

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Pocahontas Gas LLC

DIVISION OF GAS AND OIL
DOCKET NO.: VGOB 19-0716-4218

RELIEF SOUGHT: POOLING

LOCATION: SEE EXHIBITS "A" AND "A1"

HEARING DATE: July 16, 2019

UNIT NUMBER: F-21
IN THE OAKWOOD COALBED METHANE GAS FIELD I

BUCHANAN COUNTY, VIRGINIA

APPLICATION

1. **Applicant and its counsel:** Applicant is Pocahontas Gas LLC, 128 Glenwood St., 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 under Oakwood 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:** F-21

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

C.L. Ritter Lands LLC; Weyerhaeuser NR Company

Further, said respondents are listed in Exhibit B-3 hereto which describes their interests/claims. The respondents and others whose interests are subject to escrow under §45.1-361.21.D. are identified at Exhibit E. The annexed Exhibit A, page 2, 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:** **\$351,640.00** See Exhibit C which estimates/reports the costs associated with one frac well. 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.

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

POCAHONTAS GAS LLC
BY ITS PROFESSIONAL MANAGER
POCAHONTAS GAS LLC, PETITIONER

By:



Sherri R. Scott
Manager – Land Records, Division Orders &
Pooling
128 Glenwood Street
Cedar Bluff, Virginia 24609

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Pocahontas Gas LLC

DIVISION OF GAS AND OIL
DOCKET NO. VGOB 19-0716-4218

RELIEF SOUGHT: POOLING

UNIT NUMBER: F-21

NOTICE OF HEARING

HEARING DATE: July 16, 2019
PLACE: Russell County Conference Center
135 Highlands Drive
Lebanon, Virginia 24266
TIME: 9:00 AM

COMMONWEALTH OF VIRGINIA:

To: *C.L. Ritter Lands LLC; Weyerhaeuser NR Company*

1. **Applicant and its counsel:** Applicant is **Pocahontas Gas LLC**, 128 Glenwood St, 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 Pocahontas Gas 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 VGOB 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: **\$351,640.00**

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 **July 16, 2019**, 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, Division of Gas and Oil, 135 Highland Drive, Lebanon, Virginia 24266, 276/415-9650 or the Applicant at the address shown below.

