

VIRGINIA DEPARTMENT OF ENERGY
BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant:	EnerVest Operating, LLC	)	
		)	
Relief Sought:	Establish Drilling Unit and	)	
	Pooling of Well No. V-536907	)	
		)	
Legal Description:	D.A. Stallard Tract	)	Docket Number:
	55.00 acres, more or less	)	VGOB-23-0919-4270
	Gladeville District	)	
	Pound Quadrangle	)	
	Wise County, Virginia	)	
		)	
	(See Exhibit A for Specific	)	
	Description)	)	

APPLICATION

SECTION 1. PARTIES

1.1 Applicant herein is EnerVest Operating, LLC, whose address is 408 West Main Street, Abingdon, Virginia 24210, and whose telephone number is (276) 628-9001. The attorney for Applicant is Timothy E. Scott, Attorneys at Law, having an address of 135 West Main Street, Suite 200, Kingsport, Tennessee, 37660, and whose telephone number is (423) 247-9376.

1.2 Applicant has the right to investigate, explore, prospect, drill for, and produce oil and/or gas underlying the drillsite tract depicted and set forth on Exhibit A attached hereto and made a part hereof. Exhibit A is a plat prepared by a licensed land surveyor or registered professional engineer showing the boundary and acreage of the Drilling Unit within which Applicant's well is proposed to be located (hereinafter referred to as the "Unit").

1.3 The names and last-known addresses of each person identified by Applicant as owning an interest of record in the oil and gas within the Unit are listed on Exhibit B, attached hereto and made a part hereof. Every individual or entity so identified as having an interest in the oil and gas in the Unit is being made a party to this application, whether known or unknown. Each of the individuals named in Exhibit B is being made a party if living; if any such individual is deceased, then the unknown heirs, devisees, executors, administrators, personal representatives, trustees and assignees, of any such deceased individual are made parties herein. Each of the entities listed in Exhibit B that is a corporation is being made a party if such entity continues to have legal existence, and if any such corporation is dissolved, then the unknown successors and assigns of such dissolved corporation are made parties herein. Each of the parties listed in Exhibit B that is an unincorporated association is being made a party if such entity continues to have legal existence, and if any such unincorporated association is

dissolved or otherwise not in existence, then the unknown successors, trustees, and assigns of such unincorporated association are made parties herein.

SECTION 2. ALLEGATION OF FACTS

A. Pooling of Interests

2.1 Applicant hereby states that it is a "gas or oil owner" within the meaning of § 45.2-1620 of the Code of Virginia, being the lessee of the oil and gas owner of the drillsite tract within the Unit. Applicant is the owner of the right to develop and produce oil and gas from all formations, from the surface to total depth drilled, underlying said tract of land, and to appropriate the oil and gas produced therefrom.

2.2 Applicant further states that there exists within the Unit (i) two or more separately owned tracts or (ii) separately owned interests in all or part of such Unit, within the meaning of § 45.2-1620 of the Code of Virginia.

2.3 Applicant further states that, as of the date of the filing of this application, it has been unable to procure a voluntary agreement from each oil and gas interest owners within the Unit, and thus is entitled to file this application to pool such interests. Those parties who have not entered into a voluntary agreement with Applicant are listed on Exhibit B-3 attached hereto and made a part hereof.

2.4 Applicant has proposed a plan of development and operation of the oil and gas formations underlying the Unit, such plan to be commenced by the drilling on the Unit of Applicant's proposed well, designated as the V-536907 Well, for the production of oil and gas from the Unit.

2.5 A well work permit for the V-536907 Well has been or will be submitted to the Virginia Department of Energy.

2.6 Applicant has exercised due diligence to locate each of the oil and gas interest owners named herein on Exhibit B-3 and has made or is making a bona fide effort to reach an agreement with all parties as to pooling their oil and gas interest for the development and operation of the well involved herein. Simultaneously with the filing of this application, Applicant has provided notice, by certified mail, return receipt requested, to each of the parties set forth on Exhibit B pursuant to the provisions of § 45.2-1618 of the Code of Virginia, being all parties known to the Applicant having an interest in the oil and gas underlying the Unit. Any owners whose identities or locations are unknown at the time of the filing of this application are shown on Exhibit B. Where the identity or location of any person or entity is unknown, then Applicant is unable to provide said persons or entities with written notice or personal service of this application. Any unknown or unlocatable owners, if any, in the Subject Drilling Unit are listed in Exhibit E. The oil and gas interests of such persons or entities, whether known or unknown, should be pooled for the development and operation of the Unit, so as to safeguard, protect, and enforce the correlative rights of oil and gas owners having interests within the Unit, and to prevent waste and avoid the drilling of unnecessary wells, thus allowing the orderly development of the oil and gas resources within the Unit.

B. Costs and Production

2.7 Applicant proposes to drill at the location depicted on the plat attached hereto as Exhibit A to an approximate depth of 5,900 feet to test for oil and gas from all formations from the base of the Lee, including but not limited to: Ravencloft, Maxon, Big Lime, Weir, Berea, Devonian Shale, and other associated formations known to the Nora Gas Field. Applicant estimates the cost for a well drilled to said depth to be \$938,975.00 if completed for production. Attached hereto and made a part hereof as Exhibit C is Applicant's Authority for Expenditure (AFE) which shows the estimated cost of drilling, completing, and equipping said well.

2.8 The estimated production over the life of the proposed well is 1,006 mmcf. Such figures regarding estimated production and the amount of any reserves for the proposed well are, however, estimates only that are not based upon actual production and should not be relied upon for any purpose.

SECTION 3. LEGAL AUTHORITY

3.1 The relief sought by this application is authorized by Virginia Code Annotated §45.2-1619 and § 45.2-1620 *et seq.* of the Code of Virginia and § 4 VAC 25-160-70 *et seq.* of the Gas and Oil Board Regulations of the Commonwealth of Virginia.

