

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Pocahontas Gas LLC

DIVISION OF GAS AND OIL

DOCKET NO.: VGOB 97-0916-0601-03

RELIEF SOUGHT: RE-POOLING

LOCATION: SEE EXHIBITS "A" AND "A1"

HEARING DATE: May 19, 2020

UNIT NUMBER: Y-35

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. Applicant's counsel is Mark A. Swartz, Hilliard & Swartz, LLP, 122 Capitol Street, FL 2, Charleston, WV 25301.

2. **Relief sought:** Re-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

5. **Permit numbers, if any:** Y35A Permit# 9812; Y35D Permit# 3355

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:

Coal Mountain Mining Corporation LLP; Hurt McGuire Land Trust; Commonwealth Coal Corporation; Janice L. & Jeremy W. Davis; William & Hannalore Engardio; Danny W. & Pamela J. Hinkle; CNX Gas Company LLC

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:** **\$1,071,869.00 (Well(s) Y35A \$369,598, Y35D \$335,242.00, Y35E \$367,029.00)** See Exhibit C which estimates/reports the costs associated with two 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.

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 97-0916-0601-03

RELIEF SOUGHT: RE-POOLING

UNIT NUMBER: Y-35

NOTICE OF HEARING

HEARING DATE: May 19, 2020
PLACE: Russell County Conference Center
135 Highlands Drive
Lebanon, Virginia 24266
TIME: 9:00 AM

COMMONWEALTH OF VIRGINIA:

To: *Coal Mountain Mining Corporation LLP; Hurt McGuire Land Trust; Commonwealth Coal Corporation; Janice L. & Jeremy W. Davis; William & Hannalore Engardio; Danny W. & Pamela J. Hinkle; CNX Gas Company LLC*

1. **Applicant and its counsel:** Applicant is Pocahontas Gas LLC, 128 Glenwood Street, Cedar Bluff, Virginia, 24609. Applicant's counsel is Mark A. Swartz, Hilliard & Swartz, LLP, 122 Capitol Street, FL 2, Charleston, WV 25301.

2. **Relief sought:** Re-Pooling

3. **Proposed provisions of order:** (a) Re-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 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:** **\$1,071,869.00 (Well(s) Y35A \$369,598, Y35D \$335,242.00, Y35E \$367,029.00)**

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 **May 19, 2020**, 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.

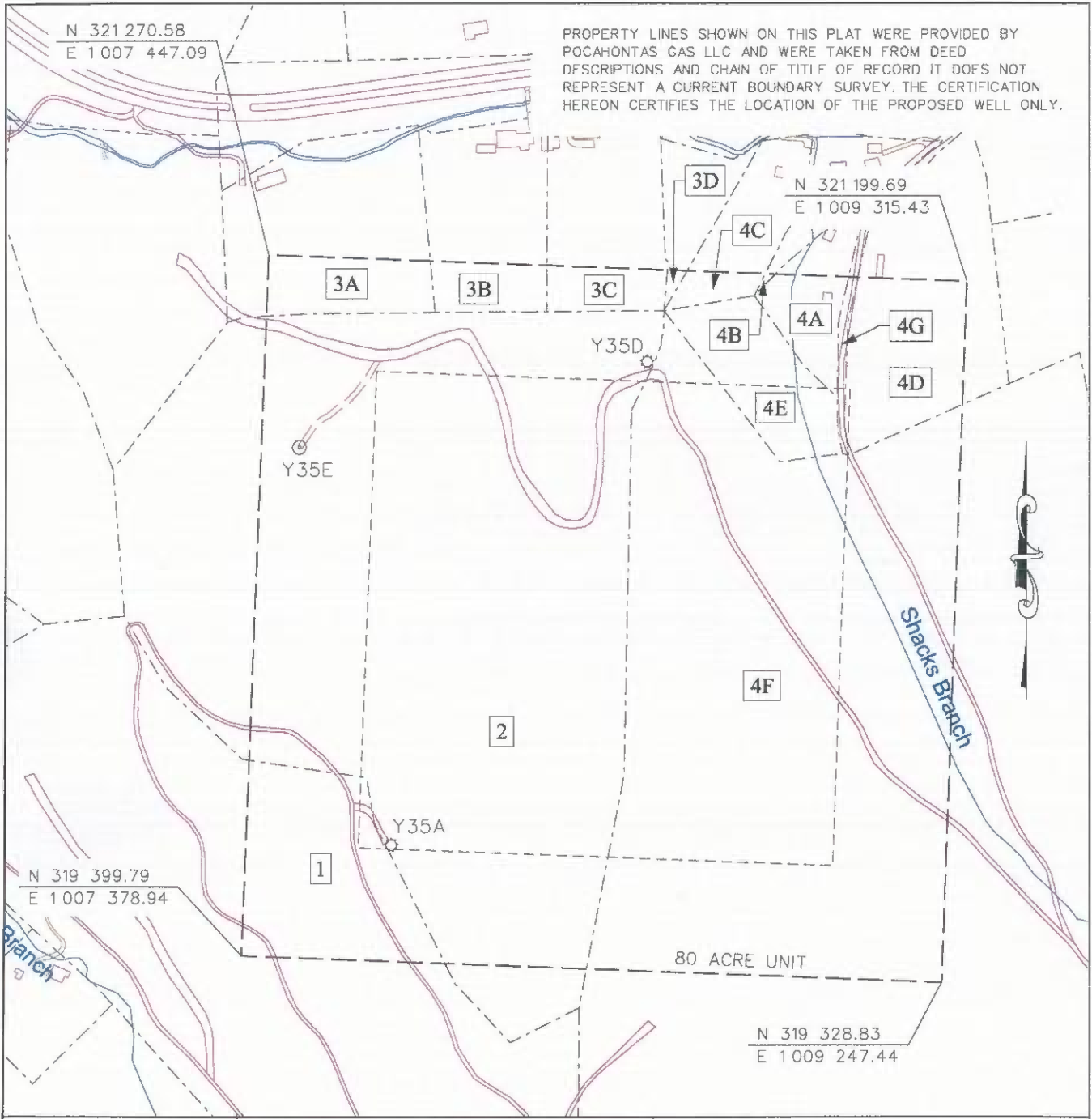
NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. For further information or a copy of the Application and Exhibits, either contact the Virginia Gas and Oil Board, State Oil and Gas Inspector, Department of Mines, 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: 4/2/2020

