

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Pocahontas Gas LLC

DIVISION OF GAS AND OIL
DOCKET NO.: VGOB# 20-0421-4230

RELIEF SOUGHT: POOLING

LOCATION: SEE EXHIBITS "A" AND "A1"

HEARING DATE: April 21, 2020

UNIT NUMBER: CC-35

IN THE OAKWOOD COALBED METHANE GAS FIELD I

BUCHANAN/TAZEWELL/RUSSELL COUNTY(S), VIRGINIA

APPLICATION

1. **Applicant and its counsel:** Applicant is Pocahontas Gas LLC, 128 Glenwood Street, Cedar Bluff, Virginia 24609, 276/596-5143. Applicant's counsel is Mark A. Swartz, Hilliard & Swartz, LLP., 122 Capitol Street, FL2, 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:** CC35 Permit #4785; CC35A Permit #7932; CC35B

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

Ruie McGlothlin Heirs including; Johnny Dwight McGlothlin, Bernie Gene Adams, Michael Adams, Walter Lawrence Finney, and Mary R. Barnett

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

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Pocahontas Gas LLC

DIVISION OF GAS AND OIL
DOCKET NO. VGOB 20-0421-4230

RELIEF SOUGHT: POOLING

UNIT NUMBER: CC-35

NOTICE OF HEARING

HEARING DATE: April 21, 2020
PLACE: Russell County Conference Center
135 Highlands Drive
Lebanon, Virginia 24266
TIME: 9:00 AM

COMMONWEALTH OF VIRGINIA:

To: *Ruie McGlothlin Heirs including; Johnny Dwight McGlothlin, Bernie Gene Adams, Michael Adams, Walter Lawrence Finney, and Mary R. Barnett*

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:** 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 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:** \$1,222,129 (Wells CC35 \$421,482; CC35A \$400,507; CC35B \$400,140)

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 **April 21, 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: 3/26/2020

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

By: Sherri R. Scott

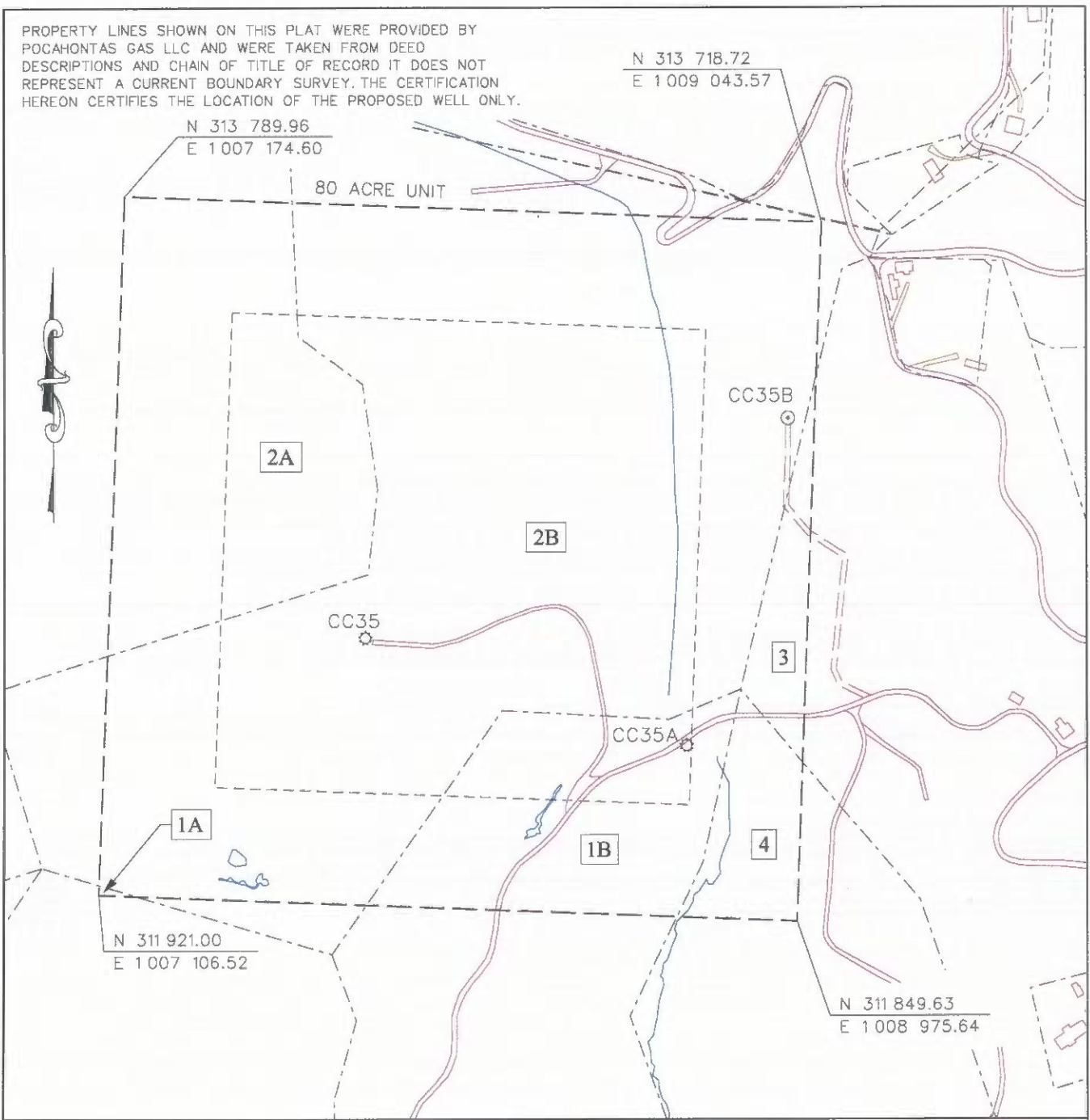
Sherri R. Scott
Manager-Pooling, DOI, Land Records
128 Glenwood Street
Cedar Bluff, Virginia 24609

