

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Pocahontas Gas LLC

DIVISION OF GAS AND OIL

DOCKET NO.: VGOB 04-0817-1318-02

RELIEF SOUGHT: POOLING

LOCATION: SEE EXHIBITS "A" AND "A1"

HEARING DATE: March 21, 2023

UNIT NUMBER: BB-33

IN THE OAKWOOD COALBED METHANE GAS FIELD II

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, 124 Capitol Street, Suite 201, Charleston, WV 25301.

2. **Relief sought:** Re-Pooling under Oakwood Coalbed Methane Gas Field(s) II.

3. **Legal Authority:** Va. Code Ann. §45.2-1600 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-91-1119-0162; VGOB 93-0216-0325; VGOB 92/02/16-0336; and VGOB 93/03/16-0349.

4. **Type of well(s):** Coalbed methane

5. **Permit numbers, if any:** BB33C, BB33D, BB33G, BB33H

6. **Plat:** Annexed hereto are Exhibit A and the Tract Identifications for Exhibit A. The Plat shows the size and shape of the unit and the boundaries of the tracts within the unit. The plat is certified by a licensed professional engineer and is attested by the undersigned on behalf of the applicant to be in conformity with existing orders issued by the Board.

7. **Status of interests to be pooled and Applicant' standing:** The respondents whose interests are sought to be re-pooled by the Applicant are:

Thomas P. Stilwell

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 §45.2-1620.D are identified at Exhibit E. The annexed Exhibit B-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: \$2,847,208.01 (1 South Panel \$811,797.57, 2 South Panel \$2,035,410.44)** See Exhibit C which estimates the average cost per gob well and Exhibit M which estimates/reports the allocation of costs by panel. 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 §45.2-1619.C, Code of Virginia, will not be allocated for frac/gob 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: 

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 04-0817-1318-02

RELIEF SOUGHT: RE-POOLING

UNIT NUMBER: BB-33

NOTICE OF HEARING

HEARING DATE: March 21, 2023
PLACE: Virginia Dept of Energy
3405 Mountain Empire Road, Room 219
Big Stone Gap, VA 24219
and via Teleconference
TIME: 10:00 AM

COMMONWEALTH OF VIRGINIA:

To: *Thomas P. Stilwell*

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, 124 Capitol Street, Suite 201, Charleston, WV 25301.

2. **Relief sought:** Re-Pooling under Oakwood Coalbed Methane Gas Field II

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. §45.2-1600 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-91-1119-0162; 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:** **\$2,847,208.01 (1 South Panel \$811,797.57, 2 South Panel \$2,035,410.44)**

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 10:00 AM, on **March 21, 2023**, at the Virginia Energy Office, 3405 Mountain Empire Road, Big Stone Gap, Virginia 24219, 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, 3405 Mountain Empire Road, Big Stone Gap, VA 24219, 276/523-8100 or the Applicant at the address shown below.

