

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 POOLING OF INTERESTS IN A 388.27 ACRE DRILLING UNIT DESCRIBED IN THE "PROPOSED UNIT" HERETO LOCATED IN THE NORA COALBED GAS FIELD AND SERVED BY WELL NO. KEYROCK DM 26 WOLFPEN #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")

DOCKET NO. VGOB 24-1217-4301

DRILLING UNIT SERVED BY WELL NUMBERED KEYROCK DM 26 WOLFPEN #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 December 17, 2024, 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 (388.27 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 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 Proposed Unit, 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, 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. Please note all pooling in this unit is voluntary.
8. 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., and Virginia Gas and Oil Board Regulations; 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](mailto:compliance@keyrockenergy.com)
9. 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.
10. ESCROW PROVISIONS: No request has been made to establish escrow.
11. SPECIAL FINDINGS: The Board specifically and specially finds:
- 11.1. Applicant is Keyrock Energy, LLC. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 11.2. Applicant Keyrock Energy, LLC is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;

- 11.3. 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;
- 11.4. Applicant Keyrock Energy, LLC, claims ownership of gas leases, Coalbed Methane Gas leases, and/or coal leases representing 100% percent of the oil and gas interest/claims in and to Coalbed Methane Gas in the Subject Drilling Unit as shown on Exhibit D; 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 Proposed Unit.
- 11.5. The estimated total production from the Subject Drilling Unit is 700 mmcf. The estimated amount of reserves from the Subject Drilling Unit is 700 mmcf.
- 11.6. The relief requested and granted is just and reasonable and is supported by substantial evidence. 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.
12. 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 pooled by this Order and whose address is known.
13. CONCLUSION: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted, and **IT IS SO ORDERED**.
15. 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.
16. 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 20 day of December, 2024 by a majority of the Virginia Gas and Oil Board.

Chairman, Donald L. Ratliff

DONE AND PERFORMED this 20 day of December, 2024 by Order of the Virginia Gas and Oil Board.

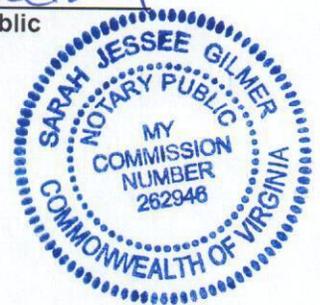
James P. Skorupa  
Principal Executive to the staff,  
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 20<sup>th</sup> day of December, 2024, 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, 2025



**EXHIBIT A**

DB 620 PG 796

LATITUDE 37° 07' 30"

6,705'

Well Coordinates: (VA St. Plane S. Zone,  
NAD 27 Calculated from NAD 83)  
N 307,026.77 E 827,197.00

