

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Pocahontas Gas LLC

DIVISION OF GAS AND OIL
DOCKET NO.: VGOB 96-1015-0557-01

RELIEF SOUGHT: RE-POOLING

LOCATION: SEE EXHIBITS "A" AND "A1"

HEARING DATE: August 18, 2020

UNIT NUMBER: W-32

IN THE OAKWOOD COALBED METHANE GAS FIELD I & H

BUCHANAN COUNTY, VIRGINIA

APPLICATION

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 under Oakwood Coalbed Methane Gas Fields I & II to address mapping changes.

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:** 149 Permit# 2505-01; W32 Permit# 13554-01

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 Company, LLP; Patricia Smith Cook, et al, including: Patricia Smith Cook, Linda Kay Ratliff Smith, and Sandra Smith Spears; Hurt McGuire Land Trust; Yukon Pocahontas Coal Company; Buchanan Coal Company; Sayers Pocahontas Coal Company; Buchanan Mining Company LLC; Commonwealth of Virginia Department of Transportation; Terry Baldwin Heirs including: Amanda Baldwin-Estep and Matthew Baldwin; Donald P. Shortt; and Weyerhaeuser NR Company

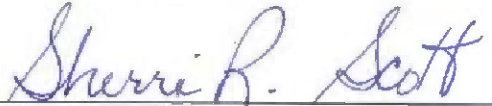
Further, said respondents are listed in Exhibit B-3 hereto which describes their interests/claims. The respondents and others, if any, whose interests are subject to escrow under §45.1-361.21.D. are identified at Exhibit E. The annexed Exhibit B-3 at pages 2 and 3 sets forth the total interest(s) held 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:** **\$765,951.00 (Well(s) 149 \$288,775.00 and W32 \$477,176.00)** 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/DOI/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 96-1015-0557-01

RELIEF SOUGHT: RE-POOLING

UNIT NUMBER: W-32

NOTICE OF HEARING

HEARING DATE: August 18, 2020
PLACE: Russell County Conference Center
135 Highlands Drive
Lebanon, Virginia 24266
TIME: 9:00 AM

COMMONWEALTH OF VIRGINIA:

To: *Coal Mountain Mining Company, LLP; Patricia Smith Cook, et al, including: Patricia Smith Cook, Linda Kay Ratliff Smith, and Sandra Smith Spears; Hurt McGuire Land Trust; Yukon Pocahontas Coal Company; Buchanan Coal Company; Sayers Pocahontas Coal Company; Buchanan Mining Company LLC; Commonwealth of Virginia Department of Transportation; Terry Baldwin Heirs including: Amanda Baldwin-Estep and Matthew Baldwin; Donald P. Shortt; and Weyerhaeuser NR Company*

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 to address mapping changes

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: **\$765,951.00 (Well(s) 149 \$288,775.00 and W32 \$477,176.00)**

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 **August 18, 2020**, at the Russell County Government Conference Center, 135 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: 6/25/2020

