

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: ON MOTION OF VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: MODIFICATION OF OGCB 3-90 (5/18/1990), OAKWOOD COALBED METHANE GAS FIELD I ORDER and VIRGINIA GAS AND OIL BOARD ORDER No. 91-1119-162 (5/28/1992), THE OAKWOOD COALBED METHANE GAS FIELD II ORDER EXTENDING THE BOUNDARIES OF BOTH FIELDS TO INCLUDE THE AREAS SHOWN AND DESCRIBED IN EXHIBIT A ANNEXED HERETO.

**DIVISION OF GAS AND OIL DOCKET NO.: VGOB-93-0316-0348**

LEGAL

DESCRIPTION: BUCHANAN & TAZEWELL COUNTY(IES), VIRGINIA  
(SEE DESCRIPTION SET FORTH BELOW AT PARAGRAPH 6.a.  
AND THE MAP ATTACHED HERETO AS EXHIBIT A)

### **REPORT OF THE BOARD**

#### **FINDINGS AND ORDER**

1. Hearing Dates and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on March 16, 1993, on April 20, 1993 and on May 18, 1993. All hearings occurred in the Conference Room, 4-H Center, Abingdon, Virginia.

2. Appearances: On March 16, 1993: Mark A. Swartz and Howard Salisbury for Buchanan Production Company, OXY USA and Island Creek Coal Company; James Rasnake for Virginia Gas Company; Ken Carmondy for Pocahontas Gas Partnership; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board. On April 20, 1993: Mark A. Swartz for Buchanan Production Company, OXY USA and Island Creek Coal Company; Elizabeth McClanahan for Pocahontas Gas Partnership; James Rasnake for Virginia Gas Company; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board. On May 18, 1993: Mark A. Swartz for Buchanan Production Company, OXY USA and Island Creek Coal Company; Elizabeth McClanahan for Pocahontas Gas Partnership; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: At a Board hearing on February 16, 1993 in re VGOB-93-0216-0325 and VGOB-93-0216-0336, the Board considered petitions (a proposed Hurricane Branch Extension) to extend the existing Oakwood I and Oakwood

II Gas Fields to the East of the existing eastern Oakwood Field boundary(ies). During said hearing, it was proposed that the Board consider receiving further testimony "as to the proper extension of the Oakwood Coalbed Methane Field." Based upon hearing testimony, including input from gas and oil operators and coal operators, Board Member Evans made the following Motion:

Mr. Chairman, I'd like to make a motion that this—that the Board consider on the next docket receiving testimony as to the proper extension of the Oakwood Coalbed Methane Field both north, south, and east by anyone who has information that will help us make that determination as to whether it should be and to what extent. In other words, the Board on its own motion will consider areas outside the extension request and that are outside the Oakwood Field to be included within that Oakwood Field . . . I will also move that we accept this extension request and grant this motion for the extension based on the evidence presented.

These motions received a second and all members signified that they were in favor of the motions.

The Board placed the question of the proper limits of the Oakwood Coalbed Methane Gas Fields on its March 16, 1993 Docket. The Board published a Notice of its March 16, 1993 Meeting. The Notice identified the docket items to be considered and described the subject matter of those items. A map was presented for the Board's consideration at the March hearing, Dennis Llewellyn of Island Creek Coal Company, provided a two-page summary with multiple attachments showing analysis and reasoning in support of the extension. From the testimony/comments of interested parties and members of the Board, it became apparent that there was support for extending the Oakwood Field beyond the boundaries shown on the map presented at the March 16, 1993 hearing.

Accordingly, the Chairman continued the hearing and requested that a new map be prepared incorporating the additions and corrections proposed by the Board members and the operators who appeared at the March hearing. Further, the Chairman indicated that in the event persons/companies objected to the extension or portions thereof they should appear at the next hearing with their expert witnesses to be heard.