Well Coordinates: (Geographic NAD 83)  
LAT: 37.108087° LON: 82.522870°

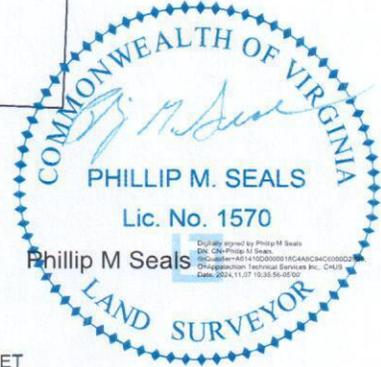
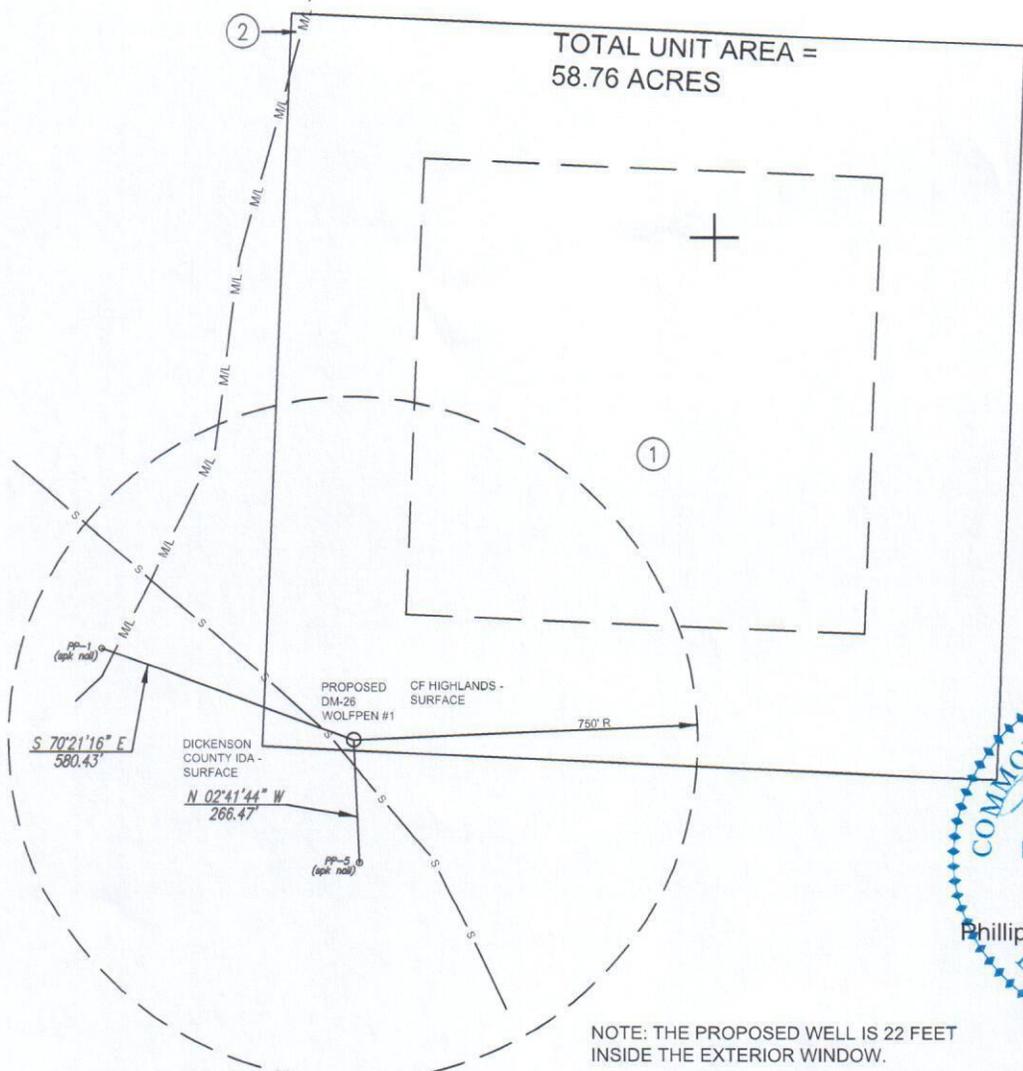
**NOTE:**

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.

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

6,200'

LONGITUDE 82° 30' 00"



NOTE: THE PROPOSED WELL IS 22 FEET INSIDE THE EXTERIOR WINDOW.

**WELL LOCATION PLAT (Nora Grid AY-12)**

COMPANY Keyrock Energy LLC WELL NAME OR NUMBER DM 26 WOLF PEN #1  
 TRACT NO. T-116 QUADRANGLE POUND  
 DISTRICT Kenady  
 WELL COORDINATES (VIRGINIA STATE PLANE 83) N 3,587,902.89 E 10,310,180.06  
 ELEVATION 1,752.64 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.  
 COUNTY Dickenson SCALE: 1" = 400' DATE 11-07-2024  
 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.

1892.01  
Form DGO-GO-7  
Rev. 1-98

*Phillip M. Seals*  
\_\_\_\_\_  
LICENSED LAND SURVEYOR

(AFFIX SEAL)

EXHIBIT PL-1

Property Ownership Information for DM 26 Wolfpen #1  
11-07-2024

①

D-M-470  
SPENCER MULLINS  
235.50 ACRES  
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 58.71 AC. 99.91%

②

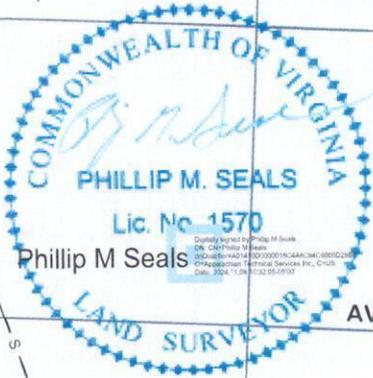
D-M-466  
HENRY MULLINS  
ACIN LLC - coal  
PARAMONT CONTURA, LLC - coal lessee  
DICKENSON-RUSSELL CONTURA, LLC- coal lessee  
ENERVEST XIV-A NORA LLC  
ENERVEST ENERGY INSTITUTIONAL FUND XIV-1A, L.P. &  
ENERVEST XIV-WIC NORA LLC  
oil, gas & cbm