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.

N 313 718.72
E 1 009 043.57

N 313 789.96
E 1 007 174.60

80 ACRE UNIT



N 311 921.00
E 1 007 106.52

N 311 849.63
E 1 008 975.64

- ⊙ CBM WELL
- ⊗ PROPOSED CBM WELL

EXHIBIT A
OAKWOOD FIELD
UNIT CC35
FORCE POOLING
VGOB-20-0421-4230

Company POCAHONTAS GAS LLC

Well Name and Number UNIT CC35

Tract No. _____ Elevation _____

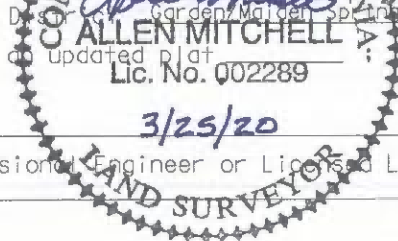
Quadrangle Green Mountain Scale: 1" = 400'

County Buchanan/Tazewell/Russell

District Garden/Malden Springs/New Garden Date _____

This plat is a new plat X ;

an updated plat _____ or a final plat _____



Form DGO-GO-7
Rev. 9/91

Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

Pocahontas Gas LLC
UNIT CC35
Tract Identifications

- 1A. Coal Mountain Mining Company, LLP (177 Acres Tract 36) – Coal
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in the Tiller and Above Leased
CNX Gas Company LLC, et al – Surface, Oil, and Gas (88.0952% Owned)
0.03 acres 0.0375%

- 1B. Coal Mountain Mining Company, LLP (177 Acres Tract 36) – Coal
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in the Tiller and Above Leased
CNX Gas Company LLC, et al – Surface, Oil, and Gas (98.2143% Owned)
9.14 acres 11.4250%

- 2. Coal Mountain Mining Company, LLP (160 Acres Tract 34) – Minerals
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in the Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas, and CBM Leased
65.89 Acres 82.3625%

- 2A. Unknown Surface Owner
- 2B. CNX Gas Company LLC, et al – Surface

- 3. Coal Mountain Mining Company, LLP (40 Acres Tract 37) – Coal
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in the Tiller and Above Leased
CNX Gas Company LLC, et al – Surface, Oil, and Gas (98.2143% Owned)
TM 63 Parcel 3
2.04 Acres 2.5500%

- 4. Coal Mountain Mining Company, LLP (319 Acres Tract 38) – Minerals
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal in the Tiller and Above Leased
Pocahontas Gas LLC – Oil, Gas, and CBM Leased
Ricky H. McGlothlin, et al – Surface
TM 63 Parcel 5
2.90 Acres 3.6250%

(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 CC-35
VGOB# 20-0421-4230
List of All Owners/Claimants