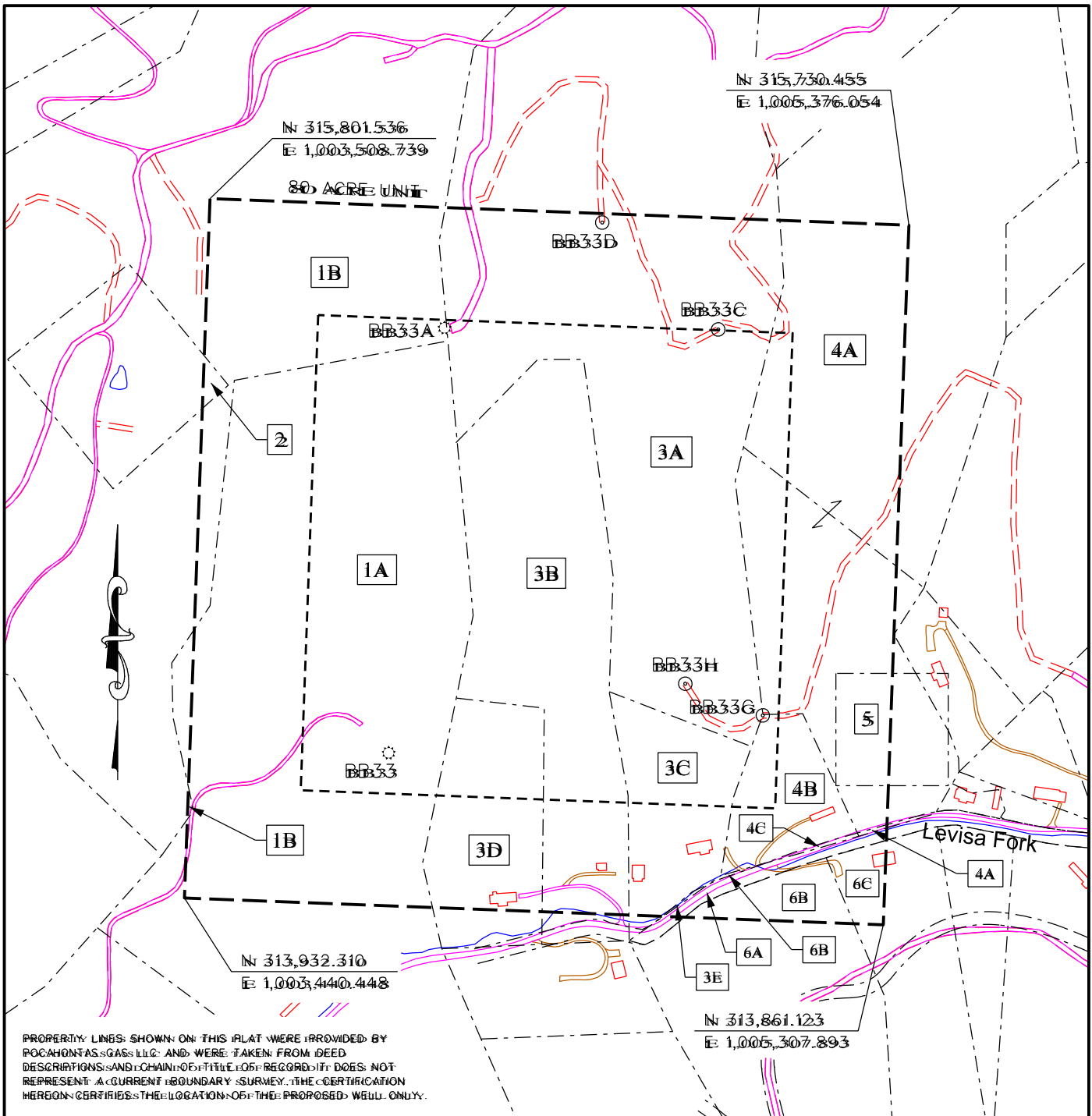
DATED: 2/16/23

POCAHONTAS GAS LLC

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 BB33
FORCE POOLING
VGC04-0817-1318-02

Company POCAHONTAS GAS LLC Well Name and Number UNIT BB33
 Tract No. _____ Elevation _____ Quadrangle Keen Mountain
 County Buchanan District Garden Scale: 1" = 400' Date _____
 This plat is a new plat ; an updated plat _____ ; or a final plat _____



Form DGO-60-7 (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

Pocahontas Gas LLC
UNIT BB33
Tract Identifications

1. Coal Mountain Mining Company, L.L.P. (346.00 Acres Tract 29) – All 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
28.89 Acres 36.1125%
- 1A. Jasper Keen Heirs - Surface
- 1B. Buchanan Mining Company LLC – Surface
2. Buchanan Mining Company LLC – Coal
Coal Mountain Mining Company Limited, L.L.P. (346.00 Acres Tract 29) – All Minerals except coal
Pocahontas Gas LLC – Oil, Gas, and CBM Leased
Buchanan Mining Company LLC – Surface
0.12 Acres 0.1500%
3. Coal Mountain Mining Company, L.L.P. (35 Acres Tract 30) – All 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
34.17 Acres 42.7125%
- 3A. Thomas Stilwell et al - Surface
- 3B. Lula Davis et al – Surface
- 3C. John Davis, et al – Surface
- 3D. John Davis – Surface
- 3E. Commonwealth of Virginia – Surface
4. Coal Mountain Mining Company, L.L.P. (128 Acres Tract 31) – All 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
13.70 Acres 17.125%
- 4A. Thomas P. Stilwell - Surface
- 4B. Emory and Delores Stilwell - Surface
- 4C. Commonwealth of Virginia – Surface
5. Thomas P. Stilwell - Fee
0.99 Acres 1.2375%

