 lbft M-65 Production Csg	\$0	\$0	\$0
2-3/8" 4.7 lbft J55 8rd Production Tubing	\$0	\$6,200	\$6,200
Wellhead Equipment / Fittings	\$2,400	\$10,500	\$12,900
Tank Battery	\$0	\$7,000	\$7,000
Separator / Heater / Treater	\$0	\$5,500	\$5,500
Gas Lift Equipment	\$0	\$0	\$0
Rods / Stuffing Box	\$0	\$2,800	\$2,800
Downhole Pump	\$0	\$1,500	\$1,500
Pumping Unit / Motor	\$0	\$10,000	\$10,000
Electric Service & Equipment	\$0	\$14,000	\$14,000
Valves & Fittings	\$0	\$0	\$0
Flow Line labor/material	\$0	\$16,750	\$16,750
Sales Line labor/material	\$0	\$10,100	\$10,100
<b>TOTAL TANGIBLES</b>	<b>\$6,100</b>	<b>\$87,450</b>	<b>\$103,550</b>

<b>GRAND TOTAL WELL COST</b>	<b>\$120,900</b>	<b>\$237,450</b>	<b>\$358,350</b>
Plugging & Abandonment	\$30,000		
<b>Production Costs :</b>	<b>\$358,350</b>	<b>Dry Hole Costs :</b>	<b>\$150,900</b>

Operations C.M. Randolph Date 4/13/17

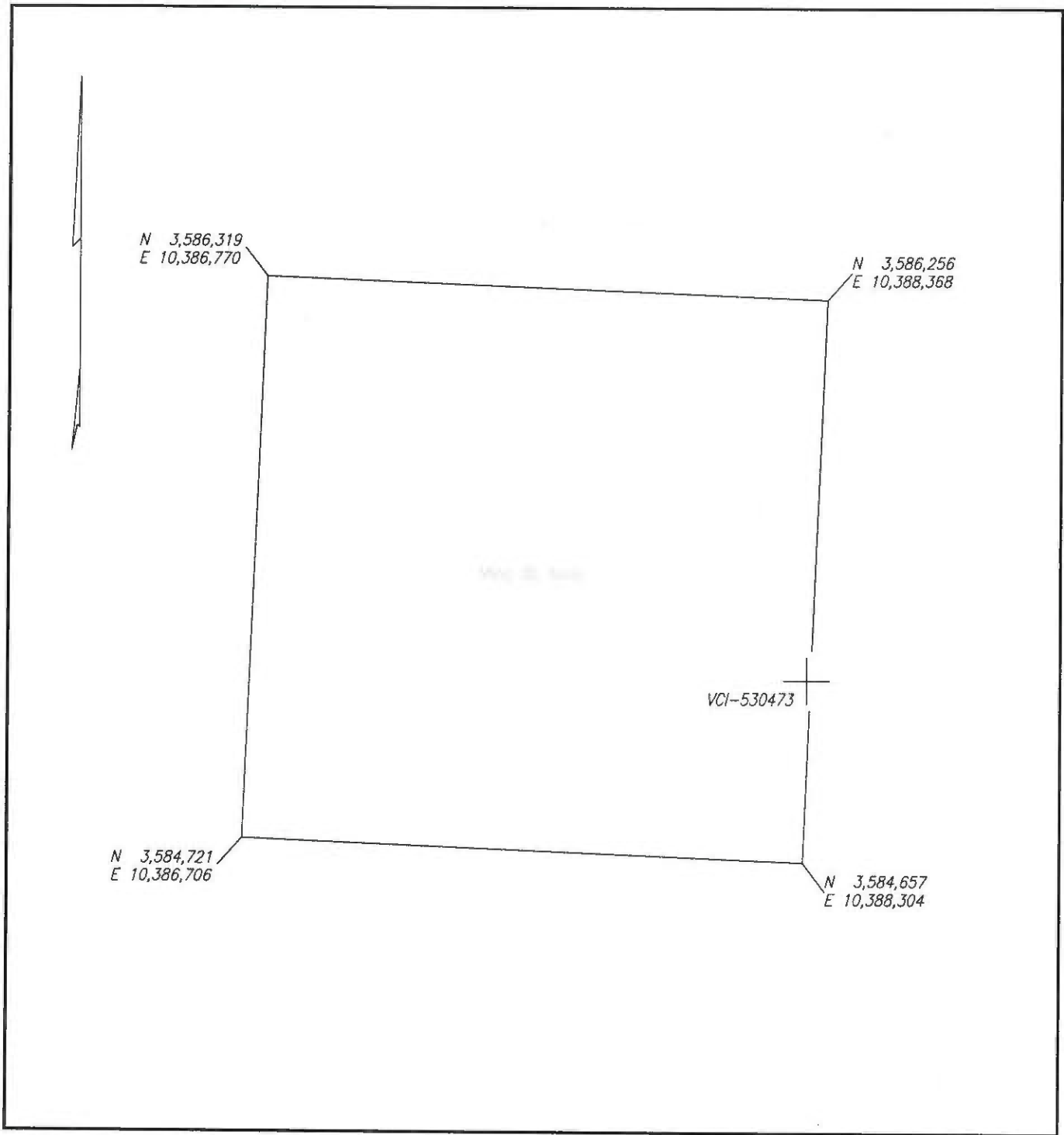
Engineering Equifax Date 4/14/17

Geology Justin Date 4/17/17

Land Charles Allen Date 4/17/17

THIS IS AN ESTIMATE OF PROJECTED WELL DRILLING, COMPLETION, EQUIPMENT AND PIPELINE COSTS. THESE ESTIMATES ARE PROJECTIONS ONLY AND ACTUAL BILLED COSTS MAY VARY FROM WELL TO WELL DEPENDING UPON ACTUAL FINAL DEPTH AND OTHER FACTORS INCLUDING, BUT NOT LIMITED TO, SEASONAL MATERIAL COSTS, WEATHER CONDITIONS, AND UNFORESEEN RIGHT-OF-WAY PROBLEMS.

Exhibit C



WELL & MINE LOCATION MAP NORA GRID AY-60

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER VCI-530473  
 QUADRANGLE Nora PERMIT NO. \_\_\_\_\_ SCALE 1" = 400' DATE 01-18-2017

NOTE: The mine locations are approximate locations taken from downloaded DMME data.  
 The maps are to be used for anticipated drilling hazards only.

Exhibit L