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

By: Sherri R. Scott

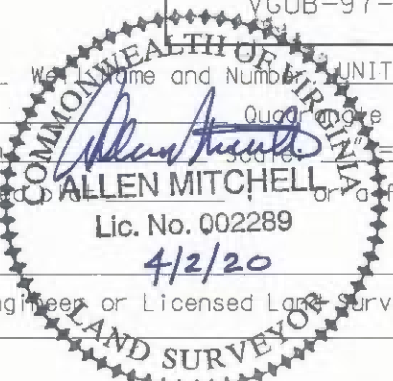
Sherri R. Scott
Manager – Land Records, Division
Orders, & Pooling
128 Glenwood Street
Cedar Bluff, Virginia 24609



CBM WELL
 PROPOSED CBM WELL

EXHIBIT A
 OAKWOOD FIELD
 UNIT Y35
 FORCE POOLING
 VGOB-97-0916-0601-03

Company POCAHONTAS GAS LLC Well Name and Number UNIT Y35
 Tract No. _____ Elevation _____ Quad Keen Mountain
 County Buchanan District _____ Garden _____ Section 400' Date _____
 This plat is a new plat ; an updated or a final plat



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

Pocahontas Gas LLC
UNIT Y35
Tract Identifications

1. Coal Mountain Mining Company, LLP (182.00 Acre Tract) – Minerals
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas, and CBM Leased
Buchanan Mining Company LLC – Surface
4.75 Acres 5.9375%

2. Coal Mountain Mining Company, LLP (53.00 Acre Tract) – Minerals
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas, and CBM Leased
Claude Kendrick, Jr., et al – Surface
34.65 Acres 43.3125%

- 3A. Hurt-McGuire Land Trust (628.44 Acre Tract) – Coal
Buchanan Mining Company LLC – Coal Below Drainage Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Janice Davis, et ux – Surface, Oil, and Gas
1.50 Acres 1.8750%

- 3B. Hurt-McGuire Land Trust (628.44 Acre Tract) – Coal
Buchanan Mining Company LLC – Coal Below Drainage Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
William Engardio, et ux – Surface, Oil, and Gas
0.91 Acres 1.1375%

- 3C. Hurt-McGuire Land Trust (628.44 Acre Tract) – Coal
Buchanan Mining Company LLC – Coal Below Drainage Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, and Gas
Unknown Surface Owner
0.83 Acres 1.0375%

- 3D. Hurt-McGuire Land Trust (628.44 Acre Tract) – Coal
Buchanan Mining Company LLC – Coal Below Drainage Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Danny Hinkle, et ux – Surface, Oil, and Gas
0.07 Acres 0.0875%

- 4A. Commonwealth Coal Corporation Tr. 2 (965.00 Acre Tract) – Minerals
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas and CBM Leased
Danny Hinkle, et ux - Surface
0.41 Acres 0.5125%

"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."

Pocahontas Gas LLC
UNIT Y35
Tract Identifications

- 4B. Commonwealth Coal Corporation Tr. 2 (965.00 Acre Tract) - Minerals
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas and CBM Leased
Hazel Elster - Surface
0.02 Acres 0.0250%
- 4C. Commonwealth Coal Corporation Tr. 2 (965.00 Acre Tract) - Minerals
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas and CBM Leased
Rhonda Perry - Surface
1.05 Acres 1.3125%
- 4D. Commonwealth Coal Corporation Tr. 2 (965.00 Acre Tract) - Minerals
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas and CBM Leased
James Cook - Surface
2.86 Acres 3.5750%
- 4E. Commonwealth Coal Corporation Tr. 2 (965.00 Acre Tract) - Minerals
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas and CBM Leased
Ord Wade Heirs - Surface
2.38 Acres 2.9750%
- 4F. Commonwealth Coal Corporation Tr. 2 (965.00 Acre Tract) - Fee
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas and CBM Leased
30.33 Acres 37.9125%
- 4G. Commonwealth Coal Corporation Tr. 2 (965.00 Acre Tract) - Fee
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas and CBM Leased
0.24 Acres 0.3000%

"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 Y-35
Docket #VGOB 97-0916-0601-03
List of All Owners/Claimants

	Net Acres in Unit	Interest in Unit
I. COAL OWNERSHIP		
<u>Tract #1 - 4.75 acres</u>		
(1) Coal Mountain Mining Co, LLP <i>(182 acre Tract)</i> PO Box 675 Tazewell, VA 24651	4.75 acres	5.9375%
<u>Tract #2 - 34.65 acres</u>		
(1) Coal Mountain Mining Co, LLP <i>(53 acre Tract)</i> PO Box 675 Tazewell, VA 24651	34.65 acres	43.3125%
<u>Tract #3A - 1.50 acres</u>		
(1) Hurt McGuire Land Trust <i>(628.44 acre Tract)</i> c/o Charles Green PO Box 1067 Bluefield, VA 24605	1.50 acres	1.8750%
<u>Tract #3B - 0.91 acres</u>		
(1) Hurt McGuire Land Trust <i>(628.44 acre Tract)</i> c/o Charles Green PO Box 1067 Bluefield, VA 24605	0.91 acres	1.1375%
<u>Tract #3C - 0.83 acres</u>		
(1) Hurt McGuire Land Trust <i>(628.44 acre Tract)</i> c/o Charles Green PO Box 1067 Bluefield, VA 24605	0.83 acres	1.0375%
<u>Tract #3D - 0.07 acres</u>		
(1) Hurt McGuire Land Trust <i>(628.44 acre Tract)</i> c/o Charles Green PO Box 1067 Bluefield, VA 24605	0.07 acres	0.0875%
<u>Tract #4 - 37.29 acres</u>		
(1) Commonwealth Coal Corp. Tr 2 PO Box 1269 Bristol, VA 24203	37.29 acres	46.6125%

