

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB-09-0120-2454-01
ELECTIONS: CBM Unit F-38
(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on February 7, 2011 and recorded as Instrument No. 110000498 in the Office of the Clerk of the Circuit Court for Buchanan County, Virginia on March 2, 2011 (herein "Board Order") and (2) to complete the record regarding elections. The Board Order established a drilling unit and pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 *et seq.*, Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
 - (a) The Board Order directed GeoMet Operating Company, Inc. (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;
 - (b) The Designated Operator, through its agent S.T. Mullins, Esquire, filed its affidavit of mailing dated March 25, 2011, disclosing that it

had mailed a correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

- (c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated April 17, 2015, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.7C (herein "Affidavit of Elections" annexed hereto), wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election(s) made, if any; and (iii) whether, by reason of failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;
- (d) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, The First Bank and Trust Company, 38 East Valley Street, Bristol, Virginia 24201; Telephone: (276) 466-9222 Attn: Kenneth Lovelace, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated July 18, 2006. The Affidavit of Elections indicates that the escrow of funds is **not required** with regard to Well No. F-38 CBM Unit.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at Paragraph 2 above, to the extent escrow was required and to the extent it pertained to the elections and interests of the Respondents who have entered into a royalty split agreement and no longer require escrow of any funds, the Applicant is hereby directed to provide the Board with reconciliation of its and the Escrow Agent's records so that any funds affected by this Order may be disbursed in an appropriate manner.
4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Supplemental Order stating that a true and correct copy of this Supplemental Order was mailed within seven (7) days from the date of

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receipt of this Supplemental Order to each Respondent whose address is known.

5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED**.
6. Effective Date: This Amended Supplemental Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

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DONE AND EXECUTED this 8th day of July, 2015, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Bradley Lambert, Chairman

DONE AND EXECUTED this 8th day of July, 2015, by a majority of the Virginia Gas and Oil Board.

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

STATE OF VIRGINIA
COUNTY OF RUSSELL:

Acknowledged this 8th day of July, 2015, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board and 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 same and were authorized to do so.

Sally Settle Ketron
Sally Settle Ketron

My Commission Expires January 31, 2019



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of GeoMet Operating Company, Inc. for the Forced Pooling of Interests in CBM Unit F-38, Docket No. VGOB-09-0120-2454-01 in the Garden District, Patterson Quadrangle, Buchanan County, Virginia.

AFFIDAVIT OF MCKINNIS & SCOTT, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

Timothy E. Scott (herein Affiant), being duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of MCKINNIS & SCOTT, the Agent for the Designated Operator, with offices located at 135 W. Main Street, Suite 200, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on February 7, 2011, by the Virginia Gas and Oil Board regarding the captioned coalbed methane gas unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed and recorded copy of the Order referred to at Paragraph 2, above, Designated Operator was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender written notice of their election of the option selected under Paragraph 9 of the Order to the Designated Operator within thirty (30) days from the date of receipt of a copy of the recorded Order;
5. That the Designated Operator has established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any,

made with regard to Subject Drilling Unit; that the following persons or entities delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day elections period:

NONE

6. That the interest and/or claims of the following persons or entities (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, as unknown or unlocatable:

NONE

7. That after the pooling hearing held in the captioned matter, the following persons or entities have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims:

NONE

8. That the Designated Operator with regard to persons previously requiring the services of the Escrow Agent have now reached an agreement regarding their interests or claims that allows Applicant/Designated Operator to make royalty distribution without the need to escrow funds which would otherwise be in conflict:

NONE

9. That the Respondents identified in Exhibit B-3 hereto have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective coalbed methane rights, interests and claims shall be deemed to have leased to Applicant/Designated Operator pursuant to and in accordance with Paragraph 10 of the Board Order dated February 7, 2011:

See Exhibit B-3

10. The Designated Operator requests that the following persons be dismissed as Respondents:

NONE

That pursuant to the provisions of 4VAC 25-160.70.A.10 and .C and VAC 25-160-80, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed amended

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supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D and 45.1-361.22.A.3 and .4.

Dated at Kingsport, Tennessee, this 29th day of June, 2015.