DATED: _____

June 6th, 2019

POCAHONTAS GAS LLC
BY ITS PROFESSIONAL MANAGER
POCAHONTAS GAS LLC, PETITIONER

By: _____

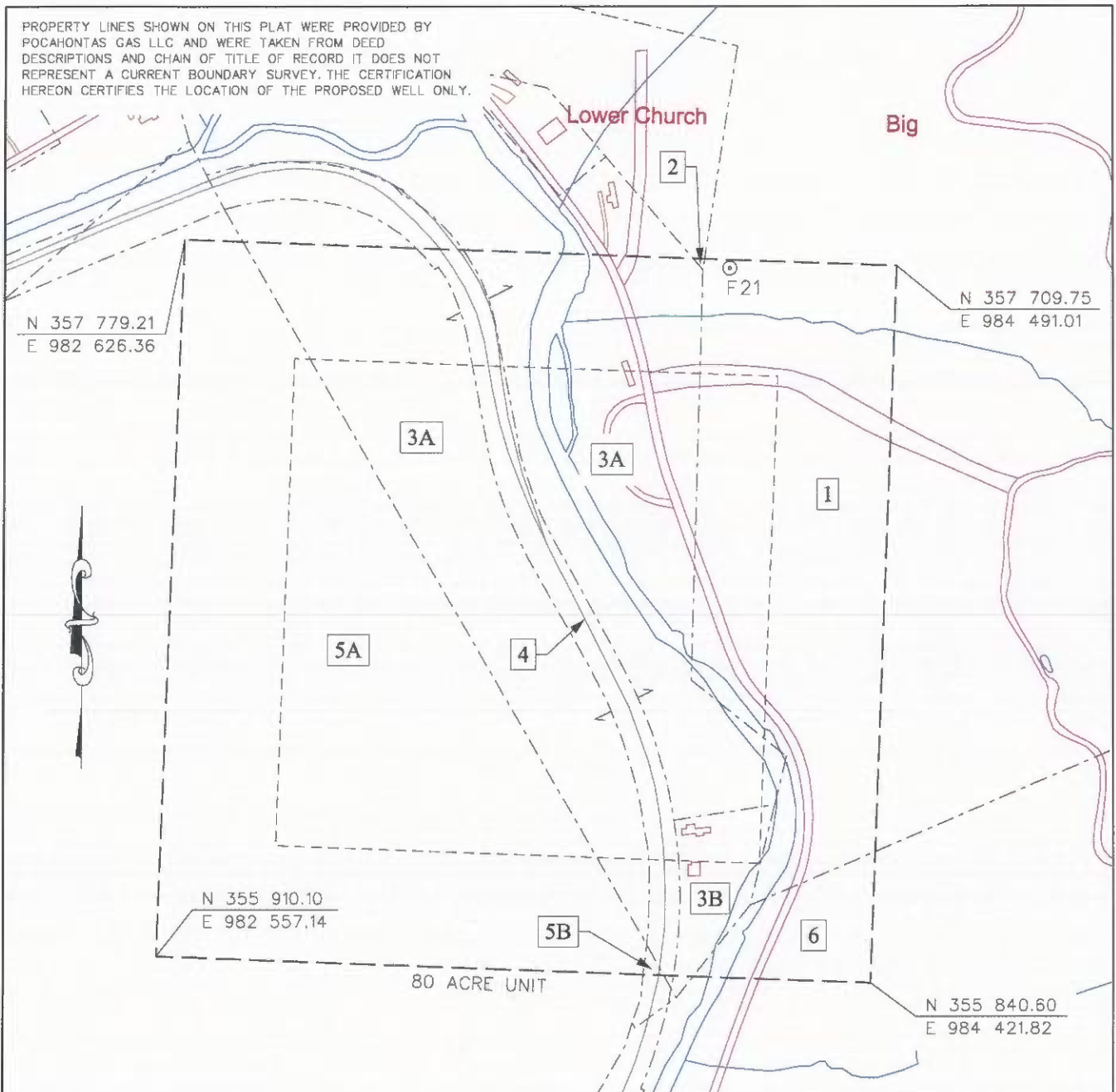
Sherri R. Scott

Manager – Land Records, Division Orders & Pooling

128 Glenwood Street

Cedar Bluff, Virginia 24609

PROPERTY LINES SHOWN ON THIS PLAT WERE PROVIDED BY POCAHONTAS 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

EXHIBIT A
 OAKWOOD FIELD
 UNIT F21
 FORCE POOLING
 VGDB-19-0716-4218

Company POCAHONTAS GAS LLC

Tract No. _____

County BUCHANAN

District GARDEN

This plat is a new plat _____

an updated plat X

Well Name and Number UNIT F21

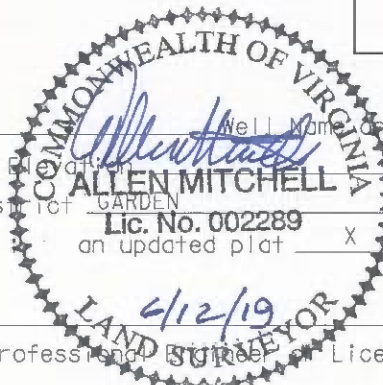
Quadrangle PATTERSON

Scale: 1" = 400' Date 05/29/19

or a final plat _____

Form DGO-GO-7
Rev. 9/91

Licensed Professional Surveyor _____ Licensed Land Surveyor _____



(Affix Seal)

Pocahontas Gas LLC

UNIT F21

Tract Identifications (80-acre unit)

