260000730

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.2-1628

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	POCAHONTAS GAS LLC	) VIRGINIA GAS) AND OIL BOARD
RELIEF SOUGHT:	POOLING OF INTERESTS IN DRILLING UNIT **E-38** LOCATED IN THE **OAKWOOD COALBED METHANE GAS FIELD II** PURSUANT TO VA. CODE §§ 45.2-1620 AND 45.2-1622, FOR THE PRODUCTION OF UNSEALED GOB GAS PRODUCED FROM BUCHANAN NO. 1 Mine 19 EAST DEV LONG WALL PANEL Collectively referred to as "Coalbed Methane Gas" or "Gas")	) DOCKET NO(S)) **25-0715-4317**
LEGAL DESCRIPTION:	DRILLING **UNIT NUMBER E-38** (herein "Subject Drilling Unit") IN THE OAKWOOD COALBED METHANE GAS FIELD II **GARDEN MAGISTERIAL** DISTRICT(S), **PATTERSON QUADRANGLE(S)** **BUCHANAN 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 came for final hearing before the Virginia Gas and Oil board (hereafter "Board") at 10:00 a.m. on **April 21, 2026**, in person and via teleconference, continued from July 15, 2025, August 19, 2025, October 21, 2025, November 18, 2025,January 20, 2026, and February 17, 2026.

2. Appearances: Mark Swartz, Esquire, of the firm Hilliard & Swartz LLP, appeared for the Applicant; and Jessica Cooper, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.2-1600 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 search of the reasonably available sources to determine the identity and whereabouts of gas and oil owners, coal owners, mineral owners and/or potential owners, i.e., persons identified by Applicant as owning ("Owner") or claiming ("Claimant") the rights to unsealed coalbed methane gob Gas in all coal seams below the Tiller Seam, including the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen,

War Creek, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams and rock strata associated therewith (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; (2) represented 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 §§ 45.2-1618 and 45.2-1622, to notice of the Application filed herein; and (3) that the persons set forth in the Application and Notice of Hearing have been identified by Applicant through its due diligence as Owners or Claimants of unsealed coalbed methane gob Gas interests in Subject Formation, in Subject Drilling Unit and that the persons identified in **Exhibit B-3** attached hereto are persons identified by Applicant who may be Owners or Claimants of unsealed coalbed methane gob Gas interests in Subject Formation who have not heretofore agreed to lease or sell to the Applicant and/or voluntarily pool their Gas interests. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.2-1618.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of 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 Va. Code § 45.2-1620, the Board pool all the rights, interests and estates in and to the unsealed coalbed methane gob Gas in Subject Drilling Unit, including the pooling of the interests of the Applicant and of the known and unknown persons named in Exhibit B-3 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 unsealed coalbed methane gob Gas, produced from or allocated to 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"), and (2) that the Board designate Pocahontas Gas LLC as Unit Operator of the E38 Unit for Oakwood Coalbed Field II unsealed gob Gas Production and allocation.

7. Relief Granted: The Applicant's requested relief in this cause shall be and hereby is granted: (1) Pursuant to Va. Code § 45.2-1620.C.3, Pocahontas Gas LLC (hereafter "Unit Operator") is designated as the Unit Operator authorized to drill and operate coalbed methane gob Gas well(s) in the Subject Drilling Unit and to allocate coalbed methane gob Gas production from the isolated longwall panels identified herein subject to the permit provisions contained in Va. Code §§ 45.2-1629 et seq.; to the Oakwood Coalbed Methane Gas Field I order OGCB 3-90 dated May 18, 1990 as amended; to the Oakwood Coalbed Methane Gas Field II Order docket number VGOB 91-1119-162, effective December 17, 1991; to §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; and to §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the interests and estates in and to the unsealed gob Gas in Subject Drilling Unit, including that of the Applicant and of the known and

unknown persons listed on **Exhibit B-3**, 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 Formation in the Subject Drilling Unit underlying and comprised of the Subject Lands.

Pursuant to the Oakwood II Field Rules promulgated under the authority of Va. Code § 45.2-1619, the Board has adopted the following method(s) for the calculation of production and revenue and allocation of allowable costs for the production of Coalbed Methane Gas produced from an 80-acre drilling unit and, when applicable, dependent on the particular long wall mining plan applicable to each 80-acre drilling unit. The Designated Operator of any 80-acre drilling unit or units within the boundaries, of which any long wall panel which has been isolated by the driving of entries is located and from which Unsealed Gob Gas, Short Hole Gas or Gas from any Well authorized by the Code of Virginia is produced, shall calculate production and revenue based upon the mine plan as implemented within each affected 80-acre drilling unit and in particular, based upon the mineral acreage, as platted upon the surface, in each 80-acre drilling unit actually contained within a long wall panel as depicted by said mine plan. Except as otherwise provided herein, a copy of the pertinent portion of the mine plan being utilized to calculate production, revenue and costs from any affected 80-acre drilling unit shall be filed of record with the Board prior to the payment of any revenue based upon such calculations.

