

Instrument Control Number

20170124100100

Instrument 201701241
Recorded in the Clerk's Office of
Wise County and the City of Norton
On Mar 23, 2017 at 11:27 AM.
J. Jack Kennedy, Jr., Clerk
Recorded by: mary hagy
(Box For Deed Stamp Only)

Commonwealth of Virginia

Land Record Instrument
Cover Sheet-Form A

[efileCX mxCourt 1.0]

Instrument Type: [ODU]
Number of Parcels [1]
Number of Pages [12]
City County [Wise County/City of Norton, VA]

First and Second Grantors

Last Name	First Name	Middle Name	Suffix
[VIRGINIA GAS & OIL BOARD]	[]	[]	[]

First and Second Grantees

Last Name	First Name	Middle Name	Suffix
[ENERVEST OPERATING LLC]	[]	[]	[]

Grantee Address (Name) [ENERVEST OPERATING LLC]
(Address 1) []
(Address 2) []
(City, State, Zip) [] [] []

Consideration[00.00] Assessed Value[00.00]

Prior Instr. Recorded at: City County Other

Book [0000] Page[00000] Instr. No.[]

Parcel Identification no. {PIN} [000000]

Short Property Description [MODIFICATION OF THE NORA GAS FIELD RULES ORDER. VGOB

Current Property Address (Address1) [DOCKET # 89-0126-0009-90.]

(Address2) [P. O. BOX 0000]

(City, State, Zip) []

[WISE] [VA] [24293]

Instrument Prepared by [DEPARTMENT OF MINES, MINERALS AND ENERGY]

Recording Paid for by [DEPARTMENT OF MINES, MINERALS AND ENERGY]

Return Recording to (Name) [DEPARTMENT OF MINES, MINERALS AND ENERGY]

(Address1) [135 HIGHLAND DRIVE]

(Address2) [P. O. DRAWER 159]

(City, State, Zip) [LEBANON] [VA] [24266]



INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: **ENERVEST OPERATING, LLC**

VIRGINIA GAS AND
OIL BOARD
VGOB DOCKET NO.:

89-0126-0009-90

RELIEF SOUGHT:

MODIFICATION OF THE NORA GAS FIELD RULES ORDER RULES TO ALLOW FOR A TOTAL OF TWO (2) COALBED GAS WELLS TO BE DRILLED WITHIN EACH DRILLING UNIT PURSUAN TO VA. CODE §45.1-361.20

LEGAL DESCRIPTION:

THE NORA COALBED GAS FIELD DRILLING POOL LYING IN BUCHANAN, DICKENSON, RUSSELL AND WISE COUNTIES, VIRGINIA AND DEPICTED ON EXHIBIT H-2 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 (hereinafter "Board") at 9:00 a.m. on January 17, 2017 at the Conference Center at the Russell County Office Facility, Lebanon, Virginia.
2. Appearances: Timothy E. Scott of McKinnis & Scott, appeared for the Applicant; and Paul Kugelman, Jr., Senior Assistant Attorney General, was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to Va. Code §45.1-361.1 et seq., as amended, the Board finds that it has jurisdiction over the subject matter. The Board caused notice of the within hearing to published as required by Va. Code §45.1-361.19. Whereupon, the Board hereby finds that the notices given satisfy all statutory

BOOK 0815 PAGE 0939

DB 545 PG263

170000414

requirements, Board rule requirements and the minimum standards of State due process.

4. Amendments and Dismissals: **None.**

5. Relief Requested: (1) Modification of the Nora Gas Field Rules to allow more than one coalbed methane gas well to be drilled within each of the Nora Field Drilling Units identified on Table 1 which provides a listing of the grid units in the Nora Coalbed Gas Field; and, (2) all restrictions and rules regarding well spacing, unit acreage unit naming convention and geologic formations established in the original and subsequent Nora Coalbed Gas Field orders remain unchanged.

