

**VIRGINIA DEPARTMENT OF ENERGY:
BEFORE THE VIRGINIA GAS AND OIL BOARD**

APPLICANT: Keyrock Energy, LLC

DOCKET NUMBER: VGOB 22-1115-4253

**RELIEF SOUGHT: Well Location Exception
Pursuant to Virginia Code § 45.2-1616
Well No. Keyrock #5**

LEGAL DESCRIPTION: "Exhibit A"

APPLICATION

1. Parties:

- 1.1. Applicant herein is Keyrock Energy, LLC, whose address for the purposes hereof is 207 East Main Street, Suite 2-D, PO Box 2223, Johnson City, TN 37605, Telephone: (423) 726-2070. The attorney for Applicant is Freddie E. Mullins, whose address is P. O. Box 951, Clintwood, VA 24228, Telephone: (276) 926-8580.
- 1.2. Applicant is the owner of the right to develop and produce coalbed methane gas from the Mined Out Jawbone Coal Seam in the Contura Deep Mine 41 in Dickenson County, Virginia, from surface to total depth drilled in accordance with the proposed permit applied for by applicant and located within the Ervinton District of Dickenson County, Virginia, and underlying the lands depicted at "Exhibit A" attached hereto and made a part hereof and to appropriate the coalbed methane gas produced therefrom.

2. Allegation of Facts:

- 2.1. Applicant has proposed a plan of development and operation of the Mined Out Jawbone Coal Seam in the Contura Deep Mine 41 in Dickenson County underlying the drilling unit involved herein and depicted at "Exhibit A" and has proposed to commence such plan of development and operation of such unit by a coalbed methane well designed to combust gas for establishing marketable carbon credits, designated as Well Number Keyrock #5, to be drilled upon the lands involved herein so as to produce coalbed methane gas from such unit.
- 2.2. That the unit depicted at "Exhibit A" hereof is subject to statewide spacing as provided under Virginia Code § 45.2-1616. This section provides that "wells drilled in search of gas shall not be located closer than 1000 feet to any other well completed in the same pool." In consideration of all known conditions, it is the opinion of the Applicant that such distance limitation is not feasible for the unit described in "Exhibit A" because there is no legal location.
- 2.3. Applicant estimates that the total amount of recoverable gas is 586 mmcf.
- 2.4. That to prevent waste, protect correlative rights, and provide for the maximum safe recovery of the mineral resources underlying the Commonwealth, the Board should allow for an exception to the distance limitation and statewide spacing.
- 2.5. That the proposed well, at the location requested by Applicant, is necessary to effectively and efficiently drain a portion of the common sources of supply (reservoir) underlying the unit described at "Exhibit A" which cannot be adequately and efficiently drained without an exception to the distance limitations and spacing rules.
- 2.6. The drilling unit involved herein is a square with the proposed well bore to be located at Well

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Coordinates: (NAD 83 Decimal Degrees) LAT: 37.100233538° LON: 82.341988154° in the Nora Quadrangle, Dickenson County, Virginia.

- 2.7. That EnerVest Operating, LLC, Well No. VC-3971 lies S 06° 43' 52" E 980 feet from proposed Well No. Keyrock #5
- 2.8. That proposed Well No. Keyrock #5 is located on the Joshua Pressley 951.73 acre Tract and Applicant anticipates producing from the Mined Out Jawbone Coal Seam in the Contura Deep Mine 41 in Dickenson County, Virginia from surface to total depth drilled, 803 feet.
3. Legal Authority : The relief sought by this Application is authorized by Virginia Code § 45.2-1616.
4. Relief Sought: Applicant requests the Virginia Gas and Oil Board to enter an order to enable Well No. Keyrock #5 to be drilled as depicted on the plat attached as "Exhibit A" and that Applicant be granted the right to produce methane gas from Mined Out Jawbone Coal Seam in the Contura Deep Mine 41 which appear on the well work permit submitted to the Inspector.

Dated: November 10, 2022

Keyrock Energy, LLC
Applicant

By: 
Morgan Pate, Geologist
Keyrock Energy, LLC
207 East Main St., Suite 2-D
PO Box 2223
Johnson City, TN 37605

VERIFICATION

The foregoing Application to the best of my knowledge, information and belief is true and correct.

