

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Keyrock Energy, LLC

**DIVISION OF GAS AND OIL
DOCKET NO: VGOB 25-0218-4302**

RELIEF SOUGHT: Creation of sealed gob drilling unit and Pooling

LOCATION: See "Exhibit A" HEARING DATE: February 18, 2025

**UNIT NUMBER: Keyrock DM 26 Blue Jay #1
IN DICKENSON COUNTY, VIRGINIA**

APPLICATION

1) Parties: Applicant is Keyrock Energy, LLC, 207 East Main Street, Suite 2-D, P. O. Box 2223, Johnson City, TN 37605, and the applicant is represented by Freddie E. Mullins, Esq. Respondents are listed on "Exhibit B", attached hereto and made a part hereof. Set forth in "Exhibit B" are the names and last-known addresses of each owner of record identified by the Applicant as having or claiming an interest in the coalbed methane gas underlying the drilling unit sought to be created and pooled herein. If living, each individual named in "Exhibit B" is made a party hereto. If any such individual is deceased, then the known and unknown heirs, executors, administrators, devisees, trustees, and assigns, both immediate and remote, of any such deceased individual are made parties hereto. Each legal entity named in "Exhibit B", if such entity continues to have legal existence, is made a party hereto. If any such legal entity is dissolved, then the known and unknown successors, trustees, and assigns, both immediate and remote, of such entity are made parties hereto.

2) Facts:

a) Applicant owns or claims to own coalbed methane gas leases and claims the right thereunder to explore for, develop and produce coalbed methane gas from the Mined Out Lower Banner Coal Seam (hereinafter "Subject Formation") in the Contura Deep Mine 26 in Dickenson County, Virginia (hereinafter "Subject Lands"), which Subject Lands are more particularly described in "Exhibit A" attached hereto and made a part hereof. This endeavor aims to combust the coalbed methane gas to generate carbon credits for marketing purposes. To further this purpose, Applicant has entered into a lease, which is attached to the Application, with Enervest XIV-A Nora LLC, Enervest Energy Institutional Fund XIV-AI, LP, and Enervest IV-WIC Nora LLC, to develop and produce coalbed methane in the area shown on "Exhibit A". "Exhibit A" is a map certified by licensed professional engineer showing the size and shape of the drilling unit to be created and pooled, as well as Applicant's interest in the subject drilling unit. Applicant attests to the fact that it believes said map conforms to existing orders issued by the Board. The undersigned certifies that the matters set forth in this application, to the best of his knowledge, information, and belief, are true and correct.

- b) On "Exhibit A", "Exhibit B", the Tract Identification Page, and "Exhibit B-3", Applicant has shown 1) the percentage of ownership in the drilling unit of each acreage (tract) being pooled, 2) the status of ownership of each acreage (tract) being pooled (including a description of the interest of each owner or claimant as disclosed by the examination* of record title), i.e. whether leased to Applicant, leased to another person or unleased, and 3) the approximate percentage of interest in the drilling unit to be escrowed, if any, under Va. Code 45.2-1620(D) for each unidentifiable owner or claimant of a conflicting interest, if any.
- c) The Virginia Gas and Oil Board (hereinafter "Board") heretofore has established drilling units in the Nora Gas Field underlying and comprised of the Subject Lands pursuant to its Orders and those of the Virginia Oil and Gas Conservation Board. However, said Field Rules and orders specifically provide that they do not apply to the production of coalbed methane gas from sealed gob areas which production is contemplated by this application. Annexed hereto as "Exhibit L" which is an Underground Mine Map.
- d) The applicant estimates that the total amount of recoverable gas is 650 mmcf.
- e) Applicant has proposed 1 well bore as shown on "Exhibit A" for the production of coalbed methane from the sealed gob and "Subject Formation." The estimated costs for development contemplated by this Application are as set forth in "Exhibit C" attached hereto and made a part hereof which are Applicant's Estimate of Allowable Costs.
- f) Applicant has exercised diligence to locate each person owning or claiming an interest in coalbed methane gas in the subject drilling unit underlying the Subject Lands. It is necessary to prevent waste, to protect correlative rights, and to ensure the safe and efficient development and production of gas and oil resources in the Commonwealth that the Board hear this matter and adjudicate the rights and equities as between Applicant and the herein named persons.
- g) Simultaneously with the filing of this application pursuant to Va. Code § 45.2-1618(A). Applicant is providing notice by certified mail, return receipt requested to each person named as a Respondent in the Notice of Hearing having or claiming an interest in the coalbed methane gas, underlying the Subject Lands pooled herein. Applicant hereby notifies the Board that where the identity or location of any person is shown as "unknown" on "Exhibit B", then Applicant is unable to provide the said person with written notice of the application herein by mail.
- h) Applicant does not request the Board establish an escrow account pursuant to Va. Code Ann. § 45.2- 1622(A), Board Rules, and prior Orders of the Board, into which the payment of costs or proceeds attributable to conflicting interests (to the extent they are subject to escrow) shall be deposited and held for the interests of the

claimants.

3) Legal Authority: Va. Code § 45.2-1600, et seq. 4 VAC 25-160-10, et seq. and such other regulations promulgated pursuant to law.

- a) **Relief Sought:** Applicant requests the Board issue an order providing as follows: Creating a sealed gob drilling unit consisting of 444.83 +/- acres for the drilling, development, and production of coalbed methane gas from the sealed gob and the Subject Formation, which drilling unit is further described and depicted in "Exhibit A" annexed hereto and which drilling unit is described as follows: **BEGINNING** at a point having Virginia State Plane NAD 83 South Zone grid coordinates of: N 3,584,538.89 and E 10,306,909.86; thence N 62°26'30" E a distance of 1523.49' to a point; thence N 62°45'15" E a distance of 1405.29' to a point; thence S 67°30'25" E a distance of 86.94' to a point; thence N 61°30'55" E a distance of 124.80' to a point; thence N 68°42'20" W a distance of 42.81' to a point; thence N 38°35'11" W a distance of 66.55' to a point; thence N 25°45'41" W a distance of 65.28' to a point; thence S 62°41'15" W a distance of 91.15' to a point; thence S 54°02'30" W a distance of 70.81' to a point; thence S 62°31'16" W a distance of 576.03' to a point; thence N 27°18'34" W a distance of 299.19' to a point; thence N 62°43'28" E a distance of 645.56' to a point; thence N 25°44'38" W a distance of 53.88' to a point; thence N 62°09'25" E a distance of 407.30' to a point; thence N 62°47'51" E a distance of 577.46' to a point; thence S 27°26'10" E a distance of 471.21' to a point; thence S 62°29'19" W a distance of 269.84' to a point; thence S 16°21'35" W a distance of 109.51' to a point; thence S 27°16'14" E a distance of 425.84' to a point; thence N 77°24'06" E a distance of 62.19' to a point; thence N 18°53'44" E a distance of 67.29' to a point; thence N 69°41'47" E a distance of 32.35' to a point; thence N 27°24'19" W a distance of 183.98' to a point; thence N 44°09'35" E a distance of 18.97' to a point; thence N 61°08'59" E a distance of 237.88' to a point; thence S 27°24'19" E a distance of 67.99' to a point; thence N 59°43'15" E a distance of 79.77' to a point; thence S 27°24'19" E a distance of 64.99' to a point; thence N 61°51'15" E a distance of 77.35' to a point; thence N 63°58'50" E a distance of 82.69' to a point; thence S 26°33'00" E a distance of 67.00' to a point; thence N 62°13'41" E a distance of 404.96' to a point; thence S 28°14'41" E a distance of 408.25' to a point; thence S 61°59'07" W a distance of 93.99' to a point; thence S 17°33'25" E a distance of 103.55' to a point; thence S 73°14'24" E a distance of 83.45' to a point; thence S 20°49'24" E a distance of 26.17' to a point; thence N 63°29'23" E a distance of 67.03' to a point; thence S 27°12'39" E a distance of 270.12' to a point; thence S 27°24'19" E a distance of 98.89' to a point; thence S 27°05'11" E a distance of 359.18' to a point; thence S 27°11'41" E a distance of 816.25' to a point; thence S 62°56'03" W a distance of 467.75' to a point; thence N 28°39'00" W a distance of 84.74' to a point; thence S 62°24'40" W a distance of 151.99' to a point; thence S 67°12'40" W a distance of 112.03' to a point; thence S 59°56'29" W a distance of 148.84' to a point; thence S 62°00'56" W a distance of 175.94' to a point; thence S 27°53'09" E a distance of 98.40' to a point; thence N 73°21'25" E a distance of 15.10' to a point; thence S 27°28'36" E a distance of 600.45' to a point; thence S 60°09'58" W a distance of 15.83' to a point; thence S 25°59'45" E a distance of 71.81' to a point; thence N 81°38'39" E a distance of 166.00'

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to a point; thence N 22°57'41" W a distance of 141.89' to a point; thence S 62°35'41" W a distance of 10.00' to a point; thence N 21°17'38" W a distance of 81.45' to a point; thence S 62°16'42" W a distance of 180.98' to a point; thence N 29°23'52" W a distance of 146.90' to a point; thence N 23°53'13" W a distance of 193.18' to a point; thence N 34°45'12" W a distance of 91.84' to a point; thence N 25°10'11" W a distance of 143.51' to a point; thence S 61°57'54" W a distance of 90.99' to a point; thence N 26°56'20" W a distance of 339.87' to a point; which is the point of **BEGINNING**, containing 444.83 acres more or less.