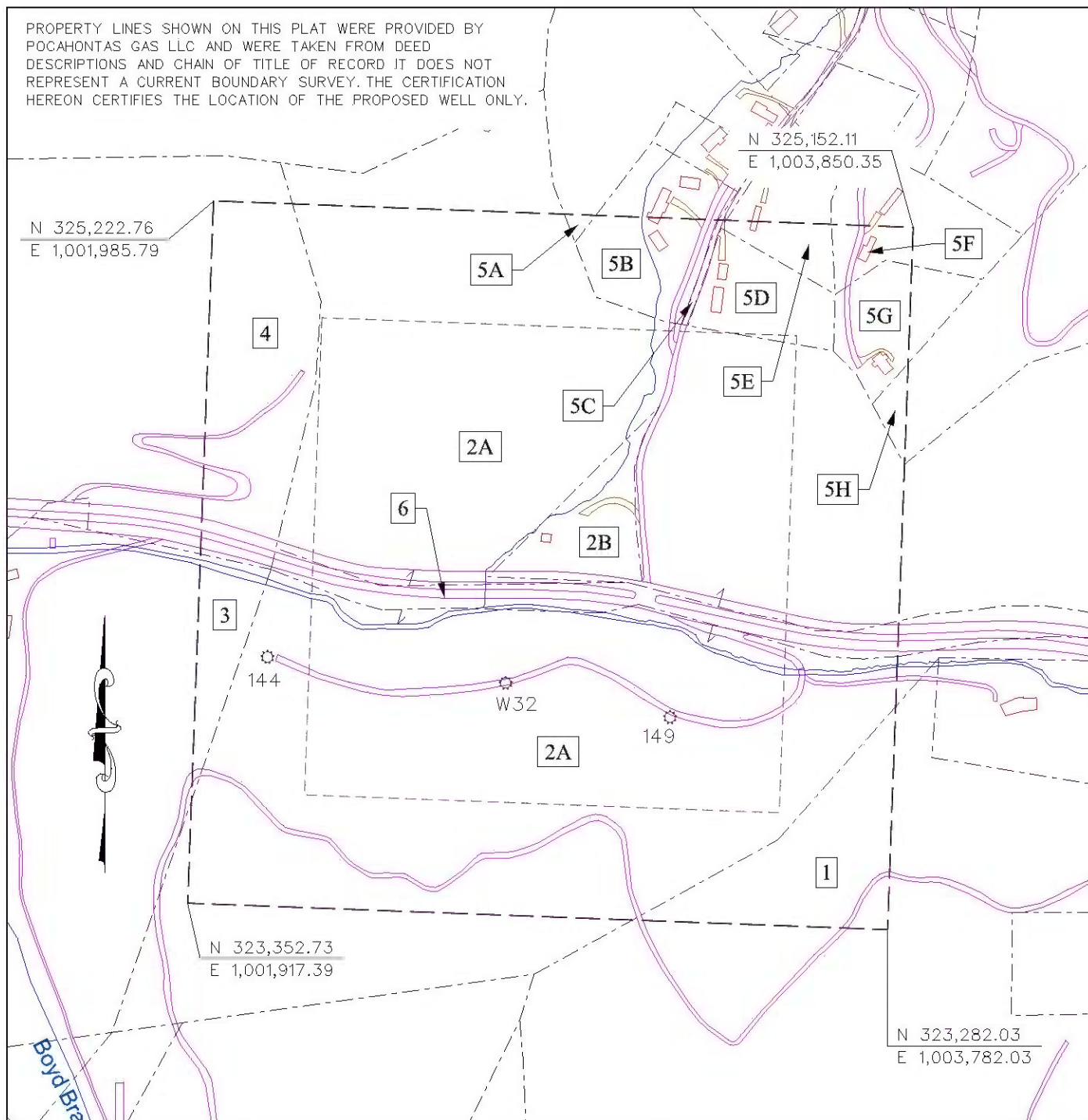
POCAHONTAS GAS LLC
BY ITS PROFESSIONAL MANAGER
POCAHONTAS GAS LLC, PETITIONER

By: Sherri R. Scott

Sherri R. Scott

Manager – Land Records/DOI/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 W32
FORCE POOLING
VGOB-96-1015-0557-01

Company POCAHONTAS GAS LLC Well Name and Number UNIT W32

Tract No. _____ Elevation _____ Quadrangle Keen Mountain

County Buchanan District Garden Scale: 1" = 400'

This plat is a new plat X ; an updated plat _____ ; a final plat _____

Form DGO-GO-7
Rev. 9/91

Licensed Professional Engineer or Licensed Land Surveyor
6/30/20



ALLEN MITCHELL
Digitally signed by ALLEN MITCHELL
(Affix Seal)
Date: 2020.06.30 10:09:38 -04'00'

Pocahontas Gas LLC
UNIT W32
Tract Identifications

1. Coal Mountain Mining Company, LLP (67.00 Acre Tract) – Coal
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal In Tiller and Above Leased
Patricia Cook, et al (Mildred Smith Heirs) – Surface, Oil, and Gas
CNX Gas Company LLC – Oil, Gas, and CBM Leased
3.84 Acres 4.8000%
2. Hurt-McGuire Land Trust (Sarah Luke Tract – 162.00 Acre Tract) – Minerals
Buchanan Mining Company LLC – Coal Below Tiller Seam Leased
Revelation Energy, LLC – Coal In Tiller and Above Leased
CNX Gas Company LLC – CBM Leased
60.02 Acres 75.0250%
- 2A. Hurt-McGuire Land Trust – Surface
- 2B. Unknown Surface Owner
3. Coal Mountain Mining Company, LLP (88.00 Acre Tract) – Coal
Buchanan Mining Company LLC – Below Drainage Coal Leased
RAMACO Resources Land Holdings, LLC – Coal In Tiller and Above Leased
Matthew Baldwin, et al (Terry Baldwin Heirs) – Surface, Oil and Gas
CNX Gas Company LLC – CBM Leased
1.42 Acres 1.7750%
4. Buchanan Mining Company LLC, et al (Big Vein Tr. 111 – 42.76 Acre Tract) – Coal
Island Creek Coal Company – Coal Below Tiller Seam Leased
Buchanan Mining Company LLC – P-3 Seam Sub-leased
Revelation Energy, LLC – Tiller and Above Coal Leased
Donald D. Shortt – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
Unknown Surface Owner
5.62 Acres 7.0250%
5. Buchanan Mining Company LLC, et al (Big Vein Tr. 6 – 251.41 Acre Tract) – Coal
Island Creek Coal Company – Coal Below Tiller Seam Leased
Buchanan Mining Company LLC – P-3 Seam Sub-leased
Revelation Energy, LLC – Tiller and Above Coal Leased
Weyerhaeuser NR Company, et al – Oil and Gas
Weyerhaeuser Company (1/3) – CBM
CNX Gas Company LLC – CBM Leased
6.61 Acres 8.2625%
- 5A. Unknown Surface Owner
- 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 coal bed methane ownership and should not be relied upon for such purpose."