Keyrock Energy - cbm lessee  
GAS 0.05 AC. 0.09%

PROPOSED UNIT

DB 620 PG798

VIRGINIA STATE PLANE  
NAD 83, SOUTH ZONE  
GRID MERIDIAN



**NOTE:**

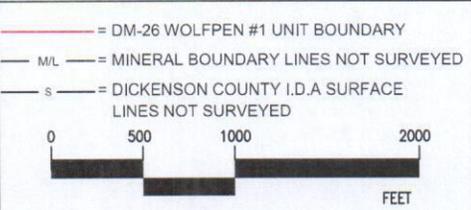
THE BOUNDARY LINES SHOWN HEREON ARE BASED ON DEEDS, PLATS, AND MAPS OF RECORD OR SURVEYS BY OTHERS, AND DO NOT DEPICT A CURRENT BOUNDARY SURVEY. PROPERTY INFORMATION PROVIDED BY KEYROCK ENERGY LLC. THE WELL WILL BE DRILLED WITHIN 10 (TEN) FEET OF THE PERMITTED COORDINATES. EXISTING WELL POSITIONS WERE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

PROPOSED  
DM-26  
WOLFPEN  
#1

WOLFPEN-1  
UNIT BOUNDARY  
TOTAL AREA = 388.27 AC.

**WOLFPEN UNIT MINERAL OWNERSHIP:**  
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 388.27 AC. 100%

**LEGEND**



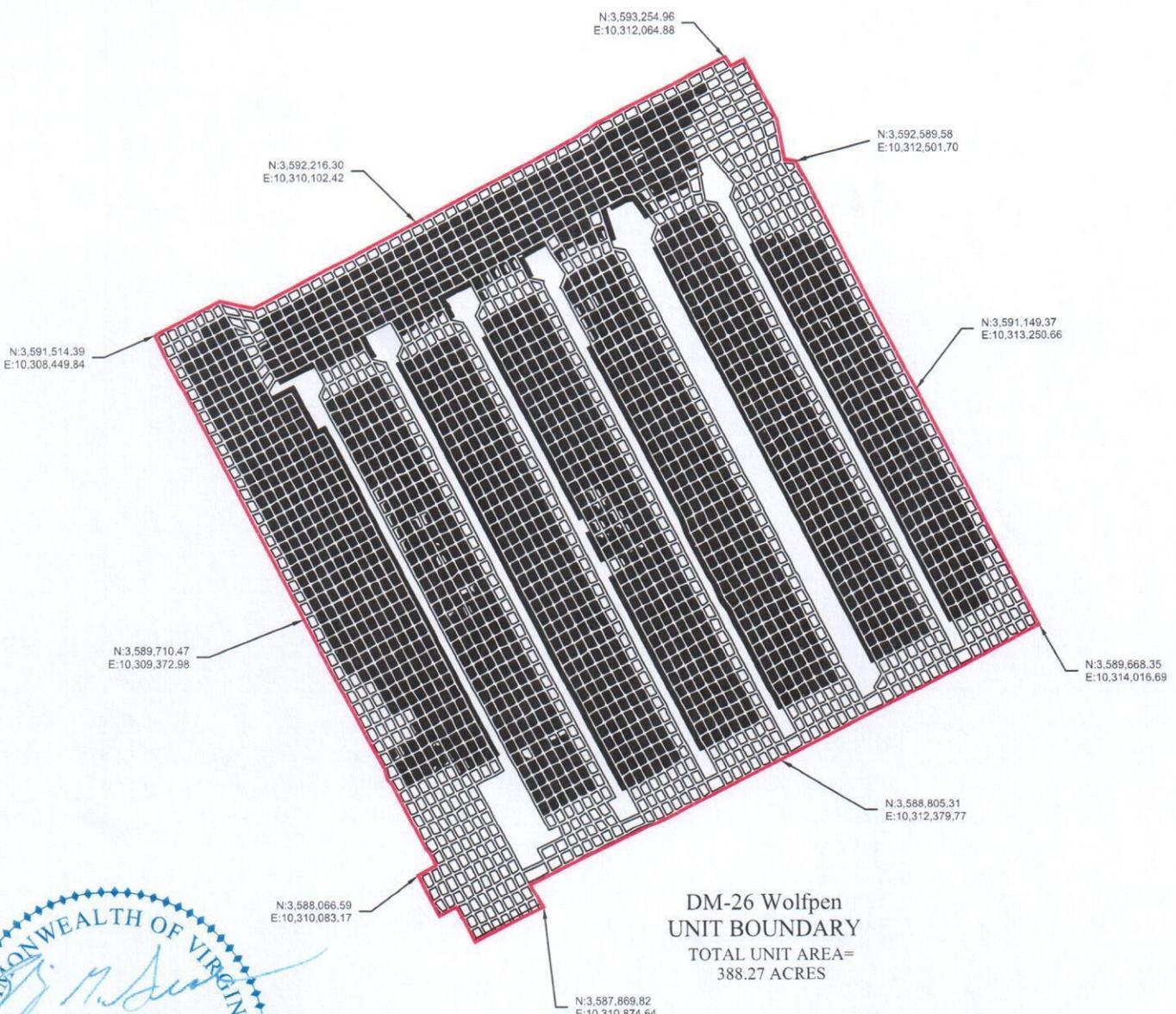
**KEYROCK ENERGY  
DM-26 WOLFPEN #1  
UNIT BOUNDARY  
AND TRACTS  
DICKENSON CO., VA  
TOTAL UNIT AREA =  
388.27 ACRES**