	Net Acres in Unit	Interest in Unit
I. COAL OWNERSHIP		
<u>Tract #1A, 0.03 acres</u>		
(1) Coal Mountain Mining Company, LLP <i>(177 acres, Tract 36)</i> P.O. Box 675 Tazewell, VA 24651	0.03 acres	0.0375%
<u>Tract #1B, 9.14 acres</u>		
(1) Coal Mountain Mining Company, LLP <i>(177 acres, Tract 36)</i> P.O. Box 675 Tazewell, VA 24651	9.14 acres	11.4250%
<u>Tract #2, 65.89 acres</u>		
(1) Coal Mountain Mining Company, LLP <i>(160 acres, Tract 34)</i> P.O. Box 675 Tazewell, VA 24651	65.89 acres	82.3625%
<u>Tract #3, 2.04 acres</u>		
(1) Coal Mountain Mining Company, LLP <i>(40 acres, Tract 37)</i> P.O. Box 675 Tazewell, VA 24651	2.04 acres	2.5500%
<u>Tract #4, 2.90 acres</u>		
(1) Coal Mountain Mining Company, LLP <i>(319 acres, Tract 38)</i> P.O. Box 675 Tazewell, VA 24651	2.90 acres	3.6250%
II. OIL & GAS OWNERSHIP		
<u>Tract #1A, 0.03 acres</u>		
(1) CNX Gas Company LLC, et al <i>(100.00 Acre Tract)</i>	0.03 acres	0.0375%
(a) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	0.0264 acres 37/42 of 0.03 acres	0.0330%
(b) Rule McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1) Junior C. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1) Janet E. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1.1) Johnny Dwight McGlothlin 820 Baptist Valley Road Cedar Bluff, VA 24609	0.00036 acres 1/84 of 0.03 acres	0.00045%
(b.2) Helen Adams Heirs, Devisees, Successors, or Assigns <i>(Documentation Pending)</i>	0.00107 acres 1/28 of 0.03 acres	0.00134%
(b.2.1) Bernie Gene Adams 14309 Phoenix Road Phoenix, MD 21131		

**Exhibit B
Unit CC-35
VGOB# 20-0421-4230
List of All Owners/Claimants**

	Net Acres in Unit	Interest in Unit
(b.2.2) Michael Adams 595 S Sandlake Ct Mount Dora, FL 32757		
(b.3) Ruby Lee Zwald Heirs, Devisees, Successors, or Assigns		
(b.4.1) Walter Lawrence Finney 195 Finney Drive Cedar Bluff, VA 24609	0.00107 acres 1/28 of 0.03 acres	0.00134%
(b.4) Mary R. Barnett 170 Charleston Place Daleville, VA 24083	0.00107 acres 1/28 of 0.03 acres	0.00134%
<u>Tract #1B, 9.14 acres</u>		
(1) CNX Gas Company LLC, et al <i>(47.90 Acre Tract)</i>	9.14 acres	11.4250%
(a) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	9.0040 acres 331/336 of 9.14 acres	11.2550%
(b) Ruie McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1) Junior C. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1) Janet E. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1.1) Johnny Dwight McGlothlin 820 Baptist Valley Road Cedar Bluff, VA 24609	0.01360 acres 1/672 of 9.14 acres	0.01700%
(b.2) Helen Adams Heirs, Devisees, Successors, or Assigns <i>(Documentation Pending)</i>	0.04080 acres 1/224 of 9.14 acres	0.05100%
(b.2.1) Bernie Gene Adams 14309 Phoenix Road Phoenix, MD 21131		
(b.2.2) Michael Adams 595 S Sandlake Ct Mount Dora, FL 32757		
(b.3) Ruby Lee Zwald Heirs, Devisees, Successors, or Assigns		
(b.4.1) Walter Lawrence Finney 195 Finney Drive Cedar Bluff, VA 24609	0.04080 acres 1/224 of 9.14 acres	0.05100%
(b.4) Mary R. Barnett 170 Charleston Place Daleville, VA 24083	0.04080 acres 1/224 of 9.14 acres	0.05100%
<u>Tract #2, 65.89 acres</u>		
(1) Coal Mountain Mining Company, LLP <i>(160 acres, Tract 34)</i> P.O. Box 675 Tazewell, VA 24651	65.89 acres	82.3625%