6. Relief Granted: Available data and the evidence adduced at the hearing support Applicant's position that the production from the pool underlying the Nora Coal Bed Gas Field Drilling Units in question would be enhanced and benefit from in-field drilling; accordingly,

a. With regard to the Drilling Units in the Nora Coalbed Gas Field in **Exhibit "H2"** hereto, the Nora Coal Red Gas Field Rules Order, OCGB order entered of March 26, 1989, is hereby amended to allow the Board's Designated Unit Operator in Drilling Units pooled by Board Order and the Well Operator/Permittee in voluntary Drilling Units to drill a total of two (2) wells, said total to include any previously permitted well(s), within the units affected by the Application and this Order; and,

b. All requests for a second coalbed methane well in each drilling unit will be incorporated into the permit application by the applicant for review and approval by the Division Director. The Division Director will have discretion to refer to approval to the Board if needed.

7. Special Findings:

a. Applicant's proposed field rule modification is not an unreasonable or arbitrary exercise of the owner's right to explore for or produce gas;

b. The Applicant's proposal would not unreasonably interfere with the present or future mining of coal or other minerals;

c. The acreage to be embraced in the Drilling Units affected by and/or created by this Modification Order shall be as set forth above and in **Exhibit "H2"** attached hereto.

d. The formations subject to this Modification Order are described in the OGCB Order entered March 26, 1989, as amended.

e. The boundaries of the Drilling Units are the same as heretofore

BOOK 0815 PAGE 0940 DB 545 PG264

170000414

established by the OGCB Order entered March 26, 1989, as amended.

f. The Board may set an allowable production from each well if it deems it necessary to prevent waste or protect correlative rights.

g. The acreage subject to this Modification Order is depicted in **Exhibit "H2"** attached hereto:

h. Except as herein specifically modified, the proposed Drilling Units in **Exhibit "H2"** shall be developed and produced in compliance with the OGCB Order entered on March 26, 1989 regarding the Nora Gas Field Rules, as amended.

i. This Modification Order shall be effective as of the date of the hearing, to wit: January 17, 2017.

8. Conclusion: The relief granted hereby will assist in enhancing production from existing wells, will assist in more efficiently recovering coalbed methane gas from the area in question, prevent waste by more effectively extracting the resource, and will continue to protect the correlative rights of all owners and claimants. Therefore, the relief and all terms and provisions set forth above be and are hereby granted and IT IS SO ORDERED.

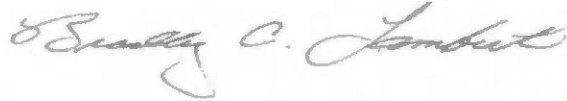
9. Effective Date: January 17, 2017

DB 545 PG265

BOOK 0815 PAGE 0941

170000414

DONE AND EXECUTED this 2 day of February, 2017 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 2 day of February, 2017 by Order of the Virginia Gas and Oil Board.



Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 2nd day of February, 2017, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.