- b) Pooling all the interests of the Respondents named in Exhibit B-3 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 coalbed methane gas from the subject drilling unit for the Subject Formation underlying and comprised of the Subject Lands.
- c) Establishing the percentages for division of interest for production, revenue, and costs for all Respondents in accordance with those percentages as are set forth in "Exhibit B".
- d) With respect to coalbed methane gas in the subject drilling unit, the applicant requests that the Board establish a procedure whereby each person named in Exhibit B-3 hereto, shall have the right to elect 1) to assign or lease his 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 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(s) and costs of production 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 such costs allocable to such person's interest; or

In the case of an unleased tract, 200 percent, of the share of such costs allocable to such person's interest, all as determined by the Board.
- e) Providing that any Respondent 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 or assigned his coalbed methane gas interests in the subject drilling unit to the Applicant herein at a rate to be established by the Board.
- f) Designating Keyrock Energy, LLC, as Unit Operator; providing that the operator shall have the right to drill, develop, produce, market, and sell coalbed methane gas from the subject drilling unit and shall further have the right to generate and market carbon credits; granting the operator the right to market and sell the coalbed methane gas from the subject drilling unit which is attributable to the conflicting claims and interests pooled herein; providing that the operator shall have an operator's lien on the coalbed methane gas estate and rights owned or claimed by the persons named herein in the subject drilling unit; and granting the operator the

right to drill at any legal or specially permitted location on subject drilling unit; and granting the operator the right to drill wells at any legal or specially permitted location on the subject drilling unit.

- g)** Providing that the order to be entered herein shall expire two (2) years from the date of its issuance if operations 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. However, in the event an appeal is taken from the order issued, the time between the mailing of the notice of appeal and the final order of the Circuit Court shall be excluded in calculating the two-year period referred to herein.
- h)** With respect to separately owned tracts and separately owned interests in the drilling unit, joining all the interests within the drilling unit to produce coalbed methane gas so that each owner in the drilling unit will share in all production and costs regarding the drilling unit in the proportion that the acreage owned by each owner bears to the entire acreage in the unit.
- i)** 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: January 8, 2025

Keyrock Energy, LLC
Applicant

By: 

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

VIRGINIA DEPARTMENT OF ENERGY:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Keyrock Energy, LLC

**DIVISION OF GAS AND OIL
DOCKET NO: VGOB 25-0218-4302**

RELIEF SOUGHT: Creation of sealed gob drilling unit and Pooling

LOCATION: See "Exhibit A"

UNIT NUMBER: Keyrock DM 26 Blue Jay #1

IN DICKENSON COUNTY, VIRGINIA

HEARING DATE: February 18, 2025

**PLACE: Virginia Dept. of Energy
3405 Mountain Empire Rd.
Big Stone Gap, VA 24219**

TIME: 10:00 a.m.

RESPONDENTS: Exhibit B

NOTICE OF HEARING

COMMONWEALTH OF VIRGINIA: To all persons owning or claiming an interest in oil and gas, coalbed methane gas, coal, or other minerals and to all other persons who have or claim to have an interest in the coalbed methane underlying and within the Keyrock Energy, LLC Unit Keyrock DM 26 Blue Jay #1 and the lands described on "Exhibit A" to the Application, which is attached to this Notice, in the Kenady District of Dickenson County, Virginia (hereinafter "Subject Lands") and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, assigns and successors, both immediate and remote:

NOTICE IS HEREBY GIVEN that Applicant is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order creating a sealed gob unit and pooling all the rights, interests, and estates of the above-named persons pursuant to Virginia Code Ann. § 45.2-1600, et seq., in regard to the drilling, development, and production of coalbed methane gas from said drilling Unit Keyrock DM 26 Blue Jay #1 containing approximately 444.83 acres +/-, for the mined-out Lower Banner Coal Seam (hereinafter "Subject Formation"). Applicant requests that the Board issue an order providing as follows:

- a) Creating a sealed gob drilling unit consisting of 444.83 +/- acres for the drilling, development, and production of coalbed methane gas from the sealed gob and the Subject Formation, which drilling unit is further described and depicted in "Exhibit A" annexed hereto and which drilling unit is described as follows: **BEGINNING** at a point having Virginia State Plane NAD 83 South Zone grid coordinates of: N 3,584,538.89 and E 10,306,909.86; thence N 62°26'30" E a distance of 1523.49' to a point; thence N 62°45'15" E a distance of 1405.29' to a point; thence S 67°30'25" E a distance of 86.94' to a point; thence N 61°30'55" E a distance of 124.80' to a point; thence N 68°42'20" W a distance of 42.81' to a point; thence N 38°35'11" W a distance of 66.55' to a point; thence N 25°45'41" W a distance of 65.28' to a point; thence S 62°41'15" W a distance of 91.15' to a point; thence S 54°02'30" W a distance of 70.81' to a point; thence S 62°31'16" W a distance of 576.03' to a point; thence N 27°18'34" W a distance of 299.19' to a point; thence N 62°43'28" E a distance of 645.56' to a point; thence N 25°44'38" W a distance of 53.88' to a point; thence N 62°09'25" E a distance of 407.30' to a point; thence N 62°47'51" E a distance of 577.46' to a point; thence S 27°26'10" E a distance of 471.21' to a point; thence S 62°29'19" W a distance of

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thence S 62°53'26" W a distance of 336.57' to a point; thence N 27°24'19" W a distance of 87.99' to a point; thence S 64°56'24" W a distance of 46.12' to a point; thence S 27°24'19" E a distance of 13.00' to a point; thence S 62°35'41" W a distance of 18.00' to a point; thence N 27°24'19" W a distance of 13.00' to a point; thence S 64°31'22" W a distance of 66.11' to a point; thence S 57°23'14" W a distance of 65.26' to a point; thence N 26°44'48" W a distance of 86.99' to a point; thence S 74°51'18" W a distance of 173.01' to a point; thence S 10°17'02" W a distance of 71.55' to a point; thence S 61°58'16" W a distance of 226.27' to a point; thence N 36°24'00" W a distance of 62.62' to a point; thence S 62°49'06" W a distance of 256.22' to a point; thence N 42°25'34" W a distance of 64.42' to a point; thence S 63°16'08" W a distance of 84.99' to a point; thence N 30°53'31" W a distance of 82.20' to a point; thence N 25°39'06" W a distance of 196.03' to a point; thence N 26°30'42" W a distance of 116.89' to a point; thence S 63°29'18" W a distance of 439.53' to a point; thence N 26°03'48" W a distance of 342.96' to a point; thence N 63°30'05" E a distance of 160.98' to a point; thence N 26°09'35" W a distance of 146.78' to a point; thence S 60°37'18" W a distance of 10.72' to a point; thence N 27°42'35" W a distance of 196.51' to a point; thence S 62°35'41" W a distance of 66.99' to a point; thence N 27°59'09" W a distance of 221.13' to a point; thence N 27°36'40" W a distance of 114.23' to a point; thence S 62°23'20" W a distance of 232.80' to a point; thence S 62°25'28" W a distance of 504.43' to a point; thence N 27°33'41" W a distance of 392.53' to a point; thence N 24°54'50" W a distance of 117.90' to a point; thence S 62°54'28" W a distance of 183.02' to a point; thence N 25°06'27" W a distance of 82.00' to a point; thence N 42°35'31" W a distance of 48.92' to a point; thence N 27°24'19" W a distance of 18.00' to a

point; thence N 15°36'56" W a distance of 48.19' to a point; thence S 63°46'34" W a distance of 97.01' to a point; thence N 23°41'34" W a distance of 195.99' to a point; thence N 27°59'33" W a distance of 116.16' to a point; thence S 62°48'37" W a distance of 265.97' to a point; thence S 45°28'49" W a distance of 23.85' to a point; thence S 72°26'09" W a distance of 52.77' to a point; thence S 62°16'42" W a distance of 362.04' to a point; thence N 28°44'09" W a distance of 147.92' to a point; thence N 44°26'20" W a distance of 51.23' to a point; thence N 28°01'17" W a distance of 294.93' to a point; thence S 63°17'07" W a distance of 91.94' to a point; thence N 27°09'23" W a distance of 340.62' to a point; thence N 62°51'15" E a distance of 88.11' to a point; thence N 27°26'09" W a distance of 166.09' to a point; thence N 26°51'09" W a distance of 119.92' to a point; thence N 22°57'41" W a distance of 141.89' to a point; thence S 62°35'41" W a distance of 10.00' to a point; thence N 21°17'38" W a distance of 81.45' to a point; thence S 62°16'42" W a distance of 180.98' to a point; thence N 29°23'52" W a distance of 146.90' to a point; thence N 23°53'13" W a distance of 193.18' to a point; thence N 34°45'12" W a distance of 91.84' to a point; thence N 25°10'11" W a distance of 143.51' to a point; thence S 61°57'54" W a distance of 90.99' to a point; thence N 26°56'20" W a distance of 339.87' to a point; which is the point of **BEGINNING**, containing 444.83 acres more or less.

- b) The pooling of interests of Respondents named in Exhibit B 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 coalbed methane gas from the subject drilling unit for the Subject Formation underlying and comprised of the Subject Lands;
- c) Establishing the percentages for division of interest for production, revenue, and costs for all Respondents in accordance with those percentages as are set forth in "Exhibit B".
- d) Designating Keyrock Energy, LLC, as Unit Operator; providing that the operator shall have the right to drill, develop, produce, market, and sell coalbed methane gas from the subject drilling unit; granting the operator the right to market and sell the coalbed methane gas from the subject drilling unit which is attributable to the conflicting claims and interests pooled herein; providing that the operator shall have an operator's lien on the coalbed methane gas estate and rights owned or claimed by the persons named herein in the subject drilling unit; and granting the operator the right to drill at any legal or specially permitted location on subject drilling unit; and granting the operator the right to drill wells at any legal or specially permitted location on the subject drilling unit.
- e) Making any necessary provisions for the escrow of funds pursuant to Va. Code Ann. §§ 45.1-361.21 and 45.1-361.22.
- f) Providing that the order to be entered herein shall expire two (2) years from the date of its issuance if operations 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 unit. However, in the event an appeal is taken from the order issued, the time between the mailing of the notice of appeal and the final order of the Circuit Court shall be excluded in calculating the two-year period referred to herein.
- g) With respect to separately owned tracts and separately owned interests in the unit, joining all the interests within the unit for the production of coalbed methane gas so that each owner in the unit will share in all production and costs regarding the unit in the proportion that the acreage owned by each owner bears to the entire acreage in the unit.
- h) Providing that operations under and in accordance with this order shall be regarded and considered as development, operation and production upon all lands included within the subject unit. Production from any well(s) drilled on, operated, or produced from any part of the unit, no matter where located, shall for all purposes be regarded as production from each separately-owned tract within the subject unit. The portion of production produced from and attributed to the

unit and any separately owned tract therein, shall be deemed for all purposes to have been actually produced from such unit and tract, and development, exploration, or production operations with respect to any portion of the unit shall be deemed for all purposes to be the conduct of such operations for the production of gas from each separately owned tract in said unit.