**VIRGINIA GAS AND OIL BOARD
VIRGINIA DEPARTMENT OF ENERGY
BIG STONE GAP, VIRGINIA**

DOCKET NUMBER: VGOB 22-1115-4253

APPLICANT: Keyrock Energy, LLC

RELIEF SOUGHT: Well Location Exception
Pursuant to Virginia Code § 45.2-1616

Well No.: Keyrock #5

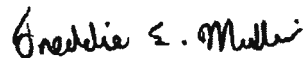
LEGAL DESCRIPTION: "Exhibit A"

NOTICE OF HEARING

TO: See Exhibit B

Notice is hereby given that the Applicant in this cause is requesting the Virginia Gas and Oil Board to authorize the drilling of the proposed well to produce formations from surface to total depth drilled as set forth in the attached application.

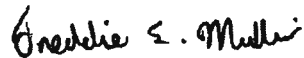
Notice is further given that this matter is set for hearing before the Virginia Gas and Oil Board on the 20th day of December, 2022, at 10:00 a.m. at 3405 Mountain Empire Road, Big Stone Gap, VA 24219 or telephonically, at which time and place all interested persons may appear and be heard. Any questions concerning said hearing may be directed to the Virginia Gas and Oil Board, State Gas and Oil Inspector, Virginia Department of Energy, 3405 Mountain Empire Rd, Big Stone Gap, VA 24219 (276) 523-8100.



Freddie E. Mullins
Counsel for Applicant
P. O. Box 951
Clintwood, VA 24228
(276) 926-8580

CERTIFICATE OF SERVICE

I, Freddie E. Mullins, counsel for Keyrock Energy, LLC, hereby certify that I have on this 18th day of November, 2022, caused the foregoing notice and application to be served upon the parties listed herein, at their address, by certified mail, return receipt requested.



