

VIRGINIA DEPARTMENT OF ENERGY

BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant:	EnerVest Operating, L.L.C.	)	
		)	
		)	
Relief Sought:	Pooling VCI-530583 Nora Grid 85-AU	)	
	Nora Coalbed Gas Field	)	
Legal		)	
Description:		)	
	Dennis Associates, Inc. et al. Tract	)	Docket Number:
	P/O 248.4 acres, more or less	)	VGOB-23-1121-4278
	Hurricane District	)	
	Vansant Quadrangle	)	
	Buchanan County, Virginia	)	
		)	
	(See Exhibit "A" For Specific	)	
	Description)	)	

APPLICATION

1. Parties: Applicant herein is EnerVest Operating, L.L.C., whose address for the purposes hereof is 408 West Main Street, Abingdon, Virginia 24212 Telephone: (276) 628-9001. The attorney for Applicant is Timothy E. Scott, whose address is 135 West Main Street, Suite 200, Kingsport, Tennessee 37660, Telephone: (423) 247-9376. The unleased entities or persons are listed on Exhibit B-3, attached hereto and made a party hereto. Set forth in Exhibit B is the name and last-known address of each owner of record identified by Applicant as having an interest in the oil, gas and coalbed methane underlying the unit described in Exhibit A, attached hereto and made part hereof. Each of the unleased individuals named in Exhibit B-3 is being made a party if living; if any such individual is deceased, then the unknown heirs, executors, administrators, devisees, trustees and assignees, both immediate and remote, of any such deceased individual are made parties herein. Each of the unleased entities listed in Exhibit B-3 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, trustees, and assigns, both immediate and remote, of such dissolved corporation are made parties herein. Each of the unleased entities listed in Exhibit B-3 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, both immediate and remote, of such unincorporated association are made parties herein.

2. Allegation of Facts: Applicant is the owner of the right to develop and produce coalbed methane from all formations, from the surface to the total depth drilled within the Nora Coalbed Gas Field and underlying the lands described on Exhibit A attached hereto and made a part hereof and to appropriate the oil, gas and coalbed methane produced therefrom.

- (a) Applicant has proposed a plan of development and operation of the Formations underlying the drilling unit involved herein (described and depicted on Exhibit A attached hereto and made a part hereof) and has proposed to commence such plan of development and operation of such unit by a well, designated as well number VCI-530583 Nora Grid 85-AU under such plan in the lands involved herein so as to produce oil, gas and coalbed methane from the proposed unit.

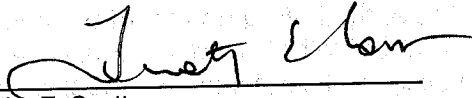
- (b) A Well work permit for well number VCI-530583 Nora Grid 85-AU is currently or is anticipated to be pending before the Virginia Department of Energy.
- (c) Applicant has exercised due diligence to locate each of the oil, gas and coalbed methane interest owners named herein at Exhibit B-3 and has made or is making a bona fide effort to reach an agreement with all unleased parties as to pooling their interest for the development and operation of the well involved herein. Simultaneously with the filing of this application, Applicant has provided notice to each of the unleased parties set forth in Exhibit B-3 pursuant to the provisions of § 45.2-1618 of the Virginia Code Annotated. Applicant hereby notifies the Board that where the identity or location of any person is shown as "unknown" on Exhibit B-3, then Applicant is unable to provide such person with written notice of the application herein. The interest of all unleased persons in the Formations underlying the drilling unit for well number VCI-530583 Nora 85-AU should be pooled for the development and operation thereof.
- (d) Applicant proposes to drill at the permitted location to an approximate depth of 2,300 feet on the Subject Lands to test for oil, gas and coalbed methane in the Subject Formations, including all Pennsylvanian age coals from the top of the Aily, including but not limited to Raven, Jawbone Rider, Jawbone, Tiller, Upper Seaboard, Greasy Creek, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas #9, Pocahontas #3, Pocahontas #2, and Pocahontas #1 and any unnamed coal seams and other associated formations known as the Nora Coalbed Gas Field. Applicant estimates the cost for a well to said depth to be \$613,840.00 for a well completed for production. Exhibit C, attached hereto and made part hereof, is Applicant's signed Authorization for Expenditure ("AFE") which shows the estimated cost of drilling, completing and equipping said well.
- (e) The estimated production over the life of the proposed well is 700 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.