**Pocahontas Gas LLC
UNIT W32
Tract Identifications**

- 5C. Unknown Surface Owner
- 5D. Unknown Surface Owner
- 5E. Unknown Surface Owner
- 5F. Unknown Surface Owner
- 5G. Unknown Surface Owner

- 6. Commonwealth of Virginia – Fee less P-3 Seam
Buchanan Mining Company LLC – P-3 Seam
2.49 Acres 3.1125%

"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 W-32
Docket # VGOB 96-1015-0557-01
List of all Owners/Claimants

	Acres in Unit	Percent of Unit
I. COAL OWNERSHIP		
<u>Tract #1, 3.84 acres</u>		
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	3.84 acres	4.8000%
<u>Tract #2, 60.02 acres</u>		
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	60.02 acres	75.0250%
<u>Tract #3, 1.42 acres</u>		
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	1.42 acres	1.7750%
<u>Tract #4, 5.62 acres</u>		
(1) Yukon Pocahontas Coal Company, et al. <i>(Big Vein Tract 111 - 42.76 ac)</i>	5.62 acres	7.0250%
(a) Yukon Pocahontas Coal Company* P.O. Box 187 Tazewell, VA 24651	2.81 acres 1/2 of 5.62 acres	3.5125%
(b) Buchanan Coal Company* P.O. Box 187 Tazewell, VA 24651	0.62 acres 1/9 of 5.62 acres	0.7806%
(c) Sayers-Pocahontas Coal Company* P.O. Box 187 Tazewell, VA 24651	0.31 acres 1/18 of 5.62 acres	0.3903%
* All correspondence for Yukon/Buchanan/Sayers to be sent to: Yukon Pocahontas/Buchanan/Sayers Pocahontas Coal Company, L.P., RLLP c/o Sayers F. Harman 11333 Vanderbilt Road Asheville, NC 28803		
(d) Buchanan Mining Company LLC 57 Danbury Road, Suite 201 Wilton, CT 06897	1.87 acres 1/3 of 5.62 acres	2.3417%
<i>Note: If no conflict, the royalty for (d) is to be paid to Weyerhaeuser NR Company</i>		
<u>Tract #5, 6.61 acres</u>		
(1) Yukon Pocahontas Coal Company, et al. <i>(Big Vein Tract 6 - 251.41 ac)</i>	6.61 acres	8.2625%
(a) Yukon Pocahontas Coal Company* P.O. Box 187 Tazewell, VA 24651	3.31 acres 1/2 of 6.61 acres	4.1313%
(b) Buchanan Coal Company* P.O. Box 187 Tazewell, VA 24651	0.73 acres 1/9 of 6.61 acres	0.9181%

Exhibit B
Unit W-32
Docket # VGOB 96-1015-0557-01
List of all Owners/Claimants

	Acres in Unit	Percent of Unit
(c) Sayers-Pocahontas Coal Company* P.O. Box 187 Tazewell, VA 24651	0.37 acres 1/18 of 6.61 acres	0.4590%
* All correspondence for Yukon/Buchanan/Sayers to be sent to: Yukon Pocahontas/Buchanan/Sayers Pocahontas Coal Company, L.P., RLLP c/o Sayers F. Harman 11333 Vanderbilt Road Asheville, NC 28803		
(d) Buchanan Mining Company LLC 57 Danbury Road, Suite 201 Wilton, CT 06897	2.20 acres 1/3 of 6.61 acres	2.7542%