Freddie E. Mullins

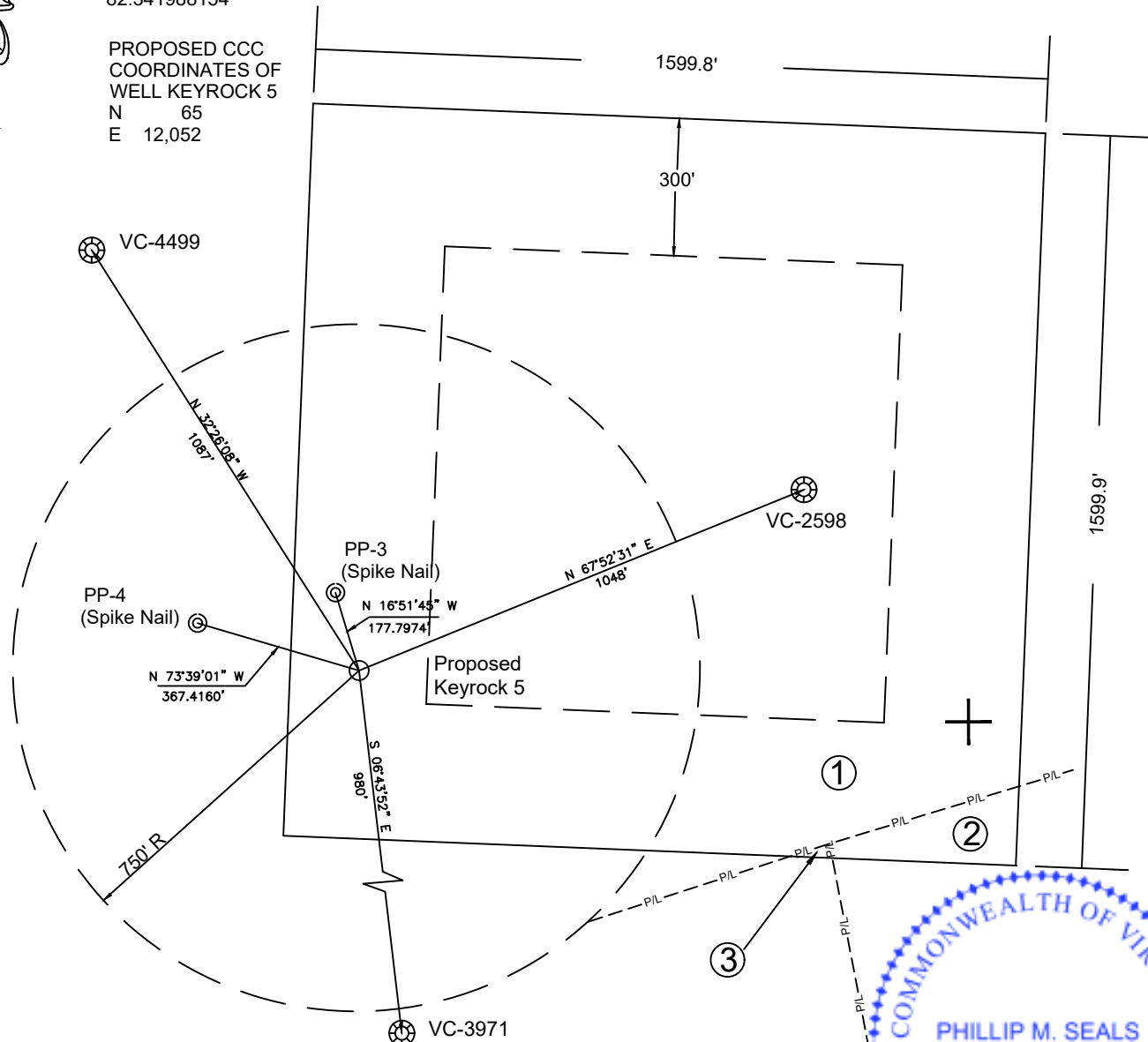
Docket Number: VGOB 22-1115-4253

EXHIBIT A

LATITUDE 37° 05' 00"

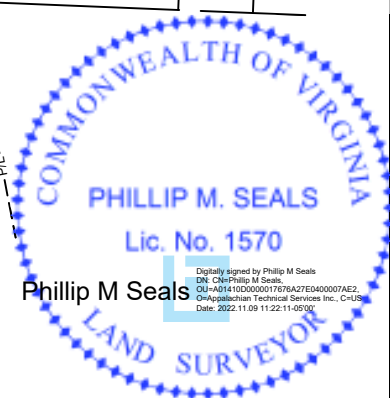
PROPOSED LAT. & LONG.
(NAD 83 DECIMAL DEGREES)
OF KEYROCK 5
37.100233538
82.341988154

PROPOSED CCC
COORDINATES OF
WELL KEYROCK 5
N 65
E 12,052



NOTE:

ELEVATIONS WERE DETERMINED BY GPS & TRIGONOMETRIC METHODS BASED ON CORS STATION VABG.
THE BOUNDARY LINES SHOWN HEREON ARE BASED ON DEEDS, PLATS, AND MAPS OF RECORD OR SURVEYS BY OTHERS, AND DO NOT DEPICT A CURRENT BOUNDARY SURVEY.
PROPERTY INFORMATION PROVIDED BY KEYROCK ENERGY, LLC
THE WELL WILL BE DRILLED WITHIN 10 (TEN) FEET OF THE PERMITTED COORDINATES.
THE POSITIONS OF EXISTING OFFSET WELLS WERE TAKEN FROM PLATS IN THE DGO FILES.



WELL LOCATION PLAT (Nora Grid BA-45)

COMPANY Keyrock Energy LLC WELL NAME OR NUMBER KEYROCK 5
TRACT NO. T-101 QUADRANGLE NORA
DISTRICT Ervinton
WELL COORDINATES (VIRGINIA STATE PLANE 83) N 3,582,849.29 E 10,362,764.22
ELEVATION 1,989.69 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.
COUNTY Dickenson SCALE: 1" = 400' DATE 9-19-2022
THIS PLAT IS A NEW PLAT ☒ ; AN UPDATED PLAT ☐ ; OR A FINAL LOCATION PLAT ☐

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

EXHIBIT PL-1

Property Ownership Information for Well # KEYROCK 5

TRACT IDENTIFICATION

①

T-101
JOSHUA PRESSLEY
951.73 AC.
CF HIGHLANDS LLC -Surface
ACIN LLC - coal
PARAMONT CONTURA, LLC - coal lessee
WBRD LLC - coal
DICKENSON-RUSSELL CONTURA, LLC- coal lessee
ENERVEST XIV-A NORA LLC
ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. &
ENERVEST XIV-WIC NORA LLC
1/4 interest oil, gas (cbm)
GAS 57.77AC. 98.31 %