3. Legal Authority: The relief sought by this Application is authorized by Virginia Code Annotated § 45.2-1620 et seq. and § 4 VAC 25-160-70 et seq.

4. Relief Sought: Applicant requests the Virginia Gas and Oil Board to enter an order pooling all unleased interests or estates of all persons or entities owning oil, gas and coalbed methane interests in the Formations underlying the tracts encompassed by the drilling unit supporting well number VCI-530583 Nora Grid 85-AU, and (I) authorizing the drilling and operation of a well for the production of oil, gas and coalbed methane from the pooled acreage; (II) designating Applicant as the party authorized to drill and operate such well; (III) prescribing the time, manner, and other conditions under which unleased parties owning an interest in the oil, gas and coalbed methane may elect to participate in the operation of such well, or to exercise their rights of election under the applicable statutes; (IV) providing that all reasonable costs and expenses of drilling, completing, equipping, operating, plugging and abandoning such well shall be borne, and all production therefrom, shared, by all participating parties in the proportion which the acreage in the pooled tracts owned or under lease to each such participating party bears to the total acreage in such unit; and (V) making provision for the payment of all reasonable costs of the operation, including a reasonable supervision fee, to the Applicant by all parties who elect to participate therein or who elect to be carried interest owners.

Dated this 2nd day of November, 2023.

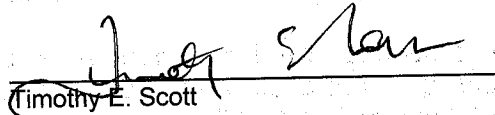
ENERVEST OPERATING, L.L.C



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

VERIFICATION

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


(Timothy E. Scott)

VIRGINIA DEPARTMENT OF ENERGY
BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant:	EnerVest Operating, L.L.C.	)	
		)	
Relief Sought:	Pooling	)	
		)	
Location:	See Exhibit "A"	)	Docket No.
Well Number:	VCI-530583 Nora Grid 85-AU	)	VGOB-23-1121-4278
	Nora Coalbed Gas Field	)	
		)	
Legal		)	
Description:	Dennis Associates, Inc. et al.Tract	)	
	P/O 248.4 acres, more or less	)	
	Hurricane District	)	
	Vansant Quadrangle	)	
	Buchanan County, Virginia	)	

NOTICE OF HEARING

HEARING DATE: November 21, 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, gas and coalbed methane in and underlying the unit surrounding VCI-530583 Nora Grid 85-AU described on Exhibit "A" to the Application, which is attached to this Notice, in Buchanan 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 pooling all the rights, interests, and estates of the unleased persons pursuant to Virginia Code Ann. § 45.2-1600 *et seq.* in regard to the drilling, development and production of oil, gas and coalbed methane from drilling unit VCI-530583 Nora Grid 85-AU containing approximately 58.77 acres, located on the above-referenced tracts situated approximately 1,500 feet southwest of the intersection of Virginia State Routes 603 Fox Fire Road and 657 and approximately 2,800 feet northeast of the intersection of Virginia Route 657 and Ivy Lick Branch in the Hurricane District, Vansant Quadrangle of Buchanan County, Virginia.

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

- a. 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, gas and coalbed methane 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, gas and coalbed methane 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, gas and coalbed methane produced from the subject drilling unit; granting the Operator the right to market and sell oil, gas and coalbed methane 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, gas and coalbed methane 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.

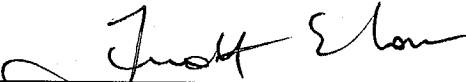
NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at **10:00 a.m. on November 21, 2023** at 3405 Mountain Empire Rd, Big Stone Gap, VA 24219 and that notice will be published as required by the law and the rules of the Board.

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, call 276-523-8100 or the Applicant at the address shown below.