Note: If no conflict, the royalty for (d) is to be paid to Weyerhaeuser NR Company

Tract #6, 2.49 acres

Coal less P-3 Seam:

(1) Commonwealth of Virginia Department of Transportation 870 Bonham Road Bristol, VA 24201	2.49 acres	3.1125%
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P-3 Seam:

(1) Buchanan Mining Company LLC 57 Danbury Road, Suite 201 Wilton, CT 06897	2.49 acres	3.1125%
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II. OIL & GAS OWNERSHIP

Tract #1, 3.84 acres

****This tract shown on Exhibit E of prior order. HB2058 resolves the conflict and escrow is no longer necessary. All prior funds have been held in internal suspense and will be released to owners with recorded supplemental order.**

(1) Patricia Smith Cook, et al	3.84 acres	4.8000%
(a) Mildred Ratliff Smith <i>Conveyed by Deed of Gift dated 11/8/2016 and recorded 12/2/2016 by Instrument 160002211 to:</i>		
(a.1) Patricia Smith Cook 728 W. Locust Street Johnson City, TN 37604	1.2800 acres 1/3 of 3.84 acres	1.6000%
(a.2) Linda Kay Ratliff Smith PO Box 192 Hurley, VA 24620	1.2800 acres 1/3 of 3.84 acres	1.6000%
(a.3) Sandra Smith Spears PO Box 301 Wicomico Church, VA 22579	1.2800 acres 1/3 of 3.84 acres	1.6000%

Tract #2, 60.02 acres

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	60.02 acres	75.0250%
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Exhibit B
Unit W-32
Docket # VGOB 96-1015-0557-01
List of all Owners/Claimants

	Acres in Unit	Percent of Unit
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Tract #3, 1.42 acres

****This tract shown on Exhibit E of prior order. Owners have a royalty division agreement and escrow is not necessary. All prior funds have been held in internal suspense and will be released to owners with recorded supplemental order.**

(1) Terry Baldwin Heirs, Devisees, Successors or Assigns	1.42 acres	1.7750%
(a) Amanda Baldwin-Estep 24437 Mock Knob Road Abingdon, VA 24211	0.7100 acres 1/2 of 3.84 acres	0.8875%
(b) Matthew Baldwin 8689 Garden Creek Road Oakwood, VA 24631	0.7100 acres 1/2 of 3.84 acres	0.8875%

Tract #4, 5.62 acres

****This tract shown on Exhibit E of prior order. Owner has a royalty division agreement and escrow is not necessary. All prior funds have been held in internal suspense and will be released to owners with recorded supplemental order.**

(1) Donald P. Shortt 133 Greenhill Drive Cedar Bluff, VA 24609	5.62 acres	7.0250%
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Tract #5, 6.61 acres

(1) Yukon Pocahontas Coal Company, et al. (Big Vein Tract 6 - 251.41 ac)	6.61 acres	8.2625%
(a) Yukon Pocahontas Coal Company* P.O. Box 187 Tazewell, VA 24651	3.31 acres 1/2 of 6.61 acres	4.1313%
(b) Buchanan Coal Company* P.O. Box 187 Tazewell, VA 24651	0.73 acres 1/9 of 6.61 acres	0.9181%
(c) Sayers-Pocahontas Coal Company* P.O. Box 187 Tazewell, VA 24651	0.37 acres 1/18 of 6.61 acres	0.4590%

* All correspondence for Yukon/Buchanan/Sayers to be sent to:
Yukon Pocahontas/Buchanan/Sayers Pocahontas Coal Company, L.P., RLLP
c/o Sayers F. Harman
11333 Vanderbilt Road
Asheville, NC 28803

(d) Weyerhaeuser NR Company PO Box 101700 Atlanta, GA 30392	2.20 acres 1/3 of 6.61 acres	2.7542%
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Tract #6, 2.49 acres

(1) Commonwealth of Virginia Department of Transportation 870 Bonham Road Bristol, VA 24201	2.49 acres	3.1125%
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Exhibit B-3
Unit W-32
Docket #VGOB-96-1015-0557-01
List of all Unleased Owners/Claimants

	Acres in Unit	Percent of Unit
II. <u>OIL & GAS OWNERSHIP</u>		
<u>Tract #6, 2.49 acres</u>		
(1) Commonwealth of Virginia Department of Transportation 870 Bonham Road Bristol, VA 24201	2.49 acres	3.1125%
<u>Total Unleased O&G Estate</u>		
Total Acres	2.49	
Total Percentage		3.1125%