SECTION 4. RELIEF SOUGHT

4.1 Applicant requests the Board to enter an order as follows:

- a. Authorizing the drilling and operation of Applicant's proposed V-536907, as depicted on Exhibit A;
- b. Establishing a drilling unit as depicted on Exhibit A pursuant to § 45.1-1619 of the Code of Virginia. Pooling all the interests of every individual and entity owning an interest in oil and gas within the Unit, whether known or unknown, and their known and unknown heirs, devisees, executors, administrators, personal representatives, trustees, successors, and assigns, for the drilling, development, and production of oil and gas from the Unit;
- c. Designating EnerVest Operating, LLC, Applicant herein, as the operator who will be authorized to drill, complete, and operate the well drilled in the Unit, and the right to market and sell oil and gas produced from the Unit and attributable to the interests pooled herein;
- d. Prescribing the conditions under which the parties listed on Exhibit B-3 shall have the right to elect: (i) to sell or lease his gas or oil ownership to said operator on such terms as the parties may agree, or if unable to agree, upon such terms as are set forth by the Board in its order; (ii) to become a working interest owner by participating in the risk and cost of the well; or (iii) to participate in the operation of the well as a nonparticipating operator on a carried basis;
- e. Providing that all reasonable costs and expenses of drilling, completing, equipping, operating, plugging and abandoning the well to be drilled within the Unit shall be borne,

and all production therefrom shared, by all participating parties in the proportion which their working interest bears to the total acreage in the Unit;

f. Establishing a reasonable fee for the Applicant as operator for operating costs, including a reasonable supervision fee, which shall include routine maintenance of the well and all accounting necessary to pay all expenses, royalties, and amounts due working interest owners, which fee shall be borne by all parties who elect to participate as a working interest owner or as a carried interest owner; and

g. 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.

Dated this 18th day of August, 2023.

EnerVest Operating, LLC

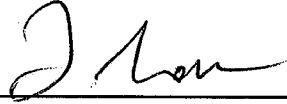
By: 

Timothy E. Scott
135 West Main Street, Suite 200
Kingsport, Tennessee 37660
(423)247-9376

Attorney for Applicant

VERIFICATION

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

A handwritten signature in black ink, appearing to read 'T. Scott', is written over a horizontal line.

Timothy E. Scott
Attorneys at Law

[c:\msword2000\enervest\2023\pooling.well no.V-536907.application August 2023]

VIRGINIA DEPARTMENT OF ENERGY
BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant:	EnerVest Operating, L.L.C.	)	
		)	
Relief Sought:	Establish Drilling Unit and Pooling	)	
		)	
Location:	See Exhibit "A"	)	Docket No.
Well Number:	V-536907	)	VGOB-23-0919-4270
		)	
Legal		)	
Description:	D.A. Stallard Tract	)	
	55.00 acres, more or less	)	
	Gladeville District	)	
	Pound Quadrangle	)	
	Wise County, Virginia	)	

NOTICE OF HEARING

HEARING DATE: September 19, 2023
PLACE: 3405 Mountain Empire Rd, Big Stone Gap, VA
24219
TIME: 10:00 a.m.

COMMONWEALTH OF VIRGINIA: To all unleased persons owning an interest in the oil and gas in and underlying the unit surrounding V-536907 described on Exhibit "A" to the Application, which is attached to this Notice, in Wise County, Virginia (hereinafter "Subject Lands") and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote:

See attached Exhibit B-3.

NOTICE IS HEREBY GIVEN that the Applicant is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order establishing a drilling unit and pooling all the rights, interests, and estates of the unleased persons pursuant to Virginia Code Ann. § 45.1-1600 et seq. in regard to the drilling, development and production of oil, gas and coalbed methane from drilling unit V-536907 containing approximately 112.69 acres, located on the above-referenced tracts situated approximately 3,900 feet west of the intersection of Virginia State Routes 640 and 792 and approximately 3,500 feet northwest of the intersection of Virginia State Route 640 and 641 Boggs Hill Road in Duncan Gap in Wise County, Virginia.

Applicant requests that the Board issue an order providing as follows:

- a. Establish a drilling unit and pooling all the interests and estates of the persons named herein and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling, development and production of oil, gas and coalbed methane from the subject drilling unit for the Subject Formations underlying and comprised of the Subject Lands;
- b. Establishing a procedure whereby each person named herein shall have the right to elect (1) to assign or lease his oil and gas interest in the subject drilling unit to the designated

operator; (2) to enter into a voluntary agreement with the designated operator to share in the operation (including the sharing in all reasonable costs of the drilling of the well and development of the unit) at a rate of payment mutually agreed to by the person making the election hereunder and the designated operator herein; or (3) to share in the operation of the well as a nonparticipating operator on a carried basis after the proceeds allocable to such person's share equal the following:

In the case of a leased tract, 300 percent of the share of the costs allocable to such person's interest; or

In the case of an unleased tract, 200 percent of the share of costs allocable to such person's interest;

c. Providing that any person named herein who does not make a timely written election under the terms of the Order to be entered herein shall be deemed to have leased his oil and gas interest in the subject drilling unit to the operator designated herein at a rate to be established by the Board;

d. Designating Applicant, EnerVest Operating, L.L.C., as Operator; providing that the Operator shall have the right to drill, develop, produce, market and sell oil and gas produced from the subject drilling unit; granting the Operator the right to market and sell oil and gas produced from the subject drilling unit which is attributable to the conflicting claims and interest pooled herein; providing that the Operator shall have an operator's lien on the oil and gas estate and rights owned or claimed by the unleased persons named herein in the subject drilling unit; and granting the Operator the right to drill at any legal or specially permitted location on the subject drilling unit;

e. Making any necessary provision for the escrow of funds pursuant to Va. Code Ann. § 45.2-1622;

f. Providing that the Order to be entered herein shall expire two (2) years from the date of its issuance if operations for the development of the subject drilling unit have not commenced by said date; but further providing that if operations have commenced during said two year period, then said order shall remain in effect for so long as operations continue on the subject drilling unit;

g. Providing that the conduct of operations on any tract in the subject drilling unit shall be deemed to be the conduct of operations on all tracts in the drilling unit; and providing that the production allocated to any tract in the pooled drilling unit shall be in the same proportion as the acreage of that tract bears to the total acreage in the drilling unit; and

h. 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.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at **10:00 a.m. on September 19, 2023 at 3405 Mountain Empire Rd, Big Stone Gap, VA 24219** and that notice will be published as required by the 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. The Board rules require that any written objections you wish to file must be filed with the Board at least 10 days before the hearing. For further information, contact the Virginia Gas and Oil Board, State Gas and Oil Inspector, Virginia Department of Energy, Division of Gas and Oil, 3405 Mountain Empire Rd, Big Stone Gap, VA 24219, (276) 523-8100 or the Applicant at the address shown below.

DATED this 18th day of August, 2023.

EnerVest Operating, L.L.C.
408 West Main Street
Abingdon, Virginia 24212



Timothy E. Scott

Counsel for
EnerVest Operating, L.L.C.
135 West Main Street
Suite 200
Kingsport, Tennessee 37660
(423) 247-9376

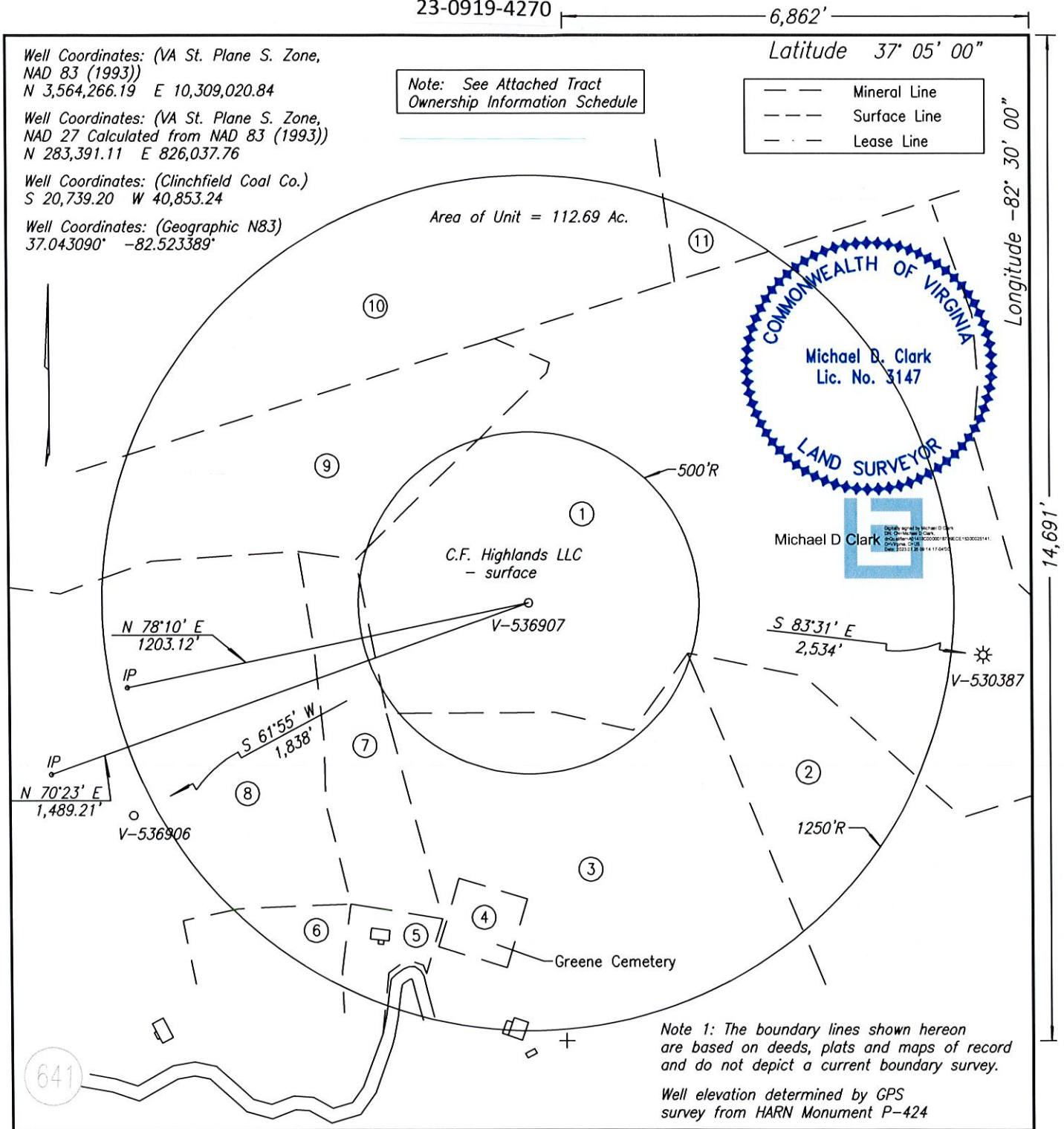
CERTIFICATE OF SERVICE

I, Timothy E. Scott, counsel for EnerVest Operating, L.L.C., hereby certify that I have on this, the 18th day of August, 2023, caused the foregoing notice and application to be served upon parties listed herein, at their address, by certified mail, return receipt requested.

Dated this 18th day of August, 2023.



Timothy E. Scott



WELL LOCATION PLAT

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER V-536907
TRACT NO. _____ ELEVATION 2,198.62 QUADRANGLE Pound
COUNTY Wise DISTRICT Gladeville SCALE 1" = 400' DATE 7-24-23
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 Professional Engineer or Licensed Land Surveyor~~