1. Slocum Land Corporation (222.60 Acre Tract) – Minerals
Island Creek Coal Company – Coal Below Tiller Seam Leased
CNX Gas Company LLC – CBM Leased
CNX Gas Company LLC - Surface
16.17 acres 20.2125%

2. CL Ritter Lands LLC (Tract 7 17.08 acres) – Fee
Island Creek Coal Company – Coal Below Tiller Seam Leased
Hardrock Exploration and Carter Oil & Gas – Oil and Gas Leased
0.01 acres 0.0125%

3. Consol Mining Company LLC, et al (Big Vein tract 69 57.28-acre tract) – All Coal Except P3 seam
Consol Mining Company LLC – P3 seam of Coal
Island Creek Coal Company – P3 seam of Coal Leased
Jewell Smokeless Coal Corporation – Tiller and Above seams of Coal Leased
Weyerhaeuser NR Company, et al – Oil and Gas
CNX Gas Company LLC – 2/3 CBM Leased
26.18 Acres 32.7250%

- 3a. Virginia Holding Corporation – Surface
3b. Unknown Surface owner

4. Norfolk Southern Railway Company – Fee except Coal below 800 Feet
Consol Mining Company LLC, et al (Big Vein tract 69 57.28-acre tract) – All Coal Below 800 Feet
Except P3 seam
Consol Mining Company LLC – P3 seam of Coal
Island Creek Coal Company – P3 seam of Coal Leased
Weyerhaeuser NR Company, et al – Oil and Gas
CNX Gas Company LLC – 2/3 CBM Leased
3.64 Acres 4.5500%

5. Consol Mining Company LLC, et al (Big Vein tract 86 740-acre tract) – All Coal Except P3 seam
Consol Mining Company LLC – P3 seam of Coal
Island Creek Coal Company – P3 seam of Coal Leased
Jewell Smokeless Coal Corporation – Tiller and Above seams of Coal Leased
Weyerhaeuser NR Company, et al – Oil and Gas
CNX Gas Company LLC – 2/3 CBM Leased
31.73 Acres 39.6625%

- 5a. CNX Gas Company LLC, et al – Surface
5b. Unknown Surface Owner

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

Pocahontas Gas LLC

UNIT F21

Tract Identifications (80-acre unit)

6. Consol Mining Company LLC, et al (Big Vein tract 80 91.48-acre tract) – All Coal Except P3 seam
Consol Mining Company LLC – P3 seam of Coal
Island Creek Coal Company – P3 seam of Coal Leased
Jewell Smokeless Coal Corporation – Tiller and Above seams of Coal Leased
Weyerhaeuser NR Company, et al – Oil and Gas
CNX Gas Company LLC – 2/3 CBM Leased
CNX Gas Company LLC - Surface
2.27 Acres 2.8375%