**Exhibit B
Unit CC-35
VGOB# 20-0421-4230
List of All Owners/Claimants**

	Net Acres in Unit	Interest in Unit
<u>Tract #3, 2.04 acres</u>		
(1) CNX Gas Company LLC, et al <i>(37.00 Acre Tract)</i>	2.04 acres	2.5500%
(a) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	2.0096 acres 331/336 of 2.04 acres	2.5121%
(b) Ruie McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1) Junior C. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1) Janet E. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1.1) Johnny Dwight McGlothlin 820 Baptist Valley Road Cedar Bluff, VA 24609	0.00304 acres 1/672 of 2.04 acres	0.00379%
(b.2) Helen Adams Heirs, Devisees, Successors, or Assigns <i>(Documentation Pending)</i>	0.00911 acres 1/224 of 2.04 acres	0.01138%
(b.2.1) Bernie Gene Adams 14309 Phoenix Road Phoenix, MD 21131		
(b.2.2) Michael Adams 595 S Sandlake Ct Mount Dora, FL 32757		
(b.3) Ruby Lee Zwald Heirs, Devisees, Successors, or Assigns		
(b.4.1) Walter Lawrence Finney 195 Finney Drive Cedar Bluff, VA 24609	0.00911 acres 1/224 of 2.04 acres	0.01138%
(b.4) Mary R. Barnett 170 Charleston Place Daleville, VA 24083	0.00911 acres 1/224 of 2.04 acres	0.01138%
<u>Tract #4, 2.90 acres</u>		
(1) Coal Mountain Mining Company, LLP <i>(319 acres, Tract 38)</i> P.O. Box 675 Tazewell, VA 24651	2.90 acres	3.6250%

Exhibit B3
Unit CC-35
VGOB# 20-0421-4230
List of All Unleased Owners/Claimants

	Net Acres in Unit	Interest in Unit
II. OIL & GAS OWNERSHIP		
<u>Tract #1A, 0.03 acres</u>		
(1) CNX Gas Company LLC, et al <i>(100.00 Acre Tract)</i>	0.03 acres	0.0375%
(b) Ruie McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1) Junior C. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1) Janet E. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1.1) Johnny Dwight McGlothlin 820 Baptist Valley Road Cedar Bluff, VA 24609	0.0004 acres 1/84 of 0.03 acres	0.0004%
(b.2) Helen Adams Heirs, Devisees, Successors, or Assigns <i>(Documentation Pending)</i>	0.0011 acres 1/28 of 0.03 acres	0.0013%
(b.2.1) Bernie Gene Adams 14309 Phoenix Road Phoenix, MD 21131		
(b.2.2) Michael Adams 595 S Sandlake Ct Mount Dora, FL 32757		
(b.3) Ruby Lee Zwald Heirs, Devisees, Successors, or Assigns		
(b.4.1) Walter Lawrence Finney 195 Finney Drive Cedar Bluff, VA 24609	0.0011 acres 1/28 of 0.03 acres	0.0013%
(b.4) Mary R. Barnett 170 Charleston Place Daleville, VA 24083	0.0011 acres 1/28 of 0.03 acres	0.0013%
Total Tract Acres	0.0036	
Total Tract Percentage	0.0045%	
<u>Tract #1B, 9.14 acres</u>		
(1) CNX Gas Company LLC, et al <i>(47.90 Acre Tract)</i>	9.14 acres	11.4250%
(b) Ruie McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1) Junior C. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1) Janet E. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1.1) Johnny Dwight McGlothlin 820 Baptist Valley Road Cedar Bluff, VA 24609	0.0136 acres 1/672 of 9.14 acres	0.0170%

**Exhibit B3
Unit CC-35
VGOB# 20-0421-4230
List of All Unleased Owners/Claimants**

	Net Acres in Unit	Interest in Unit
(b.2) Helen Adams Heirs, Devisees, Successors, or Assigns <i>(Documentation Pending)</i>	0.0408 acres 1/224 of 9.14 acres	0.0510%
(b.2.1) Bernie Gene Adams 14309 Phoenix Road Phoenix, MD 21131		
(b.2.2) Michael Adams 595 S Sandlake Ct Mount Dora, FL 32757		
(b.3) Ruby Lee Zwald Heirs, Devisees, Successors, or Assigns		
(b.4.1) Walter Lawrence Finney 195 Finney Drive Cedar Bluff, VA 24609	0.0408 acres 1/224 of 9.14 acres	0.0510%
(b.4) Mary R. Barnett 170 Charleston Place Daleville, VA 24083	0.0408 acres 1/224 of 9.14 acres	0.0510%
Total Tract Acres	0.1360	
Total Tract Percentage	0.1700%	