"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 BB33
Tract Identifications

- 6. Coal Mountain Mining Company, L.L.P. (160 Acres Tract 34) – All 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
2.13 Acres 2.6625%
- 6A. Commonwealth of Virginia – Surface
- 6B. Buchanan Mining Company LLC - Surface
- 6C. Tonya J. Baldwin – Surface

"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 BB-33
Docket #VGOB 04-0817-1318-02
List of all Owners/Claimants**

	Net Acres in Unit	Interest in Unit	Interest in 1 South	Interest in 2 South
			7.5780%	19.0002%
I. COAL OWNERSHIP				
<u>Tract #1 - 28.89 acres</u>				
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	28.89 acres	36.1125%		
<u>Tract #2 - 0.12 acres</u>				
(1) Buchanan Mining Company LLC PO Drawer L Oakwood, VA 24631	0.12 acres	0.1500%		
<u>Tract #3 - 34.17 acres</u>				
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	34.17 acres	42.7125%		
<u>Tract #4 - 13.70 acres</u>				
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	13.70 acres	17.1250%		
<u>Tract #5 - 0.99 acres</u>				
(1) Thomas P. Stilwell 1898 Old Kentucky Turnpike Road Raven, VA 24639	0.99 acres	1.2375%		
<u>Tract #6 - 2.13 acres</u>				
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	2.13 acres	2.6625%		
II. OIL & GAS OWNERSHIP				
<u>Tract #1 - 28.89 acres</u>				
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	28.89 acres	36.1125%	2.7366%	6.8614%
<u>Tract #2 - 0.12 acres</u>				
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	0.12 acres	0.1500%	0.0114%	0.0285%
<u>Tract #3 - 34.17 acres</u>				
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	34.17 acres	42.7125%	3.2367%	8.1155%
<u>Tract #4 - 13.70 acres</u>				
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	13.70 acres	17.1250%	1.2977%	3.2538%
<u>Tract #5 - 0.99 acres</u>				
(1) Thomas P. Stilwell 1898 Old Kentucky Turnpike Road Raven, VA 24639	0.99 acres	1.2375%	0.0938%	0.2351%

Exhibit B
Unit BB-33
Docket #VGOB 04-0817-1318-02
List of all Owners/Claimants

	Net Acres in Unit	Interest in Unit	Interest in 1 South	Interest in 2 South
			7.5780%	19.0002%
<u>Tract #6 - 2.13 acres</u>				
(1) Coal Mountain Mining Company, LLP P.O. Box 675 Tazewell, VA 24651	2.13 acres	2.6625%	0.2018%	0.5059%

Exhibit B-3
Unit BB-33
Docket #VGOB 04-0817-1318-02
List of Unleased Owners/Claimants

	Net Acres in Unit	Interest in Unit	Interest in 1 South	Interest in 2 South
			7.5780%	19.0002%

II. OIL & GAS FEE OWNERSHIP

Tract #5 - 0.99 acres

(1)	Thomas P. Stilwell 1898 Old Kentucky Turnpike Road Raven, VA 24639	0.99 acres	1.2375%	0.0938%	0.2351%
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TOTAL UNLEASED OIL AND GAS ESTATE:
Total Acres 0.99
Total Percentage 1.2375%

EXHIBIT C

Company: **Pocahontas Gas LLC**

Virginia Department of Energy Gas and Oil Program Template -- Estimate Authorization For Expenditure (AFE)

