

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

| | | | |
|--------------------|---|---|---------------------------------|
| APPLICANT: | EnerVest Operating, LLC |) | VIRGINIA GAS |
| | |) | AND OIL BOARD |
| RELIEF SOUGHT | EXCEPTION TO STATEWIDE SPACING |) | |
| | LIMITATIONS PRESCRIBED BY |) | DOCKET NO. |
| | VA. CODE § 45.1-361.17 (a) (2) |) | <u>VGOB-18-0515-4174</u> |
| | FOR <u>WELL NO. 900152</u> |) | |
| | |) | |
| | |) | |
| LEGAL DESCRIPTION: | |) | |
| | DRILLING UNIT SERVED BY WELL |) | |
| | NUMBERED <u>900152</u> |) | |
| | TO BE DRILLED IN THE LOCATION |) | |
| | DEPICTED ON EXHIBIT A HERETO, |) | |
| | Big Sandy Fuel Corporation Tract |) | |
| | 12,627.34 acres, more or less |) | |
| | ELKHORN CITY QUADRANGLE |) | |
| | SANDLICK DISTRICT |) | |
| | DICKENSON COUNTY, VIRGINIA |) | |
| | (the "Subject Lands" are more particularly described |) | |
| | on Exhibit "A" , attached hereto and made a part |) | |
| | hereof) |) | |

REPORT OF THE BOARD

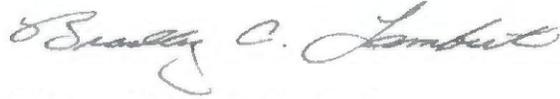
FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m.** on **June 19, 2018** at the Russell County Conference Center, 139 Highland Drive, Lebanon, Virginia.
2. Appearances: **Timothy E. Scott** appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; 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 Va. Code § 45.1-361.19 to notice of this application. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: None.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. 900152.
7. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed **Well No. 900152 which is 2,258.00 feet from EnerVest Well No. 809553; 2,004.07 feet from Well No. 900153; and 1,991.00 feet from EnerVest Well No. 809691** at the location depicted on the Plat attached hereto as **Exhibit A**.
8. Special Findings: The Board specifically and specially finds:
 - 8.1 Applicant is **EnerVest Operating, LLC**. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 8.2 Applicant **EnerVest Operating, LLC**, is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 8.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. **900152** as well as the right to participate and develop the reciprocal wells, being **EnerVest Operating, LLC Well Nos. 809553, 900153 and 809691**.
 - 8.4 The proposed Well No. **900152** is located on the **Big Sandy Fuel Corporation 12,627.34-acre Tract** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **900152** that is depicted on the Plat attached hereto as **Exhibit A**;
 - 8.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal **EnerVest Operating, LLC, Well Nos. 809553, 900153 and 809691** that the granting of the application filed herein will not impact the correlative rights of any person;
 - 8.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. **900152** is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of **820** million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
 - 8.7 Applicant proposes the drilling of Well No. **900152** to a depth of **5,710** feet on the Subject Drilling Unit at the location depicted on Exhibit A to produce all the Mississippian and Devonian Age formations including, but not limited to, **Ravencloff, Maxon, Big Lime, Weir, Berea and Devonian Shale**, from surface to total depth drilled, **5,710** feet ("Subject Formations");
 - 8.8 Applicant proposes to drill Well No. **900152** a distance of **242.00 feet closer to EnerVest Well No. 809553; a distance of 495.93 feet closer to EnerVest Well No. 900153; and a distance of 509.00 closer to EnerVest Well No. 809691** than the 2500 feet mandated by statewide spacing;

- 8.9 Applicant proposes to complete and operate Well No. 900152 for the purpose of producing Conventional Gas;
9. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**
10. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 *et seq.* and Rule 2A of the Rules of the Virginia Supreme Court.
11. 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.