Tract #3, 2.04 acres

(1) CNX Gas Company LLC, et al <i>(37.00 Acre Tract)</i>	2.04 acres	2.5500%
(b) Ruie McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1) Junior C. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1) Janet E. McGlothlin Heirs, Devisees, Successors, or Assigns		
(b.1.1.1) Johnny Dwight McGlothlin 820 Baptist Valley Road Cedar Bluff, VA 24609	0.0030 acres 1/672 of 2.04 acres	0.0038%
(b.2) Helen Adams Heirs, Devisees, Successors, or Assigns <i>(Documentation Pending)</i>	0.0091 acres 1/224 of 2.04 acres	0.0114%
(b.2.1) Bernie Gene Adams 14309 Phoenix Road Phoenix, MD 21131		
(b.2.2) Michael Adams 595 S Sandlake Ct Mount Dora, FL 32757		
(b.3) Ruby Lee Zwald Heirs, Devisees, Successors, or Assigns		
(b.4.1) Walter Lawrence Finney 195 Finney Drive Cedar Bluff, VA 24609	0.0091 acres 1/224 of 2.04 acres	0.0114%

Exhibit B3
Unit CC-35
VGOB# 20-0421-4230
List of All Unleased Owners/Claimants

	Net Acres in Unit	Interest in Unit
(b.4) Mary R. Barnett 170 Charleston Place Daleville, VA 24083	0.0091 acres 1/224 of 2.04 acres	0.0114%
Total Tract Acres	0.0304	
Total Tract Percentage	0.0379%	
	<u>Total Unleased Oil & Gas Estate</u>	
	Acres	0.1699
	Percentage	0.2124%

Company: Pocahontas Gas LLC

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

AFE #	N/A	Property #	N/A	Version #	
Well Name:	CBM CC35	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:	2,500 ft	AAPG Class:	CBM
Proposed Work:	To drill, complete, and produce	Participant(s):	N/A	W.I.	Amount
					\$0

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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	\$45,000	\$0	\$45,000
		Surface Damages	\$0	\$0	\$0
		Drilling - Footage	\$98,000	\$0	\$98,000
		Drilling - Mobilization	\$0	\$0	\$0
		Drilling - Dayrate	\$0	\$0	\$0
		Mud & Chemicals (Drilling)	\$0	\$0	\$0
		Fuel	\$0	\$0	\$0
		Cement Surface casing	\$6,000	\$0	\$6,000
		Cement Intermediate casing	\$23,000	\$0	\$23,000
		Open Hole Logging & Testing	\$4,000	\$0	\$4,000
		Trucking / Dozer (Drilling)	\$0	\$0	\$0
		Rental Tools & Equipment (Drilling)	\$0	\$0	\$0
		Drilling - Bits	\$0	\$0	\$0
		Technical Supervision (Drilling)	\$0	\$0	\$0
		Fresh Water Hauling (Drilling)	\$0	\$0	\$0
		Overhead Rate	\$0	\$0	\$0
		Misc. & Contingencies	\$0	\$3,000	\$3,000
		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	\$92,000	\$92,000
		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	\$211,700	\$0	\$322,700

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Code	Code	Description	Casing Point	Completion	Total Cost
		13 3/8" Conductor	30 Ft	\$3,000	\$3,000
		9 5/8" 26 lb/ft LS Surface Csg	524 Ft	\$3,809	\$3,809
		7" 19 lb/ft LS Intermediate Csg	782 Ft	\$9,251	\$9,251
		4 1/2" 9.5 lb/ft M-65 Production Csg	2,323 Ft	\$0	\$17,423
		4 1/2" 10.5 lb/ft M-65 Production Csg	20 Ft	\$0	\$1,200
		2-3/8" 4.7 lb/ft J55 8rd Production Tubing	2,200 Ft	\$0	\$15,994
		Wellhead Equipment / Fittings		\$0	\$9,000
		Tank Battery		\$0	\$0
		Separator / Heater / Treater		\$0	\$15,000
		Gas Lift Equipment		\$0	\$0
		Rods / Stuffing Box		\$0	\$14,700
		Downhole Pump		\$0	\$0
		Pumping Unit / Motor		\$0	\$9,405
		SS EQT-Packer,PF,FC,Nip		\$0	\$0
		Valves & Fittings		\$0	\$0
		Flow Line labor/material		\$0	\$0
		Sales line labor/mat/row		\$0	\$0
		TOTAL TANGIBLES			\$98,782