Company: Pocahontas Gas LLC					
Virginia Gas And Oil Template – Estimated Authorization For Expenditure (AFE)					
AFE #		N/A		Property # N/A	
Well Name:		CBM 149		Field: Oakwood	
Location:		Buchanan County		Operator: Pocahontas Gas Company	
Expected Pay Zones:		coal seams below Tiller incl. Poca 3		Date:	
Proposed Work:		To drill, complete, and produce		Estimated Total Depth: 1,500 ft	
		Participant(s): N/A		AAPG Class: CBM	
				W.I. Amount	
				\$0	

Gen	Sub	Description	Casing Point	Completion	Total Cost
		Leasehold Costs	\$1,000	\$0	\$1,000
		Permit / Title Opinion / Survey / Insurance	\$5,000	\$0	\$5,000
		Building Location	\$25,000	\$0	\$25,000
		Roads / Stone / Culverts	\$12,000	\$0	\$12,000
		Surface Damages	\$0	\$0	\$0
		Drilling - Footage	\$67,000	\$0	\$67,000
		Drilling - Mobilization	\$0	\$40,000	\$40,000
		Drilling - Dayrate	\$0	\$0	\$0
		Mud & Chemicals (Drilling)	\$0	\$0	\$0
		Fuel	\$0	\$0	\$0
		Cement Surface casing	\$10,000	\$0	\$10,000
		Cement Intermediate casing	\$15,000	\$0	\$15,000
		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	\$0	\$0
		Completion Rig	\$0	\$0	\$0
		Reclamation & Damages	\$0	\$0	\$0
		Haul Pit Water / Disposal	\$0	\$0	\$0
		Cement Production Casing	\$0	\$25,000	\$25,000
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$10,000	\$10,000
		TOTAL INTANGIBLES	\$139,000	\$0	\$217,000

Code	Code	Description	Casing Point	Completion	Total Cost
		13 3/8" Conductor	30 Ft	\$3,000	\$0
		9 5/8" 26 lb/ft LS Surface Csg	500 Ft	\$3,635	\$0
		7" 19 lb/ft LS Intermediate Csg	1440 Ft	\$17,035	\$0
		4 1/2" 9.5 lb/ft M-65 Production Csg	0 Ft	\$0	\$0
		4 1/2" 10.5 lb/ft M-65 Production Csg	0 Ft	\$0	\$0
		2-3/8" 4.7 lb/ft J55 8rd Production Tubing	0 Ft	\$0	\$0
		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			\$71,775
GRAND TOTAL WELL COST			\$139,000	\$0	\$288,775
153	115	Plugging & Abandonment	\$25,000		
			Production Costs :	\$288,775	Dry Hole Costs :
					\$0

Prepared by: <i>Bob Staton</i>	Title: <i>Permit Agent</i>	Date: <i>6/25/20</i>
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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.