- i) The Respondents listed in "Exhibit D" are lessors of the Applicant. They are joined as Respondents hereto only with regard to the creation of the sealed gob unit described in "Exhibit A". Their joinder as Respondents is necessary because the leases in question do not contemplate a unit of the size requested herein. This Application does not seek to pool leased interests in the unit on a compulsory basis, said interests are to be voluntarily pooled in the unit to be created herein. Therefore, any order entered herein need not afford leased parties, the Respondents identified at "Exhibit D", election options.
- j) Amending all prior Board Pooling Orders entered with regard to those units located within the subject unit to provide that the terms of the Order to be entered herein shall govern and control the allocation of production, revenue and costs for all purposes on and after midnight of the day on which the construction of the seals to isolate the mine works shown on Exhibit L and within the Subject Drilling Unit is completed.
- k) 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 AM, on February 18, 2025, at the offices of the Virginia Department of Energy at 3405 Mountain Empire Road, Big Stone Gap, VA 24219, and that notice will be published as required by law and the rules of the Board.

NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. For further information or a copy of the application and exhibits, either contact the Virginia Gas and Oil Board, State Oil and Gas Inspector, Virginia Department of Energy, Division of Gas and Oil, 3405 Mountain Empire Road, Big Stone Gap, Virginia 24219, or the Applicant at the address shown below.

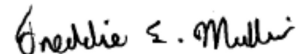
Dated: January 8, 2025

Keyrock Energy, LLC
Applicant

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

CERTIFICATE OF SERVICE

I, Freddie E. Mullins, counsel for Keyrock Energy, LLC, hereby certify that I have on this 21st day of January, 2025, caused the foregoing notice and application to be served upon the parties listed herein, at their address, by certified mail, return receipt requested.


Freddie E. Mullins

LATITUDE 37° 07' 30"

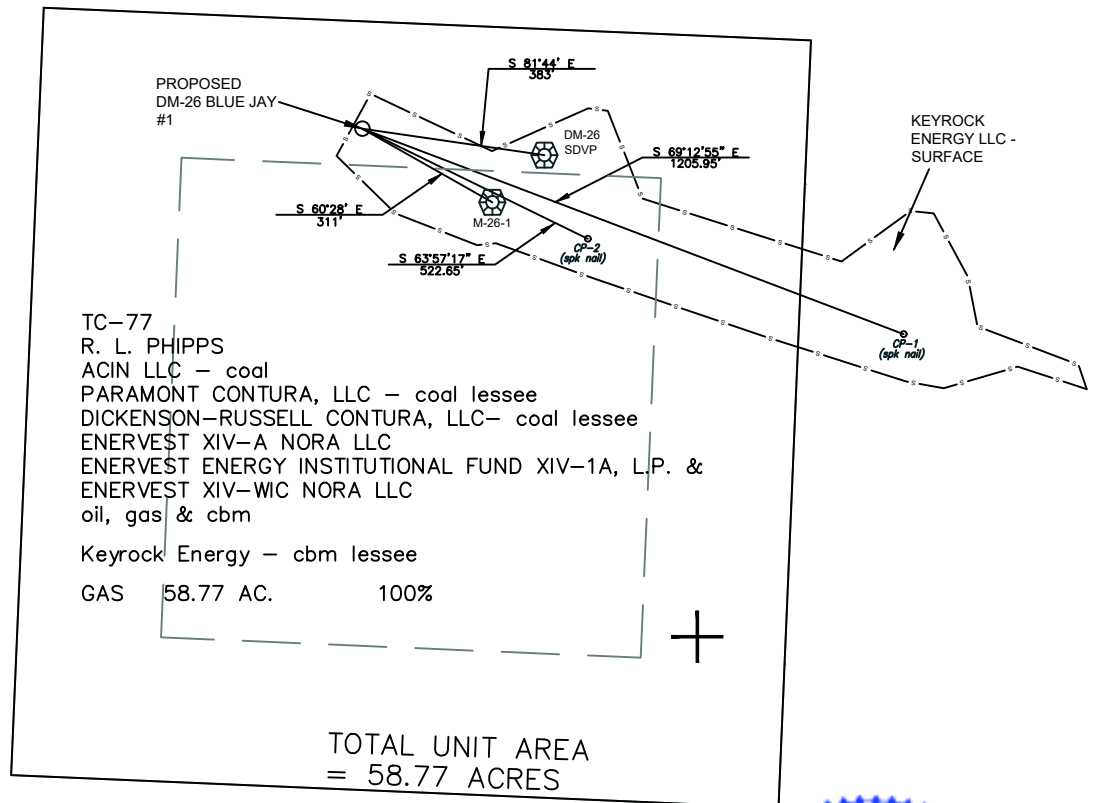
4,521'

EXHIBIT A

Well Coordinates: (VA St. Plane S. Zone,
NAD 27 Calculated from NAD 83)
N 303,489.74' E 829,125.67'

Well Coordinates: (Geographic NAD 83)
LAT: 37.098606° LONG: 82.515747°

NOTE: THE BASIS OF THE BEARINGS
SHOWN HEREON IS THE SOUTH
VIRGINIA STATE PLANE NAD 83
ZONE, GRID MERIDIAN NAD 83

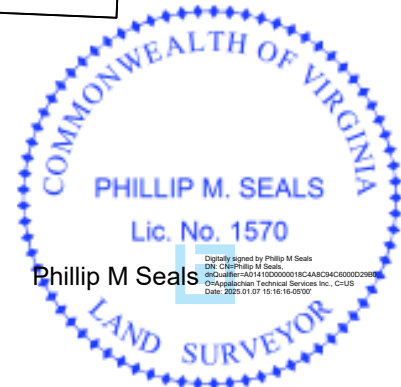


9,696'

LONGITUDE 82° 30' 00"

NOTE:

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

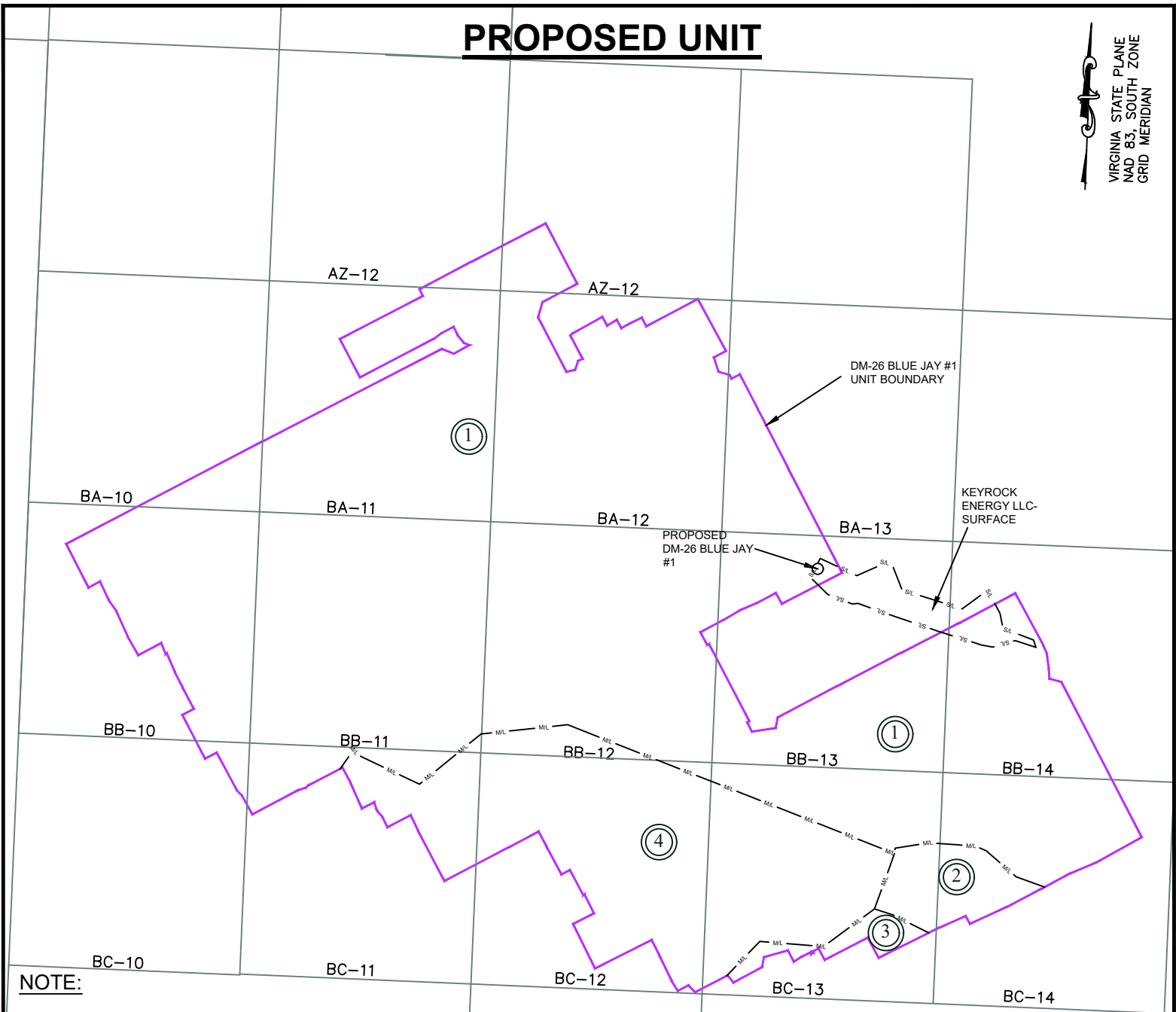
**WELL LOCATION PLAT (Nora Grid BB-13)**

COMPANY Keyrock Energy LLC WELL NAME OR NUMBER DM 26 BLUE JAY #1
TRACT NO. Enervest QUADRANGLE POUND
DISTRICT Kenady
WELL COORDINATES (VIRGINIA STATE PLANE 83) N 3,584,365.76 E 10,312,108.73
ELEVATION 1,629.38 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.
COUNTY Dickenson SCALE: 1" = 400' DATE 1-07-25
THIS PLAT IS A NEW PLAT ☒ ; AN UPDATED PLAT ☐ ; OR A FINAL LOCATION PLAT ☐

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

PROPOSED UNIT

VIRGINIA STATE PLANE
NAD 83, SOUTH ZONE
GRID MERIDIAN

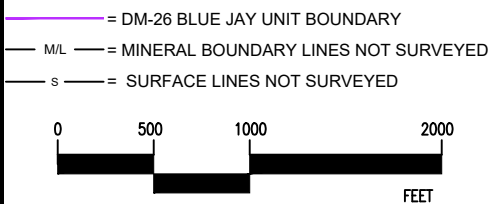


NOTE:

THE BOUNDARY LINES SHOWN HEREON ARE BASED ON DEEDS, PLATS, AND MAPS OF RECORD OR SURVEYS BY OTHERS, AND DO NOT DEPICT A CURRENT BOUNDARY SURVEY. PROPERTY INFORMATION PROVIDED BY KEYROCK ENERGY LLC. THE WELL WILL BE DRILLED WITHIN 10 (TEN) FEET OF THE PERMITTED COORDINATES. EXISTING WELL POSITIONS WERE TAKEN FROM PLATS IN THE DGO FILES. SEE ATTACHED EXHIBIT PL-1 FOR TRACT OWNERSHIP SCHEDULE.