V-536907 PLAT
TRACT OWNERSHIP INFORMATION SCHEDULE
7-24-23

- ① D.A. Stallard
55 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
Gas 39.86 AC 35.37%
- ② WI-278
John R. Stallard
P/O 85.5 Acres
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
Leased
Jimmy & Rosie Vanover - oil & gas
11.57 Acres (Tr 2 of Division of 34.71 Ac.)
Gas 6.09 AC 5.40%
- ③ WI-278
P/O 85.5 Acres
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
Unleased
Jimmie Vanover Jr. & Donna Vanover - oil & gas
44.967 Acres
Gas 19.86 AC 17.62%
- ④ Greene Cemetery
WI-278 (coal)
Leased
James & Rosie Vanover - oil & gas
Gas 1.00 AC 0.89%
- ⑤ WI-278
John R. Stallard
P/O 85.5 Acres
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
Unleased
Deborah Vanover - oil & gas
2.216 Acres
Gas 1.24 AC 1.10%
- ⑥ WI-278
P/O 85.5 Acres
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
Unleased
Wiley Lee Vanover & Lisa D. Vanover - oil & gas
+/- 5.47 Acres
Gas 1.04 AC 0.92%
- ⑦ WI-36
Jas. Harmon Bevins
5.188 Acres (P/O 119.851)
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
KRP Marcellus I, et al - oil & gas
Gas 5.01 AC 4.45%
- ⑧ WI-36
Jas. Harmon Bevins
119.851 Acres
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Leased
James Vanover & Rosie Vanover - oil & gas
44.683 Acres
Gas 12.63 AC 11.22%
- ⑨ WI-36
Jas. Harmon Bevins
15.342 Acres (P/O 119.851)
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
KRP Marcellus I, et al - oil & gas
Gas 10.60 AC 9.42%
- ⑩ WI-37
G.W. Bevins
P/O 176.452 Acres
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
KRP Marcellus I, et al - oil & gas
Gas 14.45 AC 12.82%
- ⑪ G.W. Bevins
P/O 176.452 Acres
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
John H. Bevins Heirs, Unknown - oil & gas
Gas 0.92 AC 0.79%

Exhibit "B"
V-536907
23-0919-4270
8/11/2023

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
Gas Estate Only				
1	EnerVest XIV-A Nora, LLC EnerVest XIV-WIC Nora, LLC EnerVest Energy Institutional Fund XIV, 1A, L.P. Attn: Kevin Miller 408 West Main Street Abingdon, VA 24210 Tax # Minerals Only	Owner	35.37000000	39.86000000
2	Jimmy & Rosie Vanover 8262 Boggs Hill Rd Wise, VA 24293 <i>Tax ID - R020488</i>	Leased	5.40000000	6.09000000
3	Jimmy Vanover Jr. & Donna Vanover 8148 Boggs Hill Rd Wise, VA 24293 <i>Tax ID - R012449</i>	Unleased	17.62000000	19.86000000
4	Jimmy & Rosie Vanover 8262 Boggs Hill Rd Wise, VA 24293 <i>Tax ID - R020488</i>	Leased	0.89000000	1.00000000
5	Deborah Vanover 8180 Boggs Hill Rd Wise, VA 24293 <i>Tax ID - R039914</i>	Unleased	1.10000000	1.24000000
6	Wiley L. Vanover & Lisa D. Vanover 8224 Boggs Hill Rd Wise, VA 24293 <i>Tax ID - R042481</i>	Unleased	0.92000000	1.04000000
7	Tax # Minerals Only KRP Marcellus I, LLC	Unleased	0.56790900	0.63937620

Exhibit "B"**V-536907****23-0919-4270****8/11/2023**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
	777 Taylor Street, Suite 810 Fort Worth, TX 76102	OR Leased Diversified Gas & Oil Corporation PLC		
7	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.12994400	1.27213920
	Rivercrest Royalties II, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.17907200	1.32744960
	Diversified Rox Minerals, LLC C/O MSW Royalties, LLC 306 West 7th Street, Suite 901 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.15775650	1.30345170
	BRD Royalty Holdings, LLC 2777 Stemmons Freeway, Suite 1133 Dallas, TX 75207	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.14240000	0.16032000
	Amon G Carter Foundation PO Box 1036 Fort Worth, TX 76101	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.27291850	0.30726330
Tract 7 Totals			4.45000000	5.01000000
8	Jimmy & Rosie Vanover 8262 Boggs Hill Rd Wise, VA 24293 <i>Tax ID - R020488</i>	Leased	11.22000000	12.63000000
9	Tax # Minerals Only KRP Marcellus I, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.20218040	1.35277200

Exhibit "B"**V-536907****23-0919-4270****8/11/2023**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
9	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	2.39192640	2.69155200
	Rivercrest Royalties II, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	2.49592320	2.80857600
	Diversified Rox Minerals, LLC C/O MSW Royalties, LLC 306 West 7th Street, Suite 901 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	2.45080140	2.75780200
	BRD Royalty Holdings, LLC 2777 Stemmons Freeway, Suite 1133 Dallas, TX 75207	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.30144000	0.33920000
	Amon G Carter Foundation PO Box 1036 Fort Worth, TX 76101	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.57772860	0.65009800
Tract 9 Totals			9.42000000	10.60000000
10	Tax # Minerals Only KRP Marcellus I, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.63608840	1.84410900
	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	3.25525440	3.66914400
	Rivercrest Royalties II, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	3.39678720	3.82867200

Exhibit "B"
V-536907
23-0919-4270
8/11/2023

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
10	Diversified Rox Minerals, LLC	Unleased	3.33537940	3.75945650
	C/O MSW Royalties, LLC	OR		
	306 West 7th Street, Suite 901 Fort Worth, TX 76102	Leased Diversified Gas & Oil Corporation PLC		
	BRD Royalty Holdings, LLC	Unleased	0.41024000	0.46240000
	2777 Stemmons Freeway, Suite 1133	OR		
	Dallas, TX 75207	Leased Diversified Gas & Oil Corporation PLC		
	Amon G Carter Foundation	Unleased	0.78625060	0.88621850
	PO Box 1036	OR		
	Fort Worth, TX 76101	Leased Diversified Gas & Oil Corporation PLC		
Tract 10 Totals			12.82000000	14.45000000
11	John H. Bevins Heirs Unknown/Unlocateable	Unleased	0.79000000	0.92000000
TOTAL GAS ESTATE			100.00000000	112.69000000
Percentage of Unit Leased		52.88000000		
Percentage of Unit Unleased		47.12000000		
Acreage in Unit Leased		59.58000000		
Acreage in Unit Unleased		53.11000000		

