

BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant:	EnerVest Operating, LLC	)	
		)	
Relief Sought:	Establish Drilling Unit and	)	
	Pooling of Well No. V-550512	)	
		)	
Legal Description:	James A. Baker Tract	)	Docket Number:
	58.30 acres, more or less	)	VGOB-17-0620-4132
	Willis District	)	
	Clintwood Quadrangle	)	
	Dickenson County, Virginia	)	
		)	
	(See Exhibit A for Specific	)	
	Description)	)	

APPLICATION

**SECTION 1. PARTIES**

1.1 Applicant herein is EnerVest Operating, LLC, whose address is 406 West Main Street, P. O. Box 2136, Abingdon, Virginia 24212, and whose telephone number is (276) 628-9001. The attorney for Applicant is Timothy E. Scott, McKinnis & Scott, Attorneys at Law, having an address of 135 West Main Street, Suite 200, Kingsport, Tennessee, 37660, and whose telephone number is (423) 247-9376.

1.2 Applicant has the right to investigate, explore, prospect, drill for, and produce oil and/or gas underlying the drillsite tract depicted and set forth on Exhibit A attached hereto and made a part hereof. Exhibit A is a plat prepared by a licensed land surveyor or registered professional engineer showing the boundary and acreage of the Drilling Unit within which Applicant's well is proposed to be located (hereinafter referred to as the "Unit").

1.3 The names and last-known addresses of each person identified by Applicant as owning an interest of record in the oil and gas within the Unit are listed on Exhibit B, attached hereto and made a part hereof. Every individual or entity so identified as having an interest in the oil and gas in the Unit is being made a party to this application, whether known or unknown. Each of the individuals named in Exhibit B is being made a party if living; if any such individual is deceased, then the unknown heirs, devisees, executors, administrators, personal representatives, trustees and assignees, of any such deceased individual are made parties herein. Each of the entities listed in Exhibit B 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 and assigns of such dissolved corporation are made parties herein. Each of the parties listed in Exhibit B 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 of such unincorporated association are made parties herein.

## SECTION 2. ALLEGATION OF FACTS

### A. Pooling of Interests

2.1 Applicant hereby states that it is a "gas or oil owner" within the meaning of § 45.1-361.21 of the Code of Virginia, being the lessee of the oil and gas owner of the drillsite tract within the Unit. Applicant is the owner of the right to develop and produce oil and gas from all formations, from the surface to total depth drilled, underlying said tract of land, and to appropriate the oil and gas produced therefrom.

2.2 Applicant further states that there exists within the Unit (i) two or more separately owned tracts or (ii) separately owned interests in all or part of such Unit, within the meaning of § 45.1-361.21 A of the Code of Virginia.

2.3 Applicant further states that, as of the date of the filing of this application, it has been unable to procure a voluntary agreement from each oil and gas interest owners within the Unit, and thus is entitled to file this application to pool such interests. Those parties who have not entered into a voluntary agreement with Applicant are listed on Exhibit B-3 attached hereto and made a part hereof.

2.4 Applicant has proposed a plan of development and operation of the oil and gas formations underlying the Unit, such plan to be commenced by the drilling on the Unit of Applicant's proposed well, designated as the V-550512 Well, for the production of oil and gas from the Unit.

2.5 A well work permit for the V-550512 Well has been or will be submitted to the Department of Mines, Minerals and Energy.

2.6 Applicant has exercised due diligence to locate each of the oil and gas interest owners named herein on Exhibit B-3 and has made or is making a bona fide effort to reach an agreement with all parties as to pooling their oil and gas interest for the development and operation of the well involved herein. Simultaneously with the filing of this application, Applicant has provided notice, by certified mail, return receipt requested, to each of the parties set forth on Exhibit B pursuant to the provisions of § 45.1-361.19 of the Code of Virginia, being all parties known to the Applicant having an interest in the oil and gas underlying the Unit. Any owners whose identities or locations are unknown at the time of the filing of this application are shown on Exhibit B. Where the identity or location of any person or entity is unknown, then Applicant is unable to provide said persons or entities with written notice or personal service of this application. Any unknown or unlocatable owners, if any, in the Subject Drilling Unit are listed in Exhibit E. The oil and gas interests of such persons or entities, whether known or unknown, should be pooled for the development and operation of the Unit, so as to safeguard, protect, and enforce the correlative rights of oil and gas owners having interests within the Unit, and to prevent waste and avoid the drilling of unnecessary wells, thus allowing the orderly development of the oil and gas resources within the Unit.