The formula or division of interest for production from any 80-acre drilling unit affected by a long wall panel and from any; separately owned tract in any such 80-acre unit shall be calculated as follows:

7.1 For Short Hole Gas - The amount of production produced from and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected unit and the long wall panel, bears to the total mineral acreage, when platted on the surface, contained within the entire long wall panel affecting such 80-acre drilling unit.

7.2 For Unsealed Gob Gas - The amount of production produced from and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected unit and the long wall panel, bears to the total mineral acreage, when platted on the surface, contained within the entire long wall panel affecting such 80-acre drilling unit.

7.3 a. For Gas from Any Well Located in a Long Wall Panel - After actual commencement of coal mining operations by the driving of entries and completion of isolation of a long wall panel, the amount of Gas produced from such a well and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected 80-acre drilling unit and the isolated long wall panel, bears to the total mineral acreage, when platted on the surface, contained

within the entire long wall panel affecting such 80-acre drilling unit.

b. For Frac Well Gas - Prior to the actual commencement of coal mining operations by the driving of entries and completion of isolation of a long wall panel, Gas from any well located in a proposed long wall panel shall be produced from and allocated to only the 80-acre drilling unit in which the well is located according to the undivided interests of each Owner/Claimant within the unit, which undivided interest shall be the ratio (expressed as a percentage) that the amount of mineral acreage within each separate tract that is within the Subject Drilling Unit, when platted on the surface, bears to the total mineral acreage, when platted on the surface, contained within the entire 80-acre drilling unit in the manner set forth in the Oakwood I Field Rules.

8. Election and Election Period: In the event any Owner or Claimant named in **Exhibit B-3** hereto does not reach a voluntary agreement to share in the operation of the wells located in the Subject Drilling Unit and/or the isolated longwall panels, at a rate of payment mutually agreed to by said Gas Owner or Claimant and the Unit Operator, then such person named may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 to the designated Unit Operator at the address shown below within thirty (30) days from the date of receipt of a copy of this Order. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In The Well Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in **Exhibit B-3** who does not reach a voluntary agreement with the Unit Operator may elect to participate in the Well Development and Operation in the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs of the gob Well Development contemplated by this Order for unsealed coalbed methane gob Gas produced pursuant to the Oakwood I&II Field Rules, including a reasonable supervision fee, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed-for-Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Completed-for-Production Cost as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The Completed-for-Production Cost for the Subject Drilling Unit is as follows:

Completed-for-Production Cost: **Allocated Panel Costs $499,093.70 (19 East Panel)**

Any gas owner and/or claimants named in Exhibit B-3, who elect this option (Option 1) understand and agree that their initial payment under this option is for their proportionate share of the Applicant's estimate of actual costs and expenses. It is also understood by all persons electing this option that they are agreeing to pay their proportionate share of the actual costs and expenses as determined by the Operator named in this Board Order.

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operators' "Interest in Unit" times the Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Completed-for-Production Cost as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the Well Development and Operation in Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in **Exhibit B-3** hereto who does not reach a voluntary agreement with the Unit Operator may elect to accept a cash bonus consideration of **$5.00** per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the unsealed coalbed methane gob Gas produced from or allocated to Unit E38 by reason of the gob Well Development and Operation covered by this Order multiplied by that person's Interest in Unit or proportional share of said production [for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person] as fair, reasonable and equitable compensation to be paid to said Gas Owner or Claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within one hundred twenty (120) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, subject to a final legal determination of ownership, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing person in and to the unsealed coalbed methane

gob Gas produced or allocated to Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any Well Development and Operation covered hereby and such electing person shall be deemed to and hereby does lease and assign, its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

9.3. Option 3 - To Share In The Well Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the Well Development and Operation in Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a Cash Bonus Consideration under Paragraph 9.2 above, any Gas Owner or Claimant named in **Exhibit B-3** hereto who does not reach a voluntary agreement with the Unit Operator may elect to share in the Well Development and Operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator"] so that the proportionate part of the Completed-for-Production Cost hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the unsealed gob Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Applicant until the proceeds from the sale of such Carried Well Operator's share of production from or allocation to Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Cost allocable to the interest of such Carried Well Operator. When the Applicant recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such Well Development and Operation.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any Well Development and Operation covered hereby and such electing person shall be deemed to have and hereby does assign its rights, interests, and claims

