

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO.: VGOB 17-1219-4153

RELIEF SOUGHT: POOLING

LOCATION: SEE EXHIBITS "A" AND "A1"

HEARING DATE: December 19, 2017

UNIT NUMBER: AU-91
IN THE NORA COALBED METHANE GAS FIELD I

BUCHANAN COUNTY, VIRGINIA

APPLICATION

1. **Applicant and its counsel:** Applicant is CNX Gas Company LLC, 627 Claypool Hill Mall Road, Pounding Mill, Virginia 24609, 276/596-5143. Applicant's counsel is Mark A. Swartz, Hilliard & Swartz, LLP, 122 Capitol Street, FL 2, Charleston, WV 25301.

2. **Relief sought:** Pooling under Nora Coalbed Methane Gas Field I.

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 heretofore 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):** Coalbed methane, including increased density wells as required by mining plans.

5. **Permit numbers, if any:**

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 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/re-pooled and Applicant' standing:** The respondents whose interests are sought to be pooled/re-pooled by the Applicant are:

Sydney L. Asbury & Rosalind M. Black; Enervest Energy Institutional Fund, XIV-A, L.P., et al.

Further, said respondents are listed in Exhibit B-3 hereto which describes their interests/claims. The respondents and others, if any, whose interests are subject to escrow under §45.1-361.21.D. are identified at Exhibit E. The annexed Exhibit B-3 at pages 2 and 3 sets forth the total interest(s) held by Applicant in the unit.

8. **Formation(s) to be produced and estimates:** All coal seams and associated strata below the Tiller seam of coal all as more particularly described in the annexed proposed order. The estimated total production from subject unit is 125 to 550 MMCF. The estimated

amount of reserves from the subject drilling unit is **125 to 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. It should not be assumed that final production before plugging and abandonment will equal estimated reserves.

9. **Estimate of allowable costs: \$337,784.00 (Well AU91)** See Exhibit C which estimates/reports the costs associated with one frac wells. To the extent additional wells may be required by mine plans in the Buchanan No. 1 Mine, the costs of any such additional wells as may be permitted by the Division of Gas and Oil, in accordance with the provisions of §45.1-361.20.C., Code of Virginia, will not be allocated for frac well production to the subject unit by the Operator.

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

CNX GAS COMPANY LLC
BY ITS PROFESSIONAL MANAGER
CNX GAS COMPANY LLC PETITIONER

By: 

Anita D. Duty
Pooling Supervisor
627 Claypool Hill Mall Road
Cedar Bluff, Virginia 24609

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO. VGOB 17-1219-4153

RELIEF SOUGHT: POOLING

UNIT NUMBER: AU-91

NOTICE OF HEARING

HEARING DATE: December 19, 2017
PLACE: Russell County Conference Center
135 Highlands Drive
Lebanon, Virginia 24266
TIME: 9:00 AM

COMMONWEALTH OF VIRGINIA:

To: *Sydney L. Asbury & Rosalind M. Black; Enervest Energy Institutional Fund, XIV-A, L.P., et al.*

1. **Applicant and its counsel:** Applicant is CNX Gas Company LLC, 627 Claypool Hill Mall Road, Cedar Bluff, Virginia 24609, 276/596-5143. Applicant's counsel is Mark A. Swartz, Hilliard & Swartz, LLP, 122 Capitol Street, FL 2, Charleston, WV 25301.
2. **Relief sought:** Pooling
3. **Proposed provisions of order:** (a) Pooling all the interests and estates of the persons named above in coalbed methane 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 coalbed methane gas interests to the applicant at a rate to be established by the Board; (d) Designating CNX Gas Company LLC as Unit Operator; (e) Making any necessary provisions 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 heretofore 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):** Coalbed methane.
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 coalbed methane gas.**

8. **Formation(s) to be produced and estimates:** All coal seams and associated strata below the Tiller seam of coal all as more particularly described in the annexed proposed order. The estimated total production from subject unit is **125 to 550** MMCF. The estimated amount of reserves from the subject drilling unit is **125 to 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. It should not be assumed that final production before plugging and abandonment will equal estimated reserves.

9. **Estimate of allowable costs:** **\$337,784.00 (Well AU91)**

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 **December 19, 2017**, 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.