DATED this 2nd day of November, 2023.

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



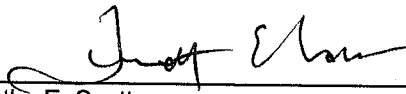
Timothy E. Scott

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 2nd day of November, 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 2nd day of November, 2023.



Timothy E. Scott

Well Coordinates: (Geographic N83)
37.128120° -82.118794°

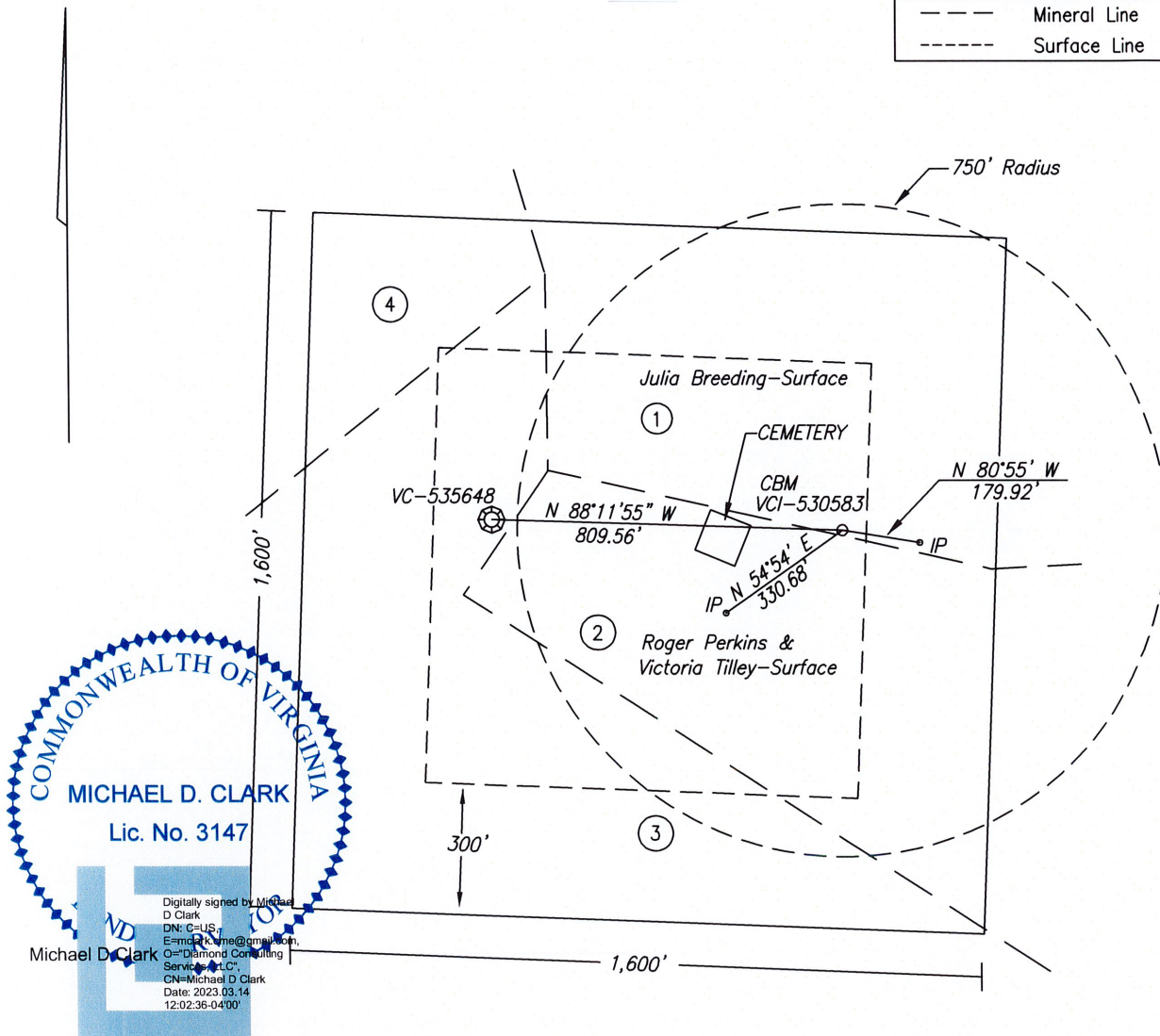
Well Coordinates: (UTM N27, Zone 17)
N 13,482,438.60 E 1,314,315.85