GRAND TOTAL WELL COST			\$211,700	\$0	\$421,482
153	115	Plugging & Abandonment	\$25,000		
			Production Costs :	\$421,482	Dry Hole Costs :
					\$236,700

Prepared by: Bob Staton Title Permit Agent Date 3/24/20

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 CC35A	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:	2,500 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	\$96,000	\$0	\$96,000	
		Drilling - Mobilization	\$0	\$0	\$0	
		Drilling - Dayrate	\$0	\$0	\$0	
		Mud & Chemicals (Drilling)	\$0	\$0	\$0	
		Fuel	\$0	\$0	\$0	
I		Cement Surface casing	\$8,000	\$0	\$8,000	
N		Cement Intermediate casing	\$22,000	\$0	\$22,000	
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	\$89,000	\$89,000	
		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	\$193,700	\$0	\$301,700	
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	578 Ft	\$4,202	\$0	\$4,202
N		7" 19 lb/ft LS Intermediate Csg	756 Ft	\$8,943	\$0	\$8,943
G		4 1/2" 9.5 lb/ft M-65 Production Csg	2,315 Ft	\$0	\$17,363	\$17,363
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	2,200 Ft	\$0	\$15,994	\$15,994
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				\$98,807
GRAND TOTAL WELL COST			\$193,700	\$0	\$400,507	
153	115	Plugging & Abandonment		\$25,000		
			Production Costs :	\$400,507	Dry Hole Costs :	
					\$218,700	

Prepared by: *Bob Staton* Title *Permit Agent* Date *3/24/20*

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 CC35B	Field:	Oakwood	Completed By:	R.E. Slaton
Location:	Buchanan County	Operator:	Pocahontas Gas Company	Date:	
Expected Pay Zones:	coal seams below Tiller incl. Poca 3	Estimated Total Depth:	2,300 ft	AAPG Class:	CBM
Proposed Work:	To drill, complete, and produce	Participant(s):	N/A	W.I.	Amount
					\$0

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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	\$45,000	\$0	\$45,000
		Roads / Stone / Culverts	\$35,000	\$0	\$35,000
		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
		Cement Surface casing	\$6,000	\$0	\$6,000
		Cement Intermediate casing	\$16,000	\$0	\$16,000
		Open Hole Logging & Testing	\$4,000	\$0	\$4,000
		Trucking / Dozer (Drilling)	\$0	\$0	\$0
		Rental Tools & Equipment (Drilling)	\$0	\$0	\$0
		Drilling - Bits	\$0	\$0	\$0
		Technical Supervision (Drilling)	\$0	\$0	\$0
		Fresh Water Hauling (Drilling)	\$0	\$0	\$0
		Overhead Rate	\$0	\$0	\$0
		Misc. & Contingencies	\$0	\$3,000	\$3,000
		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	\$89,000	\$89,000
		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	\$206,700	\$0	\$314,700

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Code	Code	Description	Casing Point	Completion	Total Cost	
		13 3/8" Conductor	30 Ft	\$3,000	\$0	\$3,000
		9 5/8" 26 lb/ft LS Surface Csg	0 Ft	\$0	\$0	\$0
		7" 19 lb/ft LS Intermediate Csg	300 Ft	\$3,549	\$0	\$3,549
		4 1/2" 9.5 lb/ft M-65 Production Csg	2,200 Ft	\$0	\$16,500	\$16,500
		4 1/2" 10.5 lb/ft M-65 Production Csg	20 Ft	\$0	\$1,200	\$1,200
		2-3/8 " 4.7 lb/ft J55 8rd Production Tubing	1,800 Ft	\$0	\$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,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				\$85,440

GRAND TOTAL WELL COST			\$206,700	\$0	\$400,140
153	115	Plugging & Abandonment	\$25,000		
			Production Costs :	\$400,140	Dry Hole Costs :
					\$231,700

Prepared by: Bob Slaton Title Permit Agent Date 3/24/20

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.