Exhibit "B-3"**V-536907****23-0919-4270****8/11/2023**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
Gas Estate Only				
3	Jimmy Vanover Jr. & Donna Vanover 8148 Boggs Hill Rd Wise, VA 24293 <i>Tax ID - R012449</i>	Unleased	17.62000000	19.86000000
5	Deborah Vanover 8180 Boggs Hill Rd Wise, VA 24293 <i>Tax ID - R039914</i>	Unleased	1.10000000	1.24000000
6	Wiley L. Vanover & Lisa D. Vanover 8224 Boggs Hill Rd Wise, VA 24293 <i>Tax ID - R042481</i>	Unleased	0.92000000	1.04000000
7	Tax # Minerals Only KRP Marcellus I, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.56790900	0.63937620
	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.12994400	1.27213920
	Rivercrest Royalties II, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.17907200	1.32744960
	Diversified Rox Minerals, LLC C/O MSW Royalties, LLC 306 West 7th Street, Suite 901 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.15775650	1.30345170
	BRD Royalty Holdings, LLC	Unleased	0.14240000	0.16032000

Exhibit "B-3"**V-536907****23-0919-4270****8/11/2023**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
7	2777 Stemmons Freeway, Suite 1133 Dallas, TX 75207	OR Leased Diversified Gas & Oil Corporation PLC		
	Amon G Carter Foundation PO Box 1036 Fort Worth, TX 76101	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.27291850	0.30726330
Tract 7 Totals			4.45000000	5.01000000
9	Tax # Minerals Only KRP Marcellus I, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.20218040	1.35277200
	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	2.39192640	2.69155200
9	Rivercrest Royalties II, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	2.49592320	2.80857600
	Diversified Rox Minerals, LLC C/O MSW Royalties, LLC 306 West 7th Street, Suite 901 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	2.45080140	2.75780200
	BRD Royalty Holdings, LLC 2777 Stemmons Freeway, Suite 1133 Dallas, TX 75207	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.30144000	0.33920000
	Amon G Carter Foundation PO Box 1036 Fort Worth, TX 76101	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.57772860	0.65009800

Exhibit "B-3"**V-536907****23-0919-4270****8/11/2023**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
Tract 9 Totals			9.42000000	10.60000000
10	Tax # Minerals Only KRP Marcellus I, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.63608840	1.84410900
	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	3.25525440	3.66914400
	Rivercrest Royalties II, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	3.39678720	3.82867200
	Diversified Rox Minerals, LLC C/O MSW Royalties, LLC 306 West 7th Street, Suite 901 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	3.33537940	3.75945650
	BRD Royalty Holdings, LLC 2777 Stemmons Freeway, Suite 1133 Dallas, TX 75207	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.41024000	0.46240000
	Amon G Carter Foundation PO Box 1036 Fort Worth, TX 76101	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.78625060	0.88621850
Tract 10 Totals			12.82000000	14.45000000
11	John H. Bevins Heirs Unknown/Unlocateable	Unleased	0.79000000	0.92000000
TOTAL GAS ESTATE			47.12000000	53.11000000

Company: EnerVest Operating, L.L.C.

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

AFE #

V-536907

Location: Wise County, VA

Expected Pay Zones: RAVENCLIFF, MAXTON, BIG LIME, WEIR

Proposed Work: DRILL, COMPLETE AND PLACE INTO PRODUCTION

Property #

Version #1

Field: NORA FIELD

Completed By: TEAM

Operator: EnerVest Operating, L.L.C.

8/10/2023

Estimated Total Depth: 5,900 FT

AAPG Class: DEVELOPMENT

Participant(s): EnerVest Operating, L.L.C.

W.I.: 100%

Amount: \$938,975

	Description	Casing Point	Completion	Total Cost
I N T A N G I B L E S	Leasehold Costs	\$0	\$0	\$0
	Permit / Title Opinion / Survey / Insurance	\$12,500	\$0	\$12,500
	Building Location/Materials	\$81,152	\$6,020	\$87,172
	Roads / Stone / Culverts	\$18,500	\$5,000	\$23,500
	Surface Damages	\$8,000	\$0	\$8,000
	Drilling - Footage	\$136,585	\$0	\$136,585
	Drilling - Mobilization	\$0	\$0	\$0
	Drilling - Dayrate	\$16,200	\$0	\$16,200
	Mud & Chemicals (Drilling)	\$0	\$0	\$0
	Fuel	\$0	\$0	\$0
	Cement Services	\$30,720	\$15,000	\$45,720
	Open Hole Logging & Testing	\$16,000	\$0	\$16,000
	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	\$7,000	\$3,000	\$10,000
	Misc. & Contingencies (Insurance)	\$500	\$0	\$500
	Location Rds/Stone/Culverts	\$0	\$0	\$0
	Trucking / Dozer (Completion)	\$0	\$6,522	\$6,522
	Technical Supervision (Completion)	\$0	\$6,000	\$6,000
	Cased Hole Logging / Perforating	\$0	\$40,000	\$40,000
	Stimulation / Fracturing	\$0	\$175,000	\$175,000
	Completion Rig	\$0	\$13,025	\$13,025
	Reclamation & Damages	\$15,000	\$0	\$15,000
T A N G I B L E S	Haul Pit Water / Disposal	\$0	\$2,000	\$2,000
	Cement Production Casing	\$0	\$0	\$0
	Rental Tools & Equipment (Completion)	\$0	\$11,491	\$11,491
	Fresh Water Hauling (Completion)	\$0	\$4,250	\$4,250
	Roustabout Labor	\$2,750	\$13,266	\$16,016
	Environmental & Safety	\$1,000	\$1,000	\$2,000
	TOTAL INTANGIBLES	\$345,907	\$301,574	\$647,481

	Casing Point	Completion	Total Cost
T A N G I B L E S	40 Ft	\$0	\$1,120
	" 26 lb/ft LS Surface Csg	\$7,725	\$7,725
	" 19 lb/ft LS Intermediate Csg	\$36,632	\$36,632
	4 1/2" 9.5 lb/ft M-65 Production Csg	\$0	\$0
	4 1/2" 10.5 lb/ft M-65 Production Csg	\$0	\$63,891
	2-3/8" 4.7 lb/ft J55 8rd Production Tubing	\$0	\$41,926
	Wellhead Equipment / Fittings	\$5,044	\$1,194
	Tank Battery	\$0	\$7,178
	Separator / Heater / Treater	\$0	\$11,570
	Gas Lift Equipment	\$0	\$0
	Rods / Stuffing Box	\$0	\$0
	Downhole Pump	\$0	\$0
	Pumping Unit / Motor	\$0	\$0
	Electric Service & Equipment	\$0	\$0
	Valves & Fittings	\$0	\$4,140
	Flow Line labor/material	\$0	\$7,379
	Sales line labor/mat/row	\$0	\$103,693
	TOTAL TANGIBLES	\$50,521	\$240,972
	GRAND TOTAL WELL COST	\$396,428	\$542,546
	Plugging & Abandonment	\$35,000	
	Production Costs :	\$938,975	Dry Hole Costs :
			\$431,428

Operations

Tan Lank

Date

8/10/2023

Engineering

Tan Lank

Date

8/10/2023

Geology

Gavin Car

Date

8/10/2023

Land

Heather Miller

Date

8/10/2023

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.