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

**Exhibit B
Unit F-21
Docket # VGOB 19-0716-4218
List of all Owners/Claimants**

| | Acres in Unit | Percent of Unit |
|--|--|--------------------|
| I. <u>COAL FEE OWNERSHIP</u> | | |
| <u>Tract #1, 16.17 Acres</u> | | |
| (1) Slocum Land Corporation c/o Gerstein Greene & Co 707 Lake Cook Road, Suite 307 Deerfield, IL 60015 | 16.17 acres | 20.2125% |
| <u>Tract #2, 0.01 Acres</u> | | |
| (1) C. L. Ritter Lumber Company | <i>Conveyed to CL Ritter Lands LLC 3/27/2019, Instr# 190000392</i> | |
| CL Ritter Lands LLC PO Box 514 Huntington, WV 25710 | 0.01 acres | 0.0125% |
| <u>Tract #3, 26.18 Acres</u> | | |
| <u>Coal less P-3 Seam</u> | | |
| (1) Yukon Pocahontas Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 13.09 acres 1/2 of 26.18 acres | 16.3625% |
| (2) Buchanan Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 2.91 acres 1/9 of 26.18 acres | 3.6361% |
| (3) Sayers-Pocahontas Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 1.45 acres 1/18 of 26.18 acres | 1.8181% |
| <i>Notice for Yukon/Buchanan/Sayers-Pocahontas to: c/o Sayers F. Harman, III 333 Vanderbilt Road Asheville, NC 28803</i> | | |
| (4) Consol Mining Company LLC PO Box 488 Pounding Mill, VA 24637 | 8.73 acres 1/3 of 26.18 acres | 10.9083% |
| <u>P-3 Seam of Coal</u> | | |
| (1) Consol Mining Company LLC PO Box 488 Pounding Mill, VA 24637 | 26.18 acres | 32.7250% |
| <u>Tract #4, 3.64 Acres</u> | | |
| <u>All Coal Above 800 Feet</u> | | |
| (1) Norfolk Southern Railway Company c/o Pocahontas Land Co PO Box 1517 Bluefield, WV 24701 | 3.64 acres | 4.5500% |
| <u>Coal Below 800 Feet Except P-3 Seam</u> | | |
| (1) Yukon Pocahontas Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 1.82 acres 1/2 of 3.64 acres | 2.2750% |
| (2) Buchanan Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 0.40 acres 1/9 of 3.64 acres | 0.5056% |
| (3) Sayers-Pocahontas Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 0.20 acres 1/18 of 3.64 acres | 0.2528% |

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Docket # VGOB 19-0716-4218
List of all Owners/Claimants**

| | Acres in Unit | Percent of Unit |
|---|-----------------------------------|-----------------|
| <u>Notice for Yukon/Buchanan/Sayers-Pocahontas to:</u> c/o Sayers F. Harman, III 333 Vanderbilt Road Asheville, NC 28803 | | |
| (4) Consol Mining Company LLC PO Box 488 Pounding Mill, VA 24637 | 1.21 acres 1/3 of 3.64 acres | 1.5167% |
| <u>P-3 Seam of Coal</u> | | |
| (1) Consol Mining Company LLC PO Box 488 Pounding Mill, VA 24637 | 3.64 acres | 4.5500% |
| <u>Tract #5, 31.73 Acres</u> | | |
| <u>Coal less P-3 Seam</u> | | |
| (1) Yukon Pocahontas Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 15.87 acres 1/2 of 31.73 acres | 19.8313% |
| (2) Buchanan Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 3.53 acres 1/9 of 31.73 acres | 4.4069% |
| (3) Sayers-Pocahontas Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 1.76 acres 1/18 of 31.73 acres | 2.2035% |
| <u>Notice for Yukon/Buchanan/Sayers-Pocahontas to:</u> c/o Sayers F. Harman, III 333 Vanderbilt Road Asheville, NC 28803 | | |
| (4) Consol Mining Company LLC PO Box 488 Pounding Mill, VA 24637 | 10.58 acres 1/3 of 31.73 acres | 13.2208% |
| <u>P-3 Seam of Coal</u> | | |
| (1) Consol Mining Company LLC PO Box 488 Pounding Mill, VA 24637 | 31.73 acres | 39.6625% |
| <u>Tract #6, 2.27 Acres</u> | | |
| <u>Coal less P-3 Seam</u> | | |
| (1) Yukon Pocahontas Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 1.14 acres 1/2 of 2.27 acres | 1.4188% |
| (2) Buchanan Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 3.53 acres 1/9 of 2.27 acres | 4.4069% |
| (3) Sayers-Pocahontas Coal Company, L.P., RLLP P.O. Box 187 Tazewell, VA 24651 | 1.76 acres 1/18 of 2.27 acres | 2.2035% |
| <u>Notice for Yukon/Buchanan/Sayers-Pocahontas to:</u> c/o Sayers F. Harman, III 333 Vanderbilt Road Asheville, NC 28803 | | |
| (4) Consol Mining Company LLC PO Box 488 Pounding Mill, VA 24637 | 10.58 acres 1/3 of 2.27 acres | 13.2208% |