N/A

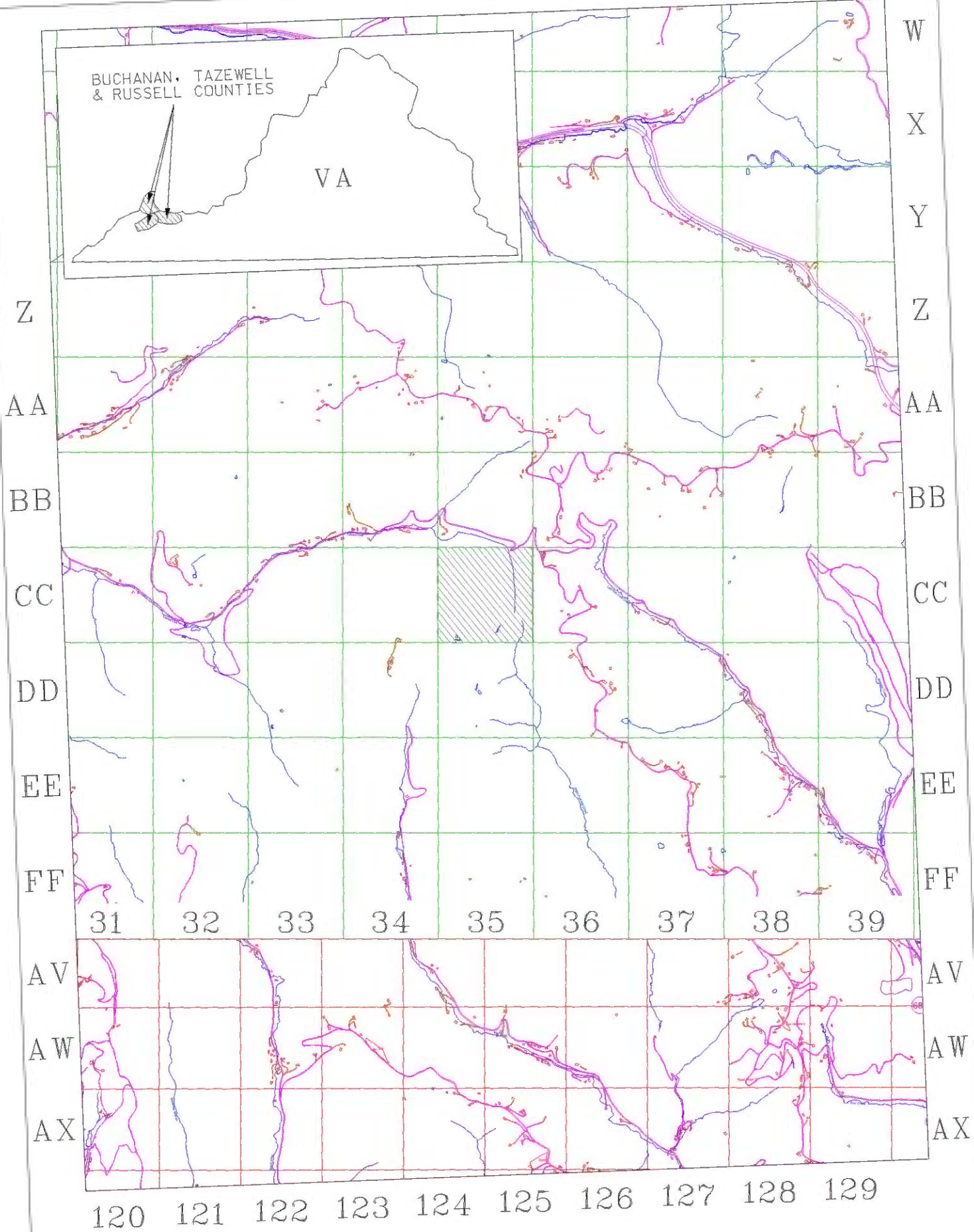
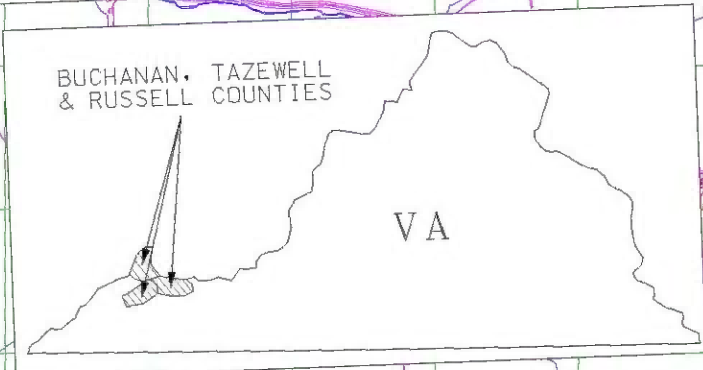
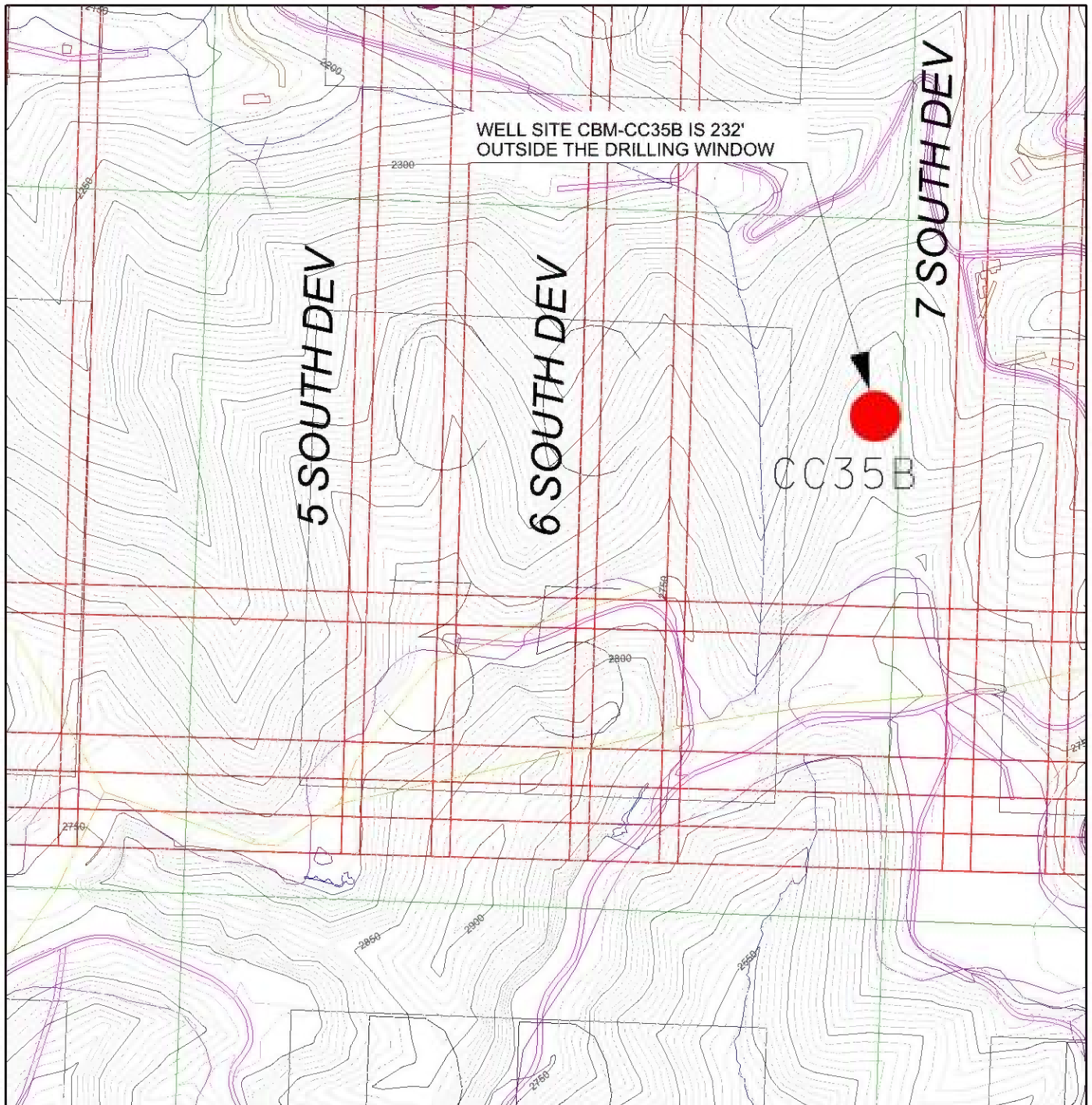


EXHIBIT A1
UNIT CC35
VGOB 20-0421-4230
Page Number 17.



LOCATION EXCEPTION EXHIBIT WELL NO. CBM-CC35B

SCALE: 1" = 400'

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

DRAWN BY: PSD

DATE: 03-24-2020

FILE: LOC-EXCEPTION-CC35B



BUCHANAN MINING COMPANY
BUCHANAN NO. 1 MINE 7 SOUTH PANEL - P3 SEAM

POCAHONTAS GAS LLC

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

March 24, 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 CC35B

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, 7 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 232 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: Sherri Scott, file CC35B