

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

APPLICANT: **CNX GAS COMPANY LLC**

DIVISION OF GAS
AND OIL DOCKET
NO. 89-0126-0009-46

RELIEF SOUGHT: MODIFICATION OF THE OGCB
NORA FIELD RULES ORDER ENTERED MARCH 26,
1989, AS AMENDED, TO ALLOW
MORE THAN ONE COALBED GAS WELL
TO BE DRILLED IN THE UNITS
IDENTIFIED ON EXHIBIT A HERETO

LEGAL DESCRIPTION: DRILLING UNITS **AP-81 and AU-92**; LOCATED IN
BUCHANAN COUNTY, VIRGINIA; SEE ANNEXED **EXHIBIT A1** AND STATE
PLANE COORDINATE DESCRIPTION AT PARAGRAPH 7.h. WITHIN

**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 (hereinafter "Board") at 9:00 a.m. on **April 21, 2009** at the Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, Virginia.

2. Appearances: **Mark A. Swartz**, Esquire, appeared for the Applicant; and Sharon M.B. Pigeon, Assistant Attorney General was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to sections 45.1-361.1 *et seq.*, Virginia Code, as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by the 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, or in the case of conflicting claims to the ownership of the coalbed methane gas, each person identified by Applicant as a potential owner of the coalbed methane gas underlying the area described at paragraph 7.h below and in **Exhibit A** attached hereto; and (2) has given notice to all parties so identified (hereinafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) and

entitled by §§ 45.1-361.19 and 45.1-361.20, Virginia Code, as amended, to notice of this Application, and (3) that the persons listed in the Notice of Hearing are the persons so identified by the Applicant. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19.B., Virginia Code, as amended. Whereupon, the Board hereby finds that the notices given satisfy all statutory requirements, Board rule requirements and the minimum standards of State due process.

4. Amendments and Dismissals: None.

5. Relief Requested: (1) Modification of the Nora Gas Field Rules to allow more than one coalbed methane gas well to be drilled within each of the Nora Field Drilling Units identified above and in **Exhibit A1** attached hereto; and (2) for an administrative order providing that additional well permits may be issued in the Nora Field after this Application is filed and while it is pending.

6. Relief Granted: Available data and the evidence adduced at the hearing support Applicant's position that the production from the pool underlying the Nora Coal Bed Gas Field Drilling Units in question would be enhanced and benefit from in-field drilling; accordingly,

a. With regard to the Drilling Units described above and in **Exhibit A1** hereto, the Nora Coal Bed Gas Field Rules Order, OCGB order entered of March 26, 1989, is hereby amended to allow the Board's Designated Unit Operator in Drilling Units pooled by Board Order and the Well Operator/Permittee in voluntary Drilling Units to drill a total of two wells, said total to include any previously permitted wells, within the units affected by the Application and this Order;

b. In the event that an additional coalbed methane gas well(s) permitted and drilled after the entry of this order is located within the drilling window(s) of a Nora Coal Bed Gas Field Drilling Unit affected by this order, the production therefrom shall be solely attributed to and allocated to the Nora Drilling Unit within which the wells are located. Such well(s) will be subject to any existing pooling orders, and no further Board appearance or action will be required;

c. In the event a second well is proposed that is to be located outside the drilling window of any Nora Unit affected by this order and a permit application is submitted to the Division of Gas and Oil seeking such location exception, the Inspector shall assess the permit as follows:

(i) If an 58 acre square with the proposed well at its center lies entirely within Nora Drilling Units which are voluntary in nature and are not subject to existing pooling orders, the Inspector may grant or deny the location exception on a case-by-case basis according to standard procedures and provisions of the Nora Order which allow wells to be drilled outside drilling windows; or

(ii) If a 58 acre square with the proposed well at its center lies entirely or partially within any Nora Drilling Unit(s) which is subject to existing pooling orders, the Inspector shall refer the permit application to the Board for its recommendations concerning correlative rights considerations, modification of pooling orders, and escrow provisions. Alternatively, the Unit Operator may present a pooling proposal directly to the Board prior to filing a permit application. No permit under this paragraph ii. shall be issued until the Board has acted on the matter.