AFE #	N/A	Property #	N/A	Version #	
Well Name:	Template	Field:	Template	Completed By:	Mitchem/Bozek
Location:	Buchanan County	Operator:	Pocahontas Gas LLC	Date:	January 31, 2023
Expected Pay Zones:	Coal Seams below Tiller incl. Poca 3	Estimated Total Depth:	1,482 ft	AAPG Class:	CBM
Proposed Work:	To Drill and Produce	Participant(s):	N/A	W.I.	Amount
					\$510,123

Gen	Sub	Description	Casing Point	Completion	Total Cost
		Leasehold Costs	\$1,000	\$0	\$1,000
		Permit / Title Opinion / Survey / Insurance	\$5,200	\$0	\$5,200
		Site Construction/Surface Prep	\$32,050	\$0	\$32,050
		Drilling Contract	\$293,512	\$0	\$293,512
		Mud & Chemicals (Drilling)	\$0	\$0	\$0
		Fuel	\$0	\$0	\$0
I		Cement Casing	\$0	\$33,220	\$33,220
T		Open Hole Logging & Testing	\$4,000	\$0	\$4,000
I		Technical Supervision (Drilling)	\$0	\$0	\$0
L		Overhead Rate	\$0	\$0	\$0
E		Misc. & Contingencies	\$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
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$3,200	\$3,200
		TOTAL INTANGIBLES	\$335,762	\$36,420	\$372,182

Code	Code	Description	Casing Point	Completion	Total Cost
T		Well Casing	\$0	\$79,400	\$79,400
I		2-3/8 " 4.7 lb/ft J55 8rd Production Tubing 0 Ft	\$0	\$0	\$0
B		Wellhead Equipment / Fittings	\$0	\$10,655	\$10,655
L		Tank Battery	\$0	\$0	\$0
E		Separator / Heater / Treater	\$0	\$0	\$0
S		Electrical Install	\$0	\$17,886	\$17,886
		Rods / Stuffing Box	\$0	\$0	\$0
		Downhole Pump	\$0	\$0	\$0
		Pumping Unit / Motor / Blower	\$0	\$0	\$0
		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	\$30,000	\$30,000
		TOTAL TANGIBLES	\$0	\$137,941	\$137,941

GRAND TOTAL WELL COST			\$335,762	\$174,361	\$510,123
153	115	Plugging & Abandonment	\$52,654		
Production Costs :			\$510,123	Dry Hole Costs :	\$388,416

Prepared by: Justin Mitchem Title: Mgr CBM Development VA Date: 1/31/2023

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.

**ESTIMATE OF ALLOWABLE COSTS BY PANEL
 Buchanan SOUTH PANELS**

1 SOUTH WELLS	WELL COST	2 SOUTH WELLS	WELL COST
21 WELLS	\$510,123.00	21 WELLS	\$510,123.00

TOTAL COST 1 SOUTH = **\$10,712,583.00**
 TOTAL COST 2 SOUTH = **\$10,712,583.00**

1 SOUTH LONGWALL ALLOCATION PER 80 ACRE UNIT

UNIT	PANEL	ALLOCATION	TOTAL COST	COST ALLOCATION
X-32	1 SOUTH	7.0780%	\$10,712,583.00	\$758,234.66
X-33	1 SOUTH	3.4954%	\$10,712,583.00	\$374,449.00
Y-32	1 SOUTH	12.8624%	\$10,712,583.00	\$1,377,893.70
Y-33	1 SOUTH	6.6651%	\$10,712,583.00	\$714,008.40
Z-32	1 SOUTH	12.5550%	\$10,712,583.00	\$1,344,969.71
Z-33	1 SOUTH	6.9679%	\$10,712,583.00	\$746,440.99
AA-32	1 SOUTH	12.2752%	\$10,712,583.00	\$1,314,994.13
AA-33	1 SOUTH	7.2798%	\$10,712,583.00	\$779,856.39
BB-32	1 SOUTH	11.9679%	\$10,712,583.00	\$1,282,070.14
BB-33	1 SOUTH	7.5780%	\$10,712,583.00	\$811,797.57
CC-32	1 SOUTH	6.8028%	\$10,712,583.00	\$728,750.49
CC-33	1 SOUTH	4.4725%	\$10,712,583.00	\$479,117.82
		100.0000%		\$10,712,583.00