Exhibit "E" - Escrow Owners

V-536907

23-0919-4270

8/11/2023

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
Gas Estate Only				
7	Tax # Minerals Only KRP Marcellus I, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.56790900	0.63937620
	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.12994400	1.27213920
	Rivercrest Royalties II, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.17907200	1.32744960
	Diversified Rox Minerals, LLC C/O MSW Royalties, LLC 306 West 7th Street, Suite 901 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.15775650	1.30345170
	BRD Royalty Holdings, LLC 2777 Stemmons Freeway, Suite 1133 Dallas, TX 75207	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.14240000	0.16032000
	Amon G Carter Foundation PO Box 1036 Fort Worth, TX 76101	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.27291850	0.30726330
Tract 7 Totals			4.45000000	5.01000000
9	Tax # Minerals Only KRP Marcellus I, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.20218040	1.35277200

Exhibit "E" - Escrow Owners

V-536907
23-0919-4270
8/11/2023

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
9	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	2.39192640	2.69155200
	Rivercrest Royalties II, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	2.49592320	2.80857600
	Diversified Rox Minerals, LLC C/O MSW Royalties, LLC 306 West 7th Street, Suite 901 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	2.45080140	2.75780200
	BRD Royalty Holdings, LLC 2777 Stemmons Freeway, Suite 1133 Dallas, TX 75207	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.30144000	0.33920000
	Amon G Carter Foundation PO Box 1036 Fort Worth, TX 76101	Unleased OR Leased Diversified Gas & Oil Corporation PLC	0.57772860	0.65009800
Tract 9 Totals			9.42000000	10.60000000
10	Tax # Minerals Only KRP Marcellus I, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	1.63608840	1.84410900
	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	3.25525440	3.66914400
	Rivercrest Royalties II, LLC 777 Taylor Street, Suite 810 Fort Worth, TX 76102	Unleased OR Leased Diversified Gas & Oil Corporation PLC	3.39678720	3.82867200