Blue Jay #1
UNIT BOUNDARY
TOTAL AREA = 444.83 AC.

LEGEND



Phillip M Seals

Digitally signed by Phillip M Seals
DN: cn=Phillip M Seals,
o=Appalachian Technical Services Inc., c=US
Date: 2025.01.07 15:39:29-0500

**KEYROCK ENERGY
DM-26 BLUE JAY #1
UNIT BOUNDARY
AND TRACTS
DICKENSON CO., VA
TOTAL UNIT AREA =
444.83 ACRES**



Drawing Number DM-26 Blue Jay Unit Boundary Plot	Sheet 01
Sheet/Layout Name DM-26 BLUE JAY #1	01
Project Number 1892.01	Scale 1" = 1000'

Designed By PMS	Drawn By PMS	Checked By PMS	Date 1/07/2025
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EXHIBIT PL-1

Property Ownership Information for DM 26 Blue Jay #1
1-07-2025

①

ACIN LLC - coal
PARAMONT CONTURA, LLC - coal lessee
DICKENSON-RUSSELL CONTURA, LLC- coal lessee
ENERVEST XIV-A NORA LLC
ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. &
ENERVEST XIV-WIC NORA LLC
oil, gas & cbm

Keyrock Energy - cbm lessee

GAS 351.53 AC. 79.03%

②

UNKNOWN

GAS 10.43 AC. 2.34%

③

ACIN LLC - coal
PARAMONT CONTURA, LLC - coal lessee
DICKENSON-RUSSELL CONTURA, LLC- coal lessee
ENERVEST XIV-A NORA LLC
ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. &
ENERVEST XIV-WIC NORA LLC
oil, gas & cbm

Keyrock Energy - cbm lessee

GAS 4.13 AC. 0.93%

④

UNKNOWN

GAS 78.74 AC. 17.70%

Exhibit B
Keyrock DM 26 Blue Jay #1
VGOB Docket # 25-0218-4302
List of Owners in a Sealed Gob
(444.83 +/- Acre Unit)

	Acres in Unit	Interest in Unit
<u>TRACT ONE</u>		
(1) ACIN LLC – Coal Capitol Corporate Services, Inc. 10 South Jefferson St. Ste 1400 Roanoke, VA 24011		
(2) Paramount Contura, LLC - Coal Lessee Corporation Service Company 100 Shockoe Slip FL 2 Richmond, VA, 23219-4100		
(3) Dickenson-Russell Contura, LLC - Coal Lessee Corporation Service Company 100 Shockoe Slip FL 2 Richmond, VA, 23219-4100		
(4) ENERVEST XIV-A NORA LLC ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. ENERVEST XIV-WIC NORA LLC - CBM 1001 Fannin St Ste. 800 Houston TX 77002 - Oil, Gas & CBM -		
(5) Keyrock Energy - CBM Lessee Corporate Creations Network Inc. 425 W Washington St. Ste 4 Suffolk, VA, 23434 - 5320	351.53 acres	79.03%
<u>TRACT TWO</u>		
UNKNOWN	10.43 acres	2.34%
<u>TRACT THREE</u>		
(1) ACIN LLC – Coal Capitol Corporate Services, Inc. 10 South Jefferson St. Ste 1400 Roanoke, VA 24011		
(2) Paramount Contura, LLC - Coal Lessee		

Exhibit B
Keyrock DM 26 Blue Jay #1
VGOB Docket # 25-0218-4302
List of Owners in a Sealed Gob
(444.83 +/- Acre Unit)

	Acres in Unit	Interest in Unit
Corporation Service Company 100 Shockoe Slip FL 2 Richmond, VA, 23219-4100		
(3) Dickenson-Russell Contura, LLC - Coal Lessee Corporation Service Company 100 Shockoe Slip FL 2 Richmond, VA 23219-4100		
(4) ENERVEST XIV-A NORA LLC ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. ENERVEST XIV-WIC NORA LLC - CBM 1001 Fannin St Ste. 800 Houston TX 77002 - Oil, Gas & CBM -		
(5) Keyrock Energy - CBM Lessee Corporate Creations Network Inc. 425 W Washington St. Ste 4 Suffolk, VA, 23434 - 5320	4.13 acres	0.93%
<u>TRACT FOUR</u> UNKNOWN	<u>78.74 acres</u>	<u>17.70%</u>
TOTALS:	444.83 acres	100.00%

Exhibit B-3
Keyrock DM 26 Blue Jay #1
VGOB Docket # 25-0218-4302
List of Unleased Owners in a Sealed Gob
(444.83 +/- Acre Unit)

	Acres in Unit	Interest in Unit
<u>TRACT TWO</u>		
UNKNOWN	10.43 acres	2.34%
<u>TRACT FOUR</u>		
UNKNOWN	<u>78.74 acres</u>	<u>17.70%</u>
TOTALS:	89.17 acres	20.04%

EXHIBIT C

Authorization For Expenditure (AFE)

AFE #	1090	Property #		Version #	
Well Name:	DM 26 Bluejay #1	Field:		Completed By:	I Morgan Pate
Location:	N 3,584,364.76 E 10,312,108.73	Operator:	Keyrock Energy	Date:	1/7/2025
Expected Pay Zones:	Mined-out Lower Banner Coal Seam	Estimated Total Depth:	384 ft	AAPG Class:	
Proposed Work:	Drill Gob well into mined-out Lower Banner Seam	Participant:	None	W.I.	Amount
					\$0

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Gen	Sub	Description	Casing Point	Completion	Total Cost
		Leasehold Costs	\$0	\$0	\$15,000
		Permit / Title Opinion / Survey / Insurance	\$0	\$0	\$9,000
		Building Location	\$0	\$0	\$13,000
		Roads / Stone / Culverts	\$0	\$0	\$2,000
		Surface Damages	\$0	\$0	\$5,000
		Drilling - Footage	\$0	\$0	\$7,535
		Drilling - Mobilization	\$0	\$0	\$3,600
		Drilling - Dayrate	\$0	\$0	\$8,700
		Mud & Chemicals (Drilling)	\$0	\$0	\$0
		Fuel	\$0	\$0	\$2,000
		Cement Surface casing	\$0	\$0	\$0
		Cement Intermediate casing	\$0	\$0	\$3,000
		Open Hole Logging & Testing	\$0	\$0	\$2,200
		Trucking / Dozer (Drilling)	\$0	\$0	\$350
		Rental Tools & Equipment (Drilling)	\$0	\$0	\$0
		Drilling - Bits	\$0	\$0	\$0
		Technical Supervision (Drilling)	\$0	\$0	\$0
		Fresh Water Hauling (Drilling)	\$0	\$0	\$2,000
		Overhead Rate	\$0	\$0	\$0
		Misc. & Contingencies	\$0	\$0	\$3,000
		Location Rds/Stone/Culverts	\$0	\$0	\$1,000
		Trucking / Dozer (Completion)	\$0	\$0	\$0
		Technical Supervision (Completion)	\$0	\$0	\$0
		Cased Hole Logging / Perforating	\$0	\$0	\$0
		Stimulation / Fracturing	\$0	\$0	\$0
		Completion Rig	\$0	\$0	\$0
		Reclamation & Damages	\$0	\$0	\$3,200
		Haul Pit Water / Disposal	\$0	\$0	\$10,000
		Cement Production Casing	\$0	\$0	\$6,500
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$0	\$0
		TOTAL INTANGIBLES	\$0	\$0	\$97,085

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Code	Code	Description	Casing Point	Completion	Total Cost
		13 3/8" Surface Casing	100	1	\$3,500
		7" R1 T&C Black Steel Csg	335	17	\$8,500
		Wellhead Equipment / Fittings	\$0	\$0	\$3,000
		Tank Battery	\$0	\$0	\$0
		Separator / Heater / Treater	\$0	\$0	\$0
		Gas Lift Equipment	\$0	\$0	\$2,500
		Rods / Stuffing Box	\$0	\$0	\$0
		Downhole Pump	\$0	\$0	\$0
		Pumping Unit / Motor	\$0	\$0	\$0
		SS EQT-Packer,PF,FC,Nip	\$0	\$0	\$0
		Valves & Fittings	\$0	\$0	\$500
		Flow Line labor/material	\$0	\$0	\$0
		Sales line labor/mat/row	\$0	\$0	\$0
		TOTAL TANGIBLES	\$0	\$0	\$18,000

GRAND TOTAL WELL COST			\$0	\$0	\$115,085	
153	115	Plugging & Abandonment	\$0			
			Production Costs :	\$115,085	Dry Hole Costs :	\$0

Management
Approval

Approved by:

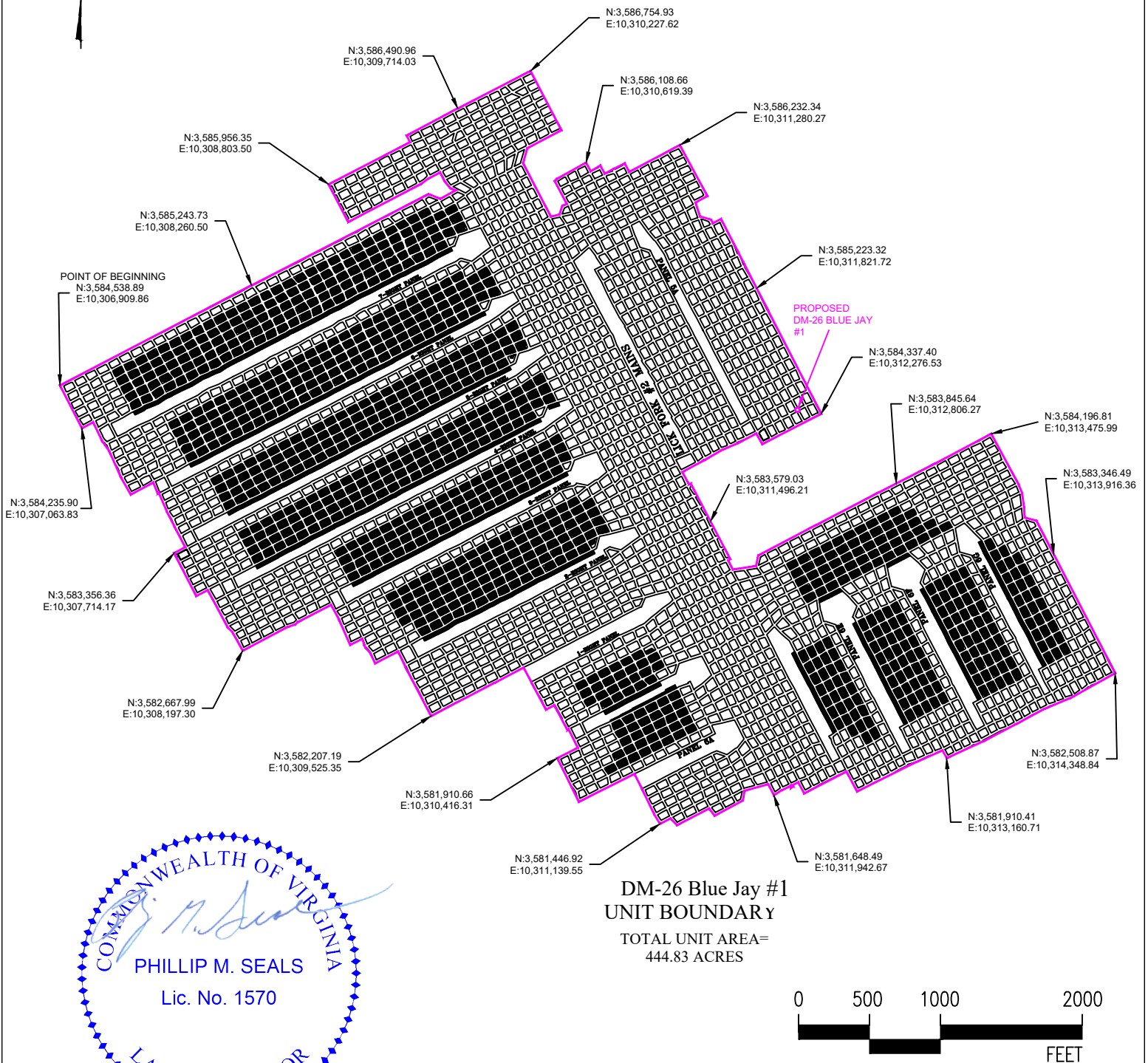

Morgan Pate

Title Senior Geologist

Date 1/7/25

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.

NOTE: THE BASIS OF THE BEARINGS
IS THE STATE PLANE COORDINATE
SYSTEM, ZONE 18N, NORTH
AMERICAN DATUM 83



NOTES:

The mine works shown hereon are based on maps
provided by others and do not depict a current
survey by Appalachian Technical Services, Inc.

KEYROCK ENERGY, LLC DM 26 BLUE JAY #1 UNIT BOUNDARY WITH MINE WORKS EXHIBIT L				 Appalachian Technical Services, Inc. Engineering, Architecture, Surveying, Ecology & Environmental Science Allegheny Office: P.O. Box 1897, 475 West Main Street, Morgantown, WV 26507 (716) 875-4202 West Virginia Office: P.O. Box 1897, 475 West Main Street, Morgantown, WV 26507 (716) 875-4202	
Designed By: PMS	Drawn By: JMC	Checked By: PMS	Date: 12/11/24	Drawing Number: DM 26 BLUE JAY #1 EXHIBIT L 12-11-24	Sheet: 01
				Project Number: 1892.01	Scale: 1" = 1000'
				Sheet/Unit Name: DM 26 BLUE JAY UNIT BOUNDARY	Sheet: 01

Exhibit D
Keyrock DM 26 Blue Jay #1
VGOB Docket # 25-0218-4302
List of Leased Owners in a Sealed Gob
(444.83 +/- Acre Unit)

	Acres in Unit	Interest in Unit
<u>TRACT ONE</u>		
(1) ACIN LLC – Coal Capitol Corporate Services, Inc. 10 South Jefferson St. Ste 1400 Roanoke, VA 24011		
(2) Paramount Contura, LLC - Coal Lessee Corporation Service Company 100 Shockoe Slip FL 2 Richmond, VA, 23219-4100		
(3) Dickenson-Russell Contura, LLC - Coal Lessee Corporation Service Company 100 Shockoe Slip FL 2 Richmond, VA, 23219-4100		
(4) ENERVEST XIV-A NORA LLC ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. ENERVEST XIV-WIC NORA LLC - CBM 1001 Fannin St Ste. 800 Houston TX 77002 - Oil, Gas & CBM -		
(5) Keyrock Energy - CBM Lessee Corporate Creations Network Inc. 425 W Washington St. Ste 4 Suffolk, VA, 23434 - 5320	351.53 acres	79.03%

TRACT THREE

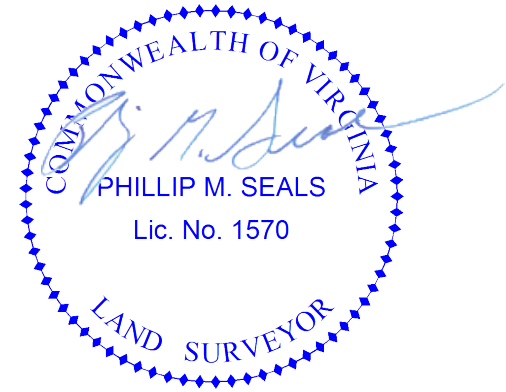
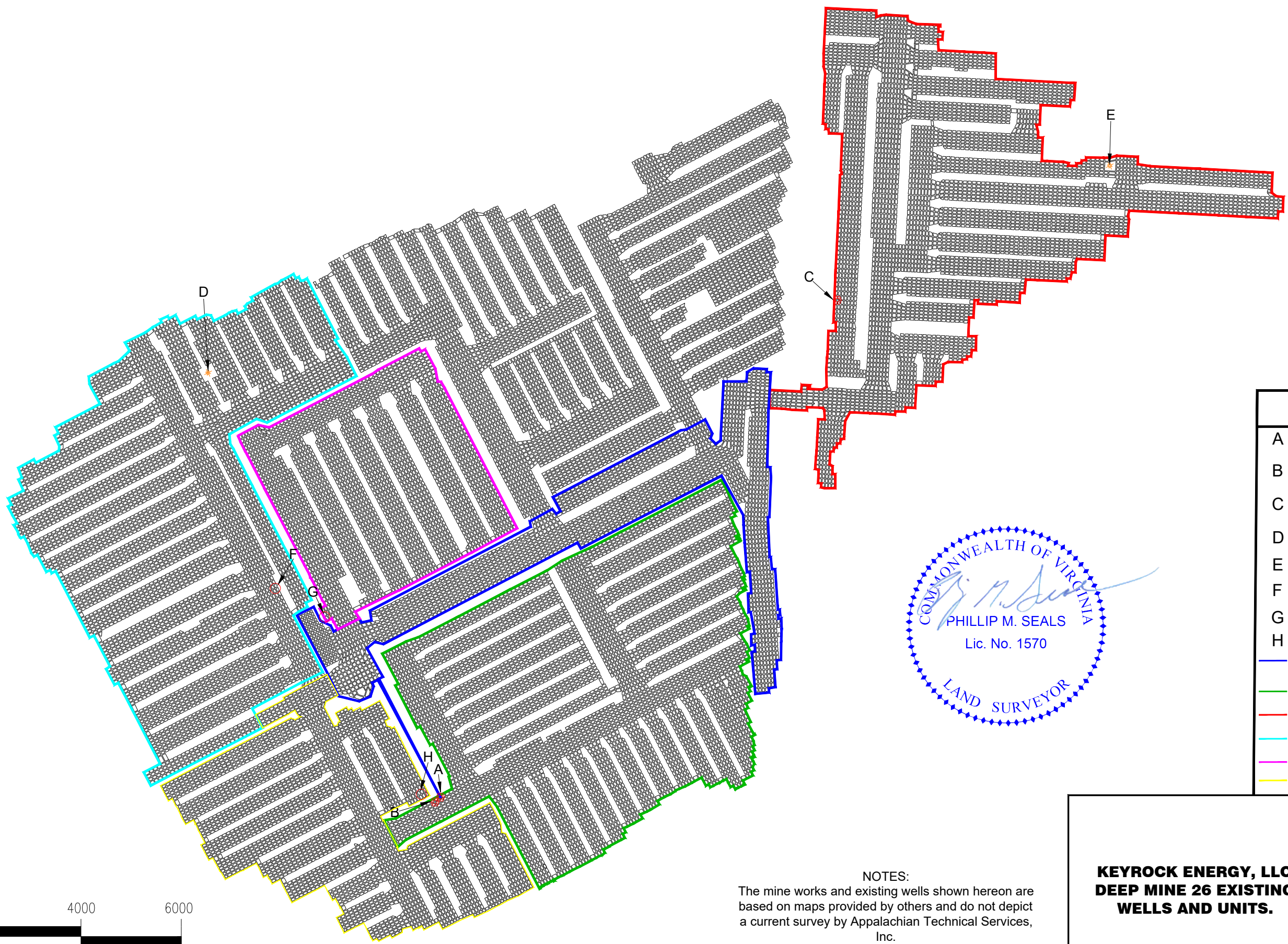
- (1) ACIN LLC – Coal
Capitol Corporate Services, Inc.
10 South Jefferson St.
Ste 1400
Roanoke, VA 24011
- (2) Paramount Contura, LLC - Coal Lessee
Corporation Service Company
100 Shockoe Slip
FL 2