②

TRACT NO. T-7
G. M. BLAIR
280.00 ACRES
ACIN LLC - coal
PARAMONT CONTURA, LLC - coal lessee
WBRD LLC - coal
DICKENSON-RUSSELL CONTURA, LLC- coal lessee
ENERVEST XIV-A NORA LLC
ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. &
ENERVEST XIV-WIC NORA LLC
1/4 interest oil, gas (cbm)
GAS 0.97AC. 1.64 %

③

T-186
NOAH A. SKEEN
327.39 ACRES
ACIN LLC - coal
PARAMONT CONTURA, LLC - coal lessee
WBRD LLC - coal
DICKENSON-RUSSELL CONTURA, LLC- coal lessee
ENERVEST XIV-A NORA LLC
ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. &
ENERVEST XIV-WIC NORA LLC
1/4 interest oil, gas (cbm)
GAS 0.03 AC. 0.05 %

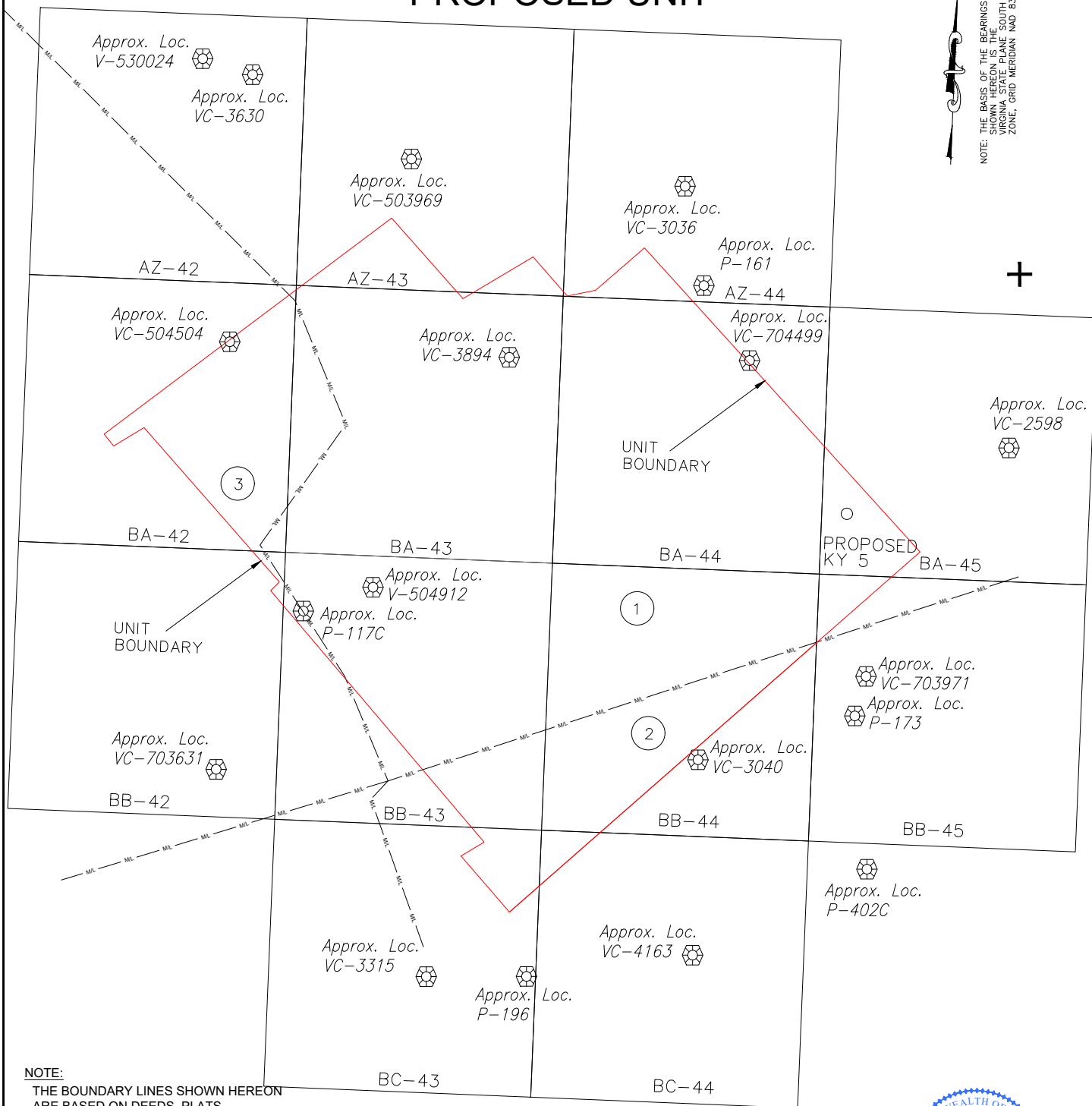
PROPOSED UNIT

LATITUDE 37° 05' 00"

2,563'

LONGITUDE 82° 20' 00"

9,061'



NOTE:

THE BOUNDARY LINES SHOWN HEREON ARE BASED ON DEEDS, PLATS, AND MAPS OF RECORD OR SURVEYS BY OTHERS, AND DO NOT DEPICT A CURRENT BOUNDARY SURVEY. PROPERTY INFORMATION PROVIDED BY KEYROCK ENERGY LLC.

THE WELL WILL BE DRILLED WITHIN 10 (TEN) FEET OF THE PERMITTED COORDINATES. EXISTING WELL POSITIONS WERE TAKEN FROM PLATS IN THE DGO FILES. SEE ATTACHED EXHIBIT PL-1 FOR TRACT OWNERSHIP SCHEDULE.

TOTAL UNIT AREA
= 234.30 ACRES



WELL LOCATION PLAT (Nora Grid N/A) DGO FILE NO.: Unknown At This Time

COMPANY Keyrock Energy LLC WELL NAME OR NUMBER KY 5
TRACT NO. T2-101 QUADRANGLE Nora
DISTRICT Ervinston
WELL COORDINATES (VIRGINIA STATE PLANE 83) N 3,582.89.29 E 10,362.764.22