Exhibit B
Unit Y-35
Docket #VGOB 97-0916-0601-03
List of All Owners/Claimants

	Net Acres in Unit	Interest in Unit
II. OIL & GAS OWNERSHIP		
<u>Tract #1 - 4.75 acres</u>		
(1) Coal Mountain Mining Co, LLP <i>(182 acre Tract)</i> PO Box 675 Tazewell, VA 24651	4.75 acres	5.9375%
<u>Tract #2 - 34.65 acres</u>		
(1) Coal Mountain Mining Co, LLP <i>(53 acre Tract)</i> PO Box 675 Tazewell, VA 24651	34.65 acres	43.3125%
<u>Tract #3A - 1.50 acres</u>		
(1) Ann Laura Bohon Heirs, Devisees, Successors or Assigns		<i>Heirs of Ann Laura Bohon (Harty Loria, Joseph Bohon, Jennilyn Quillen, and Charles Bohon III) conveyed to Janice L. and Jeremy W. Davis as T/E by deed dated August 29, 2013, Instrument #130001717 (recorded September 4, 2013)</i>
(a) Janice L. & Jeremy W. Davis, TE 1011 Betsy Branch Road Raven, VA 24639	1.50 acres	1.8750%
<u>Tract #3B - 0.91 acres</u>		
(1) William & Hannalore Engardio, T/E 3187 Riverside Dr Raven, VA 24639	0.91 acres	1.1375%
<u>Tract #3C - 0.83 acres</u>		
(1) CNX Gas Company LLC PO Box 643830 Canonsburg, PA 15264-3830 <i>(Pocahontas Gas Partnership)</i>	0.83 acres	1.0375%
<u>Tract #3D - 0.07 acres</u>		
(1) Danny W. & Pamela J. Hinkle, TE PO Box 571 Oakwood, VA 24631	0.07 acres	0.0875%
<u>Tract #4 - 37.29 acres</u>		
(1) Commonwealth Coal Corp. Tr 2 PO Box 1269 Bristol, VA 24203	37.29 acres	46.6125%

Exhibit B-3
Unit Y-35
Docket #VGOB-97-09-16-0601-03
List of Unleased Owners/Claimants

	Net Acres in Unit	Interest in Unit
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I. OIL & GAS FEE OWNERSHIP

Tract #3A - 1.50 acres

(1) Ann Laura Bohon Heirs, Devises, *Heirs of Ann Laura Bohon (Harty Loria, Joseph Bohon, Jennilyn Quillen, and Charles Bohon III) conveyed to Janice L. and Jeremy W. Davis as T/E by deed dated August 29, 2013, Instrument #130001717 (recorded September 4,*

(a) Janice L. & Jeremy W. Davis, T/E 1011 Betsy Branch Road Raven, VA 24639	1.50 acres	1.8750%
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Tract #3B - 0.91 acres

(1) William & Hannalore Engardio, T/E 3187 Riverside Dr Raven, VA 24639	0.91 acres	1.1375%
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Tract #3D - 0.07 acres

(1) Danny W. & Pamela J. Hinkle, T/E PO Box 571 Oakwood, VA 24631	0.07 acres	0.0875%
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Total Unleased Oil & Gas Estate

Acres	2.48
Percentage	3.1000%

Company: **Pocahontas Gas LLC**

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

AFE #	N/A	Property #	N/A	Version #	
Well Name:	CBM Y35A	Field:	Oakwood	Completed By:	R.E. Staton
Location:	Buchanan County	Operator:	Pocahontas Gas Company	Date:	
Expected Pay Zones:	coal seams below Tiller Incl. Poca 3	Estimated Total Depth:	2,200 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	\$4,700	\$0	\$4,700
		Building Location	\$35,000	\$0	\$35,000
		Roads / Stone / Culverts	\$25,000	\$0	\$25,000
		Surface Damages	\$0	\$0	\$0
		Drilling - Footage	\$89,000	\$0	\$89,000
		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	\$62,000	\$62,000
		Completion Rig	\$0	\$0	\$0
		Reclamation & Damages	\$0	\$0	\$0
		Haul Pit Water / Disposal	\$0	\$0	\$0
		Cement Production Casing	\$0	\$11,000	\$11,000
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$5,000	\$5,000
		TOTAL INTANGIBLES	\$179,700	\$0	\$280,700

Code	Code	Description	Casing Point	Completion	Total Cost
T		13 3/8" Conductor	30 Ft	\$0	\$3,000
A		9 5/8" 26 lb/ft LS Surface Csg	0 Ft	\$0	\$0
N		7" 19 lb/ft LS Intermediate Csg	510 Ft	\$6,033	\$6,033
G		4 1/2" 9.5 lb/ft M-65 Production Csg	2,039 Ft	\$0	\$15,293
I		4 1/2" 10.5 lb/ft M-65 Production Csg	20 Ft	\$0	\$1,200
B		2-3/8 " 4.7 lb/ft J55 8rd Production Tubing	2,100 Ft	\$0	\$15,267
L		Wellhead Equipment / Fittings	\$0	\$9,000	\$9,000
E		Tank Battery	\$0	\$0	\$0
S		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,Nip	\$0	\$0	\$0
		Valves & Fittings	\$0	\$0	\$0
		Flow Line labor/material	\$0	\$0	\$0
		Sales line labor/mat/row	\$0	\$0	\$0
		TOTAL TANGIBLES			\$88,898

GRAND TOTAL WELL COST \$179,700 \$0 \$369,598

153 115 Plugging & Abandonment \$25,000

Production Costs : \$369,598 Dry Hole Costs : \$204,700

Prepared by: *Bob Staton* Title *Permit Agent* Date *4/1/20*

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.