DONE AND EXECUTED this 9 day of July, 2018 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

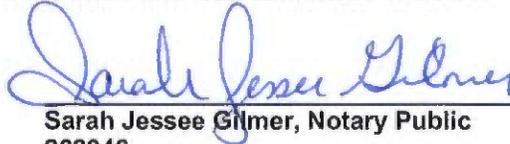
DONE AND PERFORMED this 9 day of July, 2018 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 9th day of July, 2018, 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.



Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2021



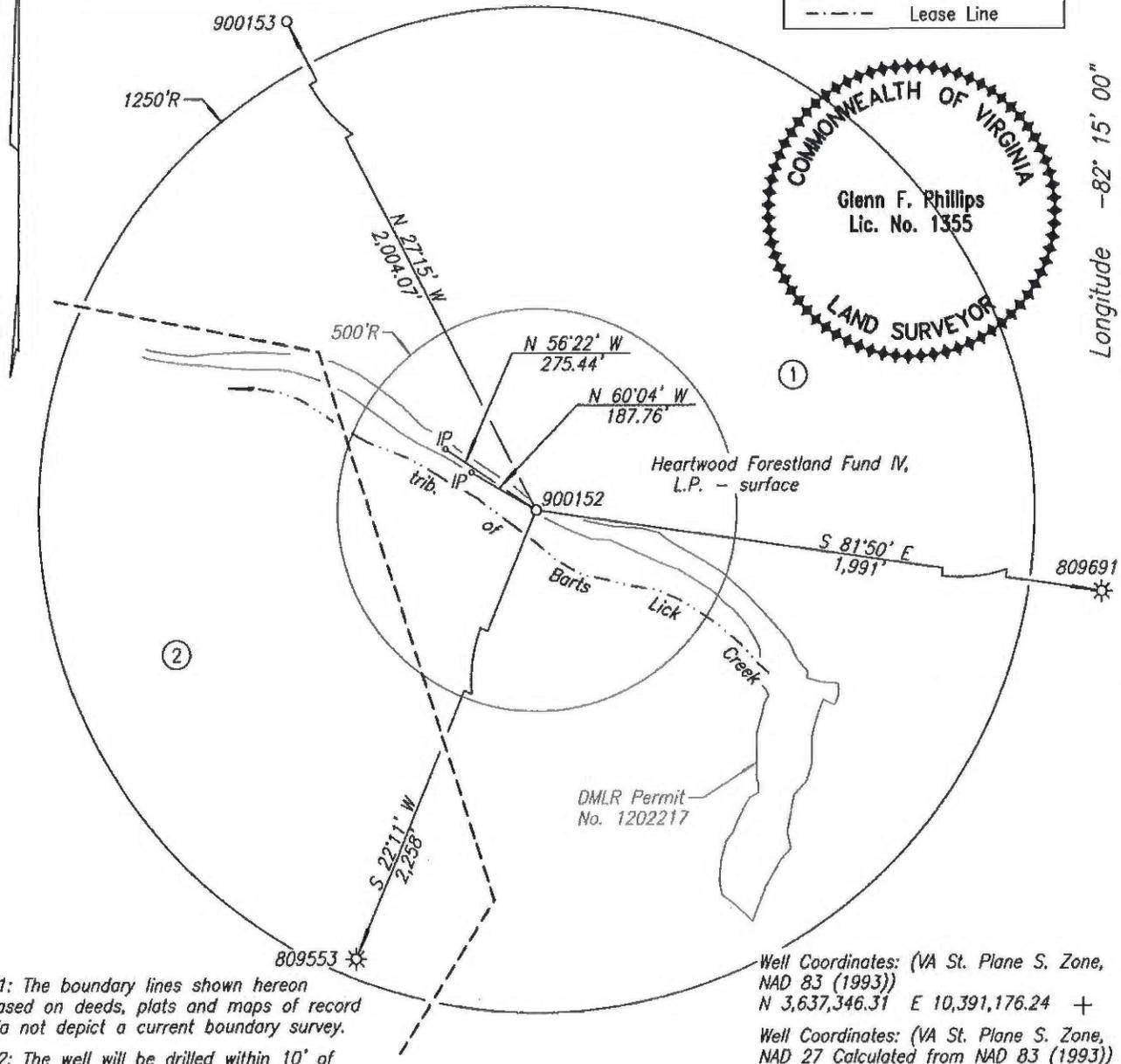
Well Coordinates: (Geographic N83)
37.252932° -82.252069°