7. Special Findings:

- a. Applicant's proposed field rule modification is not an unreasonable or arbitrary exercise of the owner's right to explore for or produce gas;
- b. The Applicant's proposal would not unreasonably interfere with the present or future mining of coal or other minerals;
- c. The acreage to be embraced in the Drilling Units affected by and/or created by this Modification Order shall be as set forth above and in **Exhibit A1** attached hereto.
- d. The formations subject to this Modification Order are described in the OGCB Order entered 3-26-89, as amended.
- e. The boundaries of the Drilling Units are the same as heretofore established by the OGCB Order entered 3-26-89, as amended.
- f. Unit Operator's production simulations indicate that drilling of an additional well in each Unit could facilitate the recovery of an additional 250,000 MCF of gas per Unit within 10 years of drilling.
- g. The boundaries of any Drilling Units created subsequent to this Modification Order shall be according to paragraph 6.c.ii. above and as defined by Board action specific to individual units.
- h. The acreage subject to this Modification Order is depicted in **Exhibit A1** hereto and is more specifically described as follows:

Beginning at a point, Virginia State Plane NAD 27 coordinate of N: 318515.430 E: 937908.050; S87° 47'14" E 285.14 feet to a point; S01° 48'21" W 216.42 feet to a point; S87° 47'16" E 1867.90 feet to a point; S02° 12'44" W 1383.64 feet to a point; N87° 47'16" W 2154.20 feet to a point; N02°

11'54" E 1600.06 feet to a point of beginning, containing +/- 69.84 acres. (AP-81)

Beginning at a point, Virginia State Plane NAD 27 coordinate of N: 310166.240 E: 955189.890; S87° 50'06" E 1369.56 feet to a point; S02° 13'15" W 1925.13 feet to a point; N87° 46'45" W 1369.57 feet to a point; N02° 13'16" E 1923.80 feet to a point of beginning, containing +/- 60.49 acres. (AU-92)

i. Having considered the evidence presented, the Board found no reason to establish any allowable production rates for the wells contemplated by this Modification Order;

j. Except as herein specifically modified, the proposed Drilling Units more fully described above and in **Exhibit A1** attached hereto shall be developed and produced in compliance with the OGCB Order entered on 3-26-89 regarding the Nora Field, as amended.

k. This Modification Order shall be effective as of the date of the hearing, to-wit: **April 21, 2009**.

8. Conclusion: The relief granted hereby will assist in enhancing production from existing wells, will assist in more efficiently recovering coalbed methane gas from the area in question, will prevent waste, and will continue to protect the correlative rights of all owners and claimants. Therefore, the relief and all terms and provisions set forth above be and are hereby granted and IT IS SO ORDERED.

9. Effective Date: **April 21, 2009**.

DONE AND EXECUTED this 16th day of July, 2019, by a majority of the Virginia Gas and Oil Board.

Bradley Lambert
Bradley Lambert, Chairman

DONE AND EXECUTED this 16th day of July, 2019, 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 16th day of July, 2019, 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.