Exhibit D
Keyrock DM 26 Blue Jay #1
VGOB Docket # 25-0218-4302
List of Leased Owners in a Sealed Gob
(444.83 +/- Acre Unit)

	Acres in Unit	Interest in Unit
Richmond, VA, 23219-4100		
(3) Dickenson-Russell Contura, LLC - Coal Lessee Corporation Service Company 100 Shockoe Slip FL 2 Richmond, VA 23219-4100		
(4) ENERVEST XIV-A NORA LLC ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. ENERVEST XIV-WIC NORA LLC - CBM 1001 Fannin St Ste. 800 Houston TX 77002 - Oil, Gas & CBM -		
(5) Keyrock Energy - CBM Lessee Corporate Creations Network Inc. 425 W Washington St. Ste 4 Suffolk, VA, 23434 - 5320	<u>4.13 acres</u>	<u>0.93%</u>
TOTALS:	355.66 acres	79.96%



NOTE: THE BASIS OF THE BEARINGS
SHOWN HEREON IS THE
VIRGINIA STATE PLANE SOUTH
ZONE, GRID MERIDIAN NAD 83



LEGEND	
A	= EXISTING SLOPE DRAIN VENT PIPE SURFACE LOCATION
B	= EXISTING M-26-1 SURFACE LOCATION
C	= EXISTING HONEY CAMP #1-23 SURFACE LOCATION
D	= PLUGGED G-118 GAS WELL
E	= EXISTING P-750024 GAS WELL
F	= PROPOSED CHIP MILL #1 WELL
G	= PROPOSED WOLFPEN #1 WELL
H	= PROPOSED BLUE JAY #1 WELL
—	= SLOPE DRAIN VENT PIPE UNIT BOUNDARY
—	= M-26-1 UNIT BOUNDARY
—	= HC-1-23 UNIT BOUNDARY
—	= CHIP MILL #1 UNIT BOUNDARY
—	= WOLFPEN #1 UNIT BOUNDARY
—	= BLUE JAY #1 UNIT BOUNDARY



NOTES:
The mine works and existing wells shown hereon are based on maps provided by others and do not depict a current survey by Appalachian Technical Services, Inc.

**KEYROCK ENERGY, LLC
DEEP MINE 26 EXISTING
WELLS AND UNITS.**



Designed By PMS	Drawn By JMC	Checked By PMS	Date 1/08/25	Project Number 1892.01	Scale 1" = 2000'	Drawing Number DM 26 WELL UNITS 1-08-25	Sheet 01 of 01
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Prepared by and Return to:

Charles T. Akers Jr.
EnerVest Operating, L.L.C.
408 W Main Street
Abingdon, VA 24210

Tax ID:

PAID UP
COALBED METHANE LEASE

THIS PAID UP COALBED METHANE LEASE ("Lease"), made this 2nd day of October, 2019, between ENERVEST ENERGY INSTITUTIONAL FUND XIV-A, L.P., ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. and ENERVEST ENERGY INSTITUTIONAL FUND XIV-WIC, L.P., each a Delaware limited partnership (collectively referred to as "Lessor") c/o EnerVest Operating, L.L.C. whose address is 408 W Main Street, Abingdon, VA 24210, and Keyrock Energy, L.L.C., a Delaware limited liability corporation, whose address is 207 E. Main Street, Suite 2-D, P.O. Box 2223, Johnson City, TN 37605, ("Lessee").

1. **Grant.** Lessor, in consideration of the sum of One and no/100 dollars (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and of the covenants and agreements herein contained, does hereby grant unto Lessee all of the coalbed methane ("CBM"), in and under the lands hereinafter described together with the exclusive right to explore, drill and operate for, produce, flare, and market CBM, the right to lay pipeline to transport CBM from the lands leased hereunder and other lands, the right to build and install such tanks, equipment and structures ancillary thereto to carry on operations for CBM, together with the right to enter thereon at all times and to occupy, possess and use so much of said premises as is necessary and convenient for all purposes described herein. Lessee shall have the right to stimulate or fracture the coal seam to facilitate the production of CBM, subject to the depth restrictions in the Addendum attached hereto, and the appropriate regulatory and mineral estate approvals required.

2. **Description.** This Lease covers the premises situated between the waters of the Cranes Nest and Pound Rivers of Dickenson County, Virginia, containing See Exhibit "A" acres, more or less, being the same lands depicted on Exhibit "A" hereto attached commonly known as Deep Mine 26 (the "Leased Premises").

3. **Term of Lease.** This Lease shall remain in force for a primary term of THREE (3) years and as long thereafter as CBM is being produced or Drilling operations have commenced on the Leased Premises.

4. **Royalty:** Lessee shall pay to Lessor a royalty equal to Twelve and One-Half Percent (12.5 %) of the net amount realized by Lessee from the sale and delivery of all CBM produced and sold from the Leased Premises. Such royalty shall be calculated at the mouth of the well after deducting from such royalties Lessor's pro-rata share of reasonable post-production costs, including without limitation (i) all costs of metering, gathering, marketing, compressing, dehydrating, and transporting the produced volumes; (ii) all costs associated with the processing and removal of natural gas liquids and other liquids or gaseous substances or impurities from the produced volumes; and (iii) all costs of any other treatment or processing such deductions shall not exceed sixty cents (\$0.60) per mmbtu of gas produced. Lessee may also deduct from royalties a pro-rata share of any severance or other tax, fee, or assessment imposed by any governmental agency that is levied upon the value of reserves, production or the severance of CBM produced from the Leased Premises. Royalties shall be paid on the volumes of CBM sold by Lessee, and Lessor shall not be entitled to royalties for any line loss or fuel for compression. Payment of royalties for sales made during any calendar month shall be on or about the 30th day after receipt by Lessee of payment for such sales. At the point that monthly royalty payments average less than \$50.00 per month

over a 3-month period, Lessee shall have the right, but not the obligation, to make any or all future royalty payments on an annual basis.

5. **Paid-Up Lease.** This is a "Paid-Up Lease." The initial payment as agreed to in the "Order of Payment" (executed contemporaneously herewith) shall operate as a rental and cover the privilege of deferring the commencement of operations for the full term of this Lease. This and all other payments due under this Lease shall be made by cash or check and shall be deemed tendered when either delivered or mailed to Lessor at the above address. There shall be no requirement to pay additional delay rentals under the Lease. If Lessor owns a lesser interest in the Leased Premises than the entire undivided fee simple estate therein, then the royalties and rentals provided for herein shall be paid to the Lessor only in the proportion that its interest bears to the whole and undivided fee.

6. **Ownership Changes.** Lessee reserves the right to mortgage its interest in whole or part without prior notice to the Lessor.

7. **Regulation and Delay.** This Lease shall be subject to all laws and governmental rules and regulations. This Lease shall not terminate, in whole or in part, nor shall Lessee be held liable for failure to comply herewith, if compliance is prevented would result in the breach of any such law or governmental rule or regulation. Lessor grants Lessee the authority to compromise or settle any disputes with government agencies relating to this Lease or production therefrom. In the event the Lessee is unable to perform any of the acts to be performed by the Lessee by reason of force majeure including but not limited to acts of God, strikes, riots, and governmental restrictions, this Lease shall nevertheless remain in full force and effect until the Lessee can perform said act or acts.

8. **Pooling.** Lessee is hereby granted the right at any time to unitize or pool the Leased Premises or any portion thereof, subject to the depth restrictions contained herein, with any other lands for the production of CBM. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the Leased Premises whether or not the well or wells are located thereon, provided, however, that Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated in Paragraph 4 as the amount of Lessor's acreage placed in the unit, or Lessor's royalty interest therein on an acreage basis, bears to the total acreage in the unit. Lessee shall have the right to amend, alter or correct any such drilling unit or consolidation at any time in the same manner as herein provided.

9. **Entireties.** If the Leased Premises is owned by two or more parties, or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, developed and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by each such owner bears to the entire Leased Premises.

10. **Surface Use.** Following completion of any producing well, Lessee shall (a) fill all the pits used during drilling which are not required either for production purposes or by any government regulations; (b) remove all concrete bases, drilling supplies and drilling equipment; and (c) grade, plant, and seed the area disturbed by drilling that is not required in production of the well, where necessary to bind the soil and prevent substantial erosion and sedimentation.

11. **Release of Lease.** Lessee may at any time surrender all or any part of this Lease by recorded a release of lease in Dickenson County, Virginia and delivering or mailing a copy of said release with recording reference to Lessor.

12. **Breach or Default.** In the event Lessor believes that the Lessee has not complied with any of its obligations hereunder, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this Lease. Lessee shall then have thirty (30) days after receipt of said notice within which to resolve or commence to resolve all or any part of the breaches alleged by Lessor. Lessor shall not bring any cause of action against Lessee for breach of the Lease sooner than thirty (30) days after service of such notice on Lessee, and only if Lessee has failed to resolve or failed to commence to resolve all or any part of the breaches alleged by Lessor. Neither the service of said notice nor the doing of acts by the Lessee aimed to resolve any or all of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder.

14. **Lease Addendum.** Lessor and Lessee acknowledge the Lease Addendum attached to this Lease. Each provision contained in the Lease Addendum shall be incorporated into and is understood to be a part of the Lease. If a provision of the Lease conflicts with a provision of the Lease Addendum, the Lease Addendum shall prevail.

IN WITNESS WHEREOF, the undersigned have executed this instrument on the date appearing above.