Timothy E. Scott
Timothy E. Scott, Affiant

Taken, subscribed and sworn to before me by Timothy E. Scott, the Agent for GeoMet Operating Company, Inc., on behalf of the corporation, this 29th day of June, 2015.

Glenda J. Venale
Notary Public

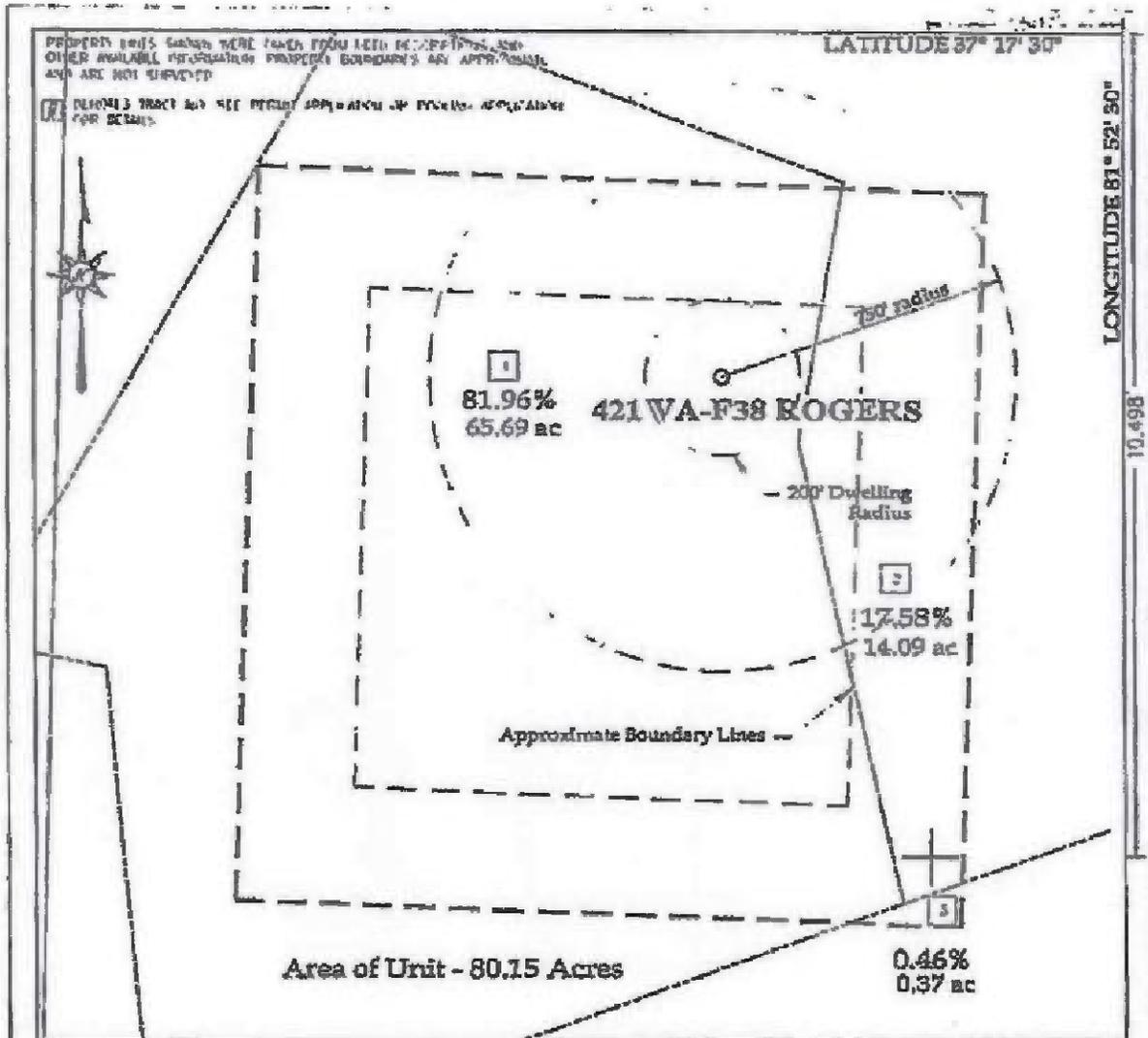
My commission expires: 10/21/2015



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"EXHIBIT A"



WELL LOCATION PLAT

COMPANY: GEOMET OPERATING COMPANY WELL NAME OR NUMBER: 421 VA-F38 ROGERS

TRACT NUMBER: LBR HOLDINGS, LLC (TRACT NO. 70) SCALE: 1" = 400' DATE: 8/15/10

COUNTY: BUCHANAN DISTRICT: GARDEN QUADRANGLE: PATTERSON

THIS IS A NEW PLAT _____; AN UPDATED PLAT _____; OR A FINAL LOCATION PLAT _____

POOLING PLAT X

- + 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.
- Denotes approximate proposed well location. Coordinates yet to be determined.