Sarah Jessee Gilmer
Sarah Jessee Gilmer
Notary # 262946

My Commission Expires July 31, 2021



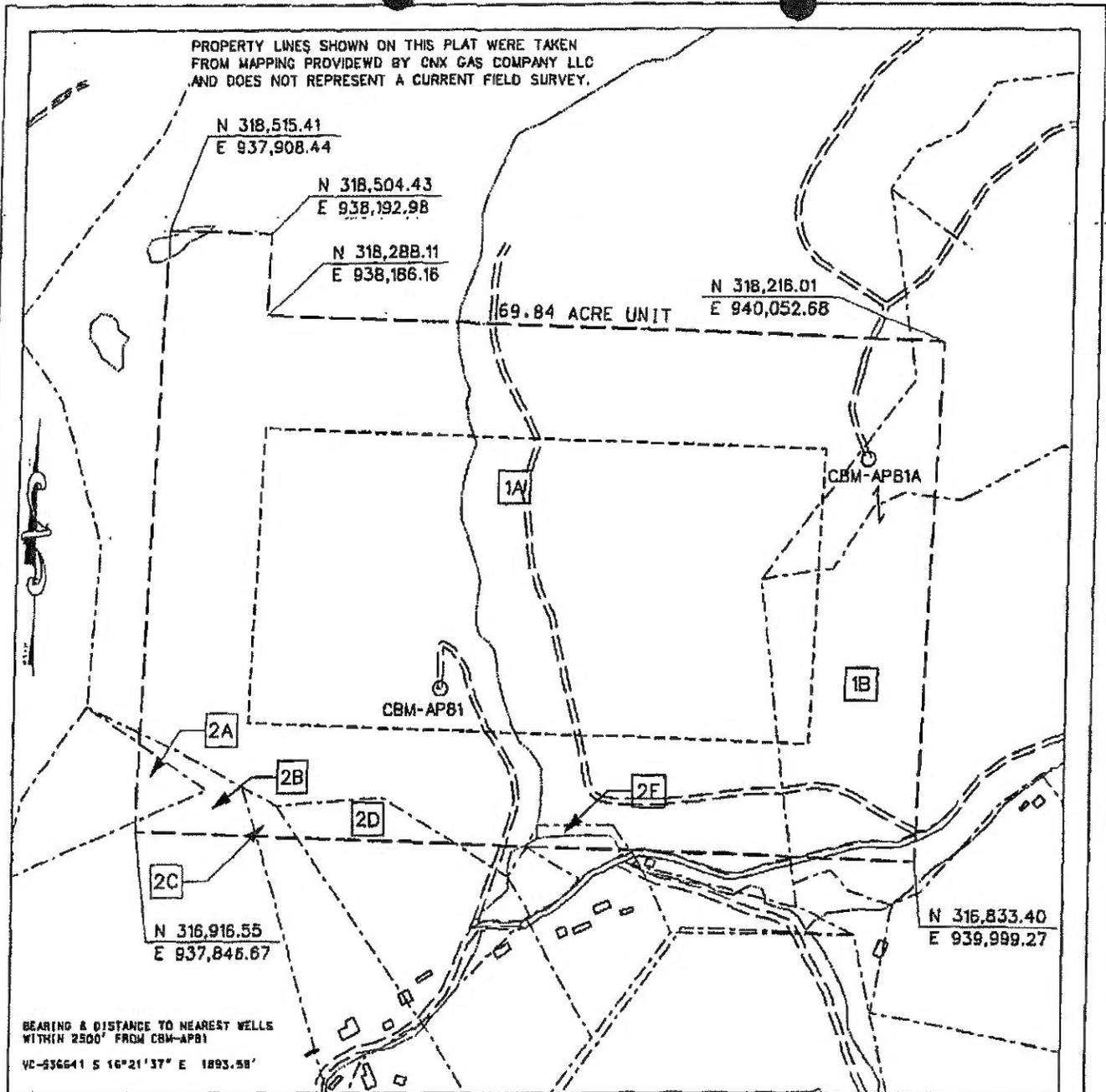
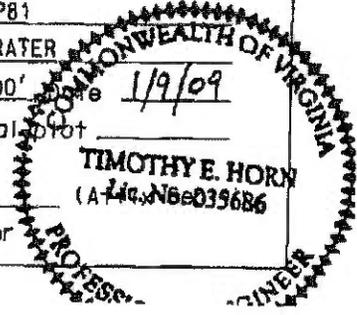


EXHIBIT A
NORA FIELD
UNIT APB1
FORCE POOLING
VGDB 09-0217-2463

Company CNX Gas Company LLC Well Name and Number UNIT APB1
 Tract No. _____ Elevation _____ Quadrangle PRATER
 County BUCHANAN District PRATER Scale: 1" = 400' Date 1/9/09
 This plat is a new plat _____ ; an updated plat X ; or a final plat _____