Company: **Pocahontas Gas LLC**

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

AFE #	N/A	Property #	N/A	Version #	
Well Name:	CBM Y35D	Field:	Oakwood	Completed By:	R.E. Staton
Location:	Buchanan County	Operator:	Pocahontas Gas Company	Date:	
Expected Pay Zones:	coal seams below Tiller incl, Poca 3	Estimated Total Depth:	1,700 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	\$4,700	\$0	\$4,700
		Building Location	\$30,000	\$0	\$30,000
		Roads / Stone / Culverts	\$23,000	\$0	\$23,000
		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	\$12,000	\$0	\$12,000
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	\$80,000	\$80,000
		Completion Rig	\$0	\$0	\$0
		Reclamation & Damages	\$0	\$0	\$0
		Haul Pit Water / Disposal	\$0	\$0	\$0
		Cement Production Casing	\$0	\$11,000	\$11,000
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$5,000	\$5,000
		TOTAL INTANGIBLES	\$155,700	\$0	\$254,700

Code	Code	Description	Casing Point	Completion	Total Cost	
T		13 3/8" Conductor	30 Ft	\$3,000	\$0	\$3,000
A		9 5/8" 26 lb/ft LS Surface Csg	0 Ft	\$0	\$0	\$0
N		7" 19 lb/ft LS Intermediate Csg	400 Ft	\$4,732	\$0	\$4,732
G		4 1/2" 9.5 lb/ft M-65 Production Csg	1,583 Ft	\$0	\$11,873	\$11,873
I		4 1/2" 10.5 lb/ft M-65 Production Csg	20 Ft	\$0	\$1,200	\$1,200
B		2-3/8" 4.7 lb/ft J55 8rd Production Tubing	1,600 Ft	\$0	\$11,632	\$11,632
L		Wellhead Equipment / Fittings		\$0	\$9,000	\$9,000
E		Tank Battery		\$0	\$0	\$0
S		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,Nip		\$0	\$0	\$0
		Valves & Fittings		\$0	\$0	\$0
		Flow Line labor/material		\$0	\$0	\$0
		Sales line labor/mat/row		\$0	\$0	\$0
		TOTAL TANGIBLES				\$80,542

GRAND TOTAL WELL COST			\$155,700	\$0	\$335,242
153	115	Plugging & Abandonment	\$25,000		
Production Costs :			\$335,242	Dry Hole Costs :	\$180,700

Prepared by: Bob Staton Title Permit Agent Date 4/1/20

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.

Company: **Pocahontas Gas LLC**

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

AFE #	N/A	Property #	N/A	Version #	
Well Name:	CBM Y35E	Field:	Oakwood	Completed By:	R.E. Staton
Location:	Buchanan County	Operator:	Pocahontas Gas Company	Date:	
Expected Pay Zones:	coal seams below Tiller incl. Poca 3	Estimated Total Depth:	2,000 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	\$4,700	\$0	\$4,700
		Building Location	\$32,000	\$0	\$32,000
		Roads / Stone / Culverts	\$19,000	\$0	\$19,000
		Surface Damages	\$0	\$0	\$0
		Drilling - Footage	\$95,000	\$0	\$95,000
		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	\$13,000	\$0	\$13,000
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	\$88,000	\$88,000
		Completion Rig	\$0	\$0	\$0
		Reclamation & Damages	\$0	\$0	\$0
		Haul Pit Water / Disposal	\$0	\$0	\$0
		Cement Production Casing	\$0	\$11,500	\$11,500
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$5,000	\$5,000
		TOTAL INTANGIBLES	\$174,700	\$0	\$282,200