Latitude 37° 10' 00"

--- Mineral Line
- - - Surface Line

Longitude 82° 05' 00"

14,075'



Note 1: The boundary lines shown hereon are based on deeds, plats and maps of record and do not depict a current boundary survey.
Property information provided by Enervest Operating LLC.

Note 2: The well will be drilled within 10' of the permitted coordinates.

Well elevation determined by GPS survey from NGS OPUS

Area of Unit = 58.77 Ac.

Well Coordinates: (VA St. Plane S. Zone, NAD 83)
N 3,590,423.61 E 10,428,193.85

Well Coordinates: (VA St. Plane S. Zone, NAD 27 Calculated from NAD 83)
N 309,545.56 E 945,207.97

Well Coordinates: (Clinchfield Coal Co.)
N 10,217.78 E 77,145.42

WELL LOCATION PLAT NORA GRID AU-85

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER VCI-530583
TRACT NO. ELEVATION 1,998.02' QUADRANGLE Vansant
COUNTY Buchanan DISTRICT Hurricane SCALE 1" = 400' DATE 3-10-2023

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~~

VCI-530583 PLAT
TRACT OWNERSHIP INFORMATION SCHEDULE
3/10/2023

Page 1 of 1

- ① Lease No. 244790L
Dennis Associates, Inc- 1/3 Int coal & gas
P/O 248.4 Ac
Julia Breeding Heirs- 1/3 Int coal, oil, & gas
Vince Breeding Heirs- 1/3 Int coal, oil, & gas
Gas 15.98 Ac. 27.19%

- ② T-606 Joseph Pressley
580.19 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
Gas 15.44 Ac. 26.27%

- ③ T-597 Jacob Lester
225.00 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 - Oil, Gas & CBM
Gas 23.03 Ac. 39.19%

- ④ T-599 Jacob Lester
230.96 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
Gas 4.32 Ac. 7.35%

Exhibit "B"
VCI-530583
23-1121-4278
10/27/2023

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
Gas Estate Only				
1	Tax # Minerals Only Dennis Associates, Inc. P.O. Box 2005 Grundy, VA 24614	Leased	9.06333300	5.32670000
	Yvonne & Carl Ray Route 1, Box 253 Vansant, VA 24656	Leased	1.51055600	0.88780000
	Louise V. Allen 1613 Mars Hill Drive - D Dayton, OH 45449	Leased	1.51055600	0.88780000
	Zane F. & Alleen Breeding 634 Mears Drive Miamisburg, OH 45342	Leased	1.51055600	0.88780000
	Udell & Roxie A. Breeding 1327 Marsha Drive Miamisburg, OH 45342	Leased	1.51055600	0.88780000
	Arthur F. & Kimberly Breeding 1441 Long Island Ct. Dayton, OH 453434	Leased	1.51055600	0.88780000
	Novelada E. Kahlau P.O. Box 2014 Marco Island, FL 34146	Leased	1.51055600	0.88780000
	Tyler B. Breeding 8274 Clifton Farm Ct Alexandria, VA 22306	Leased	7.04926451	4.14280075
	Ken Titus Breeding 12455 Yeawood Drive Boston, VA 22713	Unleased	2.01406649	1.18369925
Tract 1 Totals			27.19000000	15.98000000

Exhibit "B"
VCI-530583
23-1121-4278
10/27/2023

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
2	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	26.27000000	15.44000000
3	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	39.19000000	23.03000000
4	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	7.35000000	4.32000000
TOTAL GAS ESTATE			100.00000000	58.77000000
Percentage of Unit Leased		97.98593351		
Percentage of Unit Unleased		2.01406649		
Acreage in Unit Leased		57.58630075		
Acreage in Unit Unleased		1.18369925		

Exhibit "B-3"**VCI-530583****23-1121-4278****10/27/2023**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
Gas Estate Only				
1	Tax # Minerals Only Ken Titus Breeding 12455 Yeawood Drive Boston, VA 22713	Unleased	2.01406649	1.18369925
TOTAL GAS ESTATE			2.01406649	1.18369925

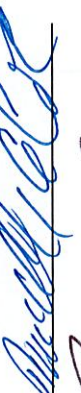
Company: EnerVest Operating, L.L.C.