Form DGO-60-7 _____
 Rev. 9/91 _____
 Licensed Professional Engineer or Licensed Land Surveyor



CNX Gas Company LLC**Unit AP81****Tract Identifications
(89.84 Acre Unit)**

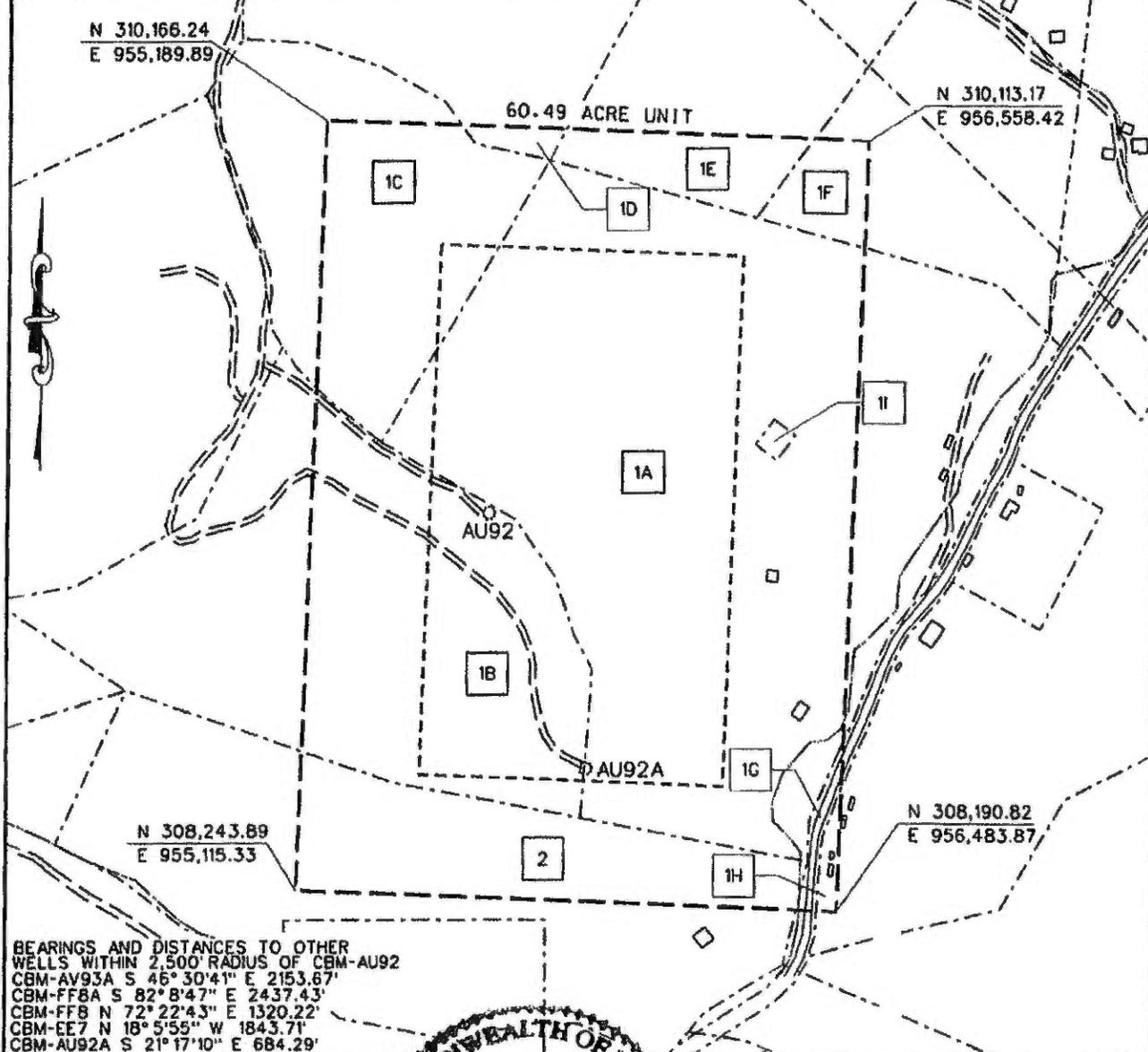
1. **Levisa Coal Company Tr. 58 (558.00 Acre Tract) - All Coal**
Jewell Smokeless Coal Corporation - Coal In Tiller and Above Leased
John W. Pobat, Jr., et al - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
66.97 Acres 85.8906%