in and to the unsealed coalbed methane gob Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in **Exhibit B-3** hereto does not reach a voluntary agreement with the Unit Operator and fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed Well Development and Operation in Subject Drilling Unit and shall be deemed, subject to a final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to the coalbed methane gob Gas produced from or allocated to Subject Formation in the Subject Drilling Unit to the Applicant. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the unsealed coalbed methane gob Gas produced from the Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in **Exhibit B-3** elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Completed-for-Production Cost as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interest, and claims in and to the unsealed coalbed methane gob Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within one hundred twenty (120) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the unsealed coalbed methane gob Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in **Exhibit B-3** is unable to reach a voluntary agreement to share in the Well Development and Operation contemplated by this Order at a rate of payment agreed to mutually by said Owner or Claimant and the Unit Operator, or fails to make an election under Paragraph 9.1 above, then subject to a final legal determination of ownership, such person shall be deemed to have and shall have assigned unto Applicant such person's right, interests, and claims in and to said well, and other share in production to which such person may be entitled by reason of any election or deemed

election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): **Pocahontas Gas LLC** shall be and hereby is designated as Unit Operator authorized to drill and operate coalbed methane gob Gas wells in Subject Formation in Subject Drilling Unit and to allocate unsealed coalbed methane gob Gas production to and from the isolated 18 and 19 East Dev panels; all subject to the permit provisions contained in Va. Code §§ 45.2-1629 et seq.; §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; the Oakwood Coalbed Methane Gas Field I order OGCB 3-90 dated May 18, 1990 as amended the Oakwood Coalbed Gas Field II Order Docket Number VGOB 91-1119-162, 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:

Pocahontas Gas LLC
PO Box 570
Pounding Mill, VA 24637
Attn: Kelli Berry

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the gob Gas well(s) within the Subject Drilling Unit and/or the well(s) outside the Subject Drilling Unit from which unsealed coalbed methane gob Gas production is allocated to the Subject Drilling Unit within Seven Hundred and Thirty (730) days from the date of the Order and shall prosecute same with due diligence. If Unit Operator shall not have 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 all wells covered by the Order and/or all wells from which production is allocated to the Subject Drilling Unit are 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 referred to herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are chargeable against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions: The Applicant represented to the Board that there **are no** unknown or unlocatable claimants in Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.1 hereof in the Subject Drilling Unit; and, the Unit Operator has represented to the Board that there **are NO** conflicting claimants in the Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.2 hereof. Therefore, by this Order, the Escrow Agent named herein or any successor named by the Board, **is NOT** required to establish an interest-

bearing escrow account for the Subject Drilling Unit (herein "Escrow Account"), and to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described in Paragraphs 16.1 and 16.2:

First Bank & Trust Company
PO Box 1008
Abingdon, VA 24212

16.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and, pursuant to Va. Code § 45.2-1620.D, said sums shall be deposited by the Unit Operator into the Escrow Account, commencing within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are being deposited. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code § 45.2-1620.D.

16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to Unit Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.2-1622.B.2, 45.2-1622.B.3 and 45.2-1622.B.4, be deposited by the Operator into the Escrow Account within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:

17.1. **Pocahontas Gas LLC**, a Virginia limited liability company is duly authorized and qualified to transact business in the

Commonwealth of Virginia;

17.2. **Pocahontas Gas LLC** has the authority to explore, develop and maintain the properties and assets, now owned or hereafter acquired, consented to serve as Coalbed Methane Gas Unit Operator for Subject Drilling Unit and to faithfully discharge the duties imposed upon it as Unit Operator by statute and regulations;

17.3. **Pocahontas Gas LLC** is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;

17.4 **Pocahontas Gas LLC** claims ownership of Coalbed Methane Gas leases representing **84.9000** percent of the oil and gas interest/claims in and to Coalbed Methane Gas in Subject Drilling Unit; and, Applicant claims the right to explore for, develop and produce Coalbed Methane Gas from Subject Formations in Subject Drilling Unit in **Buchanan** County, Virginia, which Subject Lands are more particularly described in **Exhibit A**;

17.5. The estimated ultimate recovery from panel 19 East is in the range of **12,000,000 MCF (P10) to 5,000,000 MCF (P90).**

17.6. Set forth in **Exhibit B-3**, is the name and last known address of each Owner or Claimant identified by the Applicant as having or claiming an interest in the Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who has not, in writing, leased to the Applicant or the Unit Operator or agreed to voluntarily pool his interests in Subject Drilling Unit for its development. The interests of the Respondents listed in **Exhibit B-3** comprise **15.1000** percent of the oil and gas interests/claims in and to Coalbed Methane Gas and **0.0000** percent of the coal interests/claims in and to Coalbed Methane Gas in Subject Drilling Unit;

17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in the Wells are those options provided in Paragraph 9 above;

17.8 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in **Exhibit B-3** hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. 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.