### B. Costs and Production

2.7 Applicant proposes to drill at the location depicted on the plat attached hereto as Exhibit A to an approximate depth of 4,602 feet to test for oil and gas from all formations from

the base of the Lee, including but not limited to: Ravencliff, Maxon, Big Lime, Weir, Berea, Devonion Shale, and other associated formations know to the Nora Gas Field. Applicant estimates the cost for a well drilled to said depth to be \$487,500.00 if completed for production. Attached hereto and made a part hereof as Exhibit C is Applicant's Authority for Expenditure (AFE) which shows the estimated cost of drilling, completing, and equipping said well.

2.8 The estimated production over the life of the proposed well is 450 mmcf. Such figures regarding estimated production and the amount of any reserves for the proposed well are, however, estimates only that are not based upon actual production and should not be relied upon for any purpose.

### **SECTION 3. LEGAL AUTHORITY**

3.1 The relief sought by this application is authorized by Virginia Code Annotated §45.1-361.20 and § 45.1-361.21 *et seq.* of the Code of Virginia and § 4 VAC 25-160-70 *et seq.* of the Gas and Oil Board Regulations of the Commonwealth of Virginia.

### **SECTION 4. RELIEF SOUGHT**

4.1 Applicant requests the Board to enter an order as follows:

a. Authorizing the drilling and operation of Applicant's proposed V-550512 Well, as depicted on Exhibit A;

b. Establishing a drilling unit as depicted on Exhibit A pursuant to § 45.1-361.20 of the Code of Virginia. Pooling all the interests of every individual and entity owning an interest in oil and gas within the Unit, whether known or unknown, and their known and unknown heirs, devisees, executors, administrators, personal representatives, trustees, successors, and assigns, for the drilling, development, and production of oil and gas from the Unit;

c. Designating EnerVest Operating, LLC, Applicant herein, as the operator who will be authorized to drill, complete, and operate the well drilled in the Unit, and the right to market and sell oil and gas produced from the Unit and attributable to the interests pooled herein;

d. Prescribing the conditions under which the parties listed on Exhibit B-3 shall have the right to elect: (i) to sell or lease his gas or oil ownership to said operator on such terms as the parties may agree, or if unable to agree, upon such terms as are set forth by the Board in its order; (ii) to become a working interest owner by participating in the risk and cost of the well; or (iii) to participate in the operation of the well as a nonparticipating operator on a carried basis;

e. Providing that all reasonable costs and expenses of drilling, completing, equipping, operating, plugging and abandoning the well to be drilled within the Unit shall be borne, and all production therefrom shared, by all participating parties in the proportion which their working interest bears to the total acreage in the Unit;

f. Establishing a reasonable fee for the Applicant as operator for operating costs, including a reasonable supervision fee, which shall include routine maintenance of the well and all accounting necessary to pay all expenses, royalties, and amounts due working interest owners, which fee shall be borne by all parties who elect to participate as a working interest owner or as a carried interest owner; and

g. 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.

Dated this 19<sup>th</sup> day of May, 2017.

EnerVest Operating, LLC

By:

  
Timothy E. Scott

McKINNIS & SCOTT

135 West Main Street, Suite 200


Kingsport, Tennessee 37660

(423)247-9376

Attorney for Applicant

VERIFICATION

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



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Timothy E. Scott  
McKINNIS & SCOTT  
Attorneys at Law



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 June 20, 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 19<sup>th</sup> day of May, 2017.