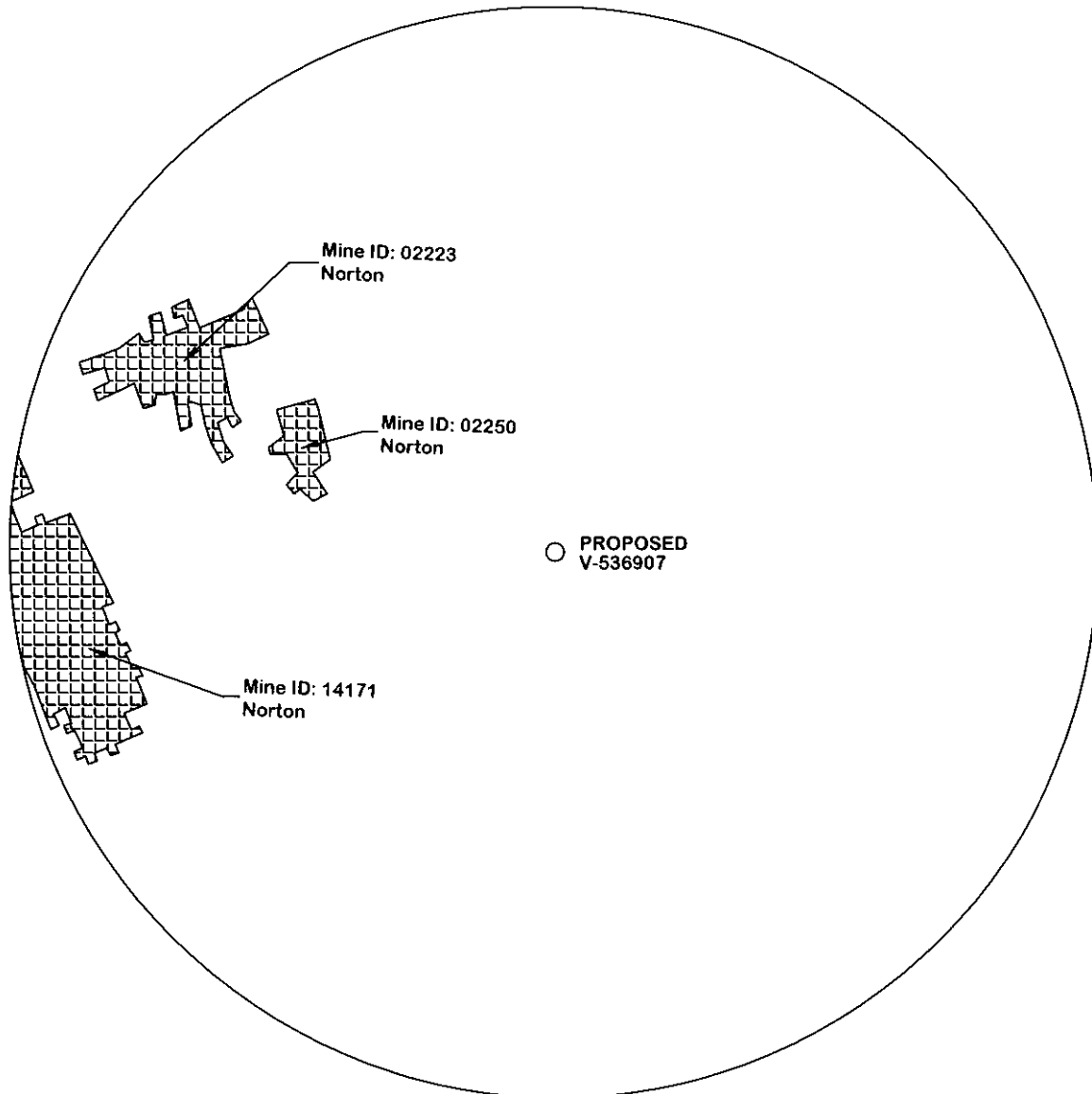
Exhibit "E" - Escrow Owners

V-536907

23-0919-4270

8/11/2023

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
10	Diversified Rox Minerals, LLC	Unleased	3.33537940	3.75945650
	C/O MSW Royalties, LLC	OR		
	306 West 7th Street, Suite 901 Fort Worth, TX 76102	Leased Diversified Gas & Oil Corporation PLC		
	BRD Royalty Holdings, LLC	Unleased	0.41024000	0.46240000
	2777 Stemmons Freeway, Suite 1133	OR		
	Dallas, TX 75207	Leased Diversified Gas & Oil Corporation PLC		
	Amon G Carter Foundation	Unleased	0.78625060	0.88621850
	PO Box 1036	OR		
	Fort Worth, TX 76101	Leased Diversified Gas & Oil Corporation PLC		
Tract 10 Totals			12.82000000	14.45000000
TOTAL GAS ESTATE			26.69000000	30.06000000



WELL & MINE LOCATION MAP

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER V-536907
QUADRANGLE Pound PERMIT NO. SCALE 1" = 400' DATE 6-30-23

NOTE: The mine locations are approximate locations taken from downloaded DMME data.
The maps are to be used for anticipated drilling conditions only.

VIRGINIA:

BEFORE THE VIRGINIA DEPARTMENT OF ENERGY

APPLICANT: EnerVest Operating, LLC) VIRGINIA GAS
) AND OIL BOARD
RELIEF SOUGHT: (1) ESTABLISHMENT OF THE DRILLING)
UNIT DEPICTED IN **EXHIBIT A** HERETO) DOCKET NO.
AND SERVED BY WELL NO. V-536907) **VGOB-23-0919-4270**
containing 112.69 acres)
(herein "Subject Drilling Unit"))
PURSUANT TO VA. CODE § 45.2-1619;)
(2) POOLING OF INTERESTS IN)
SUBJECT DRILLING UNIT PURSUANT TO)
VA. CODE § 45.2-1620, FOR THE)
PRODUCTION OF GAS OTHER THAN)
COALBED METHANE GAS FROM SUBJECT)
FORMATIONS (herein referred)
to as "**Conventional Gas**" or "Gas");)
and (3) DESIGNATE THE APPLICANT)
AS THE UNIT OPERATOR FOR THE)
SUBJECT DRILLING UNIT)
)
LEGAL DESCRIPTION:)
)
DRILLING UNIT SERVED BY WELL NUMBERED)
V-536907 TO BE DRILLED IN)
THE LOCATION DEPICTED ON **EXHIBIT A** HERETO,)
D.A. Stallard Tract)
55.00 acres, more or less)
POUND QUADRANGLE)
GLADEVILLE DISTRICT)
WISE COUNTY, VIRGINIA)
(the "Subject Lands" are more particularly)
described on **Exhibit A** attached hereto)
and made a part hereof)
)
TAX MAP IDENTIFICATION NUMBERS:)
)
TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS)
AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBIT(S))
B-3 WHICH IS/ARE ATTACHED TO AND A PART OF)
THIS ORDER.)

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **10:00 a.m.** September **19, 2023**, at 3405 Mountain Empire Road, Big Stone Gap, Virginia.

2. Appearances: **Timothy E. Scott** appeared for the Applicant.

3. Jurisdiction and Notice: Pursuant to Va. Code § 45.2-1600 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.2-1618 to notice of the Application filed herein; and (3) that the persons set forth in their Application and Notice of Hearing have been identified by Applicant through its due diligence as Owners or Claimants of Conventional Gas interests underlying Subject Drilling Unit, including those set out in **Exhibit B-3** who have not heretofore leased, sold or voluntarily agreed with the Applicant to pool their Gas interests in Subject Drilling Unit. Unknown and/or Unlocatable Owners/Claimants or Conflicting Claimants, if any, in the Subject Drilling Unit are listed on **Exhibit E**. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19 B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of due process.

4. Amendments: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.2-1619, the Board establish Subject Drilling Unit to be served by **Well No. V-536907**; and (2) that pursuant to Va. Code § 45.2-1619, the Board pool the rights, interests and estates in and to the Conventional Gas of the known and unknown persons listed in the attached **Exhibit B-3**, and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Conventional Gas from the Subject Drilling Unit established for Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "Well Development and/or Operation in the Subject Drilling Unit"); and, (3) that the Board designate **EnerVest Operating, LLC** as Unit Operator.

7. Relief Granted: The requested relief in this cause shall be and hereby is granted.

7.1 The Board hereby: (1) establishes Subject Drilling Unit pursuant to Va. Code § 45.2-1619; (2) pursuant to Va. Code § 45.2-1620 (C) (3), designates **EnerVest Operating, LLC**. (hereinafter "Unit Operator") as the Operator authorized to drill and operate **Well No. V-536907** in the Subject Drilling Unit at the location depicted on the plat attached hereto as **Exhibit A** to produce Conventional Gas from Subject Formations, subject to the permit provisions contained in § 45.2-1631 *et seq.*, Code of Virginia, 1950 as amended, to § 4 VAC 25-150 *et seq.*, Gas and Oil Regulations and to § 4 VAC 25-160 *et seq.*, Virginia Gas and Oil Board Regulations, all as amended from time to time; and (3) pursuant to Va. Code § 45.1-1620, the rights, interests, and estates in and to the Conventional Gas in Subject Drilling Unit including those of the known and unknown persons listed on **Exhibit B-3**, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns, and successors, both immediate and remote, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands. There are no applicable field rules and the unit is subject to statewide spacing requirements of Va. Code § 45.2.1616.