17.9 This Unit was previously pooled for production under the Oakwood Coalbed Methane Gas Field Rules I. AE-201 is the only

producing well subject to the Oakwood I Order in VGOB Docket 09-0120-2436. The Board's Operator under that Order remains subject to the terms of the said Order, including without limitation, the payment of production royalty as provided therein.

18. 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-3 pooled by this Order and whose address is known.

19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.2-1609 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.

22. 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 25 day of May, 2026 by a majority of the Virginia Gas and Oil Board.

260000730

Chairman, Gus W. Janson

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 25th day of May, 2026, personally before me a notary public in and for the Commonwealth of Virginia, appeared Gus W. Janson, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2029

DONE AND PERFORMED this 26 day of May, 2026 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 26th day of May, 2026, personally before me a notary public in and for the Commonwealth of Virginia, appeared James P. Skorupa, being duly sworn did depose and say that he is the Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2029

260000730

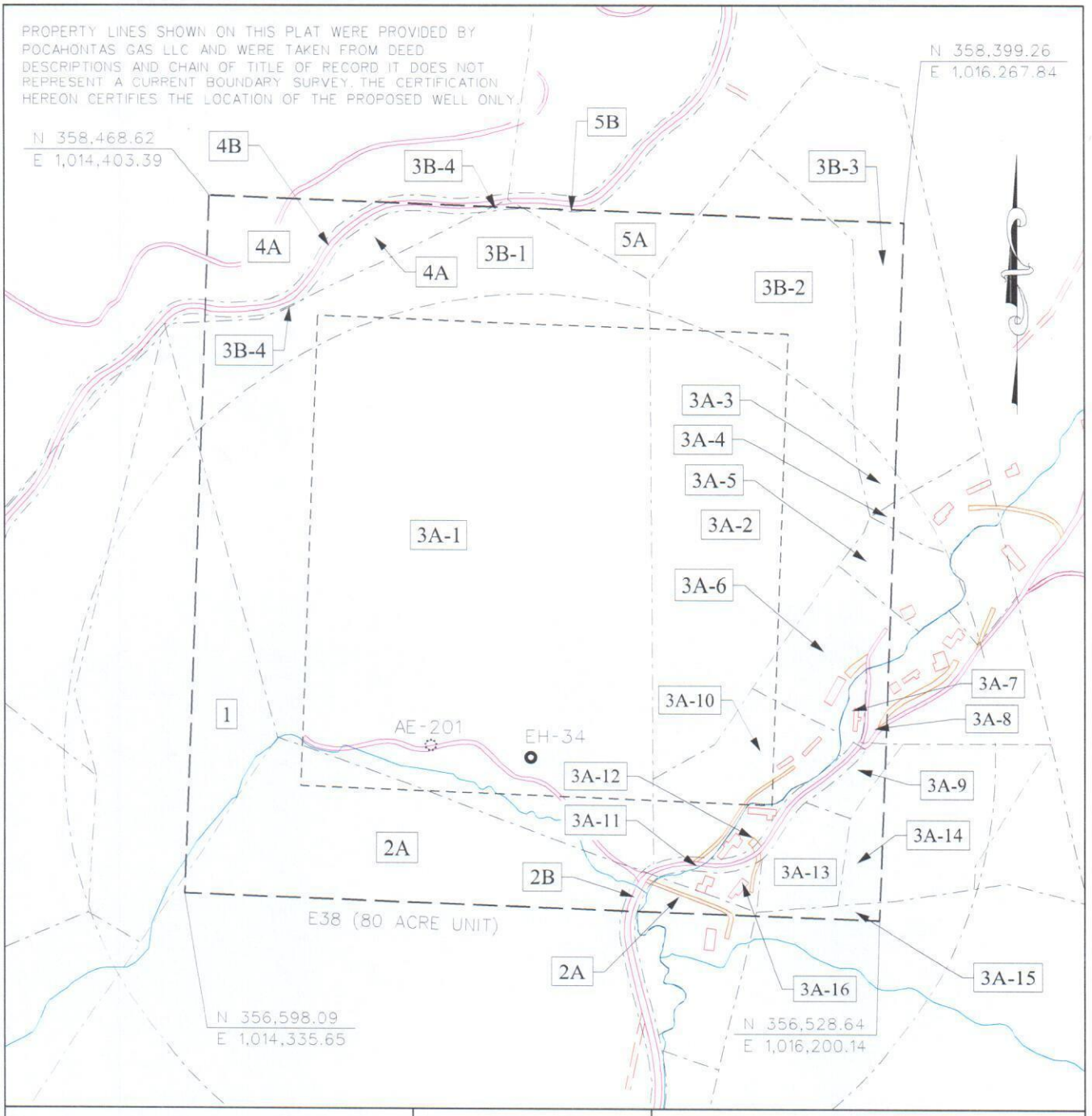


EXHIBIT A
OAKWOOD FIELD
UNIT E38
FORCE POOLING
VGOB-25-0715-4317

Company POCAHONTAS GAS LLC Well Name and Number UNIT E38
Tract No. Elevation Quadrangle Patterson
County Buchanan Dist Scale: 1" =
This plat is a new plat ; an updated plat ; or a