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



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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

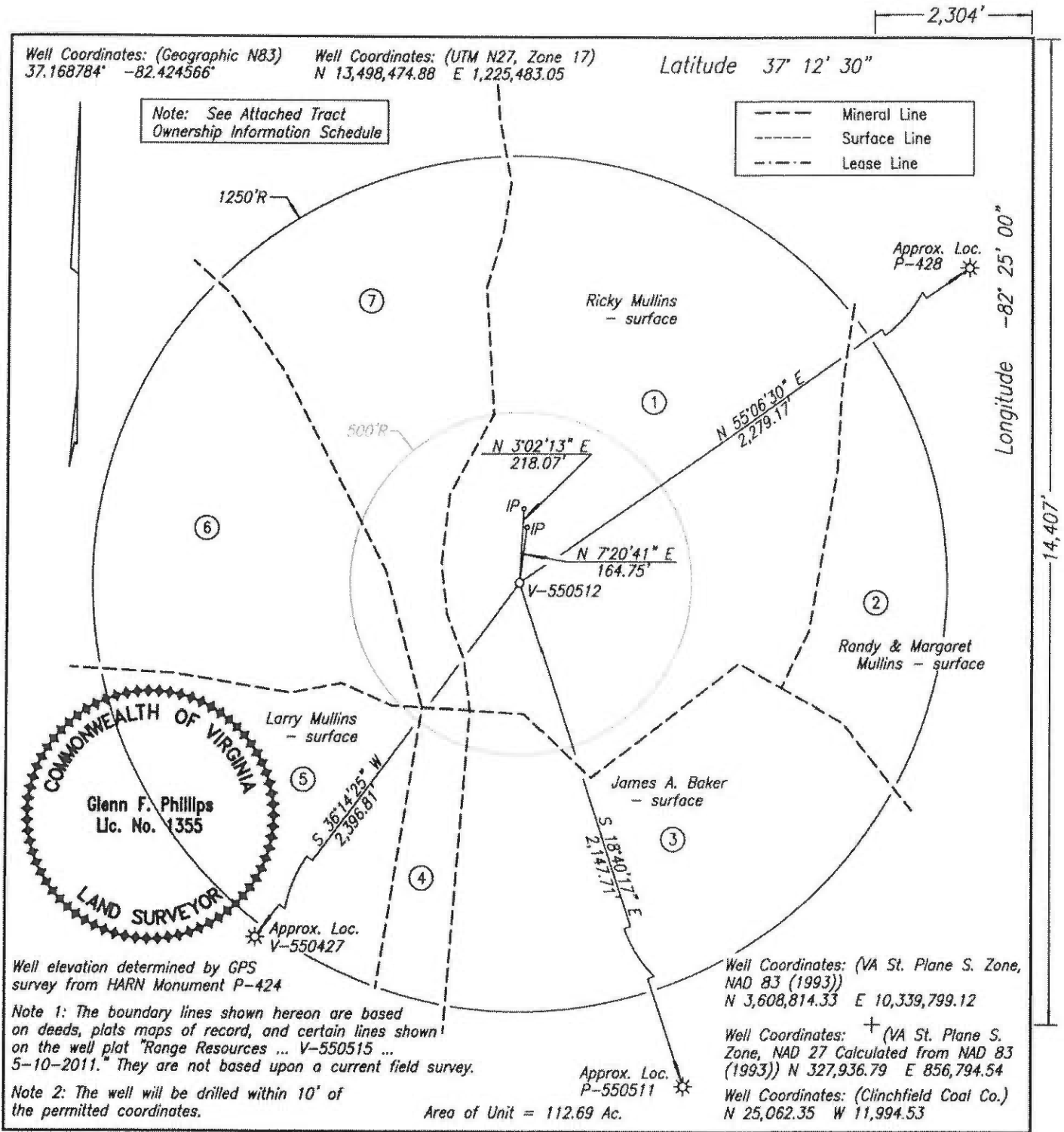
I, Timothy E. Scott, of Counsel for EnerVest Operating, L.L.C., hereby certify that I have on this, the 19<sup>th</sup> day of May, 2017, caused the foregoing notice and application to be served upon parties listed herein, at their address, by certified mail, return receipt requested.

Dated this 19<sup>th</sup> day of May, 2017.