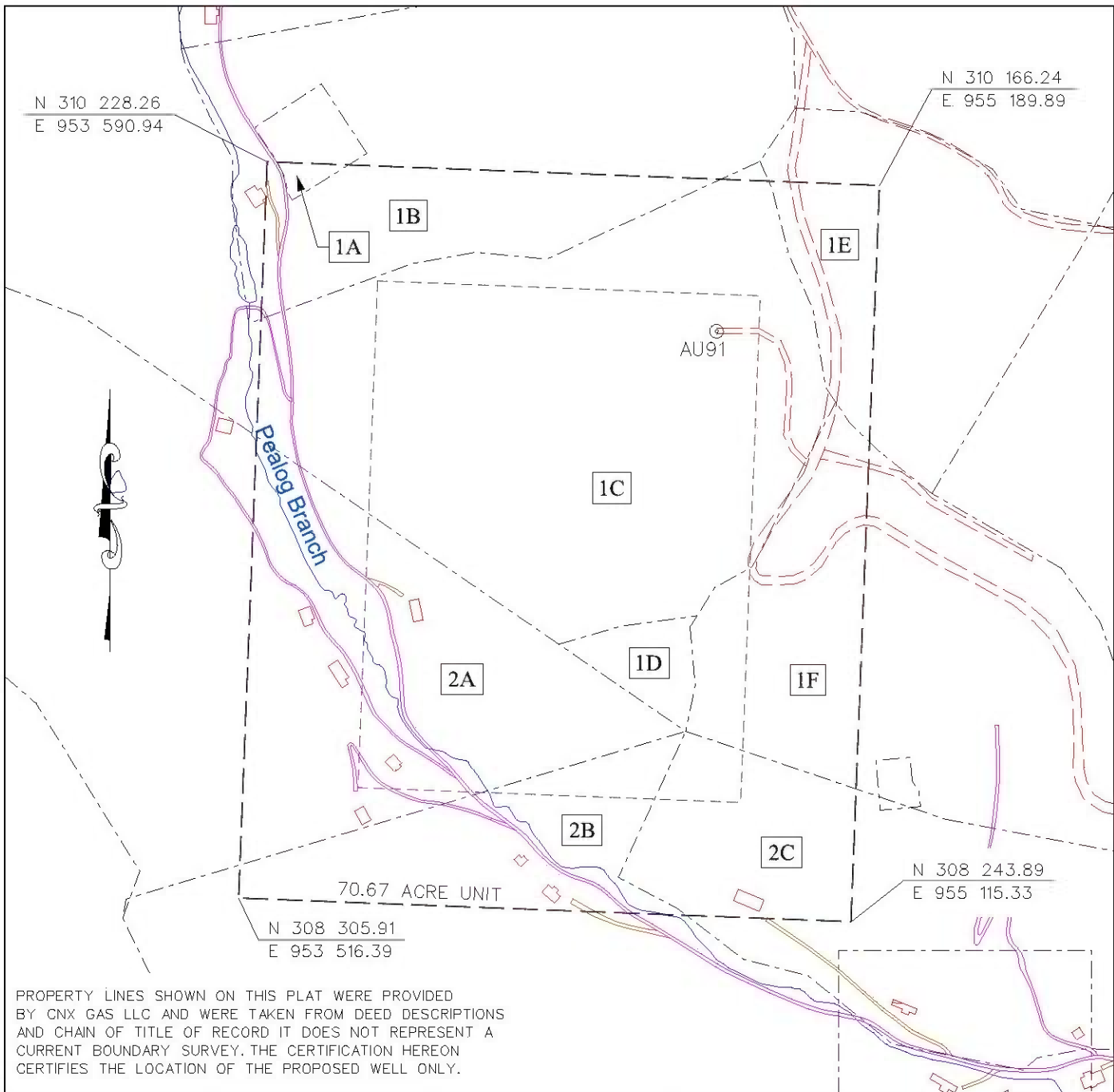
NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. For further information or a copy of the Application and Exhibits, either contact the Virginia Gas and Oil Board, State Oil and Gas Inspector, Department of Mines, 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: 11-14-17

CNX GAS COMPANY LLC
BY ITS PROFESSIONAL MANAGER
CNX GAS COMPANY LLC, PETITIONER

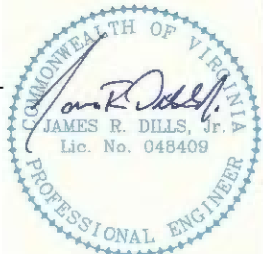
By: 

Anita D. Duty
Pooling Supervisor
627 Claypool Hill Mall Road
Cedar Bluff, Virginia 24609



PROPERTY LINES SHOWN ON THIS PLAT WERE PROVIDED BY CNX GAS LLC AND WERE TAKEN FROM DEED DESCRIPTIONS AND CHAIN OF TITLE OF RECORD IT DOES NOT REPRESENT A CURRENT BOUNDARY SURVEY. THE CERTIFICATION HEREON CERTIFIES THE LOCATION OF THE PROPOSED WELL ONLY.