Charles Blair Linford, Notary Public
7710935

My Commission expires: March 31, 2021



DB 545 PG266

BOOK 0815 PAGE 0942

170000414

Nora Coalbed Gas Field

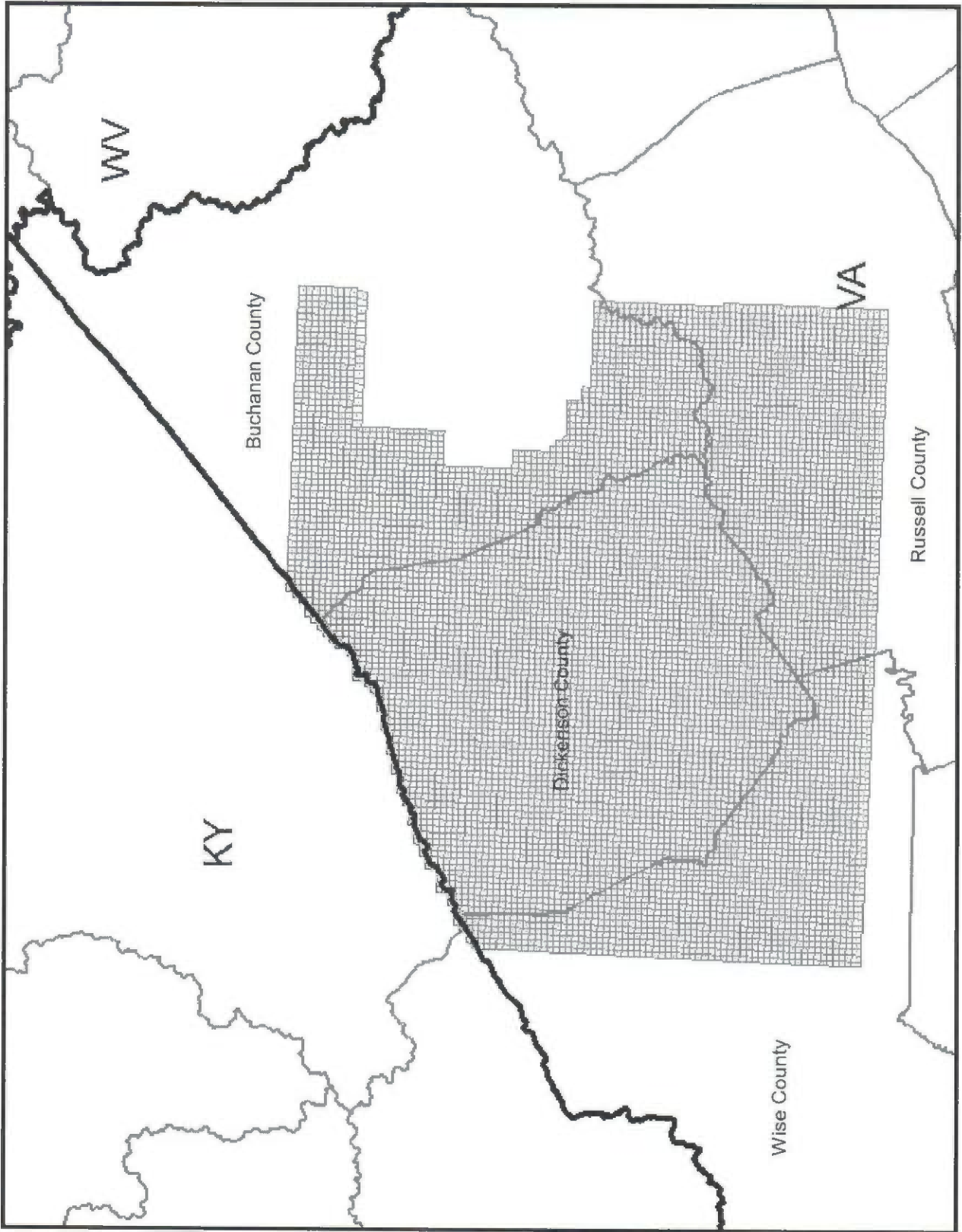


EXHIBIT H-2

DB 545 PG267

BOOK 0815 PAGE 0943

170000414

Nora Coalbed Gas Field

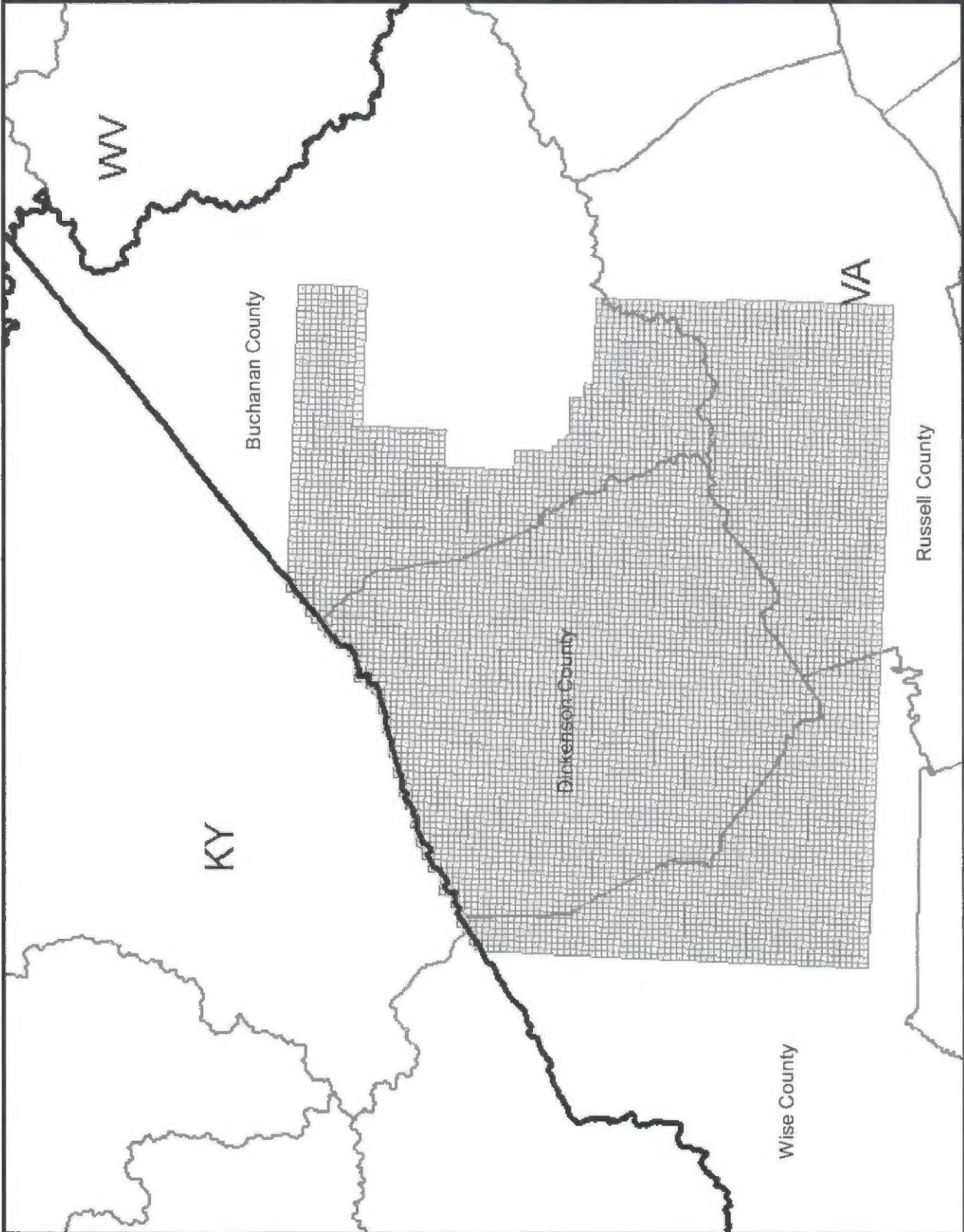


EXHIBIT K (pg 1)