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Timothy E. Scott  
MCKINNIS & SCOTT



WELL LOCATION PLAT NORA GRID AL-30

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER V-550512  
 TRACT NO. Lease No. 241520L ELEVATION 1,901.04' QUADRANGLE Clintwood  
 COUNTY Dickenson DISTRICT Willis SCALE 1" = 400' DATE 5-31-2017

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 24,000, latitude and longitude lines being represented by border lines as shown.

*Glenn F. Phillips*

~~Licensed Professional Engineer~~ or Licensed Land Surveyor

V-550512 PLAT  
TRACT OWNERSHIP INFORMATION SCHEDULE  
5/31/2017

1. Wilbur Phipps coal tract  
507.35 Acres  
ACIN LLC - coal  
Paramont Contura, LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Contura, LLC - coal lessee  
Lease No. 241520L  
James A. Baker - oil & gas  
58.30 Acres  
Gas 36.31 Ac. 32.22%
  
2. Wilbur Phipps coal tract  
507.35 Acres  
ACIN LLC - coal  
Paramont Contura, LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Contura, LLC - coal lessee  
Lease No. 241519L  
Marie Fitzpatrick & James A. Baker - oil & gas  
85.00 Acres  
Gas 8.43 Ac. 7.48%
  
3. Wilbur Phipps coal tract  
507.35 Acres  
ACIN LLC - coal  
Paramont Contura, LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Contura, LLC - coal lessee  
Lease No. 904767L  
James A. Baker 100.00 Acre tract  
Freddie Mullins et al. - oil & gas  
Gas 20.10 Ac. 17.84%
  
4. Sol. Fleming coal tract  
94.79 Acres  
ACIN LLC - coal  
Paramont Contura, LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Contura, LLC - coal lessee  
Lease No. 904767L  
Freddie Mullins et al. - oil & gas  
9.8 Acres P/O 104 Acres  
Gas 3.42 Ac. 3.03%
  
5. Sol. Fleming coal tract  
94.79 Acres  
ACIN LLC - coal  
Paramont Contura, LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Contura, LLC - coal lessee  
Lease No. 244402L  
Larry Mullins - oil & gas  
89.00 Acres  
Gas 12.17 Ac. 10.8%
  
6. Lease No.  
Columbus Phipps Foundation et al. - coal, oil & gas  
49.21 Acres  
Gas 16.79 Ac. 14.9%
  
7. Lease No.  
Edna Adkins Heirs - coal, oil & gas  
68 Acres  
Gas 15.47 Ac. 13.73%

**Exhibit "B"**

**V-550512**

*Docket NO: VGOB 17-0020-4132*

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
<b>Gas Estate Only</b>				
1	James Alan & Rita Baker PO Box 1647 Clintwood, VA 24228 Tax Card ID - Minerals Only	Leased	32.22000000	36.31000000
2	James Alan & Rita Baker PO Box 1647 Clintwood, VA 24228 Tax Card ID - Minerals Only	Leased	1.87000000	2.10750000
	Marie Fitzpatrick 136 Hill Drive Abingdon, VA 24210-2029 Tax Card ID - Minerals Only	Leased	5.61000000	6.32250000
	<b>Tract 2 Totals</b>		<b>7.48000000</b>	<b>8.43000000</b>
3	<b>Tax Card ID - Minerals Only</b> Freddie E & Karen Mullins 163 Willis Lane Clintwood, VA 24228	Leased	7.80500000	8.79375000
	Southwest Virginia Community Community College PO Box SVCC Richlands, VA 24641	Leased	2.23000000	2.51250000
	Mountain Empire Community College 3441 Mountain Empire Road Big Stone Gap, VA 24219	Leased	2.23000000	2.51250000
	University Of Virginias College at Wise One College Ave Wise, VA 24293	Leased	2.23000000	2.51250000
	<b>The Columbus Phipps Foundation</b> C/O Kenneth G Childress PO Box 1145 Clintwood, VA 24228	Leased	3.34500000	3.76875000
	C/O Paul D Buchanan PO Box 1145 Clintwood, VA 24228			
	<b>Tract 3 Totals</b>		<b>17.84000000</b>	<b>20.10000000</b>
4	<b>Tax Card ID - Minerals Only</b> Freddie E & Karen Mullins 163 Willis Lane Clintwood, VA 24228	Leased	1.32562500	1.49625000
	Southwest Virginia Community Community College PO Box SVCC	Leased	0.37875000	0.42750000