**ENERVEST ENERGY INSTITUTIONAL FUND XIV-A, L.P.
AND ENERVEST ENERGY INSTITUTIONAL FUND XIV-A1, L.P.
ENERVEST ENERGY INSTITUTIONAL FUND XIV-WIC, L.P.**

By: EnerVest Operating, L.L.C.
its agent and attorney-in-fact

By: Kevin J. Miller CA
Name: Kevin Miller
Title: Vice President and General Manager

[illegible]

The foregoing instrument was acknowledged before me this 4th day of October, 2019 by Kevin Miller, as the Vice President and General Manager of EnerVest Operating, L.L.C., as agent and attorney-in-fact for ENERVEST ENERGY INSTITUTIONAL FUND XIV-A, L.P., ENERVEST ENERGY INSTITUTIONAL FUND XIV-A1, L.P., and ENERVEST ENERGY INSTITUTIONAL FUND XIV-WIC, L.P. on behalf of the limited partnerships.

My Commission Expires: 11/30/2020




Notary Public

Lessee:

KEYROCK ENERGY, LLC.

By: 
Name: Morgan Pate
Title: Geologist and Head of Development

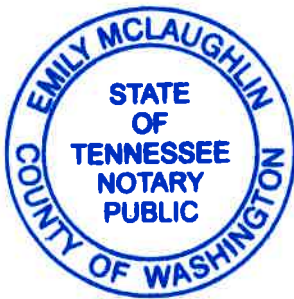
ACKNOWLEDGEMENT

STATE OF TENNESSEE)
) §
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this 1 day of October, 2019 by Morgan Pate, as the Geologist and Head of Development of KEYROCK ENERGY, LLC, on behalf of the limited liability company.

My Commission Expires: 1-11-23


Notary Public



Lease Addendum

1. **Indemnification.** Lessee agrees to indemnify, protect, save harmless and defend Lessor from and against any loss, injury, damage, claim, reclamation requirement of the Virginia Department of Mines, and Minerals (DMME), environmental damage or expense occurring as a result of the Lessee's use of the Leased Premises or which would not have occurred but for the Lessee's use of the Leased Premises, except to the extent any such loss, injury, damage, claim or expense is caused by the Lessor's negligence.
2. **Assignment.** This Lease shall not be assigned in part or whole without the expressed written consent of the Lessor.
3. **Existing Coal Agreement.** Lessor acknowledges that the Leased Premises are subject to an unrecorded Letter Agreement dated 9-12-2018 by and between Contura, ACIN, & etc. for the purpose of laying out guidelines for the co-development of the Coal, Oil, Gas, and Coal Bed Methane on jointly owned properties located in Dickenson and Buchanan Counties, Virginia. Lessor further acknowledges that they are subject to said agreement.
4. **Depth Restriction.** The terms of this Lease are confined to the mined interval of Deep Mine No. 26, otherwise defined as the Lower Banner Seam. This Lease does not include and there is hereby excepted and reserved unto the Lessor any and all oil, gas, and other mineral bearing strata, as well as all coals and coalbed methane both shallower and deeper than targeted Deep Mine No. 26. contained within the Lower Banner Coal Seam.
5. **Royalty on Sale of Electricity or Sale of Carbon Credits.** Lessor shall receive a royalty of Twelve and One-Half Percent (12.5%) of the gross proceeds actually received by Lessee or any of Lessee's affiliates from the sale of electricity generated from combustion of the CBM and/or the sale of Carbon Credits (as defined herein) from the CBM, minus this same percentage share of all Post-Production Costs and minus this same percentage share of all production, severance and ad valorem taxes.
6. **Shut-in Payments.** Lessee may, at its option, cease production from any part or all of the wells located on the Leased Premises, or any wells located on another tract pooled with the Leased Premises for the necessary maintenance or repair of Lessee's equipment, an event of force majeure, or when production from the specific mine as shown in Exhibit "A" has reached its annual production limit as defined by the equations set forth in the Compliance Offset Protocol Mine Methane Capture Projects, California Environmental Protection Agency, Air Resources Board, upon five (5) days written notice to Lessor, without such cessation of production operating to terminate the Lease.
 - (a) Lessee shall tender to Lessor on the first day of the month following the initial cessation of production a shut-in payment of One Thousand Dollars (\$1,000.00). Lessee shall continue to tender to Lessor shut-in payments of One Thousand Dollars (\$1,000.00) on the first of each month until the well or wells have been returned to production.
 - (b) After twelve (12) continuous months of no production, the shut-in payment shall be increased to One Thousand Five Hundred Dollars (\$1,500.00) per month, paid in quarterly installments.
 - (c) The shut-in payments may be suspended at any time by Lessee upon Lessee's written notice to Lessor, accompanied by Lessee's executed release of Lease.
 - (d) The Lease shall terminate automatically, and Lessee shall record a release of lease in Dickenson County, Virginia, after twenty-four (24) continuous months of no production.
7. **Commingling.** Lessee may commingle the production from the Leased Premises ("Produced CBM") with coal bed or coal mine methane produced from properties other than the Leased Premises ("Other Methane") prior to its sale. In the event the Produced CBM is commingled, Lessee shall install meters capable of measuring all Produced CBM from the Leased Premises, and all Other Methane commingled with the Produced CBM. Lessor's royalties shall be determined by

prorating total sales from Lessee's system according to the ratio of Produced CBM and Other Methane introduced into Lessee's system.

8. **Lessor's Title Information.** Lessor agrees to make available to Lessee for inspection and copying all existing title information in Lessor's possession concerning the Leased Premises. Lessor makes no warranties concerning the completeness or accuracy of any such information and shall have no obligation to extend, update, or supplement any title information for Lessee's use. For purposes of this paragraph, "title information" includes but is not limited to abstracts, title insurance policies and commitments and title opinions.

9. **Leasehold Limitation.**

(a) Lessee has familiarized itself with the deeds and title papers under which Lessor owns the rights granted hereunder, and the parties hereto understand that this Lease only grants such rights as are owned by Lessor as of the effective date and which it has the right to grant.

(b) It is the duty of Lessee to familiarize itself with the exact location of the Leased Premises and to ensure that all development activities are confined to the Leased Premises.

(c) The parties hereto agree that, if mining operations heretofore have been conducted on or under the Leased Premises, Lessor has not made and does not now make any representations concerning the condition of any seam of coal on the Leased Premises, previous mining thereon, or the condition of the surface, structures, or works therein or thereon.

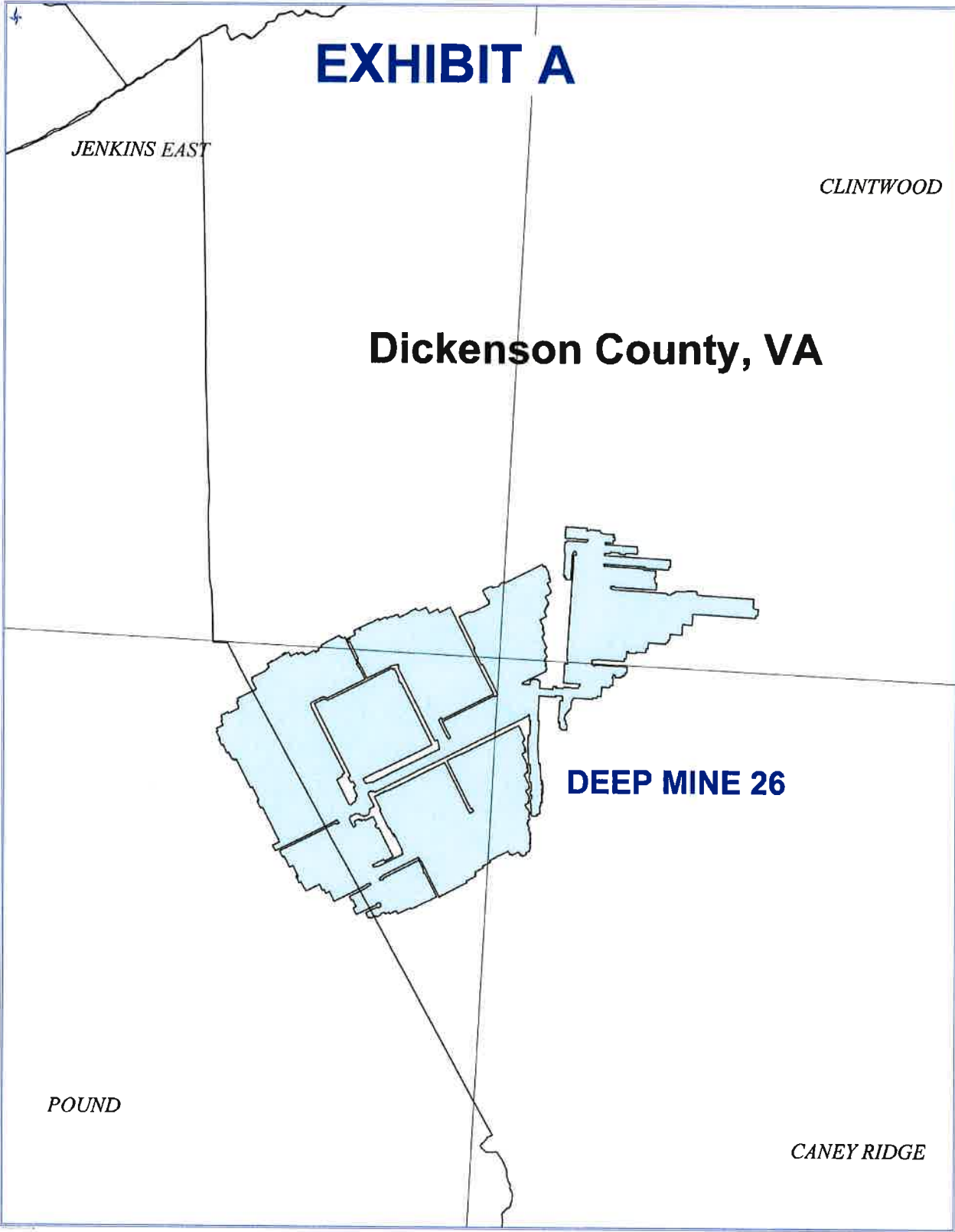
(d) Lessee acknowledges that, prior to the execution of this Lease, it (a) has made an independent examination of data concerning the Leased Premises, (b) has inspected the Leased Premises and is familiar with the physical condition thereof, and (c) has fully informed itself as to all existing conditions and limitations applicable to the Leased Premises. Lessee acknowledges that it has independently analyzed any information provide by Lessor with regard to the Leased Premises and agrees that the furnishing of any information to the Lessee shall not constitute a representation that such information is accurate or complete or a warranty that the Leased Premises confirms thereto. Lessee accepts the CBM and Produced CBM as is and without any warranty, expressed or implied, with regard to the quality of the gas or gas volumes realized by Lessee.