Code	Code	Description	Casing Point	Completion	Total Cost
T		13 3/8" Conductor	30 Ft	\$0	\$3,000
A		9 5/8" 26 lb/ft LS Surface Csg	0 Ft	\$0	\$0
N		7" 19 lb/ft LS Intermediate Csg	500 Ft	\$0	\$5,915
G		4 1/2" 9.5 lb/ft M-65 Production Csg	1,900 Ft	\$14,250	\$14,250
I		4 1/2" 10.5 lb/ft M-65 Production Csg	20 Ft	\$1,200	\$1,200
B		2-3/8" 4.7 lb/ft J55 8rd Production Tubing	1,700 Ft	\$12,359	\$12,359
L		Wellhead Equipment / Fittings	\$0	\$9,000	\$9,000
E		Tank Battery	\$0	\$0	\$0
S		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,Nip	\$0	\$0	\$0
		Valves & Fittings	\$0	\$0	\$0
		Flow Line labor/material	\$0	\$0	\$0
		Sales line labor/mat/row	\$0	\$0	\$0
		TOTAL TANGIBLES			\$84,829

GRAND TOTAL WELL COST			\$174,700	\$0	\$367,029
153	115	Plugging & Abandonment	\$25,000		
Production Costs :			\$367,029	Dry Hole Costs :	\$199,700

Prepared by: Bob Staton Title Permit Agent Date 4/1/20

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Exhibit E
Unit Y-35
Docket #VGOB 97-09-16-0601-03
List of Respondents that require escrow

	Net Acres in Unit	Interest in Unit
<u>Tract #3D - 0.07 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hurt McGuire Land Trust <i>(628.44 acre Tract)</i> c/o Charles Green PO Box 1067 Bluefield, VA 24605	0.07 acres	0.0875%
<i>Tract will remain in escrow, W-9/Affidavits not received</i>		
<u>OIL & GAS OWNERSHIP</u>		
(1) Danny W. & Pamela J. Hinkle, TE PO Box 571 Oakwood, VA 24631	0.07 acres	0.0875%
	Total Acres in Escrow	0.07
	Total Percentage in Escrow	0.0875%

Exhibit EE
Unit Y-35
Docket #VGOB 97-09-16-0601-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Net Acres in Unit	Interest in Unit
<u>Tract #3A - 1.50 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hurt McGuire Land Trust <i>(628.44 acre Tract)</i> c/o Charles Green PO Box 1067 Bluefield, VA 24605	1.50 acres	1.8750%
<u>OIL & GAS OWNERSHIP</u>		
(1) Ann Laura Bohon Heirs, Devises, Successors or Assigns		<i>Heirs of Ann Laura Bohon (Harty Loria, Joseph Bohon, Jennilyn Quillen, and Charles Bohon III) conveyed to Janice L. and Jeremy W. Davis as T/E by deed dated August 29, 2013, Instrument #130001717 (recorded September 4, 2013)</i>
(a) Janice L. & Jeremy W. Davis, TE 1011 Betsy Branch Road Raven, VA 24639	1.50 acres	1.8750%
<u>Tract #3B - 0.91 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hurt McGuire Land Trust <i>(628.44 acre Tract)</i> c/o Charles Green PO Box 1067 Bluefield, VA 24605	0.91 acres	1.1375%
<u>OIL & GAS OWNERSHIP</u>		
(1) William & Hannalore Engardio, T/E 3187 Riverside Dr Raven, VA 24639	0.91 acres	1.1375%
<u>Tract #3C - 0.83 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hurt McGuire Land Trust <i>(628.44 acre Tract)</i> c/o Charles Green PO Box 1067 Bluefield, VA 24605	0.83 acres	1.0375%
<u>OIL & GAS OWNERSHIP</u>		
(1) CNX Gas Company LLC P.O. Box 643830 Canonsburg, PA 15264-3830 <i>(Pocahontas Gas Partnership)</i>	0.83 acres	1.0375%

N/A

POCAHONTAS GAS LLC

PO Box 570
Pounding Mill, VA 24637
Phone: 276-596-5137

March 31, 2020

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 Y35E

Dear Mr. Cooper;

Pocahontas Gas LLC is requesting a location exception for the above referenced proposed well. The proposed well is strategically placed to de-gas the Buchanan Mining Company, 5 South Panel development headings, in the Pocahontas 3 Seam, therefore it cannot be located within the drilling window. This will be the third CBM well within the drilling unit. The proposed well is approximately 216 feet outside of the drilling window. If required, fiberglass casing will be installed across the Pocahontas 3 Seam to facilitate mining. A borehole directional survey will be conducted prior to the completion of the well.