2 SOUTH LONGWALL ALLOCATION PER 80 ACRE UNIT

UNIT	PANEL	ALLOCATION	TOTAL COST	COST ALLOCATION
X-33	2 SOUTH	14.4142%	\$10,712,583.00	\$1,544,138.39
Y-33	2 SOUTH	19.7255%	\$10,712,583.00	\$2,113,109.12
Z-33	2 SOUTH	19.6061%	\$10,712,583.00	\$2,100,323.26
Z-34	2 SOUTH	0.1056%	\$10,712,583.00	\$11,310.57
AA-33	2 SOUTH	19.3215%	\$10,712,583.00	\$2,069,833.91
AA-34	2 SOUTH	0.4086%	\$10,712,583.00	\$43,766.98
BB-33	2 SOUTH	19.0002%	\$10,712,583.00	\$2,035,410.44
BB-34	2 SOUTH	0.7115%	\$10,712,583.00	\$76,223.39
CC-33	2 SOUTH	6.3992%	\$10,712,583.00	\$685,518.76
CC-34	2 SOUTH	0.3076%	\$10,712,583.00	\$32,948.18
		100.0000%		\$10,712,583.00
BB-33	1 SOUTH	7.5780%	\$10,712,583.00	\$811,797.57
BB-33	2 SOUTH	19.0002%	\$10,712,583.00	\$2,035,410.44
			Total for Unit BB-33	\$2,847,208.01

RE: [EXTERNAL] Please label Exhibit C on 0524-02 & 1318-02

Berry (Howery), Kelli <KelliBerry@cnx.com>

Mon 2/20/2023 4:38 PM

To: Gilmer, Sarah (Energy) <Sarah.Gilmer@energy.virginia.gov>

This is a general estimate that we are using for all of the gob wells in the south panels, so it isn't specific to a well, it is being used to calculate the allocated panel costs.

Kelli Berry

CNX | Senior Analyst Land Records/DOI

Virginia Operations | 128 Glenwood St | Cedar Bluff, VA 24609

(276) 596-5136



cnx.com

Follow us:



From: Gilmer, Sarah (Energy) <Sarah.Gilmer@energy.virginia.gov>

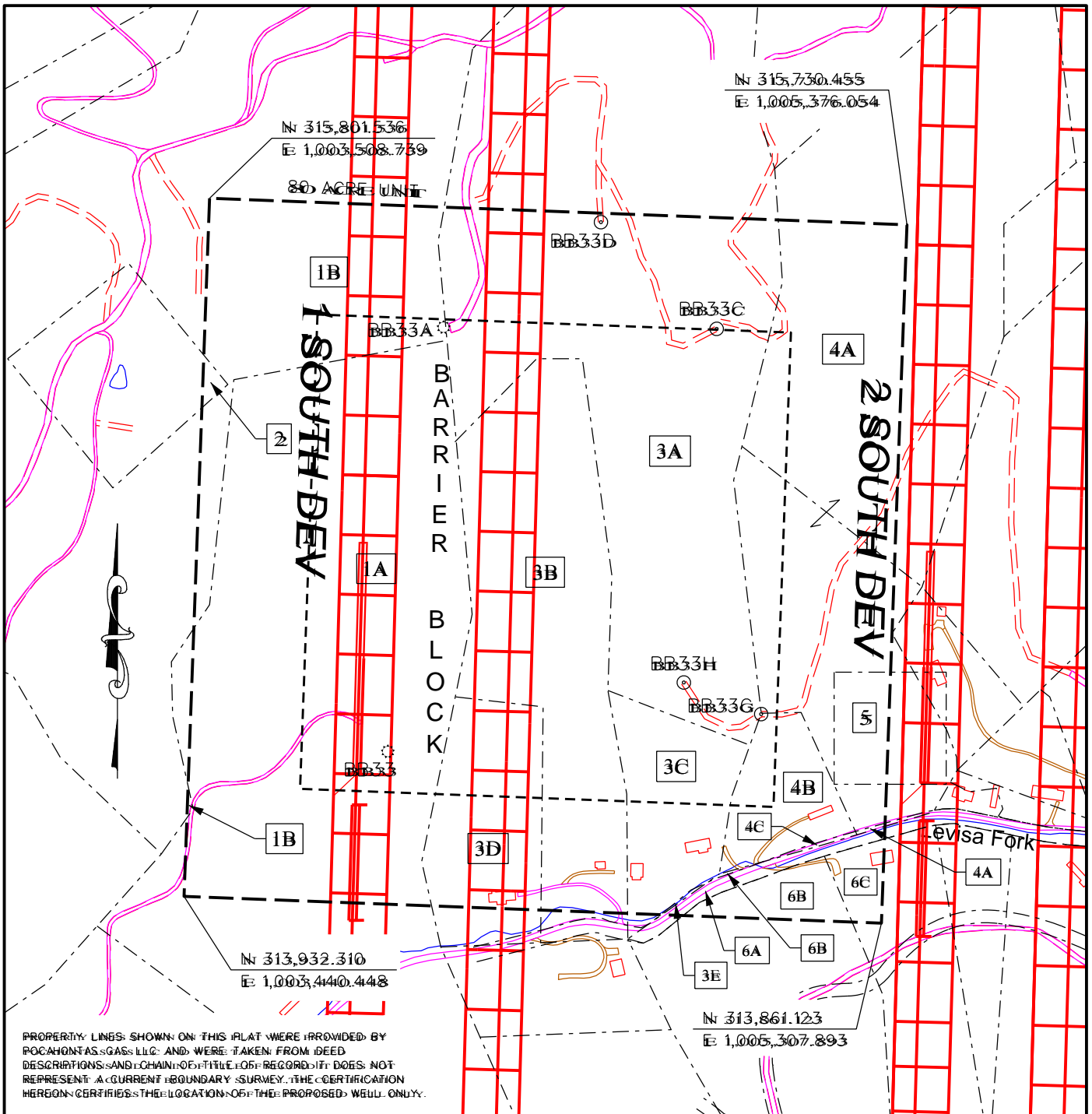
Sent: Monday, February 20, 2023 3:56 PM

To: Berry (Howery), Kelli <KelliBerry@cnx.com>

Subject: Re: [EXTERNAL] Please label Exhibit C on 0524-02 & 1318-02

Thanks! I just noticed that the well name and field say template. Would you mind to fix that?

EXHIBIT C						
Company: <u>Pocahontas Gas LLC</u>						
Virginia Department of Energy Gas and Oil Program Template -- Estimate Authorization For Expenditure (AFE)						
AFE #	N/A		Property #	N/A		
Well Name:	Template		Field:	Template		
Location:	Buchanan County		Operator:	Pocahontas Gas LLC		
Expected Pay Zones:	Coal Seams below Tiller incl. Poca 3		Estimated Total Depth:	1,482 ft	AAPG Class:	CBM
Proposed Work:	To Drill and Produce		Participant(s):	N/A	W.I.	Amount
					\$510,123	
Gen	Sub	Description	Casing Point	Completion	Total Cost	
		Leasehold Costs	\$1,000	\$0	\$1,000	
		Permit / Title Opinion / Survey / Insurance	\$5,200	\$0	\$5,200	
		Site Construction/Surface Prep	\$32,050	\$0	\$32,050	
		Drilling Contract	\$293,512	\$0	\$293,512	



CBM WELL
 PROPOSED CBM WELL

EXHIBIT A
OAKWOOD FIELD
UNIT BB33
FORCE POOLING
VCDB-04-0817-1318-02

Company POCAHONTAS GAS LLC Well Name and Number UNIT BB33
 Tract No. _____ Elevation _____ Quadrangle Keen Mountain
 County Buchanan District _____ Garden _____ Scale: 1" = 400' Date _____
 This plat is a new plat ; an updated plat _____ ; or a final plat _____