**Exhibit B
Unit F-21
Docket # VGOB 19-0716-4218
List of all Owners/Claimants**

| | Acres in Unit | Percent of Unit |
|--|--|-----------------|
| <u><i>P-3 Seam of Coal</i></u> | | |
| (1) Consol Mining Company LLC PO Box 488 Pounding Mill, VA 24637 | 2.27 acres | 2.8375% |
| II. <u>OIL & GAS FEE OWNERSHIP</u> | | |
| <u><i>Tract #1, 16.17 Acres</i></u> | | |
| (1) Slocum Land Corporation c/o Gerstein Greene & Co 707 Lake Cook Road, Suite 307 Deerfield, IL 60015 | 16.17 acres | 20.2125% |
| <u><i>Tract #2, 0.01 Acres</i></u> | | |
| (1) C. L. Ritter Lumber Company | <i>Conveyed to CL Ritter Lands LLC 3/27/2019, Instr# 190000392</i> | |
| (a) CL Ritter Lands LLC PO Box 514 Huntington, WV 25710 | 0.01 acres | 0.0125% |
| <u><i>Tract #3, 26.18 Acres</i></u> | | |
| (1) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651 | 13.09 acres 1/2 of 26.18 acres | 16.3625% |
| (2) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651 | 2.91 acres 1/9 of 26.18 acres | 3.6361% |
| (3) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651 | 1.45 acres 1/18 of 26.18 acres | 1.8181% |
| <u><i>Notice for Yukon/Buchanan/Sayers-Pocahontas to:</i></u> c/o Sayers F. Harman, III 333 Vanderbilt Road Asheville, NC 28803 | | |
| (4) Weyerhaeuser NR Company PO Box 101700 Atlanta, GA 30392 | 8.73 acres 1/3 of 26.18 acres | 10.9083% |
| <u><i>Tract #4, 3.64 Acres</i></u> | | |
| (1) Norfolk Southern Railway Company c/o Pocahontas Land Co PO Box 1517 Bluefield, WV 24701 | 3.64 acres | 4.5500% |
| <u><i>Tract #5, 31.73 Acres</i></u> | | |
| (1) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651 | 15.87 acres 1/2 of 31.73 acres | 19.8313% |
| (2) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651 | 3.53 acres 1/9 of 31.73 acres | 4.4069% |
| (3) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651 | 1.76 acres 1/18 of 31.73 acres | 2.2035% |
| <u><i>Notice for Yukon/Buchanan/Sayers-Pocahontas to:</i></u> c/o Sayers F. Harman, III 333 Vanderbilt Road Asheville, NC 28803 | | |

Exhibit B
Unit F-21
Docket # VGOB 19-0716-4218
List of all Owners/Claimants

| | Acres in Unit | Percent of Unit |
|---|-----------------------------------|-----------------|
| (4) Weyerhaeuser NR Company PO Box 101700 Atlanta, GA 30392 | 10.58 acres 1/3 of 31.73 acres | 13.2208% |
| <u>Tract #6, 2.27 Acres</u> | 2.27 acres | 2.8375% |
| (1) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651 | 1.14 acres 1/2 of 2.27 acres | 1.4188% |
| (2) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651 | 0.25 acres 1/9 of 2.27 acres | 0.3153% |
| (3) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651 | 0.13 acres 1/18 of 2.27 acres | 0.1576% |
| <i>Notice for Yukon/Buchanan/Sayers-Pocahontas to:</i> c/o Sayers F. Harman, III 333 Vanderbilt Road Asheville, NC 28803 | | |
| (4) Weyerhaeuser NR Company PO Box 101700 Atlanta, GA 30392 | 0.76 acres 1/3 of 2.27 acres | 0.9458% |