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

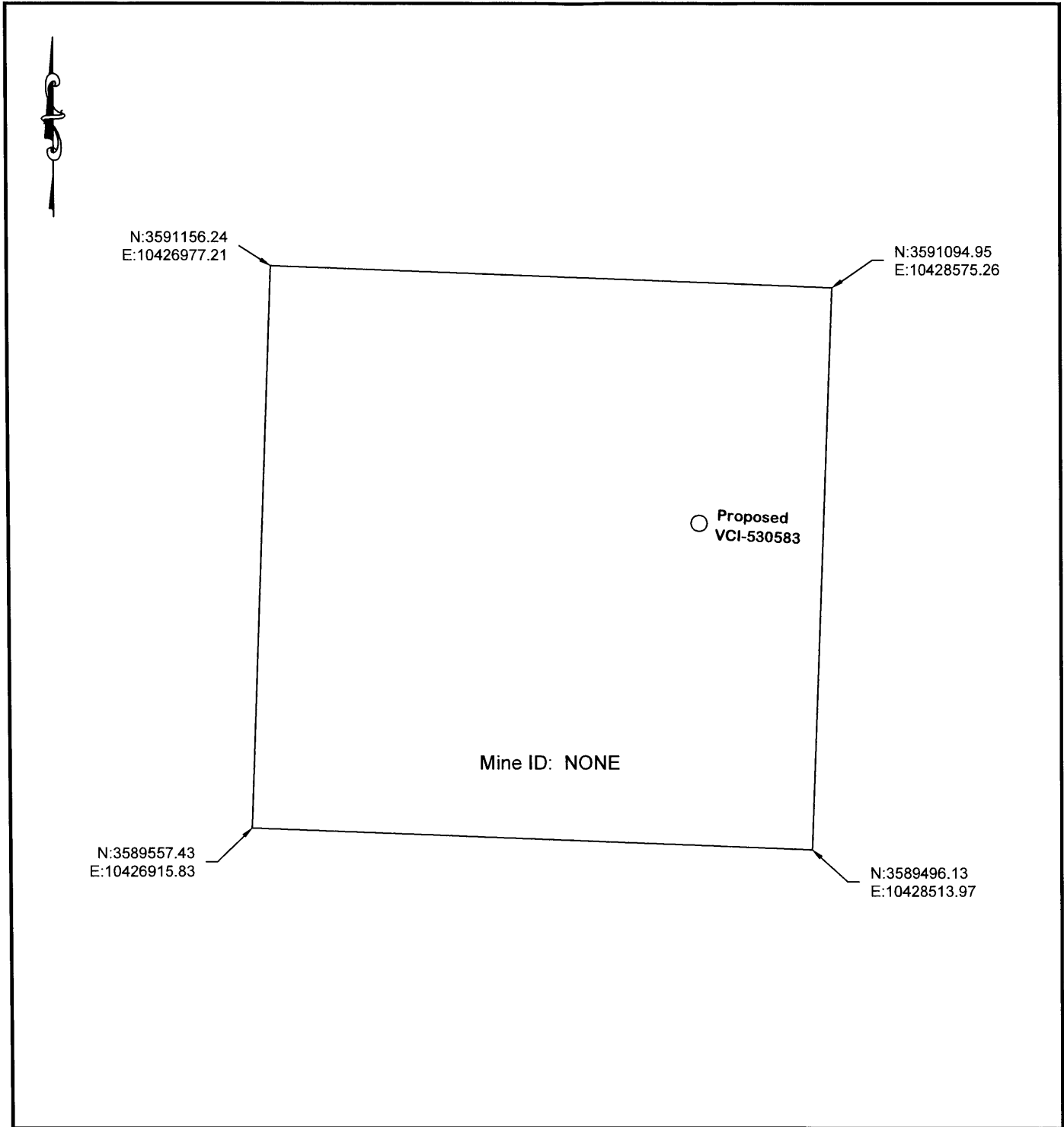
AFE #	
VCI-530583	
Location: Buchanan County, VA	
Expected Pay Zones: PENNSYLVANIAN COALS	
Proposed Work: DRILL, COMPLETE AND PLACE INTO PRODUCTION	
Property #	Version # 1
Field: NORA FIELD	Completed By: TEAM
Operator: EnerVest Operating, L.L.C.	11/1/2023
Estimated Total Depth: 2,300 FT	AAPG Class: DEVELOPMENT
Participant(s): EnerVest Operating, L.L.C.	W.I.: 100% Amount: \$613,840