Form DGO-60-7 _____ (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

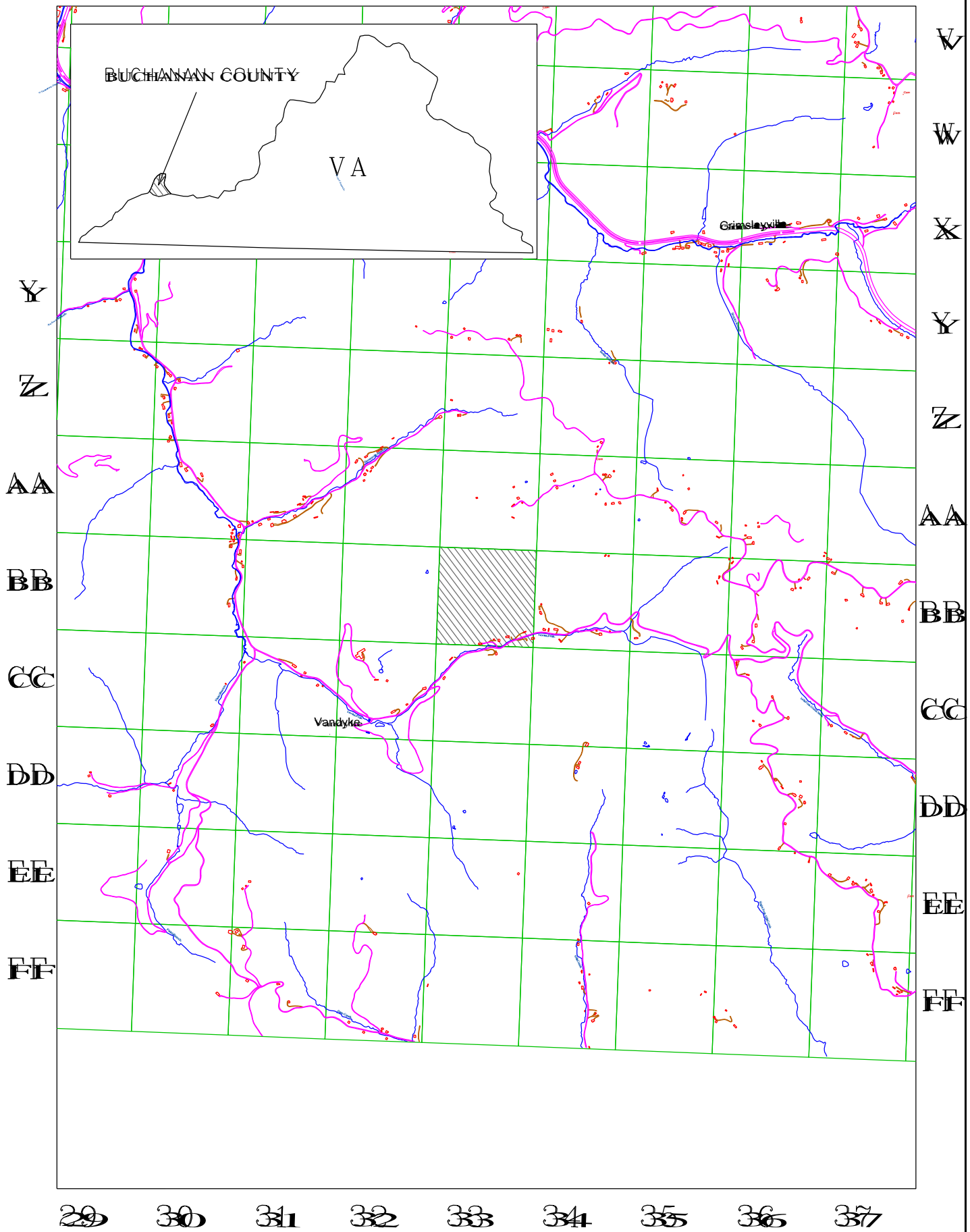


EXHIBIT A1
UNIT BB-33