Establishment of Nora CBM Field Rules

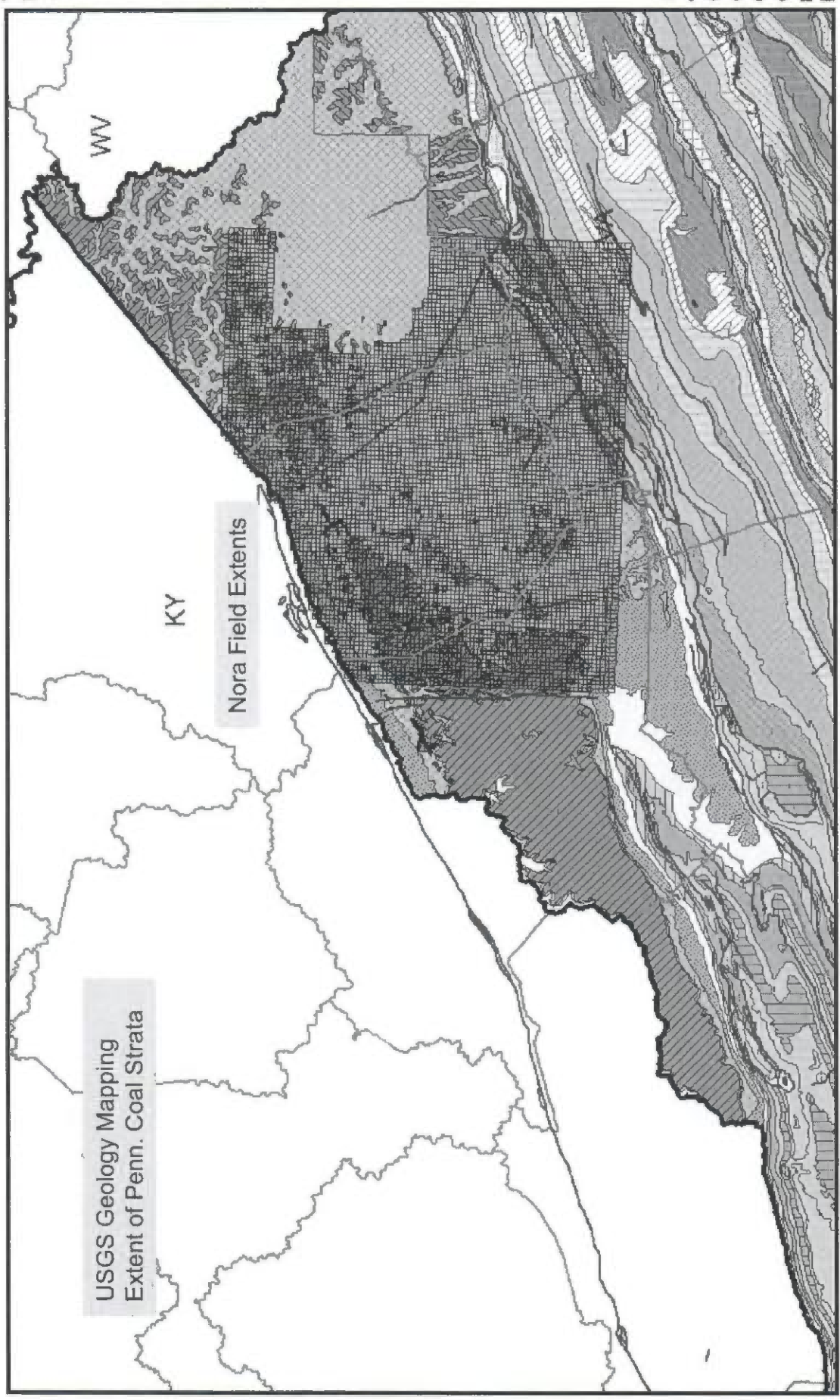


EXHIBIT K (pg 2)

Page Number 7.