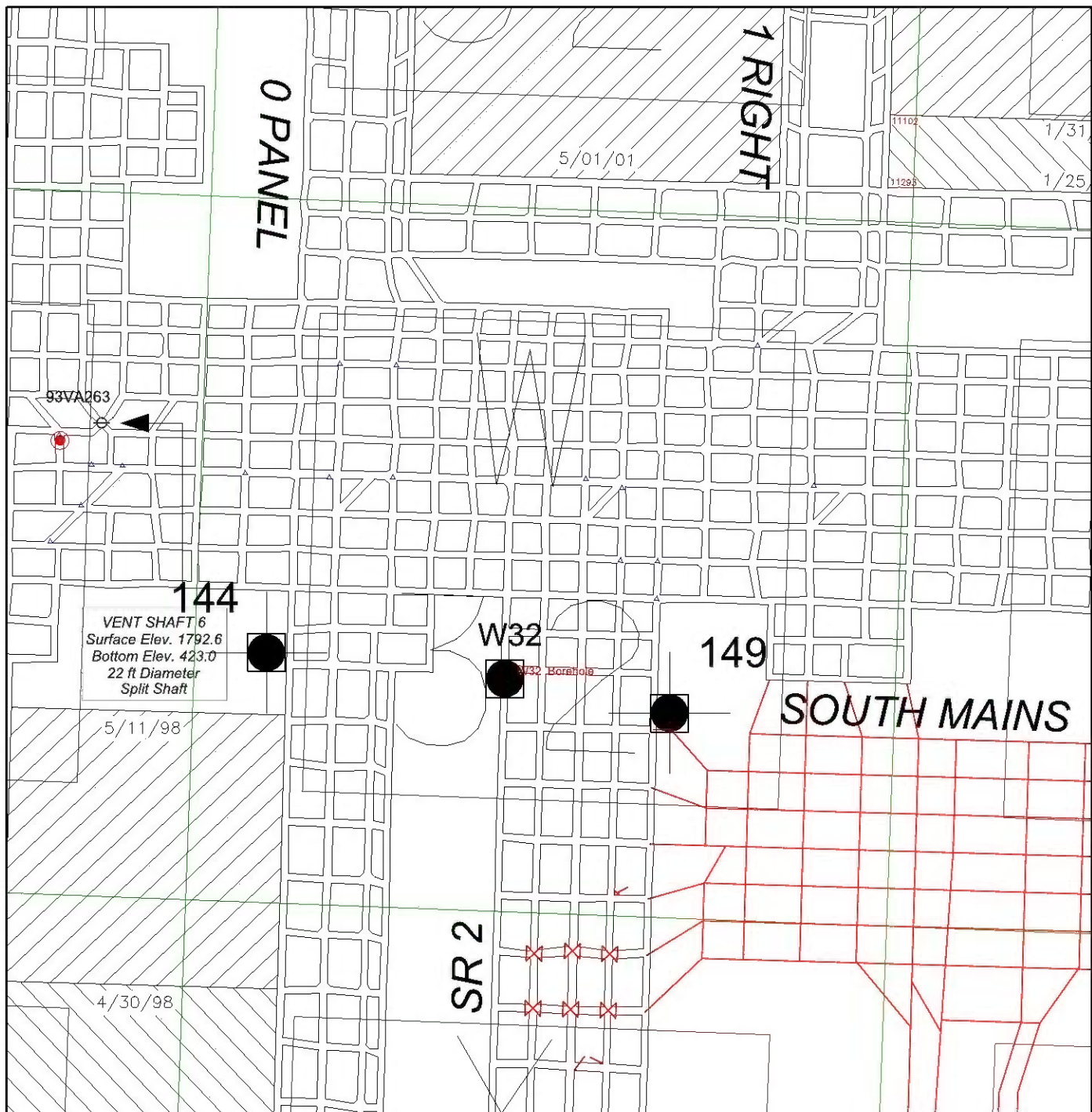
Company: Pocahontas Gas LLC					
Virginia Gas And Oil Template -- Estimated Authorization For Expenditure (AFE)					
AFE #		N/A		Property # N/A	
Well Name:		CBM W32		Field: Oakwood	
Location:		Buchanan County		Operator: Pocahontas Gas Company	
Expected Pay Zones:		coal seams below Tiller incl. Poca 3		Date:	
Proposed Work:		To drill, complete, and produce		Estimated Total Depth: 1,600 ft	
		Participant(s): N/A		AAPG Class: CBM	
				W.I. Amount	
				\$0	

Gen	Sub	Description	Casing Point	Completion	Total Cost
		Leasehold Costs	\$1,000	\$0	\$1,000
		Permit / Title Opinion / Survey / Insurance	\$6,500	\$0	\$6,500
		Building Location	\$30,000	\$0	\$30,000
		Roads / Stone / Culverts	\$25,000	\$0	\$25,000
		Surface Damages	\$0	\$0	\$0
		Drilling - Footage	\$143,000	\$0	\$143,000
		Drilling - Mobilization	\$0	\$40,000	\$40,000
		Drilling - Dayrate	\$0	\$0	\$0
		Mud & Chemicals (Drilling)	\$0	\$0	\$0
		Fuel	\$0	\$0	\$0
I		Cement Surface casing	\$15,000	\$0	\$15,000
N		Cement Intermediate casing	\$35,000	\$0	\$35,000
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	\$7,000	\$7,000
I		Technical Supervision (Drilling)	\$0	\$0	\$0
B		Fresh Water Hauling (Drilling)	\$0	\$10,000	\$10,000
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	\$0	\$0
		Completion Rig	\$0	\$50,000	\$50,000
		Reclamation & Damages	\$0	\$0	\$0
		Haul Pit Water / Disposal	\$0	\$0	\$0
		Cement Production Casing	\$0	\$25,000	\$25,000
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$10,000	\$10,000
		TOTAL INTANGIBLES	\$259,500	\$0	\$404,500