	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	\$8,200	\$0	\$8,200
	Building Location/Materials	\$53,402	\$6,020	\$59,422
	Roads / Stone / Culverts	\$11,000	\$3,000	\$14,000
	Surface Damages	\$10,000	\$0	\$10,000
	Drilling - Footage	\$58,380	\$0	\$58,380
	Drilling - Mobilization	\$0	\$0	\$0
	Drilling - Dayrate	\$0	\$0	\$0
	Mud & Chemicals (Drilling)	\$0	\$0	\$0
	Fuel	\$0	\$0	\$0
	Cement Services	\$6,100	\$11,159	\$17,259
	Open Hole Logging & Testing	\$2,830	\$0	\$2,830
	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	\$3,600	\$3,600
	Cased Hole Logging / Perforating	\$0	\$35,400	\$35,400
	Stimulation / Fracturing	\$0	\$141,755	\$141,755
	Completion Rig	\$0	\$13,025	\$13,025
	Reclamation & Damages	\$12,000	\$0	\$12,000
	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	\$8,876	\$11,626
	Environmental & Safety	\$1,000	\$1,000	\$2,000
	TOTAL INTANGIBLES	\$173,162	\$251,098	\$424,260

		Casing Point	Completion	Total Cost
T A N G I B L E S	" Conductor	40 Ft	\$1,120	\$1,120
	" 26 lb/ft LS Surface Csg	300 Ft	\$4,050	\$4,050
	" 19 lb/ft LS Intermediate Csg	Ft	\$0	\$0
	4 1/2" 9.5 lb/ft M-65 Production Csg	Ft	\$0	\$0
	4 1/2" 10.5 lb/ft M-65 Production Csg	2,300 Ft	\$28,598	\$28,598
	2-3/8" 4.7 lb/ft J55 8rd Production Tubing	2,250 Ft	\$18,650	\$18,650
	Wellhead Equipment / Fittings	\$3,990	\$1,083	\$5,074
	Tank Battery			
	Separator / Heater / Treater	\$0	\$16,762	\$16,762
	Gas Lift Equipment	\$0	\$8,178	\$8,178
	Rods / Stuffing Box	\$0	\$0	\$0
	Dowhole Pump	\$0	\$7,590	\$7,590
	Pumping Unit / Motor	\$0	\$2,000	\$2,000
	Electric Service & Equipment	\$0	\$15,984	\$15,984
	Valves & Fittings	\$0	\$40,000	\$40,000
	Flow Line labor/material	\$0	\$0	\$0
	Sales line labor/mat/row	\$0	\$10,679	\$10,679
	TOTAL TANGIBLES	\$9,160	\$180,419	\$189,580
	GRAND TOTAL WELL COST	\$182,322	\$431,518	\$613,840
	Plugging & Abandonment	\$35,000		
	Production Costs :	\$613,840	Dry Hole Costs :	\$217,322

Operations		Date	<u>11/2/2023</u>
Engineering		Date	<u>11/2/2023</u>
Geology		Date	<u>11/2/2023</u>
Land		Date	<u>11/2/2023</u>

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.