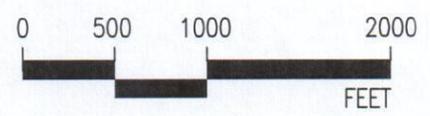
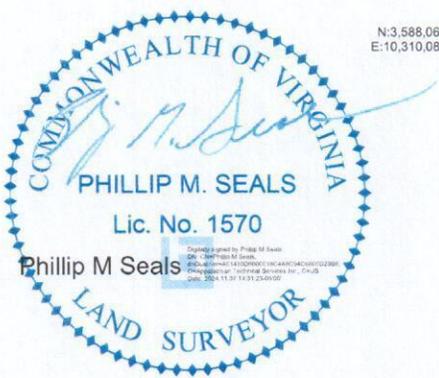
Appalachian Technical Services, Inc.  
Engineering, Architecture, Surveying, Ecology & Environmental Sciences  
1400 West 10th Street, Suite 100  
Martinsburg, WV 26150  
Phone: 304.271.1111  
Fax: 304.271.1112  
www.atsinc.com

Designed By PMS	Drawn By PMS	Checked By PMS	Date 11/08/2024	Project Number 1892.01	Scale 1" = 1000'	Sheet DM-26 WOLFPEN-1	of 01
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NOTE: THE BASIS OF THE BEARINGS AND DISTANCES IS THE VIRGINIA STATE PLANE SOUTH ZONE, GRID MERIDIAN AND 83



DM-26 Wolfpen  
UNIT BOUNDARY  
TOTAL UNIT AREA=  
388.27 ACRES



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.