- CBM WELL
- PROPOSED CBM WELL



Digitally signed by James R Dills Jr.
 DN: c=US, o=IdenTrust ACES Business Representative, ou=D. R. PRICE ENGINEERING AND LAND SURVEYING INC PC, cn=James R Dills Jr., 0.9.2342.19200300.100.1.1=A010 9690000012E01701153000027EA
 Date: 2017.11.08 11:07:26 -05'00'

EXHIBIT A
 NORA FIELD
 UNIT AU91
 FORCE POOLING
 VGOB-17-1219-4153

Company CNX Gas Company LLC Well Name and Number UNIT AU91
 Tract No. _____ Elevation _____ Quadrangle VANSANT
 County BUCHANAN District HURRICANE Scale: 1" = 400' Date 11/8/17
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7 _____ (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

**CNX Gas Company LLC
UNIT AU91
Tract Identifications**

1. Harrison-Wyatt LLC (Big Axe Tr. 14 – 570.00 Acre Tract) – Minerals
Island Creek Coal Company – Coal Below Drainage Leased
Revelation Energy, LLC – Coal Above Drainage Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
44.13 Acres 62.4452%

- 1A. Unknown Surface Owner
1B. Unknown Surface Owner
1C. Ernie L. Ray, et ux – Surface
1D. Unknown Surface Owner
1E. Lonnie Lockhart, et al – Surface
1F. Cannie Lockhart, et al – Surface

2. Sydney Asbury, et al (100.00 Acre Tract) – Minerals
Enervest Energy Institutional Fund, XIV-A, L.P., et al – Oil, Gas and CBM Leased
Unknown surface owners
26.54 Acres 37.5548%

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

Exhibit B
Unit AU-91
VGOB Docket #17-1219-4153
List of all Owners/Claimants
(70.67 Acre Unit)

	Net Acres in Unit	Interest in Unit
I. COAL OWNERSHIP		
<u>Tract #1 - 44.13 acres</u>		
(1) Harrison-Wyatt, LLC <i>Oxy Tr 14 / ICCO Tr 521 (570.00 acre tract)</i> P.O. Box 11000 Danville, VA 24543	44.13 acres	62.4452%
<u>Tract #2 - 26.54 acres</u>		
(1) Sydney Asbury, et al. <i>(100.00 acre tract)</i>	26.54 acres	37.5548%
(a) Sydney L. Asbury 4561 Scenic View Drive Pegram, TN 37143	11.06 acres 5/12 of 26.54 acres	15.6478%
(b) Rose A. Matthews Heirs, Devisees, Successors or Assigns		
(b.1) Rosalind M. Black 1268 Springdale Rd Gainesville, GA 30501	15.48 acres 7/12 of 26.54 acres	21.9070%
II. OIL & GAS OWNERSHIP		
<u>Tract #1 - 44.13 acres</u>		
(1) Harrison-Wyatt, LLC <i>Oxy Tr 14 / ICCO Tr 521 (570.00 acre tract)</i> P.O. Box 11000 Danville, VA 24543	44.13 acres	62.4452%
<u>Tract #2 - 26.54 acres</u>		
(1) Sydney Asbury, et al. <i>(100.00 acre tract)</i>	26.54 acres	37.5548%
(a) Sydney L. Asbury 4561 Scenic View Drive Pegram, TN 37143	11.06 acres 5/12 of 26.54 acres	15.6478%
(b) Rose A. Matthews Heirs, Devisees, Successors or Assigns		
(b.1) Rosalind M. Black 1268 Springdale Rd Gainesville, GA 30501	15.48 acres 7/12 of 26.54 acres	21.9070%

* NOTE: The Oil, Gas & CBM estates are leased by Enervest Energy Institutional Fund, XIV-A, L.P., et al

Exhibit B-3
Unit AU-91
VGOB Docket #17-1219-4153
List of Unleased Owners/Claimants
(70.67 Acre Unit)

	Net Acres in Unit	Interest in Unit
II. <u>OIL & GAS OWNERSHIP</u>		
<u>Tract #2 - 26.54 acres</u>		
(1) Sydney Asbury, et al. <i>(100.00 acre tract)</i>	26.54 acres	37.5548%
(a) Sydney L. Asbury 4561 Scenic View Drive Pegram, TN 37143	11.06 acres 5/12 of 26.54 acres	15.6478%
(b) Rose A. Matthews Heirs, Devises, Successors or Assigns		
(b.1) Rosalind M. Black 1268 Springdale Rd Gainesville, GA 30501	15.48 acres 7/12 of 26.54 acres	21.9070%