	Richlands, VA 24641			
	Mountain Empire Community College 3441 Mountain Empire Road Big Stone Gap, VA 24219	Leased	0.37875000	0.42750000
	University Of Virginias College at Wise One College Ave Wise, VA 24293	Leased	0.37875000	0.42750000
	<b>The Columbus Phipps Foundation</b> C/O Kenneth G Childress PO Box 1145 Clintwood, VA 24228	Leased	0.56812500	0.64125000
	C/O Paul D Buchanan PO Box 1145 Clintwood, VA 24228			
	<b>Tract 4 Totals</b>		<b>3.03000000</b>	<b>3.42000000</b>
5	Larry G & Juanita Mullins 362 Soggy Bottom Clintwood, VA 24228-9530 Tax Card ID - 467, 468, 469	Leased	10.80000000	12.17000000
6	<b>Tax Card ID - Minerals Only</b> <b>The Columbus Phipps Foundation</b> C/O Kenneth G Childress PO Box 1145 Clintwood, VA 24228	Leased	7.45000000	8.39500000
	C/O Paul D Buchanan PO Box 1145 Clintwood, VA 24228			
	Southwest Virginia Community Community College PO Box SVCC Richlands, VA 24641	Leased	0.62083333	0.69958333
	Mountain Empire Community College 3441 Mountain Empire Road Big Stone Gap, VA 24219	Leased	0.62083333	0.69958333
	University Of Virginias College at Wise One College Ave Wise, VA 24293	Leased	0.62083333	0.69958333
	John Greever Revocable Trust John Greever, Trustee 4540 8th Ave NE, Unit 1501 Seattle, WA 98105	Leased	5.58750000	6.29625000
	<b>Tract 6 Totals</b>		<b>14.90000000</b>	<b>16.79000000</b>
7	<b>Tax Card ID -12329</b> Dorothy Adkins 114 Phoenix Drive Clintwood, VA 24228	Unleased	4.57666667	5.15666667
	Peggy Ann Cornett	Unleased	4.57666667	5.15666667