Exhibit B-3
Unit F-21
Docket # VGOB 19-0716-4218
List of Unleased Owners/Claimants
(80 Acre Unit)

| | Acres in Unit | Percent of Unit |
|---|--|-----------------|
| ii. <u>OIL & GAS OWNERSHIP</u> | | |
| <u>Tract #2, 0.01 Acres</u> | | |
| (1) C. L. Ritter Lumber Company | <i>Conveyed to CL Ritter Lands LLC 3/27/2019, Instr# 190000392</i> | |
| (a) CL Ritter Lands LLC PO Box 514 Huntington, WV 25710 | 0.01 acres | 0.0125% |
| <u>Tract #3, 26.18 Acres</u> | | |
| (4) Weyerhaeuser NR Company PO Box 101700 Atlanta, GA 30392 | 8.73 acres 1/3 of 26.18 acres | 10.9083% |
| <u>Tract #5, 31.73 Acres</u> | | |
| (4) Weyerhaeuser NR Company PO Box 101700 Atlanta, GA 30392 | 10.58 acres 1/3 of 31.73 acres | 13.2208% |
| <u>Tract #6, 2.27 Acres</u> | | |
| (4) Weyerhaeuser NR Company PO Box 101700 Atlanta, GA 30392 | 0.76 acres 1/3 of 2.27 acres | 0.9458% |
| <u>Total Unleased Oil & Gas Estate</u> | | |
| | Acres | 20.07 |
| | Percentage | 25.0875% |

Company: **Pocahontas Gas LLC**

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

| | | | | | |
|---------------------|--------------------------------------|------------------------|--------------------|---------------|-------------|
| AFE # | N/A | Property # | N/A | Version # | |
| Well Name: | CBM F21 | Field: | Oakwood | Completed By: | R.E. Staton |
| Location: | Buchanan County | Operator: | Pocahontas Gas LLC | Date: | 6/4/19 |
| Expected Pay Zones: | coal seams below Tiller incl. Poca 3 | Estimated Total Depth: | 1,800 ft | AAPG Class: | CBM |
| Proposed Work: | To drill, complete, and produce | Participant(s): | N/A | W.I. | Amount |
| | | | | | \$0 |

| Gen | Sub | Description | Casing Point | Completion | Total Cost |
|-----|-----|---|------------------|------------|------------------|
| | | Leasehold Costs | \$1,000 | \$0 | \$1,000 |
| | | Permit / Title Opinion / Survey / Insurance | \$5,200 | \$0 | \$5,200 |
| | | Building Location | \$25,000 | \$0 | \$25,000 |
| | | Roads / Stone / Culverts | \$35,000 | \$0 | \$35,000 |
| | | Surface Damages | \$0 | \$0 | \$0 |
| | | Drilling - Footage | \$75,000 | \$0 | \$75,000 |
| | | Drilling - Mobilization | \$0 | \$0 | \$0 |
| | | Drilling - Dayrate | \$0 | \$0 | \$0 |
| | | Mud & Chemicals (Drilling) | \$0 | \$0 | \$0 |
| | | Fuel | \$0 | \$0 | \$0 |
| I | | Cement Surface casing | \$6,000 | \$0 | \$6,000 |
| N | | Cement Intermediate casing | \$15,000 | \$0 | \$15,000 |
| T | | Open Hole Logging & Testing | \$4,000 | \$0 | \$4,000 |
| 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 | \$85,000 | \$85,000 |
| | | Completion Rig | \$0 | \$0 | \$0 |
| | | Reclamation & Damages | \$0 | \$0 | \$0 |
| | | Haul Pit Water / Disposal | \$0 | \$0 | \$0 |
| | | Cement Production Casing | \$0 | \$10,000 | \$10,000 |
| | | Rental Tools & Equipment (Completion) | \$0 | \$0 | \$0 |
| | | Fresh Water Hauling (Completion) | \$0 | \$0 | \$0 |
| | | Roustabout Labor | \$0 | \$5,000 | \$5,000 |
| | | TOTAL INTANGIBLES | \$166,200 | \$0 | \$269,200 |