- 1A. **Devonna Colley, et al - Surface**
- 1B. **Edna Bostic, et al - Surface**

2. **ACIN, LLC (125.00 Acre Tract) - All Coal**
Range Resources - Pine Mountain, Inc. - Oil, Gas and CBM
Equitable Production Company (50%)/Range Resources - Pine Mountain, Inc. (50%) - Oil, Gas and CBM Leased
2.87 Acres 4.1094%

- 2A. **Jack C. Owans, et al - Surface**
- 2B. **Unknown Surface Owner**
- 2C. **Jonas Bostic - Surface**
- 2D. **Jonas Bostic, et al - Surface**
- 2E. **Arthur Deal, et al - Surface**

Property lines shown on this plot were provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.



BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CBM-AU92
 CBM-AV93A S 46° 30' 41" E 2153.87'
 CBM-FF8A S 82° 8' 47" E 2437.43'
 CBM-FF8 N 72° 22' 43" E 1320.22'
 CBM-EE7 N 18° 5' 55" W 1843.71'
 CBM-AU92A S 21° 17' 10" E 684.29'

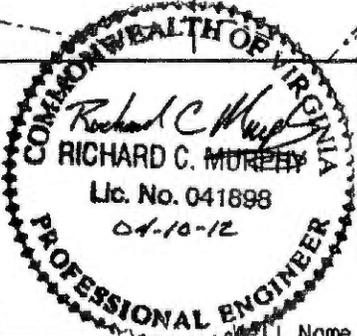


EXHIBIT A
 NORA FIELD
 UNIT AU92
 FORCE POOLING
 VG0B-12-0515-3062

Company CNX Gas Company LLC Well Name and Number UNIT AU92
 Tract No. _____ Elevation _____ Quadrangle Vansant
 County BUCHANAN District Hurricane Scale: 1" = 400' Date _____
 This plot is a new plot _____ ; an updated plot X ; or a final plot _____

Form DGO-GO-7 Richard C. Murphy (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

**CNX Gas Company LLC
UNIT AU-92
Tract Identifications
(60.49 Acres)**

1. **Harrison-Wyatt, LLC Oxy Tr. 14, ICCO Tr. 521 (570 Acre Tract) – All Minerals
Island Creek Coal Company/Consol Energy, Inc. – Below Drainage Coal Leased
Jewell Smokeless Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
53.98 acres 89.2379%**

- 1A. **Howard Lockhart, et al – Surface**
- 1B. **Cannie Lockhart, et al - Surface**
- 1C. **Lonnie Lockhart, et al – Surface**
- 1D. **Howell Lockhart - Surface**
- 1E. **Howell Lockhart - Surface**
- 1F. **Bernice Breeding, et al - Surface**
- 1G. **Commonwealth of Virginia - Surface**
- 1H. **Arnold Lockhart, et ux – Surface**
- 1I. **Unknown Surface Owner (CEMETERY)**

2. **Sydney Asbury, et al (100 Acre Tract) – All Minerals
EQT Production Company (50%) / Range Resources - Pine Mountain, Inc. (50%) –
Oil, Gas and CBM Leased
Ira Lockhart Heirs - Surface
6.51 acres 10.7621%**

INSTRUMENT 190001049
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY CIRCUIT COURT ON
JULY 30, 2019 AT 08:46 AM
BEVERLY S. TILLER, CLERK
RECORDED BY: CXE

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."