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	524 Ft	\$0	\$3,809
N		7" 19 lb/ft LS Intermediate Csg	1400 Ft	\$0	\$16,562
G		4 1/2" 9.5 lb/ft M-65 Production Csg	0 Ft	\$0	\$0
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	0 Ft	\$0	\$0
L		Wellhead Equipment / Fittings		\$9,000	\$9,000
E		Tank Battery		\$0	\$0
S		Separator / Heater / Treater		\$15,000	\$15,000
		Gas Lift Equipment		\$0	\$0
		Rods / Stuffing Box		\$14,700	\$14,700
		Downhole Pump		\$0	\$0
		Pumping Unit / Motor		\$9,405	\$9,405
		SS EQ-T-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			\$72,676
GRAND TOTAL WELL COST			\$259,500	\$0	\$477,176
153	115	Plugging & Abandonment	\$25,000		
			Production Costs :	\$477,176	Dry Hole Costs :
					\$0

Prepared by: <u>Bob Staton</u>	Title: <u>Point Agent</u>	Date: <u>6/25/20</u>
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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.



LOCATION EXHIBIT W32 UNIT

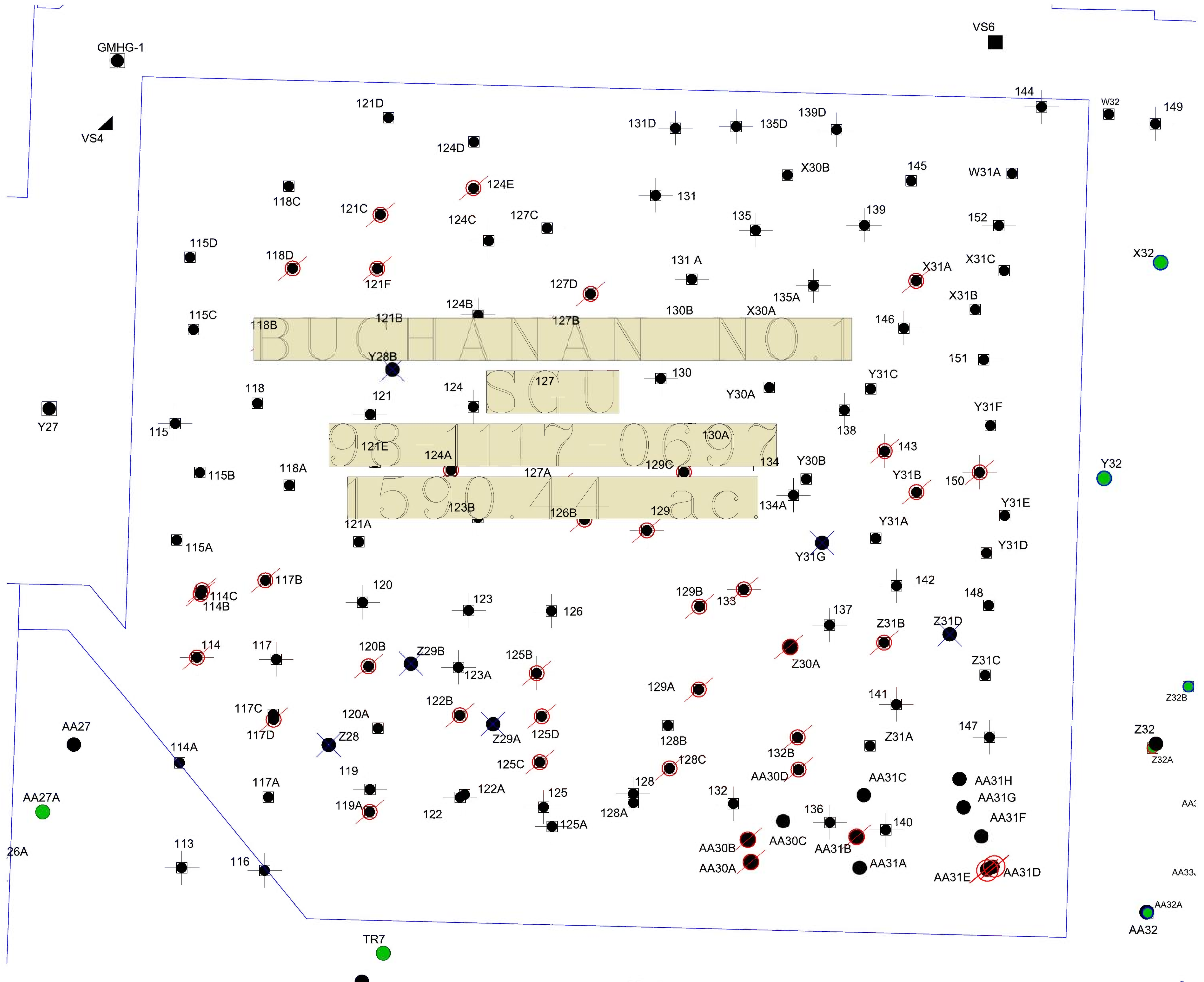
SCALE: 1" = 400'