| Code | Code | Description | Casing Point | Completion | Total Cost |
|------|------|--|--------------|------------|-----------------|
| | | 13 3/8" Conductor | 30 Ft | \$0 | \$3,000 |
| | | 9 5/8" 26 lb/ft LS Surface Csg | 0 Ft | \$0 | \$0 |
| | | 7" 19 lb/ft LS Intermediate Csg | 300 Ft | \$0 | \$3,549 |
| | | 4 1/2" 9.5 lb/ft M-65 Production Csg | 1,800 Ft | \$13,500 | \$13,500 |
| | | 4 1/2" 10.5 lb/ft M-65 Production Csg | 20 Ft | \$1,200 | \$1,200 |
| | | 2-3/8" 4.7 lb/ft J55 8rd Production Tubing | 1,800 Ft | \$13,086 | \$13,086 |
| | | Wellhead Equipment / Fittings | \$0 | \$9,000 | \$9,000 |
| | | Tank Battery | \$0 | \$0 | \$0 |
| | | Separator / Heater / Treater | \$0 | \$15,000 | \$15,000 |
| | | Gas Lift Equipment | \$0 | \$0 | \$0 |
| | | Rods / Stuffing Box | \$0 | \$14,700 | \$14,700 |
| | | Downhole Pump | \$0 | \$0 | \$0 |
| | | Pumping Unit / Motor | \$0 | \$9,405 | \$9,405 |
| | | SS EQT-Packer,PF,FC,Nlp | \$0 | \$0 | \$0 |
| | | Valves & Fittings | \$0 | \$0 | \$0 |
| | | Flow Line labor/material | \$0 | \$0 | \$0 |
| | | Sales line labor/material | \$0 | \$0 | \$0 |
| | | TOTAL TANGIBLES | | | \$82,440 |

| | | | | | |
|------------------------------|-----|------------------------|------------------|-------------------------|------------------|
| GRAND TOTAL WELL COST | | | \$166,200 | \$0 | \$351,640 |
| 153 | 115 | Plugging & Abandonment | \$25,000 | | |
| Production Costs : | | | \$351,640 | Dry Hole Costs : | \$191,200 |

Prepared by: Bob Staton Title Permit Agent Date 6/4/19

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.

N/A

POCAHONTAS GAS LLC

PO Box 570
Pounding Mill, VA 24637

Phone: 276-596-5137

May 21, 2019

Mr. Rick Cooper, Director
Department of Mines, Minerals and Energy
Division of Gas and Oil
135 Highlands Drive
Lebanon, VA 24266

Re: CBM Well Application F21

Dear Mr. Cooper;

Pocahontas Gas Company is requesting a location exception for the above referenced proposed well. The topographic features, state route 638, the Dismal Creek and the Cardinal 1 pipeline, all are within the drilling unit, F21. Therefore, the proposed well cannot be reasonably located within the drilling window. The proposed well is approximately 270 feet outside of the drilling window.