Well Coordinates: (UTM N27, Zone 17)
N 13,528,352.53 E 1,276,075.52

Latitude 37° 17' 30"

Note: See Attached Tract
Ownership Information Schedule

| | |
|-----------|--------------|
| --- | Mineral Line |
| - - - - | Surface Line |
| · · · · · | Lease Line |



Note 1: The boundary lines shown hereon are based on deeds, plats and maps of record and do not depict a current boundary survey.

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

Well elevation determined by GPS survey from HARN Monument P-424

Area of Unit = 112.69 Ac.

Well Coordinates: (VA St. Plane S. Zone, NAD 83 (1993))
N 3,637,346.31 E 10,391,176.24 +

Well Coordinates: (VA St. Plane S. Zone, NAD 27 Calculated from NAD 83 (1993))
N 356,467.82 E 908,191.20

Well Coordinates: (Clinchfield Coal Co.)
N 55,665.48 E 38,277.40

WELL LOCATION PLAT NORA GRID S-61

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER 900152
 TRACT NO. Big Sandy Fuel Corp. ELEVATION 1,531.28' QUADRANGLE Elkhorn City
 COUNTY Dickenson DISTRICT Sandlick SCALE 1" = 400' DATE 10-19-2017

This Plat is a new plat x; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Licensed Professional Engineer or Licensed Land Surveyor

Glenn F Phillips

Digitally signed by Glenn F Phillips
 DN: c=US, o=IdenTrust ACES
 Business Representative, ou=GLENN
 F. PHILLIPS COMPANY P.C.,
 cn=Glenn F Phillips,
 0.9.2342.19200300.100.1.1=A01098
 00000013B66EF8375000006DD
 Date: 2018.04.05 14:00:50 -04'00'

900152 PLAT
TRACT OWNERSHIP INFORMATION SCHEDULE
10/19/2017

1. Big Sandy Fuel Corporation
12,627.34 Acres
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-A1, L.P., &
EnerVest Energy Institutional Fund XIV-WIC, L.P. - oil & gas
Gas 83.96 Ac. 74.51%

2. J. W. Wright
58.88 Acres
ACIN LLC - coal
Paramont Contura, LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Contura, LLC - coal lessee
EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-A1, L.P., &
EnerVest Energy Institutional Fund XIV-WIC, L.P. - oil & gas
Gas 28.73 Ac. 25.49%

Exhibit "B"
Docket Number: 18-0515-4174
900152

DEPTH - 5,710

Dickenson-Russell Contura, LLC
Attn: Steve Smith
5703 Crutchfield Drive
Norton, VA 24273