The Board placed the question of the proper limits and appropriate mapping for the Oakwood Coalbed Methane Gas Fields on its April 20, 1993 Docket. The Board published Notice of its April 20, 1993 Meeting. The Notice identified the docket items to be considered and described the subject matter of those items. A revised map was presented for consideration by the Board and interested persons appearing at said hearing. At the conclusion of the hearing, Board Member McGlothlin made the following Motion:

I move we accept the proposal for extending the Oakwood II rules to incorporate the areas to the west, north and to the east as so designated on the exhibit mapping.

Board Member Evans proposed that McGlothlin's motion include the following:

. . . I'd like to put in . . . wording [to] address the partial 80-acre units along the West Virginia line at some—should those come before the Board for force pooling or whatever else. That they will be included in one of the other 80-acre units or another unit that's close that's adjacent to it.

The Motion, as amended, was seconded.

Chairman Wampler, to clarify the record, inquired: "Does that motion incorporate both Oakwood I and Oakwood II Orders and the amended Nora area?" Mr. McGlothlin responded: "Yes, sir."

The Motion as amended and clarified was affirmed by all Board members; none were opposed.

4. Relief Granted: The Oakwood I Field Rules, OGCB 3-90, as amended, and the Oakwood Coalbed Methane Gas Field II Rules, VGOB-91-1119-162, as amended, be and they are hereby modified by this Order to include the Subject Formations (as that term is defined in those Orders) in/under the acreage depicted on the Map, Exhibit A, that is annexed to this Order and incorporated herein by reference.

To the extent 80-acre units on the boundaries of this extension overlap the Virginia State line and/or areas subject other field rules, including without limitation the Nora Field, the operator shall petition the Board to create larger or smaller units as may be necessary to protect or assist in protecting the correlative rights of all persons in the Subject Formations under the lands shown on the Map annexed hereto as Exhibit A.

After the Board approved the extension of the Oakwood I and II Fields on April 20, 1993, the Board pooled drilling units within the extension area shown on Exhibit A hereto. In addition, the Division of Gas and Oil issued well permits for drilling in voluntary units within the extension area shown on Exhibit A hereto. All the pooling orders entered or amended and/or voluntary units created in reliance upon the Board's action and order of April 20, 1993 shall remain in full force and effect.

5. Legal Authority: Va. Code Ann. § 45.1-361.1 et seq. including without limitation § 45.1-361.20 and 4VAC25-160-50.

6. Special Findings:

a. The exterior boundary of the extension granted by this Order is as follows:

Beginning at a point, Virginia State Plane NAD 27 coordinate of  
N: 363942.35 E: 1018335.96, Northwest corner of Unit B40;  
thence S: 87°52'33"E 7454.06 feet to a point, Southeast corner of Unit B43;

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thence S: 87°46'36"E 282.54 feet to a point on the State Line separating Commonwealth of Virginia and State of West Virginia, Virginia State Plane NAD 27 coordinate of N: 363655.11 E: 1026067.23;  
thence in an easterly direction following the State Line approximately 36071.95 feet to a point, Northeast corner of Unit D57, Virginia State Plane NAD 27 coordinate of N: 359321.66 E: 1051732.17;  
thence S: 01°57'59"W 54900.49 feet to a point, Southeast corner of Unit FF57;  
thence N: 87°48'23"E 33640.52 feet to a point, Southwest corner of Unit FF40;  
thence S: 02°04'12"W 22673.42 feet to a point, Southwest corner of Unit FF40;  
thence N: 02°04'12"E 22673.42 feet to a point, Northwest corner of Unit U40;  
thence S: 87°50'04"E 11192.19 feet to a point, Northwest corner of Unit U46;  
thence N: 02°01'01"E 16850.46 feet to a point, Southwest corner of Unit K46;  
thence N: 87°51'18"W 11176.61 feet to a point, Southwest corner of Unit K40;  
thence N: 02°04'12"E 18719.44 feet to a point of beginning, Northwest corner of Unit B40, containing +/- 39820.72 acres.