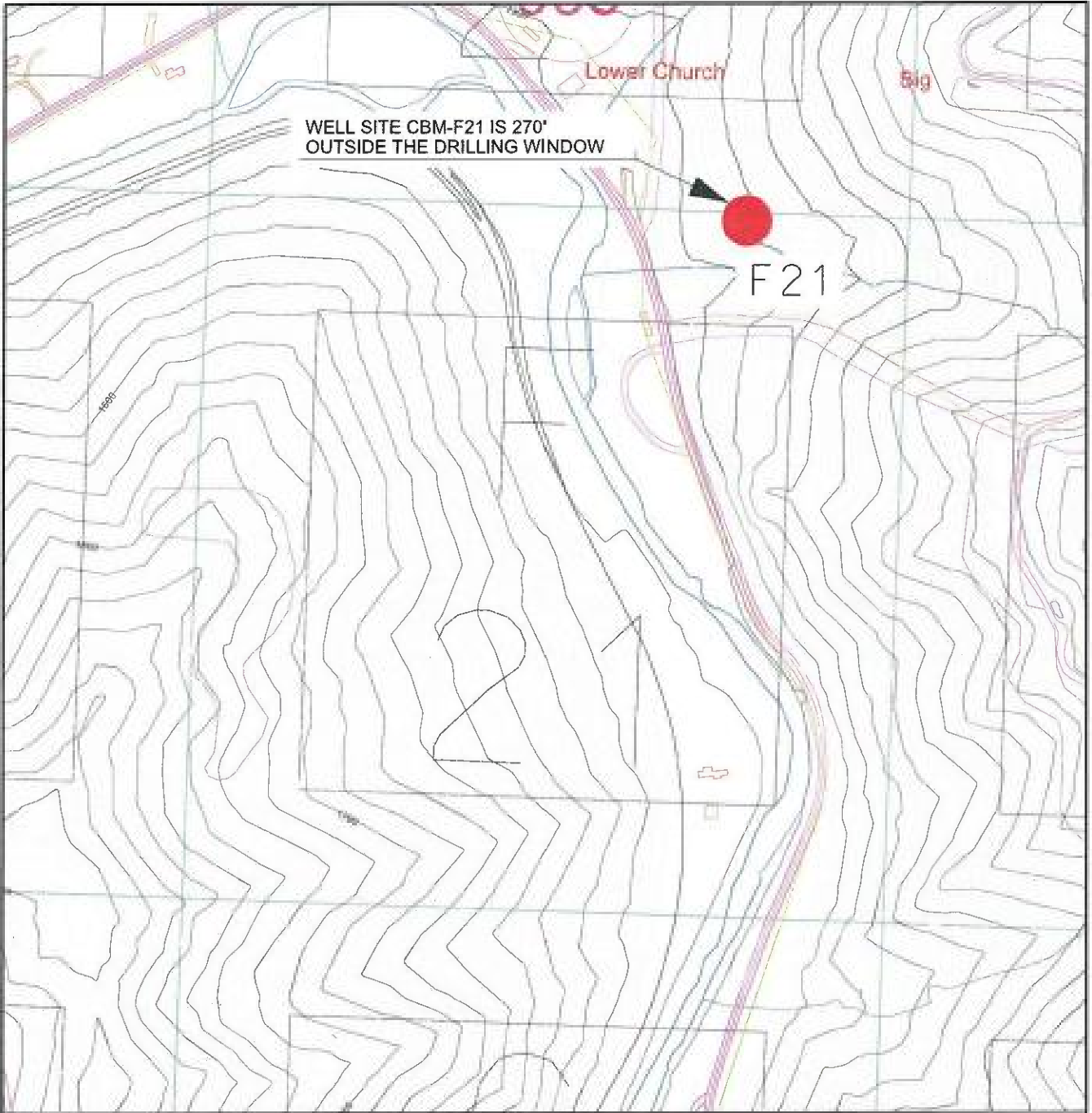
Therefore, based on these conditions, we hereby request a drilling unit location exception be granted for this well; for the prevention of waste of the natural resource, to protect correlative rights of the gas owners, and maximize the recovery of gas reserves beneath the unit. (see attached exhibit).

Sincerely,

Bob Staton

Bob Staton, M.S., P.G.
Permitting Agent III

Cc: Sherri Scott, file F21/rev



**LOCATION EXCEPTION EXHIBIT
WELL NO. CBM-F21**

SCALE: 1" = 400'

DATE: 5-21-2019

POCAHONTAS GAS LLC
P.O. BOX 570
POUNDING MILL, VA 24637

DRAWN BY: PSD

FILE: LOC-EXCEPTION-F21