COMMONWEALTH OF VIRGINIA
ALLEN MITCHELL
Lic. No. 2289
LANDSURVEYOR

ALLEN MITCHELL
Digitally signed by ALLEN MITCHELL
Date: 2025.08.15 09:51:53 -04'00'

Form DGO-GO-7
Rev. 9/91

Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

Pocahontas Gas LLC
UNIT E38
Tract Identifications

260000730

1. Dorothy A. Hill, et al (29.07 Acre Tract) – Minerals
   Appalachian Energy – Oil and Gas Leased (Retained Acres)
   Pocahontas Gas LLC – CBM Leased
   Lester Guthrie Jessup - Surface
   3.03 Acres 3.7875%

2. Buchanan Energy Company, LLC (1232.67 Acre Tract) – Minerals
   Southwest Virginia Mining Company, LLC – P-3, War Creek, Jawbone, and Red Ash Seams Leased
   Buchanan Mining Company LLC – P3 Seam Sub-Leased
   Appalachian Energy – Oil and Gas Leased (Retained Acres)
   Diversified Production LLC – CBM Leased
   7.87 Acres 9.8375%

2A. Buchanan Energy Company, LLC – Surface
2B. Commonwealth of Virginia (S.R. 690) – Surface

3A. Tazewell Coal & Gas Company (120 Acre Tract) – All Minerals
   Buchanan Mining Company LLC – Below Drainage Coal Leased
   Mountaineer Metallurgical Holdings LLC – Jewell and Jawbone Seams of Coal Leased
   Appalachian Energy – Oil and Gas Leased (Retained Acres)
   Pocahontas Gas LLC – CBM Leased
   54.19 Acres 67.7375%

3A-1. Nancy J. Cole – Surface
3A-2. Scott Anthony Keen, et al – Surface
3A-3. Buchanan Mining Company LLC, et al – Surface
3A-4. Scott Anthony Keen, et al – Surface
3A-5. Rita Carol Keen, et al – Surface
3A-6. Unknown Surface Owner
3A-7. Gordie Keen – Surface
3A-8. Roger Lee Underwood, et al – Surface
3A-9. Jerry Osborne, et al – Surface
3A-10. Watie Jewell Collins Heirs – Surface
3A-11. Commonwealth of Virginia - Surface
3A-12. Anna Marie Hicks, et al – Surface
3A-13. Jeanette Church, et al – Surface
3A-14. Roger Lee Underwood, et al – Surface
3A-15. Anthony Joe Layne, et ux
3A-16. Geneva Lawson - Surface

3B. Tazewell Coal & Gas Company (120 Acre Tract) – All Minerals
   Buchanan Mining Company LLC – Below Drainage Coal Leased
   Mountaineer Metallurgical Holdings LLC – Jewell and Jawbone Seams of Coal Leased
   Pocahontas Gas LLC – CBM Leased
   10.70 Acres 13.3750%

Pocahontas Gas LLC
UNIT E38
Tract Identifications

260000730

3B-1. Nancy J. Cole – Surface
3B-2. Scott Anthony Keen, et al – Surface
3B-3. Buchanan Mining Compnay LLC, et al – Surface
3B-4. Commonwealth of Virginia - Surface

4. Buchanan Energy Company, LLC (1305.36 Acre Tract) – Minerals
Southwest Virginia Mining Company, LLC – P-3, War Creek, Jawbone, and Red Ash Seams Leased
Buchanan Mining Company LLC – P3 Seam Sub-Leased
Diversified Production LLC – CBM Leased
3.29 acres 4.1125%

4A. Buchanan Energy Company, LLC – Surface
4B. Commonwealth of Virginia - Surface

5. Buchanan Energy Company, LLC (257.00 Acre Tract) – Mineral
Southwest Virginia Mining Company, LLC – P-3, War Creek, Jawbone, and Red Ash Seams Leased
Buchanan Mining Company LLC – P3 Seam Sub-Leased
Diversified Production LLC – CBM Leased
0.92 acres 1.1500%

5A. Buchanan Energy Company, LLC – Surface
5B. Commonwealth of Virginia - Surface

Certification

I hereby certify the accuracy the "Acres" reported above and the percentages calculated using the "Acres" which are also reported above. These values were calculated with reference to the boundaries of the tracts as shown on the Plat, Exhibit A.