DATE: 06-26-2020

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

DRAWN BY: PSD

FILE: W32 UNIT EXHIBIT



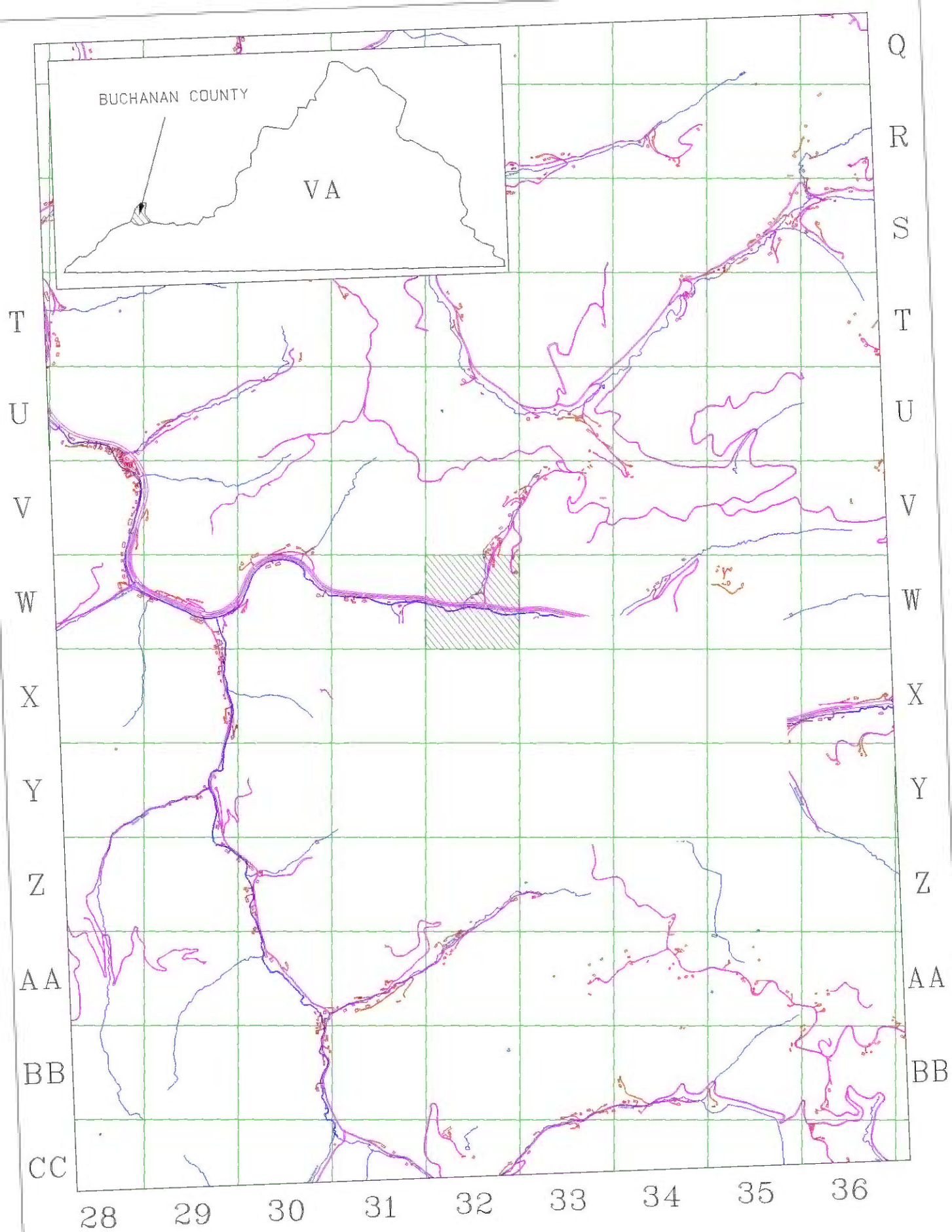


EXHIBIT A1
UNIT W32
VGOB 96-1015-0557-01
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