

Instrument prepared by the Virginia Gas and Oil Board

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: Coronado VA, LLC  
Appalachian Energy, Inc.

Docket No.: VGOB 20-1215-4235

RELIEF SOUGHT: Applicants request the Virginia Gas and Oil Board to enter an order transferring the permits of all units listed on Exhibit G to Coronado VA, LLC, and to further authorize Appalachian Energy, Inc., to continue to operate all units listed in this application that were established by Board Order.

ORDER

Hearing Date and Place: This matter came before the Virginia Gas and Oil Board by virtual call-in hearing at 9:00 a.m. on December 15, 2020.

Appearances: Tim Scott, Attorney with McKinnis & Scott Law Firm, M. Shaun Lundy, Attorney with Penn Stuart Law Firm, and Kevin Elkins with Coronado VA, LLC, appeared for the Applicants; and Jerald Hess, Assistant Attorney General, was present to advise the Board.

Coronado VA, LLC and Appalachian Energy, Inc., petitioned the Virginia Gas & Oil Board for an order transferring the permits of all units listed on Exhibit G to Coronado VA, LLC, and to further authorize Appalachian Energy, Inc., to continue to operate all units listed on Exhibit G of its petition that were established by Board Order from Appalachian Energy, Inc., noted in the

Instrument prepared by the Virginia Gas and Oil Board

attached Exhibit of its petition that was established by Board Order from Appalachian Energy, Inc., which were represented by counsel at the hearing on the petition.

The petition is attached hereto and, for the exhibits referenced, and is incorporated into this order.

Coronado VA, LLC, represented to the Board that they had transferred ownership of the well units noted in the attached Exhibit of the petition.

As this is a voluntary transfer, the Virginia Gas and Oil Board, pursuant to its authority under the Virginia Gas and Oil Act of 1990, §§ 45.1-361.1 *et seq.*, and 4 VA. ADMIN. CODE § 25-160-120(A)(1), hereby GRANTS the petition; and further

ORDERS that the permits are transferred for all units listed on Exhibit G to Coronado VA, LLC, and to further authorize Appalachian Energy, Inc., to continue to operate all units listed in this application that were established by Board Order.

Effective Date: December 15, 2020

DONE AND EXECUTED this 6 day of January, 2021 by a majority of the Virginia Gas and Oil Board.



Interim Chairman, Donald L. Ratliff

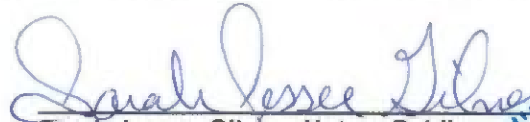
DONE AND PERFORMED this 6 day of January, 2021 by Order of the Virginia Gas and Oil Board.



James P. Skorupa  
Principal Executive to the staff,  
Virginia Gas and Oil Board

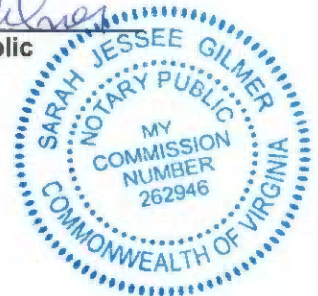
COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 6<sup>th</sup> day of January, 2021, personally before me a notary public in and for the Commonwealth of Virginia, appeared Donald L. Ratliff, being duly sworn did depose and say that he is the Interim Chairman of the Virginia Gas and Oil Board and appeared James P. Skorupa, 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



BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicants: Coronado VA, LLC )  
Appalachian Energy, Inc. )  
Relief Sought: Transfer of Unit Permits )  
Legal Description: (See Exhibit "G" For Specific ) Docket Number  
Description) ) VGOB-20-1215-4235

APPLICATION

1. Parties: Applicant, Appalachian Energy, Inc., whose address is P.O. Box 2406, Abington, Virginia 24212, is represented by Timothy E. Scott, Esquire, 135 West Main Street, Kingsport, Tennessee 37660. Applicant, Coronado VA, LLC, whose address is 100 Bill Baker Way, Beckley, West Virginia 25801, is represented by M. Shawn Lundy, Esquire, Penn Stuart, 804 Anderson Street, Bristol, Tennessee 37620.

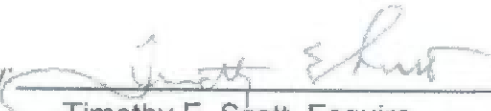
2. Allegations of Facts: Applicant is the current operator and permit holder of the units described on Exhibit G. Pursuant to the terms of a Well Plugging Agreement dated January 31, 2020 and Permit Operating Agreement dated October 27, 2020 by and among Appalachian Energy, Inc., Coronado IV LLC, and Coronado VA, LLC, Appalachian Energy, Inc. has agreed to transfer the permits to each of the wells listed on Exhibit G. Following the transfer of the permits, Appalachian Energy, Inc. shall continue to conduct operations under the permits and remain in full compliance with all requirements of such permits. Written approval of the transfer by the existing permit holder, Appalachian Energy, Inc., is attached as to this application.

3. Legal Authority: The relief sought by this Application is authorized by § 45.1-361.15 et seq. of the Code of Virginia and 4 VAC 25-160-120.