WELL & MINE LOCATION MAP

NORA GRID AU 85

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER VCI-530583
QUADRANGLE Vasant PERMIT NO. SCALE 1" = 400' DATE 3-10-23

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	POOLING OF INTERESTS IN A 58.77	)	
	ACRE SQUARE DRILLING UNIT	)	
	DESCRIBED IN EXHIBIT A HERETO	)	DOCKET NO.
	LOCATED IN THE NORA COALBED	)	VGOB-23-1121-4278
	GAS FIELD AND SERVED BY WELL	)	
	No. VCI-530583-CBM Unit 85-AU	)	
	(herein "Subject Drilling Unit")	)	
	PURSUANT TO VA CODE §§	)	
	45.2.1620 AND 45.2-1622, FOR	)	
	THE PRODUCTION OF OCCLUDED	)	
	NATURAL GAS PRODUCED FROM	)	
	COALBEDS AND ROCK STRATA	)	
	ASSOCIATED THEREWITH (herein	)	
	"Coalbed Methane Gas" or "Gas")	)	
		)	
		)	
LEGAL DESCRIPTION:		)	
		)	
	SUBJECT DRILLING UNIT SERVED BY WELL	)	
	NUMBERED VCI-530583-CBM Unit 85-AU	)	
	("Well") TO BE DRILLED IN THE LOCATION	)	
	DEPICTED ON EXHIBIT A HERETO,	)	
	Dennis Associates, Inc. et al Tract	)	
	P/O 248.4 acres, more or less	)	
	VANSANT QUADRANGLE	)	
	HURRICANE DISTRICT	)	
	BUCHANAN COUNTY, VIRGINIA	)	
	(the "Subject Lands" are more particularly described	)	
	on Exhibit A , attached hereto and made a part	)	
	hereof)	)	

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. on November 21, 2023** at the 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 and/or potential owner, i.e., person identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas including all Pennsylvanian age coals from the top of the Ailly, including but not limited to Raven, Jawbone Rider, Jawbone, Tiller, Upper Seaboard, Greasy Creek, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas #9, Pocahontas #3, Pocahontas #2, Pocahontas #1 and any unnamed coal seams and other associated formations known as the Nora Coalbed Gas Field (hereafter "Subject Formations") in the Subject Drilling Unit underlying and comprised of Subject Lands; (2) represented it has given notice to those parties so identified (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 and 45.2-1622, to notice of the application filed herein; and (3) that the persons set forth in **Exhibit B-3** hereto have been identified by Applicant as persons who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formations in the Subject Drilling Unit who have not heretofore agreed to lease or sell to the Applicant and/or voluntarily pool their Gas interests. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.2.1618. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements, and the minimum standards of state due process.

4. Amendments: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.2-1622, including the applicable portions of § 45.2-1620, the Board pool the rights, interests and estates in and to the Gas in the Subject Drilling Unit, including those of the Applicant and of the known and unknown persons named in **Exhibit B-3** hereto 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 Coalbed Methane Gas produced from the Subject Drilling Unit established for the 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, (2) that the Board designate **EnerVest Operating, LLC** as the Unit Operator.

7. Relief Granted: The requested relief in this cause shall be and hereby is granted and: (1) pursuant to Va. Code § 45.2-1620, **EnerVest Operating, LLC** (hereafter "Unit Operator" or "Operator") is designated as the Unit Operator authorized to drill and operate the Well in Subject Drilling Unit at the location depicted on the plat attached hereto as **Exhibit A**, subject to the permit provisions contained in Va. Code § 45.2.1629, et seq., to §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; to § 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations and to the Nora Coalbed Gas Field Rules established by the Oil and Gas Conservation Board's Order entered March 26, 1989; all as amended from time to time; and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, including that of the Applicant, the Unit Operator and 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.

Pursuant to the Nora Coal Field Rules promulgated under the authority of Va. Code § 45.2-1619, the Board has adopted the following method for the calculation of production and revenue and allocation of allowable costs for the production of Coalbed Methane Gas.