814 Spring Hill Lane  
Frankfort, KY 40601

Terri Price  
21468 Gudith  
Woodhaven, MI 48183

Unleased

1.52555556

1.71888889

Denice Wolf  
85 Substation Station Road  
Brunswick, OH 44212

Unleased

1.52555556

1.71888889

Kenneth Little  
1012 New York  
Lincoln Park, MI 48416

Unleased

1.52555556

1.71888889

**Tract 7 Totals**

**13.73000000**

**15.47000000**

**TOTAL GAS ESTATE**

100.00000000

112.69000000

Percentage of Unit Leased  
Percentage of Unit Unleased

86.27000000

13.73000000

Acreage in Unit Leased  
Acreage in Unit Unleased

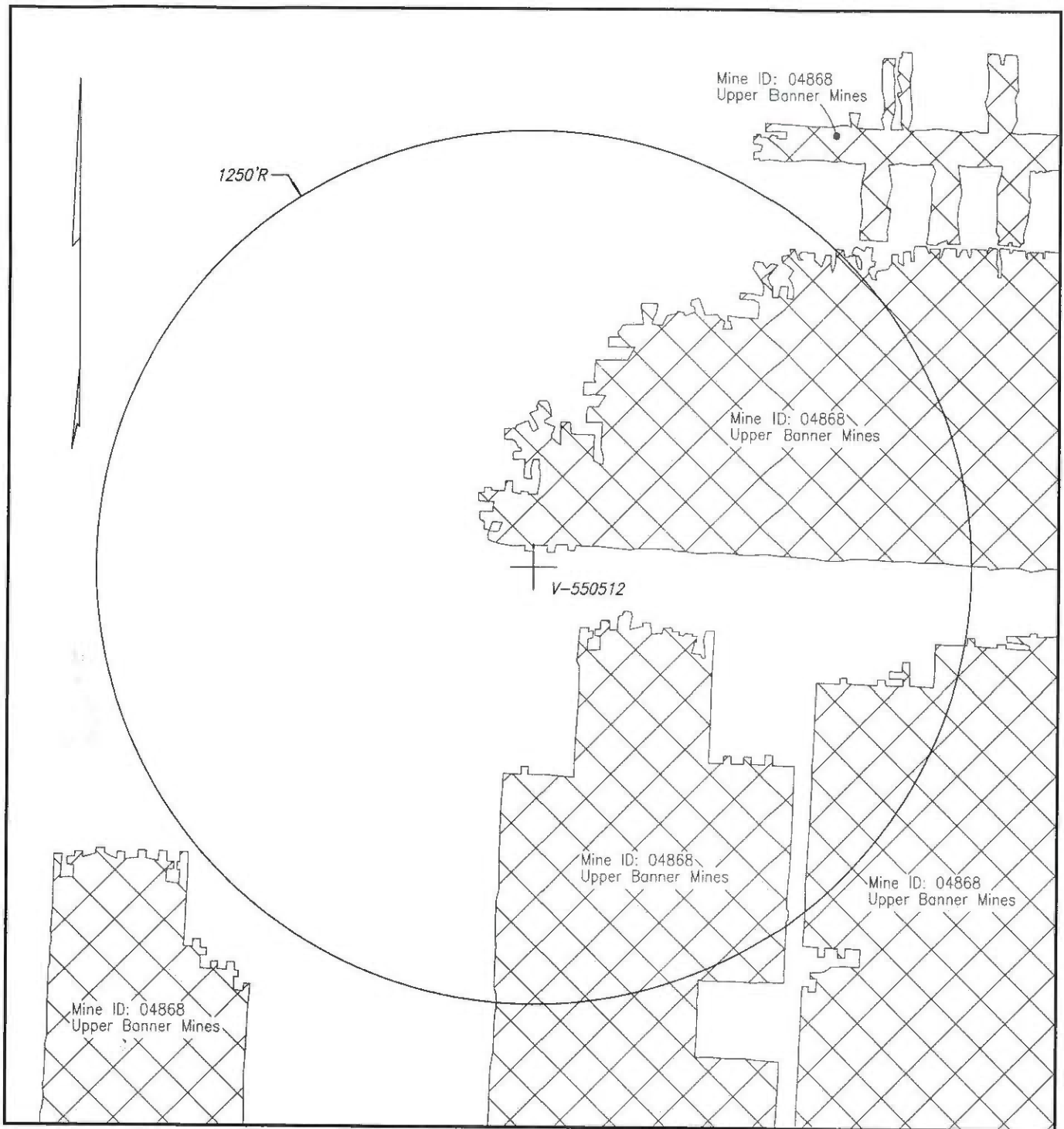
97.22000000

15.47000000

**Exhibit "B-3" - Unleased Owners  
V-550512**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
<b>Gas Estate Only</b>				
7	<b>Tax Card ID -12329</b> Dorothy Adkins 114 Phoenix Drive Clintwood, VA 24228	Unleased	4.57666667	5.15666667
	Peggy Ann Cornett 814 Spring Hill Lane Frankfort, KY 40601	Unleased	4.57666667	5.15666667
	Terri Price 21468 Gudith Woodhaven, MI 48183	Unleased	1.52555556	1.71888889
	Denice Wolf 85 Substation Station Road Brunswick, OH 44212	Unleased	1.52555556	1.71888889
	Kenneth Little 1012 New York Lincoln Park, MI 48416	Unleased	1.52555556	1.71888889
	<b>TOTAL GAS ESTATE</b>		13.73000000	15.47000000





WELL & MINE LOCATION MAP NORA GRID AL-30

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER V-550512  
 QUADRANGLE Clintwood PERMIT NO. \_\_\_\_\_ SCALE 1" = 400' DATE 5-23-2017

*Exhibit L*

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