Adjacent CBM Fields Established by VGOB Board

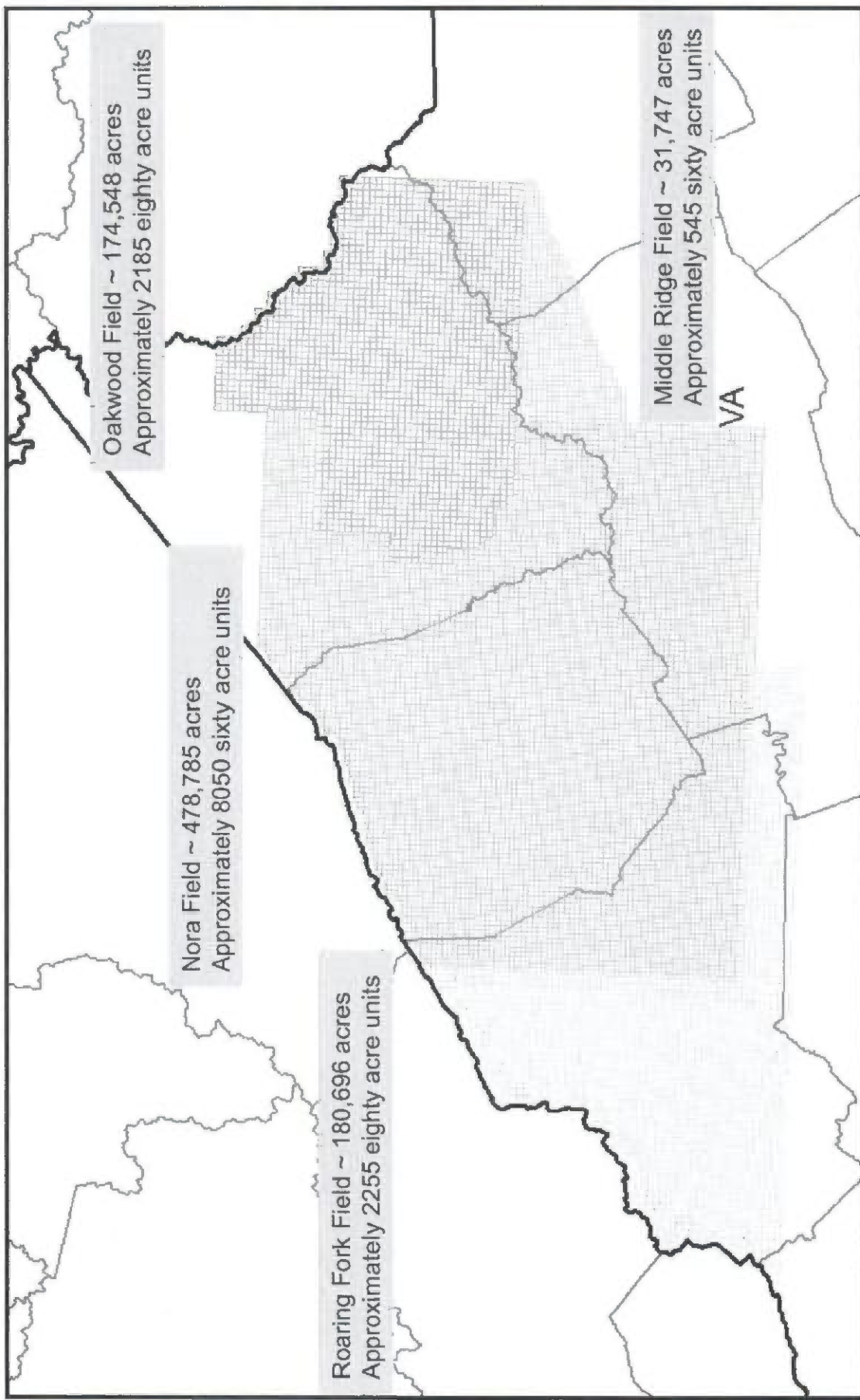


EXHIBIT K (pg 3)