4. Relief Sought: Applicants request the Virginia Gas and Oil Board to enter an order transferring the permits of all units listed in this application to applicant, Coronado VA, LLC, and to further authorize Appalachian Energy, Inc. to continue to operate all units listed in this application that were established by Board Order.

Effective as of the 12<sup>th</sup> day of November, 2020.

APPALACHIAN ENERGY, INC.

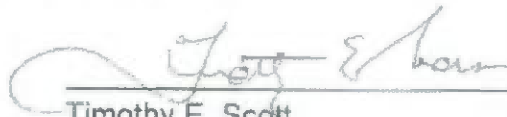
By:   
\_\_\_\_\_  
Timothy E. Scott, Esquire  
Counsel for Appalachian Energy, Inc.  
135 West Main Street  
Kingsport, Tennessee 37660  
(423) 247-9376

CORONADO VA, LLC

By:   
\_\_\_\_\_  
M. Shawn Lundy, Esquire  
Penn Stuart  
Counsel for Coronado VA, LLC  
805 Anderson Street  
Bristol, Tennessee 37620  
(423) 793-4800

VERIFICATION

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

  
\_\_\_\_\_  
Timothy E. Scott  
Counsel for Appalachian Energy, Inc.



# APPALACHIAN ENERGY, INC.

Edward K. Diminick  
Vice President  
P.O. Box 2406  
Abingdon, VA 24212  
Phone: 276-619-3880  
Fax: 276-619-4770  
e-mail: ediminick@appgasenergy.com

October 27, 2020

Mr. Kevin Elkins  
Coronado VA, LLC  
PO Drawer L  
Oakwood, VA 24631-0430

**Subject: Transfer permits to Coronado VA, LLC**

Dear Mr. Elkins:

Appalachian Energy, Inc. ("AEI") has agreed to transfer the following permits to Coronado VA, LLC as stated in the Well Plugging Agreement among Coronado IV LLC, Coronado VA, LLC, AEI and Henderson Energy, LLC. The wells and permit numbers are listed below.

<u>Well No.</u>	<u>Permit No.</u>	<u>File No.</u>
AE-154	9270	BU-3858
AE-155	8387	BU-3579
AE-161	9296	BU-3867
AE-163	8684	BU-3693
AE-170	9360	BU-3888
AE-174 w/PL	8417	BU-3591
AE-194	9306	BU3871
AE-195	9958	BU-4095
AE-196	9696	BU-3978
AE-197	10350	BU-4225
AE-198	10349	BU-4224
AE-205	10554-01	BU-4264
AE-206	9697-01	BU-3979
AE-207	10610	BU-4274
AE-208	11038	BU-4351
AE-209	11196	BU-4390

The current permittee is:  
Appalachian Energy, Inc.  
P.O. Box 2406  
Abingdon, VA 24212

Please submit applications to the Virginia Division of Gas and Oil ("DGO") at your earliest convenience to transfer the permits.

Also attached to this letter is a letter and permit from Gas Field Services indicating that they will accept produced water from these wells at its Camp Creek water disposal facility.

If you have any questions or need other information, please contact me.

Sincerely,



Edward K. Diminick

cc: Rick Cooper – Director, (DGO)  
Tim Scott – AEI Counsel



PO BOX 555 • Rosedale, VA 24280 • 276-880-2323

10-26-20

Re: Coronado VA LLC Water Hauling

To Whom It May Concern:

We accept water from Coronado VA LLC on a monthly basis from the Oakwood Virginia area to our disposal well in the Camp Creek area of WV. It is on an as needed basis and Coronado VA LLC is in good standing with us, they have our permission to come whenever they need.

Please feel free to contact me if you have any questions or there is anything else we can do.

Sincerely,

Zachery Reed  
Vice President of Operations

**Coronado VA, LLC Wells Eligible for Water Disposal at Camp Creek, WV Facility**

<u>Well No.</u>	<u>Permit No.</u>	<u>File No.</u>
AE-154	9270	BU-3858
AE-155	8387	BU-3579
AE-161	9296	BU-3867
AE-163	8684	BU-3693
AE-170	9360	BU-3888
AE-174 w/PL	8417	BU-3591
AE-194	9306	BU3871
AE-195	9958	BU-4095
AE-196	9696	BU-3978
AE-197	10350	BU-4225
AE-198	10349	BU-4224
AE-205	10554-01	BU-4264
AE-206	9697-01	BU-3979
AE-207	10610	BU-4274
AE-208	11038	BU-4351
AE-209	11196	BU-4390

# Exhibit G

## Coronado VA, LLC Board Transfers

VGOB Docket #	Unit Name	Petition Type	File #	County
06-0815-1705	AE-155	Pooling	BU-3579	Buchanan
08-0115-2113 & 08-0715-2281	AE-170	Pooling	BU-3888	Buchanan
08-0115-2113 & 08-0715-2281	AE-194	Pooling	BU-3871	Buchanan
08-1021-2356	AE-195	Pooling	BU-4095	Buchanan
08-1021-2356	AE-196	Pooling	BU-3978	Buchanan
08-1209-2409	AE-197	Pooling	BU-4225	Buchanan
08-1209-2409	AE-198	Pooling	BU-4224	Buchanan
09-0120-2438	AE-205	Pooling	BU-4264	Buchanan