** NOTE: The Oil, Gas & CBM estates are leased by Enervest Energy Institutional Fund, XIV-A, L.P., et al*

<u>TOTAL OIL & GAS UNLEASED</u>		
Acres:	26.54	
Percentage:		37.5548%

Company: CNX Gas Company LLC

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

AFE #	N/A	Property #	N/A	Version #	
Well Name:	AU91	Field:	Oakwood	Completed By:	R.E. Stator
Location:	Buchanan County	Operator:	CNX Gas Company LLC	Date:	June 22, 21
Expected Pay Zones:	coal seams below Tiller incl. Poca 3 and Squire	Estimated Total Depth:	2,300 ft	AAPG Class:	CBM
Proposed Work:	To drill, complete, and produce	Participant(s):	N/A	W.I.	

Gen	Sub	Description	Casing Point	Completion	Total Cost	
		Leasehold Costs	\$0	\$0	\$0	
		Permit / Title Opinion / Survey / Insurance	\$5,300	\$0	\$5,300	
		Building Location	\$35,000	\$0	\$35,000	
		Roads / Stone / Culverts	\$30,000	\$0	\$30,000	
		Surface Damages	\$0	\$0	\$0	
		Drilling - Footage	\$65,000	\$0	\$65,000	
		Drilling - Mobilization	\$0	\$0	\$0	
		Drilling - Dayrate	\$0	\$0	\$0	
		Mud & Chemicals (Drilling)	\$0	\$0	\$0	
		Fuel	\$0	\$0	\$0	
I		Cement Surface casing	\$2,000	\$0	\$2,000	
N		Cement Intermediate casing	\$6,000	\$0	\$6,000	
T		Open Hole Logging & Testing	\$3,900	\$0	\$3,900	
A		Trucking / Dozer (Drilling)	\$0	\$0	\$0	
N		Rental Tools & Equipment (Drilling)	\$0	\$0	\$0	
G		Drilling - Bits	\$0	\$0	\$0	
I		Technical Supervision (Drilling)	\$0	\$0	\$0	
B		Fresh Water Hauling (Drilling)	\$0	\$0	\$0	
L		Overhead Rate	\$0	\$0	\$0	
E		Misc. & Contingencies	\$0	\$3,000	\$3,000	
S		Location Rds/Stone/Culverts	\$0	\$0	\$0	
		Trucking / Dozer (Completion)	\$0	\$0	\$0	
		Technical Supervision (Completion)	\$0	\$0	\$0	
		Cased Hole Logging / Perforating	\$0	\$0	\$0	
		Stimulation / Fracturing	\$0	\$82,000	\$82,000	
		Completion Rig	\$0	\$0	\$0	
		Reclamation & Damages	\$0	\$0	\$0	
		Haul Pit Water / Disposal	\$0	\$0	\$0	
		Cement Production Casing	\$0	\$0	\$0	
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0	
		Fresh Water Hauling (Completion)	\$0	\$0	\$0	
		Roustabout Labor	\$0	\$3,800	\$3,800	
		TOTAL INTANGIBLES	\$147,200	\$88,800	\$236,000	
Code	Code	Description	Casing Point	Completion	Total Cost	
T		13 3/8" Conductor	75 Ft	\$7,500	\$0	\$7,500
A		9 5/8" 26 lb/ft LS Surface Csg	0 Ft	\$0	\$0	\$0
N		7" 19 lb/ft LS Intermediate Csg	300 Ft	\$3,549	\$0	\$3,549
G		4 1/2" 9.5 lb/ft M-65 Production Csg	2,300 Ft	\$17,250	\$0	\$17,250
I		4 1/2" 10.5 lb/ft M-65 Production Csg	20 Ft	\$1,200	\$0	\$1,200
B		2-3/8" 4.7 lb/ft J55 8rd Production Tubing	2,350 Ft	\$0	\$17,085	\$17,085
L		Wellhead Equipment / Fittings	\$0	\$6,200	\$6,200	\$6,200
E		Tank Battery	\$0	\$0	\$0	\$0
S		Separator / Heater / Treater	\$0	\$15,000	\$15,000	\$15,000
		Gas Lift Equipment	\$0	\$0	\$0	\$0
		Rods / Stuffing Box	\$0	\$13,000	\$13,000	\$13,000
		Downhole Pump	\$0	\$0	\$0	\$0
		Pumping Unit / Motor	\$0	\$11,000	\$11,000	\$11,000
		SS EQT-Packer,PF,FC,Nip	\$0	\$0	\$0	\$0
		Valves & Fittings	\$0	\$0	\$0	\$0
		Flow Line labor/material	\$0	\$5,000	\$5,000	\$5,000
		Sales line labor/mat/row	\$0	\$5,000	\$5,000	\$5,000
		TOTAL TANGIBLES	\$29,499	\$72,285	\$101,784	\$101,784
GRAND TOTAL WELL COST			\$176,699	\$161,985	\$337,784	
153	115	Plugging & Abandonment	\$25,000			
Production Costs :			\$337,784	Dry Hole Costs :	\$201,699	

Prepared by: Bob Stator Title Permit Agent Date 4/7/17

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.