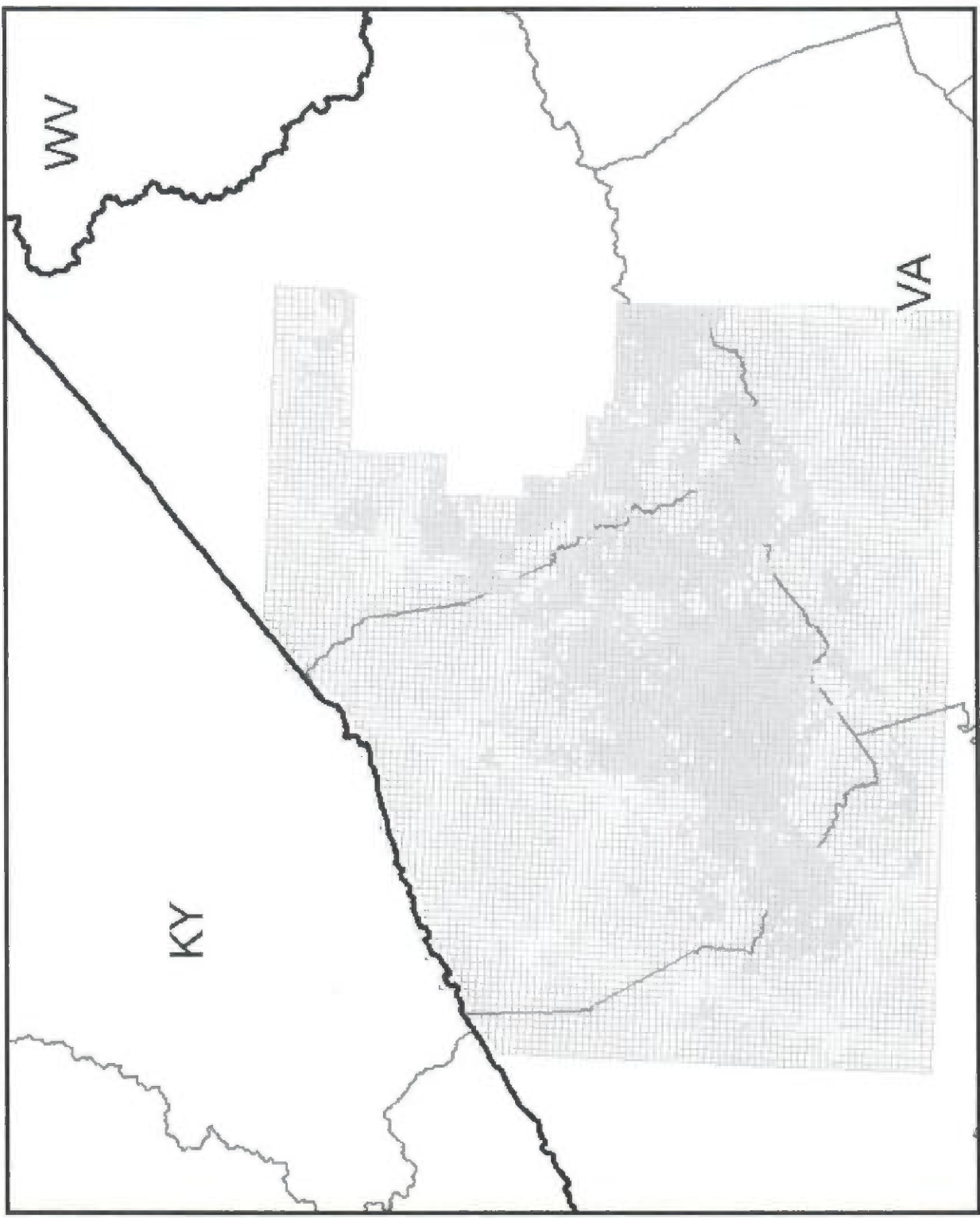
DB 545 PG270

BOOK 0815 PAGE 0946

170000414

EXHIBIT K (pg 4)