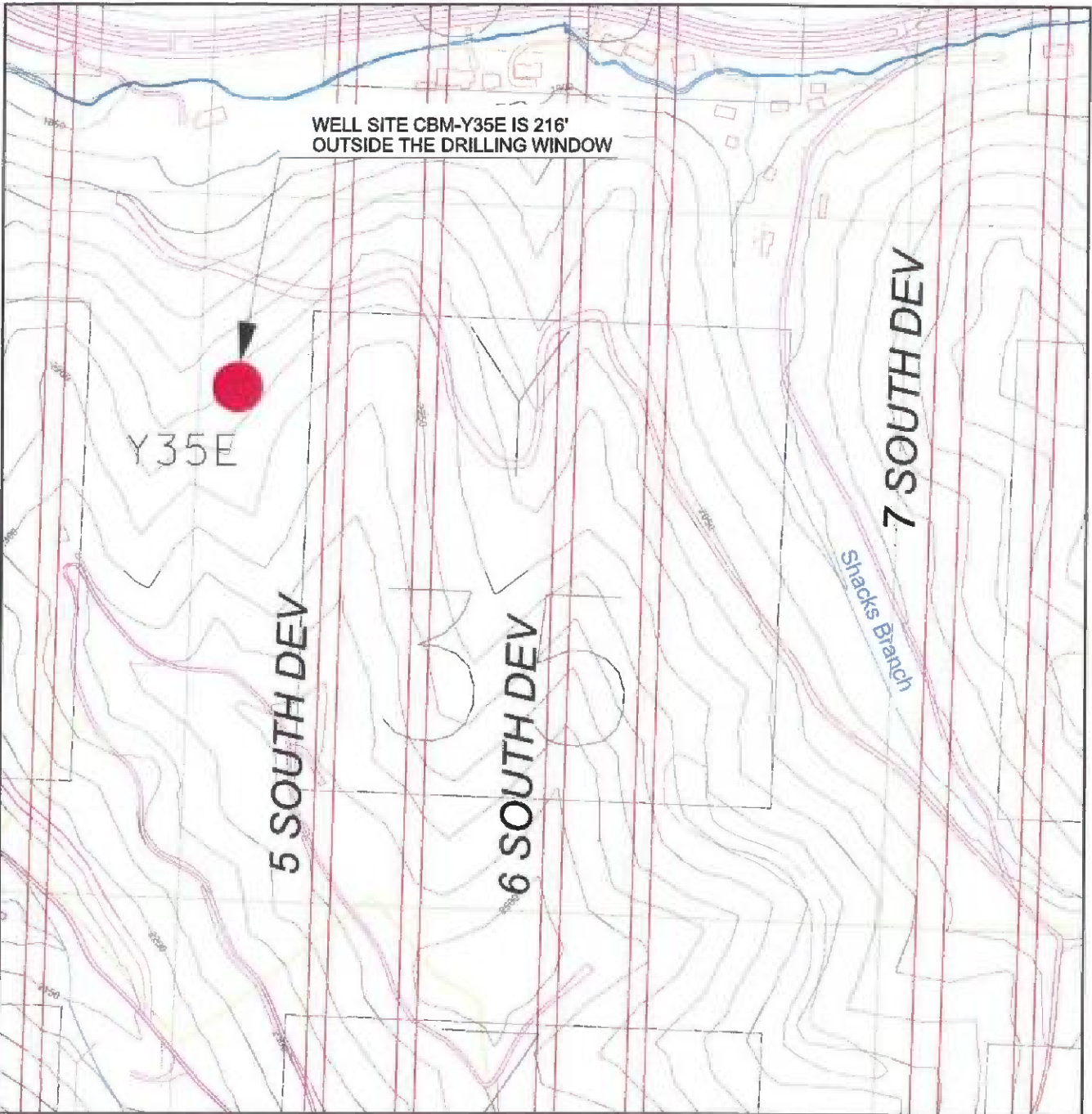
Therefore, based on these conditions, we hereby request a drilling unit location exception be granted for this well; for the prevention of waste of the natural resource, to protect correlative rights of the gas owners, and maximize the recovery of gas reserves beneath the unit. (see attached exhibit).

Sincerely,

Bob Staton

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

Cc: Sheri Scott, file Y35E



LOCATION EXCEPTION EXHIBIT WELL NO. CBM-Y35E

SCALE: 1" = 400'

DATE: 04-01-2020

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

DRAWN BY: PSD

FILE: LOC-EXCEPTION-Y35E



BUCHANAN MINING COMPANY
BUCHANAN NO. 1 MINE 5 SOUTH PANEL - P3 SEAM