Dated: 6/13/25

Signature

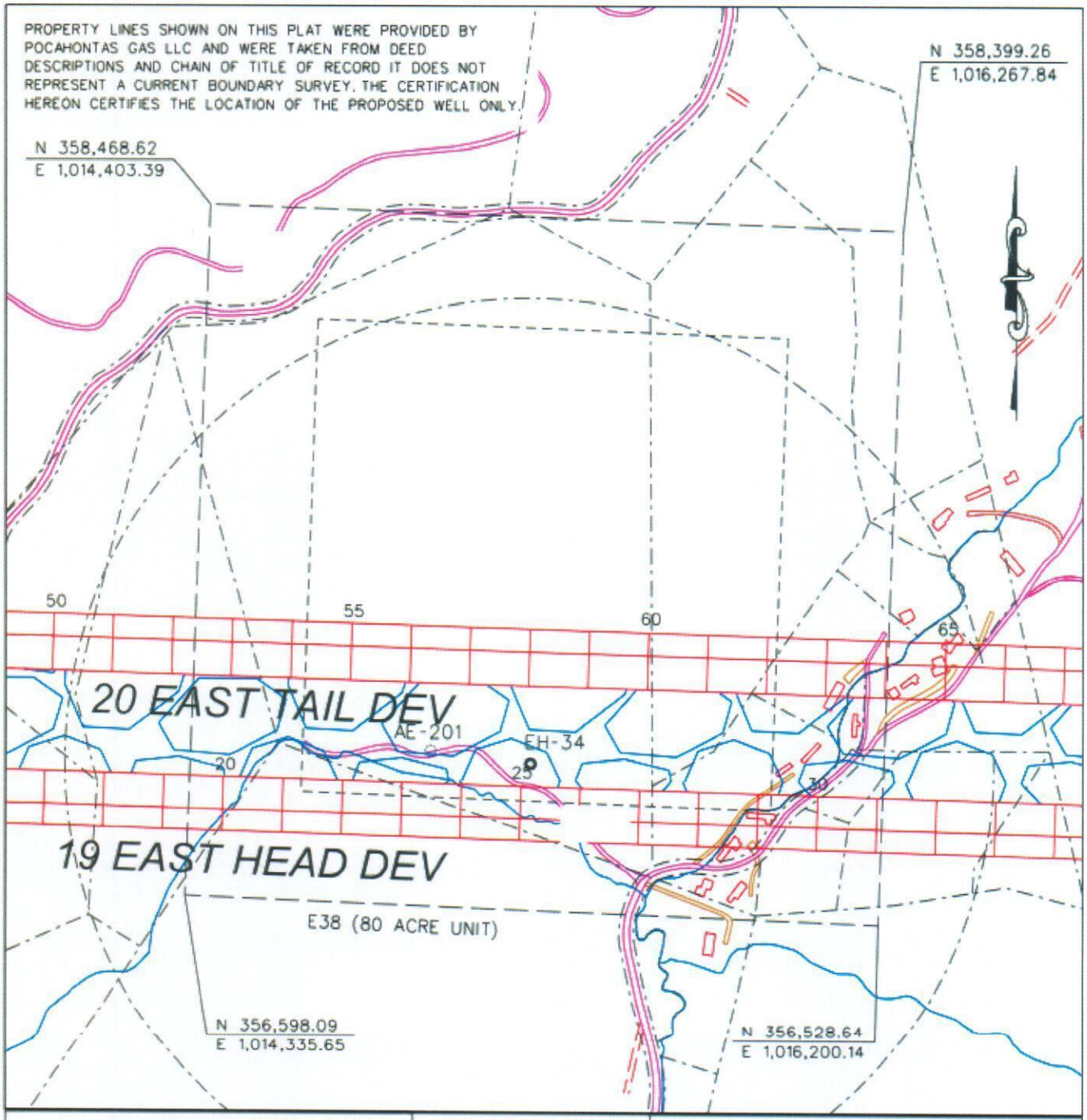
Timothy E. Horn

[Type or print name]

ace

COMMONWEALTH OF VIRGINIA
TIMOTHY E. HORN
Lic. No. 035686
6/13/25
PROFESSIONAL ENGINEER

260000730



Company POCAHONTAS GAS LLC Well Name and Number UNIT E38

Tract No. _____ Elevation _____ Quadrangle Patterson

County Buchanan District Garden Scale: 1" = 400' Date _____

This plat is a new plat _____ ; an updated plat _____ ; or a final plat _____

COMMONWEALTH OF VIRGINIA
ALLEN MITCHELL
Lic. No. 2289
LANDSURVEYOR

ALLEN MITCHELL
Digitally signed by ALLEN MITCHELL
Date: 2025.08.15 09:56:21 -04'00'