(e) Nothing herein contained shall be deemed or construed to be a covenant for quiet enjoyment or a warranty of title on the part of the Lessor, either express or implied, but Lessee must respect and observe all limitations or defects in the title of Lessor in and to the Leased Premises, said land, coal rights, and all other rights appurtenant thereto. It is likewise understood by Lessee that Lessor gives no warrant as to the quality or quantity of the gas contained in the abandoned mines and assumes no liability due to any deficiency that may exist or develop therein.

(f) To the best of Lessor's knowledge, there are no conflicts between this Lease and any other lease or license issued by Lessor. However, if a conflict arises as to the extent of the boundaries or an overlapping with Lessor's other leases or licenses, then the lease or license that first became effective shall prevail and Lessor shall have no liability or obligation to Lessee as a result thereof.

(g) Lessor does not claim ownership of or any rights to the surface of the Leased Premises other than those surface rights conveyed to Lessor in its deeds.

10. **Insurance.** At all times while operations are conducted upon the Leased Premises, Lessee shall comply with the workers compensation law of the state in which its operations are being conducted. Lessee shall require all contractors engaged by it with respect to any of the operations to comply with the workers compensation law of the state where the applicable operations are being conducted.



VIRGINIA:

BEFORE THE VIRGINIA DEPARTMENT OF ENERGY

APPLICANT:	KEYROCK ENERGY, LLC	)	VIRGINIA GAS
		)	AND OIL BOARD
RELIEF SOUGHT:		)	
	CREATION OF SEALED GOB	)	
	DRILLING UNIT AND	)	DOCKET NO.
	POOLING OF INTERESTS IN A	)	VGOB 25-0218-4302
	444.83 ACRE DRILLING UNIT	)	
	DESCRIBED IN	)	
	THE "PROPOSED UNIT"	)	
	HERETO LOCATED IN THE	)	
	NORA COALBED GAS FIELD	)	
	AND SERVED BY WELL NO.	)	
	KEYROCK DM 26 BLUE JAY	)	
	#1 (HEREIN "SUBJECT	)	
	DRILLING UNIT") PURSUANT	)	
	TO §§ 45.2.1620 AND 45.2-	)	
	1622 OF THE CODE OF	)	
	VIRGINIA, FOR THE	)	
	PRODUCTION OF COALBED	)	
	METHANE GAS FROM THE	)	
	MINED OUT LOWER BANNER	)	
	COAL SEAM (HEREINAFTER	)	
	"SUBJECT FORMATION") IN	)	
	THE CONTURA DEEP MINE 26	)	
	IN DICKENSON COUNTY,	))	
	VIRGINIA (HEREIN "COALBED	)	
	METHANE GAS" OR "GAS")	)	
		)	
	DRILLING UNIT SERVED BY THAT CERTAIN	)	
	WELL NUMBERED KEYROCK DM 26 BLUE	)	
	JAY #1, TO BE DRILLED IN THE LOCATION	)	
	DEPICTED ON EXHIBIT A HERETO, POUND	)	
	QUADRANGLE, KENADY DISTRICT	)	
	DICKENSON COUNTY, VIRGINIA	)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. **HEARING DATE AND PLACE:** This matter came for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 10:00 a.m. on February 18, 2025, at 3405 Mountain Empire Road, Big Stone Gap, Virginia.
2. **APPEARANCES:** Freddie E. Mullins appeared for the Applicant.
3. **JURISDICTION AND NOTICE:** Pursuant to §§ 45.2-1600 et seq. of the Code of Virginia, 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 the Subject Drilling Unit (444.83 acre drilling unit being more particularly described on "Proposed Unit" attached hereto and made a part hereof) underlying and comprised of Subject Lands ("Subject Lands" being more particularly described on "Proposed Unit", attached hereto and made a part hereof); and (2) 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 § 45.2-1618 of the Code of Virginia to notice of this application. Further, the Board has caused notice of this hearing to be published as required by § 45.2-1618 of the Code of Virginia. 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 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 Formation 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") for the purpose of combusting coalbed methane gas to generate carbon credits for sale on the open market; (2) the Board create a sealed gob unit for the coalbed methane gas produced from the Subject Drilling Unit; and, (3) that the Board designate Keyrock Energy, LLC as the Unit Operator.
7. RELIEF GRANTED: The requested relief in this cause shall be and hereby is granted and: (1) pursuant to §45.2-1620 of the Code of Virginia, Keyrock Energy, 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 § 45.2.1629, et seq. of the Code of Virginia, to §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; to §§ 4 VAC 25-160 et seq., and to the Virginia Gas and Oil Board Regulations all as amended from time to time, as a sealed gob unit for the purpose of combusting coalbed methane gas to generate carbon credits for sale on the open market; 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 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.
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 the options outlined in Paragraph 9 below and must give written notice of his election of the option 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 OPTION.

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 under the Nora Field Rules, including a reasonable supervision fee, as more particularly outlined 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: \$115,085.00

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 instead of participation under Paragraph 9.2 herein.

9.2. Option 2 - Compensation. 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 under the following terms:

- Royalty: For each tract owned by the Lessor, Lessee shall annually pay Lessor royalties calculated as 12.5%, multiplied by the ratio of the acreage of that tract to the total acreage of the Subject Drilling Unit (under Va. Code § 45.2-1620(B)), multiplied by the gross revenue from the sale of Carbon Credits, without deduction for any post-production costs or expenses. If Carbon Credits are not issued by the California Air Resources Board (CARB) for sale or if the market value generates no revenue, there would be no royalty paid based on the gas production. Annual royalty shall be paid within 90 days of the sale of Carbon Credits.
- Depth Restriction: All terms of this lease are confined to the mined-out interval of Deep

Mine No. 26, otherwise defined as the Lower Banner Seam.

- Shut-in Payments: If production has ceased from the proposed well within the pooled boundary for the entire annual reporting period, Lessee shall tender to each Lessor a shut-in royalty within ninety (90) days of the close of the annual reporting period following such cessation in an amount to be determined by multiplying the percentage ownership each Lessor possesses in the Proposed Unit by \$1,000.00. Lessee shall continue to tender to Lessor shut-in payments per each annual reporting period until the well is plugged or production resumes. The Shut-in Payment due each Lessor is calculated on a percentage of acreage owned by each Lessor inside the Pool. In no instance shall the total amount paid to all Lessors exceed the amount calculated by multiplying the amount of \$1,000.00 by each Lessor's percentage ownership of the Proposed Unit and then adding all such sums together.

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: Instead of participating in the Well development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash 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) equal 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 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 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 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 in 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. 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 the 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(2) 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 otherwise be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections, except that the Gas Owner or Claimant shall be entitled to the royalties, payments, and interests provided in Paragraph 9(2) above.
- 12. UNIT OPERATOR (OR OPERATOR):** Keyrock Energy, 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 §§ 45.2-1629 et seq. of the Code of Virginia; §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., 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:

Keyrock Energy, LLC
207 East Main Street, Suite 2-D
P. O. Box 2223
Johnson City, TN 37605
Phone: (423) 726-2070
Email: compliance@keyrockenergy.com

- 13. 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.

- 14. Escrow Provisions:** The Applicant represented to the Board that there are unknown or unlocatable and there are no conflicting claimants in the Subject Drilling Unit whose payments are subject to the provisions of Paragraph 14.1.

14.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order 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, pursuant to Va. Code § 45.2-1620, said sums shall be deposited by the Unit Operator into the Escrow Account, commencing 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 use of a report format approved by the Inspector, 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 being deposited. 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 in accordance with Va. Code § 45.2-1620. Therefore, by this Order, the Escrow Agent named herein or any successor named by the Board, is required to establish an interest-bearing escrow account for the Subject Drilling Unit (herein "Escrow Agent"), and to receive and account to the Board pursuant to its agreement for the escrowed funds described herein:

Escrow Agent:
Department of Treasury
Unclaimed Property Division
P. O. Box 2478
Richmond, Virginia 23218-2478
Phone: 1-800-468-1088
E-Mail: Report.Remit@trs.virginia.gov

- 15. SPECIAL FINDINGS:** The Board specifically and specially finds:

- 15.1. Applicant is Keyrock Energy, LLC. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 15.2. Applicant Keyrock Energy, LLC is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;
- 15.3. Applicant Keyrock Energy, LLC has agreed to explore, develop, and maintain those properties and assets now owned or hereafter acquired by Keyrock Energy, LLC, and has consented to serve as Coalbed Methane Gas Unit Operator for the Subject Drilling Unit and to faithfully discharge the duties imposed upon it as Unit Operator by statute and regulations;
- 15.4. Applicant Keyrock Energy, LLC, claims ownership of gas leases, Coalbed Methane Gas leases, and/or coal leases representing 79.96% 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 Dickenson County, Virginia, which Subject Lands are more particularly described in Exhibit A.

- 15.5. The estimated total production from Subject Drilling Unit is 650 mmcf. The estimated amount of reserves from the Subject Drilling Unit is 650 mmcf.
- 15.6. 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 20.04% percent of the oil and gas interests/claims in and to the Coalbed Methane Gas in the Subject Drilling Unit;
- 15.7. Applicant's evidence established that fair, reasonable and equitable compensation would be paid to any person in lieu of the right to participate in the Wells as provided in Paragraph 9 above;
- 15.8. 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.
- 16. 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.
- 17. CONCLUSION:** Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**
- 18. APPEALS:** Appeals of this Order are governed by the provisions of § 45.2-1609 of the Virginia Code which provides that any order or decision of the Board may be appealed to the appropriate circuit court.
- 19. 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.