For Frac Well Gas. - Gas shall be produced from and allocated to only the **58.77**-acre drilling unit in which the well is located according to the undivided interests of each Owner/Claimant within the unit, which undivided interest shall be the ratio (expressed as a percentage) that the amount of mineral acreage within each separate tract that is within the Subject Drilling Unit, when platted on the surface, bears to the total mineral acreage, when platted on the surface, contained within the entire **58.77**-acre drilling unit in the manner set forth in the Nora Field Rules.

8. Election and Election Period: In the event any Owner or Claimant named in **Exhibit B-3** hereto does not reach a voluntary agreement to share in the operation of the well located in the Subject Drilling Unit, at a rate of payment mutually agreed to by said Gas Owner or Claimant and the Unit Operator, then such person named 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 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 its 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 Well Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in **Exhibit B-3** who does not reach a voluntary agreement with the Unit Operator may elect to participate in the Well Development and Operation in 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 of the well Development contemplated by this Order for Gas produced pursuant to the Nora Field Rules, including a reasonable supervision fee, 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 Completed-for-Production Cost 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 Completed-for-Production Cost for the Subject Drilling Unit is as follows:

Completed-for-Production Costs:	\$613,840.00
---------------------------------	---------------------

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's "Interest in 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 in the Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in **Exhibit B-3** hereto who has not reached a voluntary agreement with the Unit 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 that person's Interest Within Unit as set forth in **Exhibit B-3** [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 or Claimant. 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 person 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 have and hereby does 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** who has not reached a voluntary agreement with the Unit Operator may elect to share in the well development and operation in 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 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. 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 and operation.

Subject to final legal determination or 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 an hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant for the period of time during which its 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 has not reached a voluntary agreement with the Applicant or Unit Operator and fails to elect 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 said Gas produced from Subject Formation in 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 in Subject Drilling Unit at a rate of payment agreed to mutually by said Gas Owner or Claimant and the Unit Operator, 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 Unit Operator 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 the Well(s) in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code §§ 45.2-1629 et seq.; §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; Oil and Gas Conservation Board ("OGCB") Order establishing the Nora Coalbed Gas Field Rules entered March 26, 1989; 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 within Subject Drilling Unit within seven hundred thirty (730) days from the date of this Order and shall prosecute the same with due diligence. If the Unit Operator has not so commenced and/or prosecuted, then this order shall terminate, except for any cash sums then 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 reference 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 lien 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(s) has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions: The Applicant represented to the Board that there are no unknown or unlocatable and there are no conflicting claimants in the Subject Drilling Unit whose payments are subject to escrow.

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** has made a delegation of authority to **EnerVest Operating, LLC** to explore, develop and maintain the properties and assets of Applicant, now owned or hereafter acquired, and **EnerVest Operating, LLC** has accepted this delegation of authority and agreed to explore, develop and maintain those properties and assets, and has consented to serve as Coalbed Methane Gas Unit Operator for Subject Drilling Unit and to faithfully discharge the duties imposed upon it as Unit Operator by statute and regulations;
- 17.3 Applicant **EnerVest Operating, LLC** is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;
- 17.4 Applicant **EnerVest Operating, LLC** claims ownership of gas leases, Coalbed Methane Gas leases, and/or coal leases representing 97.98593351% percent of the oil and gas interest/claims in and to Coalbed Methane Gas in the Subject Drilling Unit; and, Applicant claims the right to explore for, develop and produce Coalbed Methane Gas from Subject Formations in Subject Drilling Unit in Buchanan County, Virginia, which Subject Lands are more particularly described in **Exhibit A**;
- 17.5 The estimated total production from Subject Drilling Unit is 700 **mmcf**. The estimated amount of reserves from the Subject Drilling Unit is 700 **mmcf**;
- 17.6 Set forth in **Exhibit B-3** is the name and last known address of each Owner or Claimant identified by the Applicant as having or claiming an interest in the Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, 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. The interests of the Respondents listed in **Exhibit B-3** comprise 2.01406649% percent of the oil and gas interests/claims in and to the Coalbed Methane Gas in the 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 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 Coalbed Methane 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 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. § 45.2-1609 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.