ELEVATION 1,989.69 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.
COUNTY Dickenson SCALE: 1" = 400' DATE 9-19-2022

THIS PLAT IS A NEW PLAT X; AN UPDATED PLAT ; OR A FINAL LOCATION PLAT
+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000,
LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

LICENSED LAND SURVEYOR (AFFIX SEAL)

EXHIBIT PL-1

Property Ownership Information for Keyrock 5
09-19-2022

TRACT IDENTIFICATION

①

T-101
Joshua Pressley
951.73 ACRES
C. F. Highlands - Surface
ACIN LLC - coal
PARAMONT CONTURA, LLC - coal lessee
WBRD LLC - coal
DICKENSON-RUSSELL CONTURA, LLC- coal lessee
ENERVEST XIV-A NORA LLC
ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. &
ENERVEST XIV-WIC NORA LLC
oil, gas & cbm

Keyrock Energy - cbm lessee

GAS 182.20 AC. 77.76%

②

T-186
Noah A. Skeen
327.39 ACRES
ACIN LLC - coal
PARAMONT CONTURA, LLC - coal lessee
WBRD LLC - coal
DICKENSON-RUSSELL CONTURA, LLC- coal lessee
ENERVEST XIV-A NORA LLC
ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. &
ENERVEST XIV-WIC NORA LLC
oil, gas & cbm

Keyrock Energy - cbm lessee

GAS 27.50 AC. 11.74%

③

T-129
Jasper Sutherland
641 ACRES
ACIN LLC - coal
PARAMONT CONTURA, LLC - coal lessee
WBRD LLC - coal
DICKENSON-RUSSELL CONTURA, LLC- coal lessee
ENERVEST XIV-A NORA LLC
ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. &
ENERVEST XIV-WIC NORA LLC
oil, gas & cbm