Paramont Contura, LLC
Attn: Steve Smith
5703 Crutchfield Drive
Norton, VA 24273

WBRD LLC
Chad Mooney
5260 Irwin Road
Huntington, WV 25705-3247

ACIN LLC
Chad Mooney
5260 Irwin Road
Huntington, WV 25705-3247

DB-557 PG 274

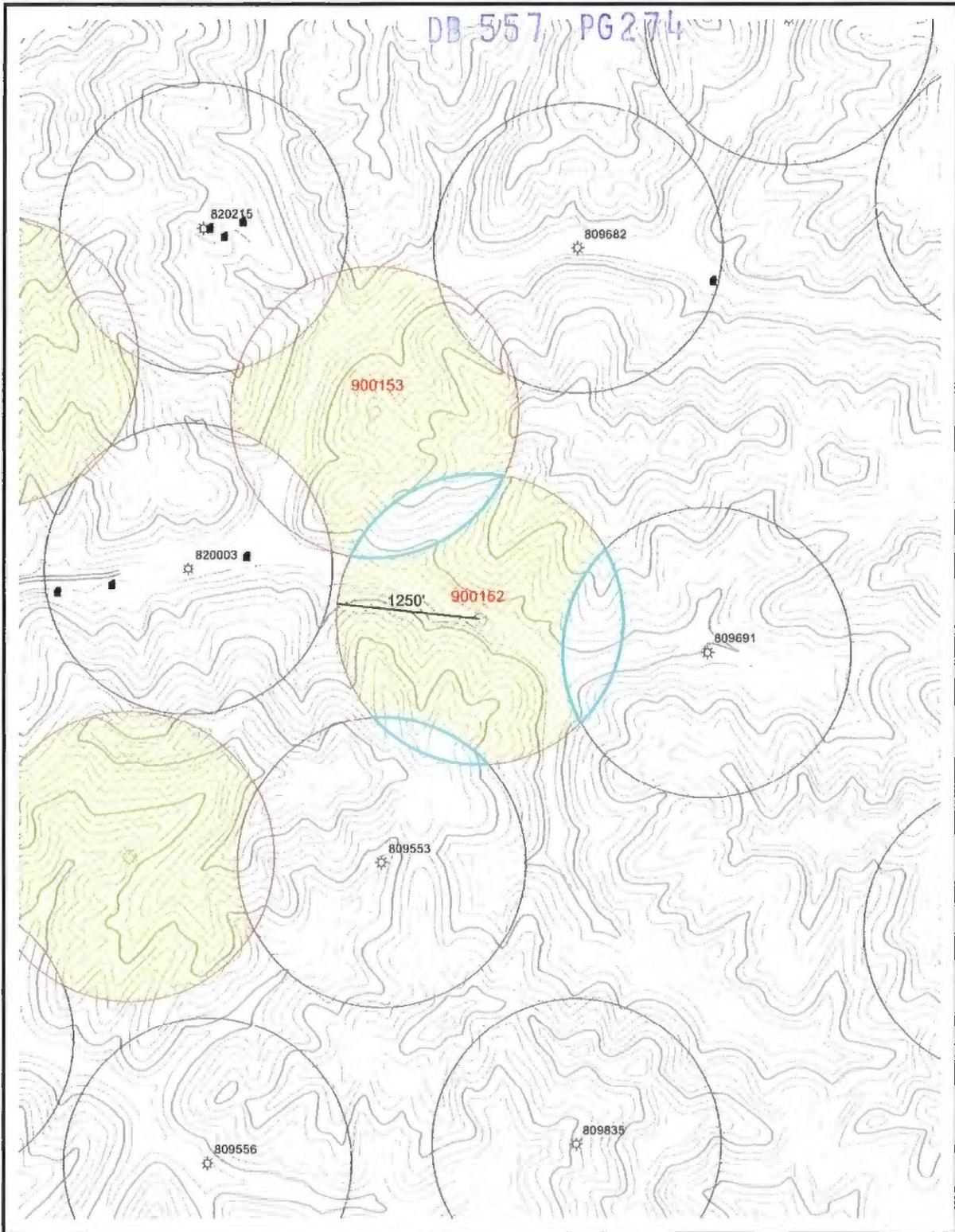
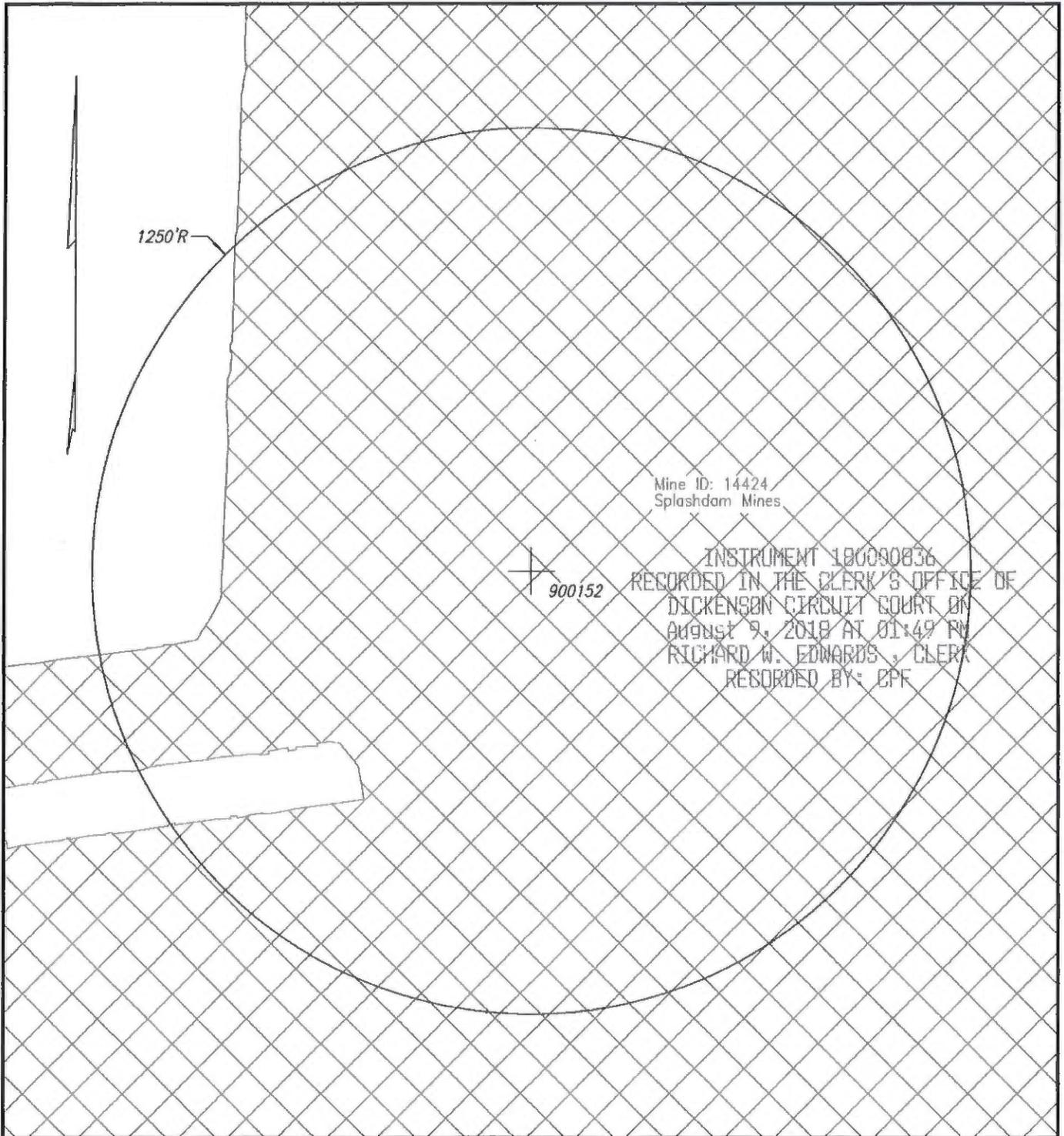


Exhibit K

EnerVest Operating, LLC.

900152 LOCATION EXCEPTION EXHIBIT

| | | | |
|-----------------------|-------------------|--------------------------|-------------------------------|
| Quad: Elkhorn City | Date: 4/5/2018 | Drainage Area = 85.12 | Scale: 1 inch = 1,000 feet |
|-----------------------|-------------------|--------------------------|-------------------------------|



WELL & MINE LOCATION MAP NORA GRID S-61

COMPANY EnerVest Operating, LLC WELL NAME AND NUMBER 900152
 QUADRANGLE Elkhorn City PERMIT NO. _____ SCALE 1" = 400' DATE 10-19-2017

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