Form DGO-GO-7
Rev. 9/91

_____ (Affix Seal)
Licensed Professional Engineer or Licensed Land Surveyor

Exhibit B
Unit E-38 (Oakwood II)
Docket #VGOB 25-0715-4317
List of all Owners/Claimants

	Acres in Unit	Percent of Unit	Division of Interest in 19 East Panel
			4.7322%
I. COAL FEE OWNERSHIP			
Tract #1 -3.03 Acres			
(1) Dorothy Hill, et al	3.03 acres	3.7875%	
(a) Dorothy Pritchett Heirs, Devisees Successors, or Assigns			
(a.1) Karen Hill Gough 10200 Lonesome Road Nokesville, VA 20181-1536	0.1894 acres 1/16 of 3.03 acres	0.2367%	
(a.2) Jeffrey Hill 16 Hidden Lake Drive Stafford, VA 22556	0.1894 acres 1/16 of 3.03 acres	0.2367%	
(b) Virginia May Rosser 10200 Lonesome Road Nokesville, VA 20181-1536	0.3788 acres 1/8 of 3.03 acres	0.4734%	
(c) Franklin Delano Cole 203 Autumn Oaks Drive Kodak, TN 37764	0.3788 acres 1/8 of 3.03 acres	0.4734%	
(d) Harles J. Cole Heirs, Devisees, Successors, or Assigns			
(d.1) Gaynelle Cole Heirs, Devisees, Successors, or Assigns			
(d.1.1) Donna Gail Cole 1206 Erie Lane Elizabethton, TN 37643	0.1894 acres 1/16 of 3.03 acres	0.2367%	
(d.1.2) Pamela Joy Cole 115 E 90th Street, Apt 8D New York, NY 10128	0.1894 acres 1/16 of 3.03 acres	0.2367%	
(e) Robert J. Mullins 1719 Spruce Pine Road Pilgrims Knob, VA 24634	0.3030 acres 1/10 of 3.03 acres	0.3788%	
(f) Paul Cole 1011 Highway Drive Pilgrims Knob, VA 24634	0.3030 acres 1/10 of 3.03 acres	0.3788%	
(g) Jack Cole 1023 Highway Drive Pilgrims Knob, VA 24634	0.3030 acres 1/10 of 3.03 acres	0.3788%	
(h) Charles Cole Heirs, Devisees, Successors, or Assigns			
(h.1) Tony Cole 2029 Left Fork Road Pilgrims Knob, VA 24634	0.3030 acres 1/10 of 3.03 acres	0.3788%	
(i) George K. Read Heirs, Devisees, Successors, or Assigns			
(i.1) Tammy Cole Payne Viers 1045 Whitt Branch Road Rowe, VA 24646	0.3030 acres 1/10 of 3.03 acres	0.3788%	

Exhibit B
Unit E-38 (Oakwood II)
Docket #VGOB 25-0715-4317
List of all Owners/Claimants

		Acres in Unit	Percent of Unit	Division of Interest in 19 East Panel
Tract #2, 7.87 Acres				
(1)	Buchanan Energy Company, LLC 520 Forsythe Road, Suite 102 Bristol, VA 24202	7.87 acres	9.8375%	
Tract #3, 64.89 acres				
(1)	Tazewell Coal & Gas Company, LLC P. O. Box 675 Tazewell, VA 24651	64.89 acres	81.1125%	
Tract #4, 3.29 Acres				
(1)	Buchanan Energy Company, LLC 520 Forsythe Road, Suite 102 Bristol, VA 24202	3.29 acres	4.1125%	
Tract #5, 0.92 Acres				
(1)	Buchanan Energy Company, LLC 520 Forsythe Road, Suite 102 Bristol, VA 24202	0.92 acres	1.1500%	
II.	**OIL & GAS FEE OWNERSHIP**			
Tract #1 - 3.03 Acres				
(1)	Dorothy Hill, et al	3.03 acres	3.7875%	0.1792%
(a)	Dorothy Pritchett Heirs, Devisees Successors, or Assigns			
(a.1)	Karen Hill Gough 10200 Lonesome Road Nokesville, VA 20181-1536	0.1894 acres 1/16 of 3.03 acres	0.2367%	0.0112%
(a.2)	Jeffrey Hill 16 Hidden Lake Drive Stafford, VA 22556	0.1894 acres 1/16 of 3.03 acres	0.2367%	0.0112%
(b)	Virginia May Rosser 10200 Lonesome Road Nokesville, VA 20181-1536	0.3788 acres 1/8 of 3.03 acres	0.4734%	0.0224%
(c)	Franklin Delano Cole 203 Autumn Oaks Drive Kodak, TN 37764	0.3788 acres 1/8 of 3.03 acres	0.4734%	0.0224%
(d)	Harles J. Cole Heirs, Devisees, Successors, or Assigns			
(d.1)	Gaynelle Cole Heirs, Devisees, Successors, or Assigns			
(d.1.1)	Donna Gail Cole 1206 Erie Lane Elizabethton, TN 37643	0.1894 acres 1/16 of 3.03 acres	0.2367%	0.0112%
(d.1.2)	Pamela Joy Cole 115 E 90th Street, Apt 8D New York, NY 10128	0.1894 acres 1/16 of 3.03 acres	0.2367%	0.0112%
(e)	Robert J. Mullins 1719 Spruce Pine Road Pilgrims Knob, VA 24634	0.3030 acres 1/10 of 3.03 acres	0.3788%	0.0179%