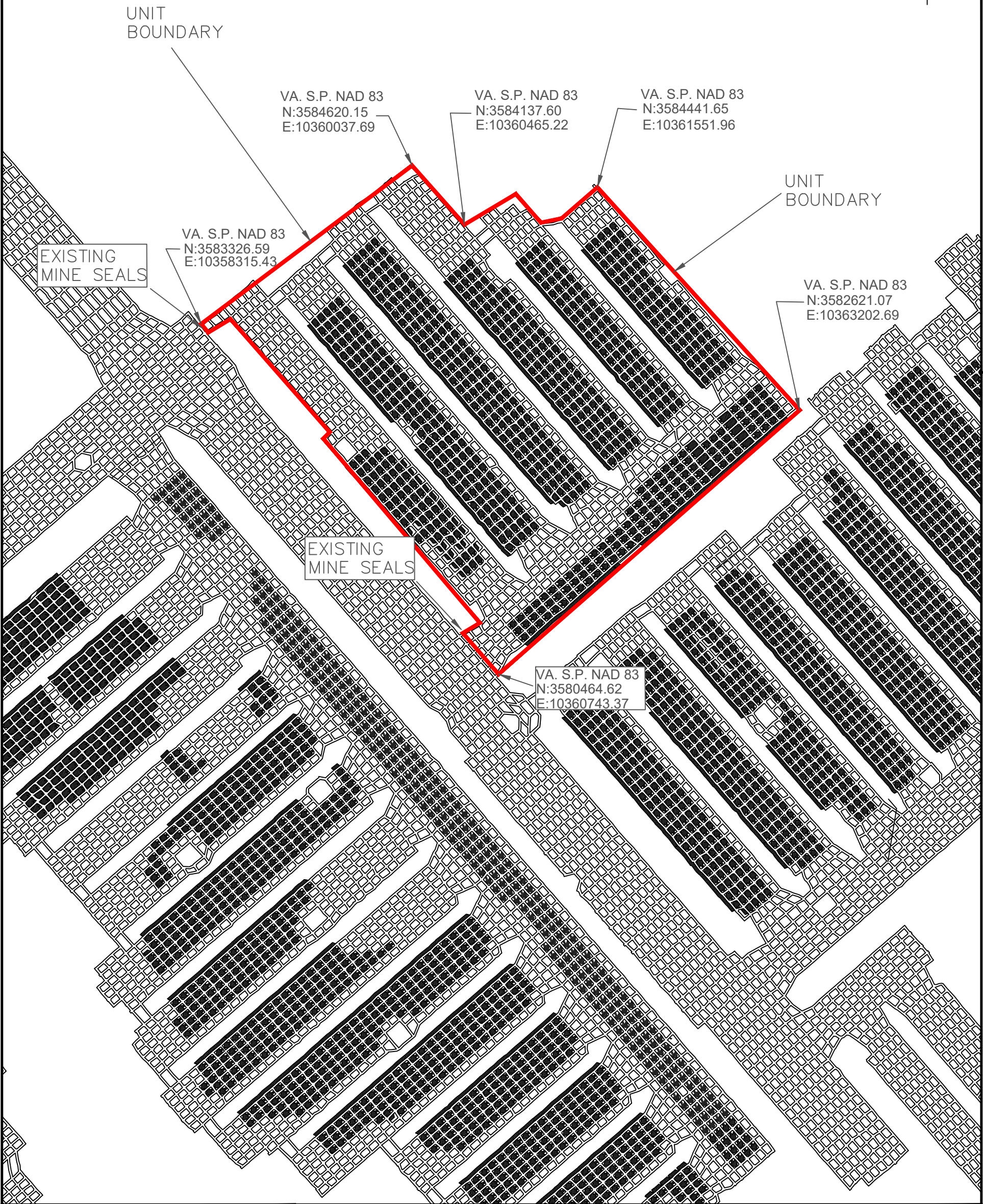
Keyrock Energy - cbm lessee

GAS 24.60 AC. 10.50%

**Exhibit B
Unit # KY 5
VGOB Docket # 22-1115-4253
List of all Owners/Claimants
(234.30 Acre Unit)**

	<u>Acres in Unit</u>	<u>Interest in Unit</u>
<u>Tract #T-101; Joshua Presley (951.73 Acres)</u>		
(1) ENERVEST XIV-A NORA LLC ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. ENERVEST XIV-WIC NORA LLC - Oil, Gas & CBM 1001 Fannin Street Ste 800 Houston, TX 77002	182.20 acres	77.76 %
<u>Tract #T-186; Noah A. Skeen (327.39 Acres)</u>		
(1) ENERVEST XIV-A NORA LLC ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. ENERVEST XIV-WIC NORA LLC - Oil, Gas & CBM - 1001 Fannin Street Ste 800 Houston, TX 77002	27.50 acres	11.74 %
<u>Tract #T-129; Jasper Sutherland (641 Acres)</u>		
(1) ENERVEST XIV-A NORA LLC ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. ENERVEST XIV-WIC NORA LLC - Oil, Gas & CBM - 1001 Fannin Street Ste 800 Houston, TX 77002	24.60 acres	10.50 %

NOTE:
Mine Works shown as
provided by Alpha
Metallurgical Resources



 Appalachian Technical Services, Inc. Engineering, Architecture, Surveying, Ecology & Environmental Science Abingdon Office P.O. Box 1897 475 West Main Street Abingdon, VA 24212 (276) 676-4262 Wise Office P.O. Box 3537 6741 Indian Creek Road Wise, VA 24293 (276) 328-4200	KEYROCK ENERGY LLC	Designed By: JMC	Drawn By: JMC	Checked By: PMS	Date: 10/14/22
		Project Number: 1892.01	Scale: 1" = 800'	Quadrangle: NORA	
	DEEP MINE 41 UNDERGROUND MINE MAP KY5 EXHIBIT L	Drawing Name: Mineworks Only 24x36 With Well Units 10-14-22			01
		Sheet/Layout: KY5 EXHIBIT L 11X17			01

MEMORANDUM OF PAID UP METHANE GAS LEASE