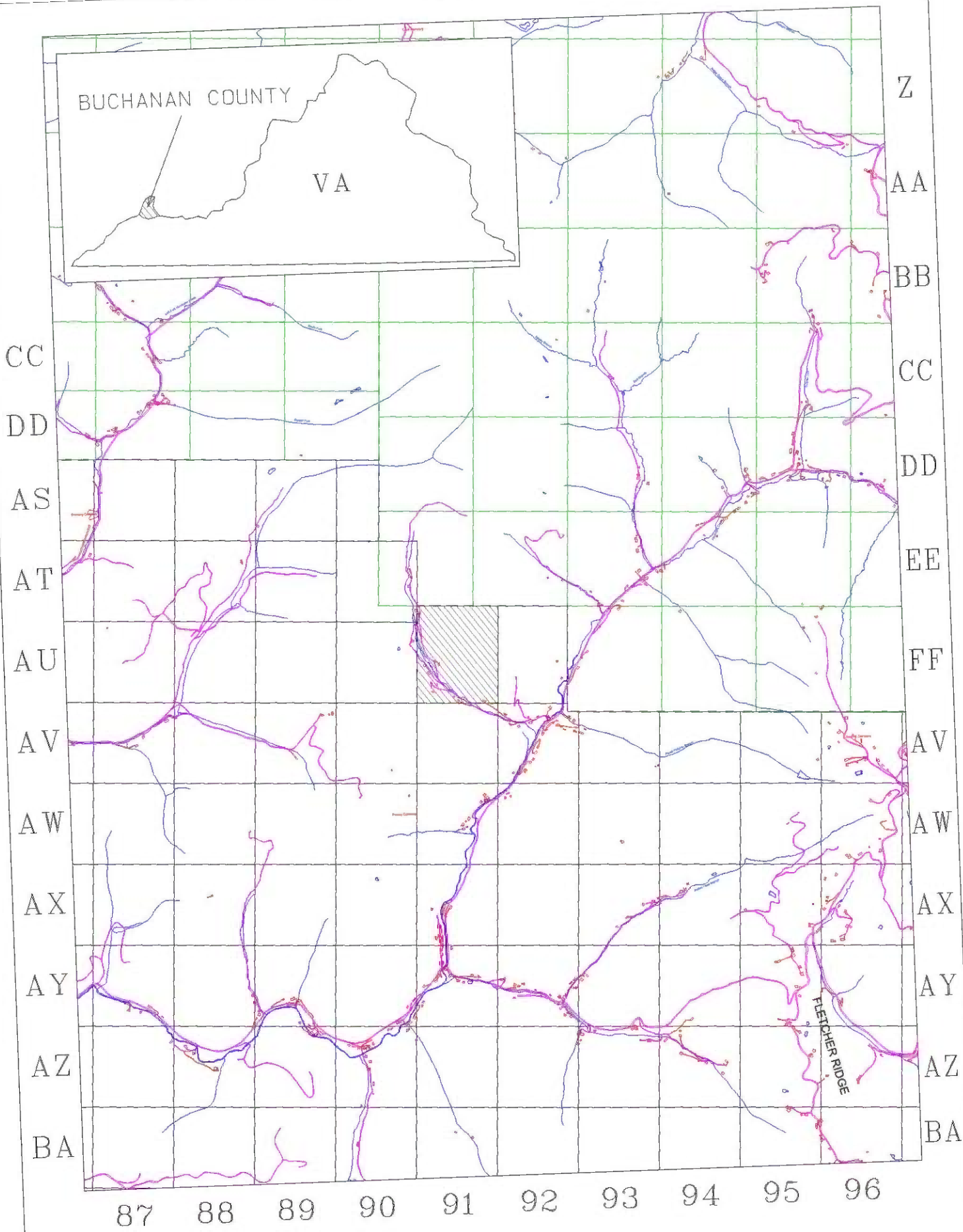


EXHIBIT A1
UNIT AU-91
VGOB 17-1219-4153
Page Number 10.