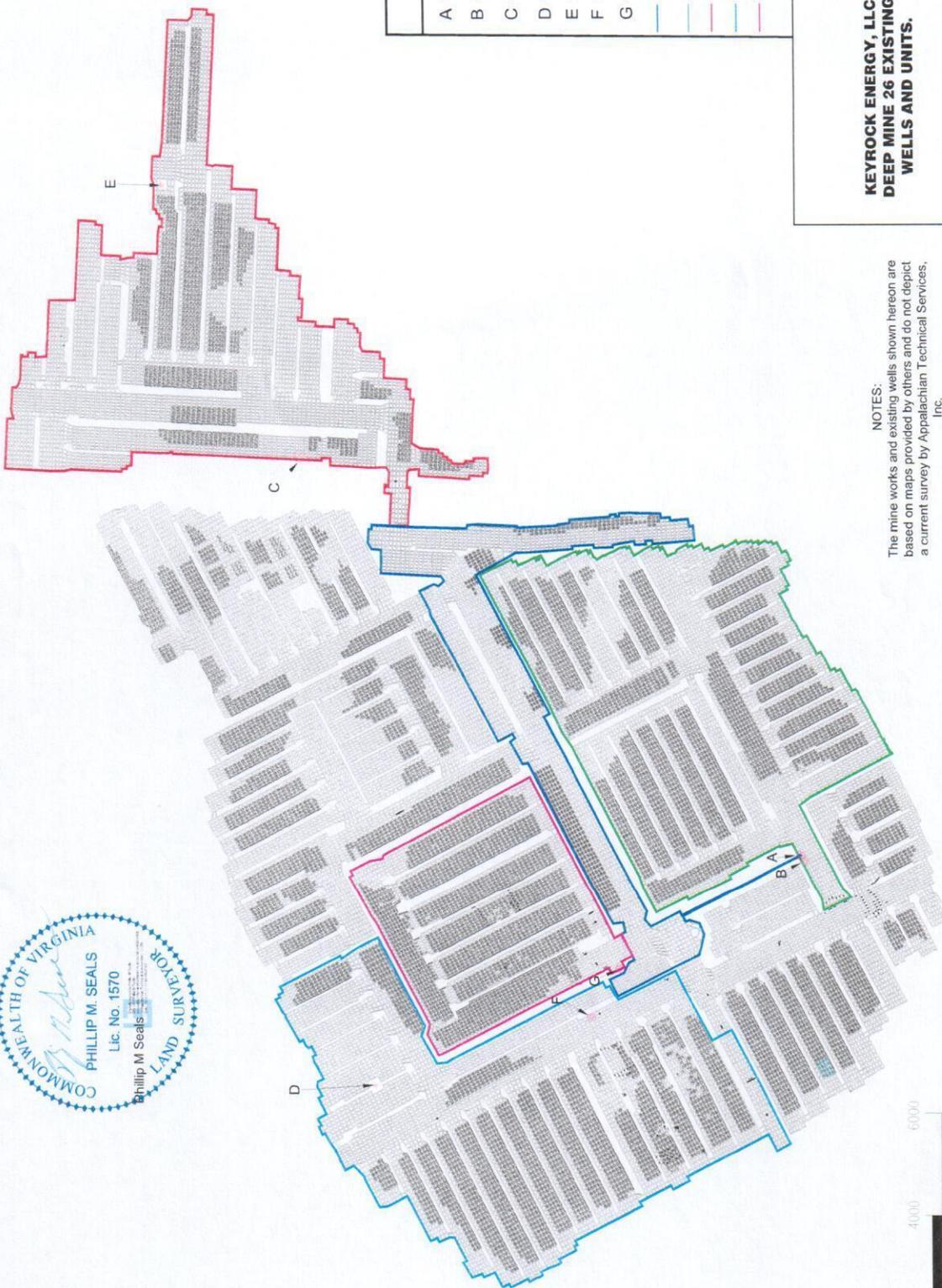
<p><b>KEYROCK ENERGY, LLC</b> <b>DM 26 WOLFPEN</b> <b>UNIT BOUNDARY</b> <b>WITH MINE WORKS</b> <b>EXHIBIT L</b></p>		 <p>Appalachian Technical Services, Inc. Engineering, Architecture, Surveying, Ecology &amp; Environmental Science 1100 West Main Street Martinsburg, VA 25401 (304) 251-1000</p>				
				<p>Drawing Number DM 26 Wolfpen EXHIBIT L 9-23-24</p>	<p>Sheet 01</p>	
<p>Designed By PMS</p>	<p>Drawn By JMC</p>	<p>Checked By PMS</p>	<p>Date 9/23/24</p>	<p>Project Number 1892.01</p>	<p>Scale 1" = 1000'</p>	<p>Sheet 01</p>

**LEGEND**

- A = EXISTING SLOPE DRAIN VENT PIPE SURFACE LOCATION
- B = EXISTING M-26-1 SURFACE LOCATION
- C = APPROVED HONEY CAMP #1 WELL
- D = PLUGGED G-118 GAS WELL
- E = EXISTING P-750024 GAS WELL
- F = PROPOSED CHIP MILL #1 WELL
- G = PROPOSED WOLFPEN #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



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



**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.



**Exhibit B  
Unit DM 26 Wolfpen #1  
VGOB Docket # 24-1217-4301  
List of Owners in a Sealed Gob  
(388.27 Acre Unit)**

	<u>Acres in Unit</u>	<u>Interest in Unit</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	<b>388.27 acres</b>	<b>100%</b>

Exhibit D  
 Unit DM 26 Wolfpen #1  
 VGOB Docket # 24-1217-4301  
 List of Leased Owners in a Sealed Gob  
 (388.27 Acre Unit)

	<u>Acres in Unit</u>	<u>Interest in Unit</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	<b>388.27 acres</b>	<b>100%</b>