ENERVEST XIV-A NORA LLC (50.10494%), ENERVEST ENERGY INSTITUTIONAL FUND XIV-A1, LP. (15.00000%) and ENERVEST XIV-WIC NORA LLC (34.89506%), each a Delaware limited partnership c/o EnerVest Operating, LLC. (herein called "Lessor"), whose address is 408 W. Main Street, Abingdon, VA 24210, and Keyrock Energy LLC (herein called "Lessee"), whose address is 207 E. Main Street, Suite 2-D, Johnson City, Tennessee 37605, hereby acknowledge and give notice that Lessor has executed and delivered to Lessee a Paid Up Methane Lease (herein after "Lease") under date of January 12th, 2022, covering the premises situated between the waters of the Buffalo Creek and Caney Creeks of Dickenson County, Virginia, commonly known as Deep Mine 41, to wit:

See attached Exhibit A for map of leased premise.

Said Lease provides for a primary term of three (3) years from January 12, 2022, and as long thereafter as CBM is produced in paying quantities from the lands covered by the Lease, or said Lease is maintained in force in any other manner therein provided. An executed copy of said Lease is in the possession of both Lessor and Lessee, and said Lease with all of its terms, covenants and provisions, is incorporated herein by reference and made a part hereof for all purposes.

The purpose of this Memorandum of Paid Up Methane Gas Lease is to evidence the existence of said Lease, and this Memorandum is given in lieu of filing said Lease in full for record with the office of the Recorder in the county or counties in which said Land is located.

This instrument may be executed in counterparts, which can be combined in one or more instruments for recordation.

IN WITNESS WHEREOF this instrument is executed on this 19th day of January 2022, but to be effective January 12, 2022.

LESSOR:

EnerVest Operating, LLC.

By: [Signature] = Midway KRM

Its: Walter R. Schmidt = Land

LESSEE

Keyrock Energy, LLC

[Signature]

managing Director

Lessee

Keyrock Energy LLC

By: Mark Allaman

Name: Mark Allaman

Title: Managing Director

ACKNOWLEDGEMENT

STATE OF PENNSYLVANIA

)

) S

COUNTY OF BUTLER

)