8. Election and Election Period: In the event any Gas owner named in the Application and Notice of Hearing has not heretofore reached a voluntary agreement to share in the operation of the well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said Gas owner and the Operator, then, such person may elect one of the options set forth in Paragraph 9 below and must give

written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date of receipt of a copy of this Order. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed his written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

- 9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in **Exhibit B-3** who has not reached a voluntary agreement with the Operator may elect to participate in the Well Development and Operation on the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the Well Development and Operation, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Completion-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs: **\$938,975.00**

Any gas owner and/or claimants named in **Exhibit B-3**, who elects this option (Option 1) understands and agrees that their initial payment under this option is for their proportionate share of the Applicant's estimate of actual costs and expenses. It is also understood by all persons electing this option that they are agreeing to pay their proportionate share of the actual costs and expenses as determined by the operator in this Board Order.

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's "Percent of Unit" times the Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Completed-for-Production Cost as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the Well Development and Operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in **Exhibit B-3** in the unit who has not reached a voluntary agreement with the Operator may elect to accept a cash bonus consideration of **\$5.00** per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Gas produced from any Well Development and Operation covered by this Order multiplied by the Gas owner's percentage Interest Within Unit as set forth in the Application and Notice of Hearing (for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead,

including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within one hundred twenty (120) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this Order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing Gas owner in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any Well Development and Operation covered hereby and such electing person shall be deemed to and hereby does lease and assign its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the Well Development and Operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any Gas Owner or Claimant named in **Exhibit B-3** hereto who does not reach a voluntary agreement with the Operator may elect to share in the Well Development and Operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. Any Gas Owner and/or Claimant named in **Exhibit B-3** who elects this option (Option 3) understands and agrees that Completed-for-Production Costs are the Operator's actual costs for well development and operation. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation

covered hereby and such electing person shall be deemed to have and hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which his interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in **Exhibit B-3** hereto does not reach a voluntary agreement with the Applicant and fails to do so within the time, in the manner, and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed Well Development and Operation in Subject Drilling Unit and shall be deemed, subject to any final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to Gas in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in **Exhibit B-3** elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within one hundred twenty (120) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in **Exhibit B-3** is unable to reach a voluntary agreement to share in the Well Development and Operation contemplated by this Order at a rate of payment agreed to mutually by said Owner or Claimant and the Applicant, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the Well Development and Operation in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Applicant such person's right, interests, and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections.

13. Unit Operator (or Operator): **EnerVest Operating, LLC** shall be and hereby is designated as Unit Operator authorized to drill and operate **Well No. V-536907** in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code § 45.2-619 *et seq.*, §§ 4 VAC 25-150 *et seq.*, Gas and Oil Regulations and §§ 4 VAC 25-160 *et seq.*, Virginia Gas and Oil Board Regulations, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

EnerVest Operating, LLC
408 West Main Street
Abingdon, VA 24212

Phone: (276) 628-9001
Fax: (276) 628-7246
Attn: Vice President Land

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the well covered hereby within seven hundred and thirty (730) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which the well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the two-year period referenced herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating the well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions: Applicant has represented to the Board that there **are** Unknown and/or Unlocatable Gas Owners within the Subject Drilling Unit whose interests are not subject to the escrow requirements of Paragraph 16.1 of the Subject Drilling Unit; and, the Applicant has represented to the Board that there **are** conflicting claimants in the Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.2 hereof. Therefore, by this Order and unless and until otherwise ordered by the Board, the Escrow Agent named herein, or any successor named by the Board, **is** required to establish an interest-bearing escrow account for **Tract 7 constituting 4.45% of the Subject Drilling Unit** and Tract 9 constituting 9.42% of the Subject Drilling Unit and Tract 10 constituting 12.82% of the Subject Drilling Unit (herein "Escrow Account"), and to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described in Paragraphs 16.1 and 16.2:

**First Bank and Trust Company`
Trust Division
408 West Main Street
Abingdon, Virginia 24210
Tel: (276) 466-9222
Attention: Jody Maney**

- 16.1 Escrow Provisions for Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment or other payment shall not be commingled with any funds of the Unit Operator and shall, pursuant to Va. Code § 45.2-1620 be lessor's share of proceeds shall be paid and held for his benefit. Such escrowed proceeds shall be deemed to be unclaimed property and shall be disposed of pursuant to the provisions of the Virginia Disposition of Unclaimed Property Act (§ 55.1-2500 et seq.) and shall be deposited by the Operator within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s).
- 16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment due and owing

under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to Unit Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.2-1622 et seq., be deposited by the Operator into the Escrow Account within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:
 - 17.1. Applicant is **EnerVest Operating, LLC**. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 17.2. Applicant **EnerVest Operating, LLC**, is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;
 - 17.3. Applicant **EnerVest Operating, LLC**, claims ownership of Gas leases on **52.88%** percent of Subject Drilling Unit and the right to explore for, develop, and produce Gas from same;
 - 17.4. Applicant has proposed the drilling of **Well No. V-536907** to a depth of **5,900** feet on the Subject Drilling Unit at the location depicted on **Exhibit A** to develop the pool of Gas in Subject Formations, and to complete and operate **Well No. V-536907** for the purpose of producing Conventional Gas.
 - 17.5. The estimated production of the life of the proposed **Well No. V-536907** is 1006 mmcf.
 - 17.6. With this Application, notice was provided to everyone claiming an ownership interest relative to the production of conventional gas in the Subject Drilling Unit. Set forth in **Exhibit B-3**, is the name and last known address of each Owner or Claimant identified by the Applicant as Gas owners in Subject Drilling Unit who has not, in writing, leased to the Applicant or the Unit Operator or agreed to voluntarily pool his interests in Subject Drilling Unit for its development. Gas interests unleased to the Operator and listed in **Exhibit B-3** represent **47.12%** percent of Subject Drilling Unit;
 - 17.7. Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in the Wells are those options provided in Paragraph 9 above;
 - 17.8. The Subject Drilling Unit does not constitute an unreasonable or arbitrary exercise of Applicant's right to explore for or produce Gas;
 - 17.9. The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in **Exhibit B-3** hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Conventional Gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt by the Unit Operator to each Respondent named in **Exhibit B-3** pooled by this Order and whose address is known.

19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**

21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.

22. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.