Nora CBM Field Units Currently Drilled



BOOK 0815 PAGE 0947

DB 545 PG271

170000414

Nora CBM Field Units Currently Approved For Second Well

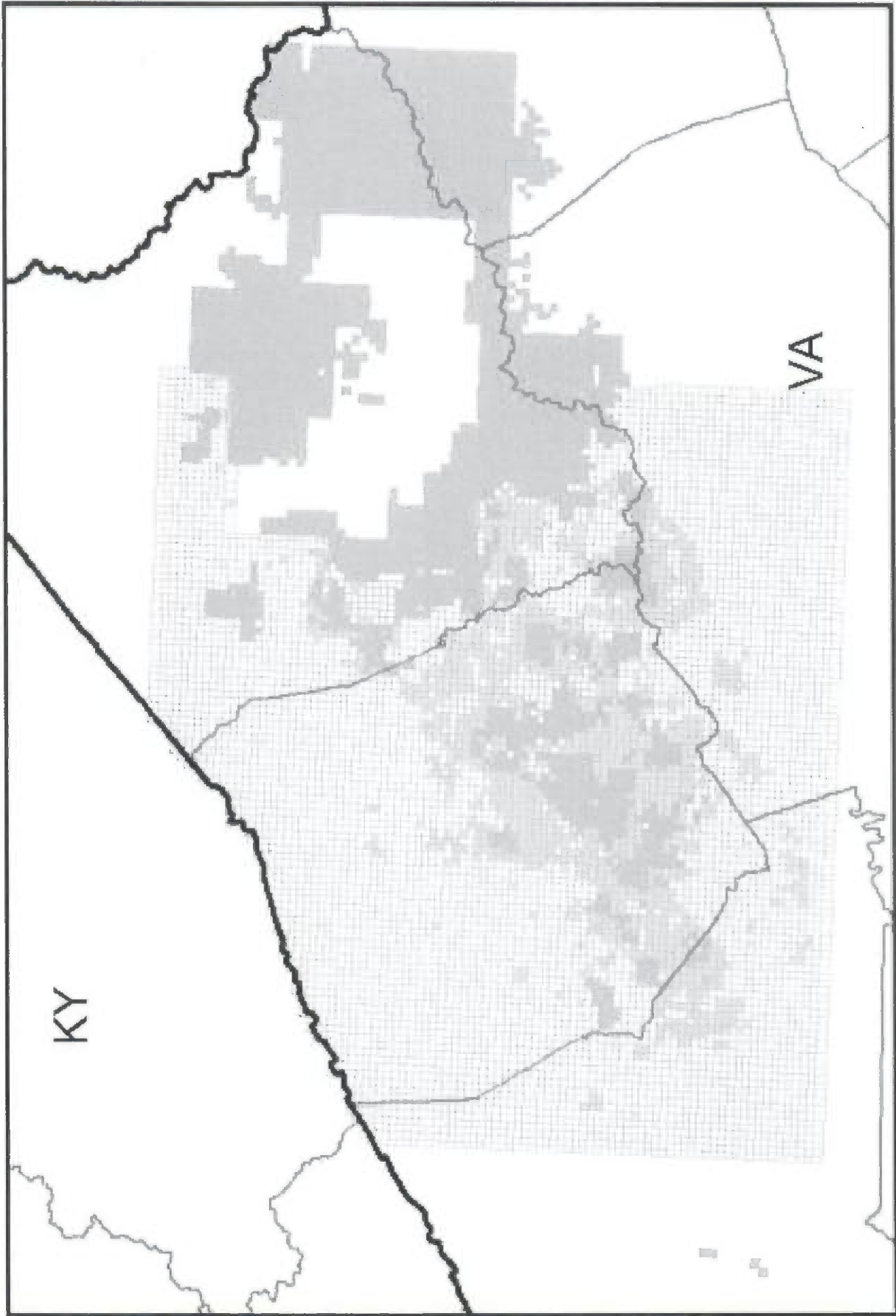


EXHIBIT K (pg 5)

Page Number 10.

BOOK 0815 PAGE 0948

DB 545 PG272

170000414

Justification for Field Rules Modification

- **VGOB has approved over 80 individual applications for increased density drilling in the past 25 years**
- **VGOB has been repeatedly presented production documentation verifying benefits on increased density drilling**
- **Advances in drilling and completion technologies support the field rule modification**
- **Permitting process provides an efficient mechanism for public participation and technical review by VGOB staff**
- **Any other significant modification to the existing Nora Coalbed Gas Field rules would require additional VGOB approval**
- **Promotes conservation of the gas resource and prevent waste by more effectively extracting the resource**
- **Allow for shared facilities such as roads, pipelines, etc. to help minimize environmental impact**
- **Working Interest Owners, Royalty Owners, and the State will benefit by maximizing production**

EXHIBIT K (pg 6)

Page Number 11.

1700433

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 3-2 2017. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:42 o'clock P M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: DMME

TESTE: ANN S. McREYNOLDS, CLERK
BY: Jennifer Kendrick D. CLERK

DB 545 PG273

INSTRUMENT #170000216
RECORDED IN THE CLERK'S OFFICE OF
DICKENSON ON
FEBRUARY 28, 2017 AT 01:41PM

RICHARD W. EDWARDS, CLERK
RECORDED BY: CPF

Instrument 201701241
Recorded in the Clerk s Office of
Wise County and the City of Norton
On Mar 23, 2017 at 11:27 AM.
J. Jack Kennedy, Jr., Clerk
Recorded by: mary hagy