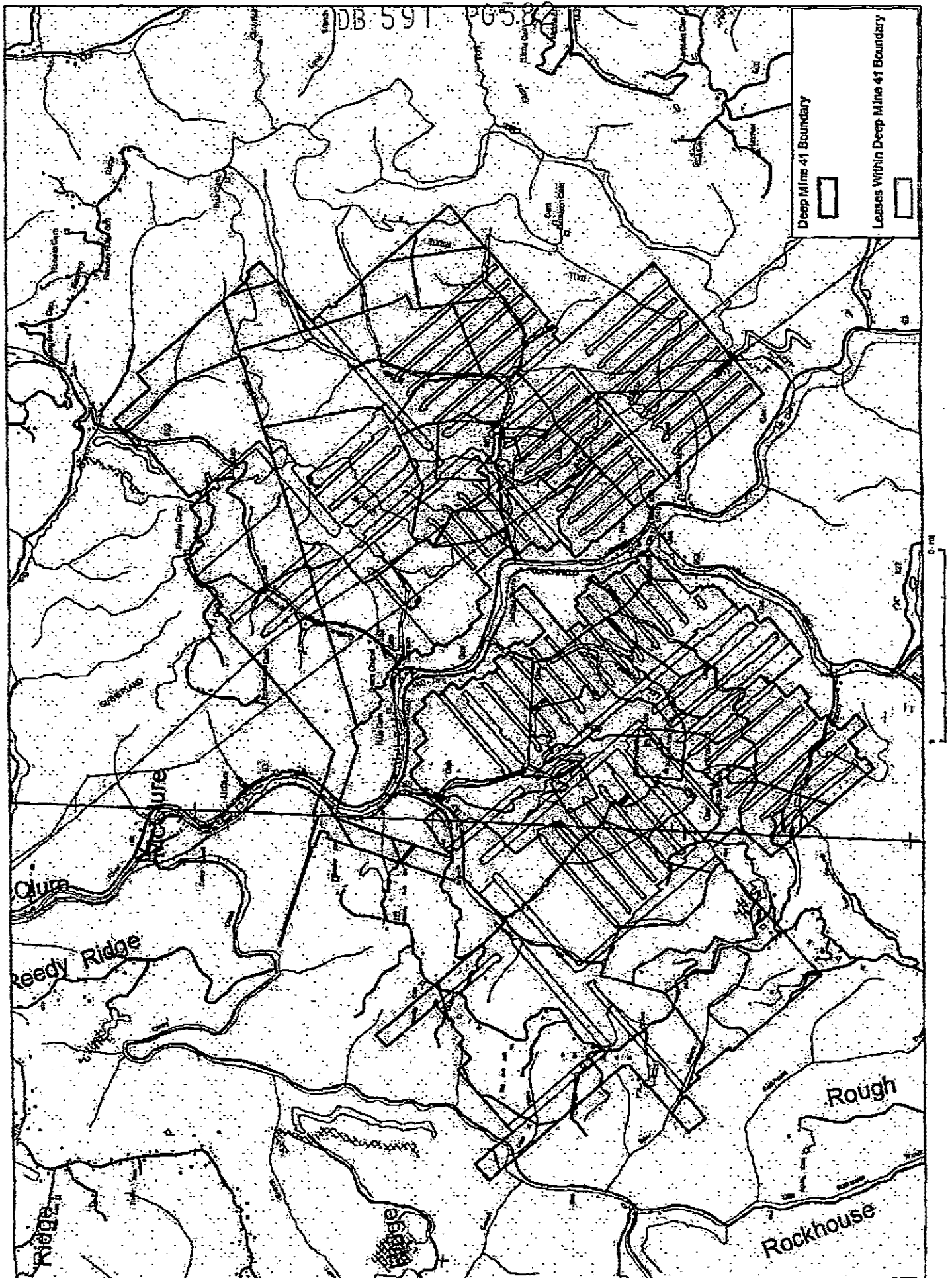
Venango

The foregoing instrument was acknowledged before me this 31st day of January, 2022 by Mark Allaman, as Managing Director of KEYROCK ENERGY, LLC, on behalf of the Limited Liability Company.

My Commission Expires: 12-17-22

Commonwealth of Pennsylvania - Notary Seal
Katie Marie Sottiaux, Notary Public
Venango County
My commission expires December 17, 2022
Commission number 1342247
Member, Pennsylvania Association of Notaries

Exhibit "A"



INSTRUMENT 220000155
RECORDED IN THE CLERK'S OFFICE OF
DICKENSON CIRCUIT COURT ON
FEBRUARY 15, 2022 AT 02:39 PM
RICHARD W. EDWARDS, CLERK
RECORDED BY: TJB