Exhibit B
Unit E-38 (Oakwood II)
Docket #VGOB 25-0715-4317
List of all Owners/Claimants

	Acres in Unit	Percent of Unit	Division of Interest in 19 East Panel
(f) Paul Cole 1011 Highway Drive Pilgrims Knob, VA 24634	0.3030 acres 1/10 of 3.03 acres	0.3788%	0.0179%
(g) Jack Cole 1023 Highway Drive Pilgrims Knob, VA 24634	0.3030 acres 1/10 of 3.03 acres	0.3788%	0.0179%
(h) Charles Cole Heirs, Devisees, Successors, or Assigns			
(h.1) Tony Cole 2029 Left Fork Road Pilgrims Knob, VA 24634	0.3030 acres 1/10 of 3.03 acres	0.3788%	0.0179%
(i) George K. Read Heirs, Devisees, Successors, or Assigns			
(i.1) Tammy Cole Payne Viers 1045 Whitt Branch Road Rowe, VA 24646	0.3030 acres 1/10 of 3.03 acres	0.3788%	0.0179%

NOTE: Retained acres under Appalachian Energy, Inc. lease of Oil & Gas (Well EH-34)

Tract #2 -7.87 Acres

(1)	Buchanan Energy Company, LLC 520 Forsythe Road, Suite 102 Bristol, VA 24202 *NOTE: CBM Leased by Diversified Production LLC* *Retained acres under Appalachian Energy, Inc. lease of Oil & Gas (Well EH-34)*	7.87 acres	9.8375%	0.4655%

Tract #3A, 54.19 acres

(1)	Tazewell Coal & Gas Company, LLC P. O. Box 675 Tazewell, VA 24651 *Note: Retained Oil & Gas Acres by Appalachian Energy pursuant to Farmout Agreement from CCC to Edwards & Harding (Well EH-34)*	54.19 acres	67.7375%	3.2055%

Tract #3B, 10.70 acres

(1)	Tazewell Coal & Gas Company, LLC P. O. Box 675 Tazewell, VA 24651	10.70 acres	13.3750%	0.6329%

Tract #4 - 3.29 Acres

(1)	Buchanan Energy Company, LLC 520 Forsythe Road, Suite 102 Bristol, VA 24202 *NOTE: CBM Leased by Diversified Production LLC*	3.29 acres	4.1125%	0.1946%

Tract #5 - 0.92 Acres

(1)	Buchanan Energy Company, LLC 520 Forsythe Road, Suite 102 Bristol, VA 24202 *NOTE: CBM Leased by Diversified Production LLC*	0.92 acres	1.1500%	0.0544%

Exhibit B-3
Unit E-38 (Oakwood II)
Docket #VGOB 25-0715-4317
List of Unleased Owners/Claimants

		Acres in Unit	Percent of Unit	Division of Interest in 19 East Panel
				4.7322%
II.	**OIL & GAS FEE OWNERSHIP**			
	Tract #2 -7.87 Acres			
	(1) Buchanan Energy Company, LLC 520 Forsythe Road, Suite 102 Bristol, VA 24202 *NOTE: CBM Leased by Diversified Production LLC* *Retained acres under Appalachian Energy, Inc. lease of Oil & Gas (Well EH-34)*	7.87 acres	9.8375%	0.4655%
	Tract #4 - 3.29 Acres			
	(1) Buchanan Energy Company, LLC 520 Forsythe Road, Suite 102 Bristol, VA 24202 *NOTE: CBM Leased by Diversified Production LLC*	3.29 acres	4.1125%	0.1946%
	Tract #5 - 0.92 Acres			
	(1) Buchanan Energy Company, LLC 520 Forsythe Road, Suite 102 Bristol, VA 24202 *NOTE: CBM Leased by Diversified Production LLC*	0.92 acres	1.1500%	0.0544%

TOTAL UNLEASED OIL & GAS ESTATE

Acres	12.08
Percentage	15.1000%

INSTRUMENT 260000730
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY CIRCUIT COURT ON
JUNE 9, 2026 AT 01:58 PM
BEVERLY S. TILLER, CLERK
RECORDED BY: LMP