The extension area contains 39,820.72 acres, more or less.

- b. This Order pertains and applies to coalbed methane gas only.
- c. As set forth in the referenced Oakwood Orders and Field Rules, the Units, except on the boundaries, shall be of uniform size, to-wit: squares containing 80 acres each.
- d. The number of wells in any drilling unit shall be as many as allowed by the Oakwood I and II Orders and Rules, as amended, applied in accordance with the Virginia Code, the Virginia Gas and Oil Regulations and the Virginia Gas and Oil Board Regulations. The number of wells, their locations and spacing shall be determined as required by Va. Code Ann. § 45.1-361.20.C.
- e. Production allowables are not relevant to coalbed methane production from this Field.
- f. Based upon the coalbed methane development under the Oakwood Field Rules to the west of this extension and the application of those Rules to that development, the Board concludes that application of these Rules to this acreage, embracing basically the same formations, will not result in unreasonable or arbitrary development, nor will it unreasonably or arbitrarily limit gas or oil owners' rights to explore for or produce gas or oil. There is no indication that the application of these Rules to the acreage in question will unreasonably interfere with present or future mining for coal or other minerals. None of the coal operators who participated in these hearings or their counsel raised such objections.
- g. The supplemental information and exhibits presented regarding the coal seams and strata to the east of the western boundary of the existing Oakwood Field support the conclusion that the coal seams below the Tiller seam and the related strata

"the Subject Formation" are substantially and materially similar to the "the Subject Formation" described in the original Oakwood I and II Field Rules.

h. The Oakwood Rules were intended to prevent waste and the drilling of unnecessary wells, and they have proven to have minimized waste and unnecessary wells.

i. The uniform application of these Rules promotes and protects the correlative rights of all owners.

7. Conclusion: For the reasons and upon the grounds summarized above and placed upon the record at the hearings identified above, the relief and all terms and provisions set forth above be and they are hereby granted, and IT IS SO ORDERED.

8. Effective Date: This Order shall be effective as of the Board's actions in granting the relief specified above at the hearing held on April 20, 1993.

DONE AND EXECUTED this 6<sup>th</sup> day of Mar 2019 by unanimous decision of the Virginia Gas and Oil Board on April 20, 1993.

Bradley C. Lambert  
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 6<sup>th</sup> day of March 2019 by ORDER of the Virginia Gas and Oil Board.

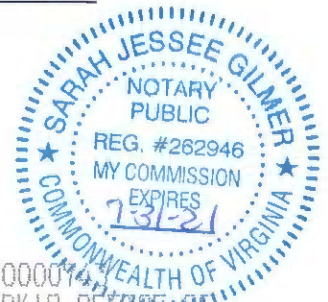
Rick Cooper  
Rick Cooper  
Principal Executive to the Staff,  
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 6<sup>th</sup> day of March 2019 personally before me, a notary public in and for the Commonwealth of Virginia, by Bradley C. Lambert who being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and that he executed the above Order in said capacity being duly authorized to do so, and by Rick Cooper who being duly sworn did depose and say that he is the Principal Executive to the Staff of the Virginia Gas and Oil Board and that he executed the above Order in said capacity being duly authorized to do so.

Sarah Jessee Gilmer  
Sarah Jessee Gilmer  
Notary Public 262946

My commission expires: July 31, 2021.



INSTRUMENT 190000369  
RECORDED IN THE CLERK'S OFFICE OF  
TAZEWELL COUNTY CIRCUIT COURT ON  
MARCH 25, 2019 AT 02:59 PM  
TAMMY B. ALLISON, CLERK  
RECORDED BY: MSM  
Messie Martin



**190000369**

INSTRUMENT 190000369  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY CIRCUIT COURT ON  
MARCH 25, 2019 AT 04:32 PM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: CXE