David F. Blackburn

Licensed Professional Engineer or Licensed land surveyor (Affix Seal)

Form 900-60-1
Rev. 1/98

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Well Name : 421 VA-E38 ROGERS

Pooling Plat Attachment A

Plat Tract Number	Owners	Percentage Ownership
<u>1.) 70</u>	<u>LBR Holdings, LLC</u>	<u>63.69 ac. ~ 81.96% of 80.15 ac.</u>
<u>2.)</u>	<u>Tazewell Coal & Iron</u>	<u>14.09 ac. ~ 17.58% of 80.15 ac.</u>
<u>3.)</u>	<u>Yukon Pocahontas Coal Co., Inc., et. al.</u>	<u>0.37 ac. ~ 0.46% of 80.15 ac.</u>

Location Description: Approximately 3.10 miles south west of State Route 635 jct. W/ State Route 616; and 2.48 miles northeast of State Route 654 W/State Route 638.

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EXHIBIT B-3
 PARTIES WHO HAVE NOT REACHED AGREEMENT WITH OPERATOR
 ROGERS 421-CBM UNIT F-38
 VGOB DOCKET NO. 09-0120-2454-01

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Coal Estate Only</u>				
<u>Tract 2</u> (17.58% Unit)	Tazewell Coal and Iron* 314 West Main P.O. Box 676 Tazewell, VA 24651	CNX - Oil and Gas	17.580000%	14.090370
	* LEASED: Reserve Coal Properties Company - Below Drainage Coal Jewell Smokeless Coal Corp. - Jewell and Jawbone Seams Leased			
		Subtotal Tract 2	17.580000%	14.090370
<u>Tract 3</u> (0.48% Unit)	Yukon Pocahontas Coal Co., Inc., et al. a/o Big Vein Coal Companies P. O. Box 187 Tazewell, VA 24651	CNX - CBM Leased Plum Creek - Oil and Gas	0.480000%	0.368690
		Subtotal Tract 3	0.480000%	0.368690
	Percentage of Unit Unleased - Coal		18.040000%	
	Acrage in Unit Unleased - Coal			14.459060

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EXHIBIT B-3
 PARTIES WHO HAVE NOT REACHED AGREEMENT WITH OPERATOR
 ROGERS 421 CBM UNIT F-38
 VGOB DOCKET NO. 09-0120-2454-01

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN GROSS ACREAGE UNIT</u>	<u>IN UNIT</u>
<u>Gas Estate Only</u>				
<u>Tract 2</u> (17.58% Unit)	Tazewell Coal and Iron 314 West Main P.O. Box 675 Tazewell, VA 24651	CNX - Oil and Gas	17.580000%	14.090370
		Subtotal Tract 2	17.580000%	14.090370
<u>Tract 3</u> (0.48% Unit)	Yukon Pocahontas Coal Co., Inc., et al. c/o Big Vein Coal Companies P. O. Box 187 Tazewell, VA 24651	CNX - CBM Leased Plum Creek - Oil and Gas	0.480000%	0.368890
		Subtotal Tract 3	0.480000%	0.368890
		Percentage of Unit Unleased - Gas	18.040000%	
		Acreage in Unit Unleased - Gas		14.459260

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EXHIBIT E
LIST OF CONFLICTING AND UNKNOWN OR UNLOCATABLE OWNERS/CLAIMANTS THAT REQUIRE
ESCROW
ROGERS 421-CBM UNIT F-38
VGOB DOCKET NO. 09-0120-2454-01

No Conflicting and Unknown/Unlocatable Owners

INSTRUMENT #150001264
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
AUGUST 4, 2015 AT 03:09PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB