



BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds

JURISDICTION: Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq) AND § 45.1-361.22:2

UNIT/WELL NAME: T13

TRACT(S): 1, 2, 3

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-92-0317-0197-01

APPLICANTS: CNX Gas Company LLC on behalf of CNX Gas Company LLC, Garden Realty Corporation, HW Financial, LLC

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
December 19, 2017

APPEARANCES: Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 05/28/1992, Recorded on 06/05/1992, Deed Book/Instrument No. 392, Page 56.
2. Supplemental Order Executed 07/13/1993, Recorded on 07/13/1993, Deed Book/Instrument No. 411, Page 333.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the December 19, 2017 hearing and considered whether to:

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- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1, 2, 3 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1, 2, 3 relative to the interests of the Applicants identified in the attached petition.
- (3) Close the escrow account under this docket number.

FINDINGS: Code of Virginia § 45.1-361.22 AND § 45.1-361.22:2

Applicant has certified and represented to the Board that:

- a. H-W Financial, LLC and CNX Gas Company LLC & Garden Realty Corp. have entered into royalty split agreement (s). Said royalty split agreement(s) allow the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE.
- b. COMMONWEALTH OF VIRGINIA: To the following persons who will receive a disbursement of escrowed funds if the relief sought by Applicant's Petition is granted by the Virginia Gas and Oil Board:

H-W Financial, LLC (previously Harrison-Wyatt, LLC)

COMMONWEALTH OF VIRGINIA: To the following persons identified as SURFACE OWNERS in the Pooling Order and Supplemental Order(s) pertaining to the referenced Docket No. who were previously pooled by Virginia Gas and Oil Board Order as potential claimants. YOU, AS A RESPONDENT AND YOUR CLAIMS, IF ANY, TO COALBED METHANE ROYALTIES for gas produced from this Unit ARE SUBJECT TO DISMISSAL BY BOARD ORDER AT THE HEARING NOTICED ABOVE:

B.F. McGlothlin Heirs, Devisees, Successors or Assigns including Shauna McGlothlin, Jon McGlothlin, Logan McGlothlin, Bonnie McGlothlin, Ralph Edward McGlothlin, Jr., Patricia S. McGlothlin, Bascom "Buddy" Matney, Helen Carol Mamone, Ann C. Rauhauser, Joseph Blair McGlothlin, Katherine M. Warren, St. Jude's Children's Research Hospital, Children's Hospital of Richmond, Shirley Presley, Donald A. McGlothlin, Jr., Wayne Talbert Burton, Sr., Joseph John Laperla, Mary Louise Laperla, Leah Ann McGlothlin, Kevin Timothy McGlothlin, Kenna Dixon Moose, Michael McKinley Dixon, Peggy Durham, Shery W. Bennett, Pauline W. Shortridge, Floyd Edmond Wampler, Thomas D. McGlothlin, James W. McGlothlin, Michael G. McGlothlin, Doris Ann McGlothlin, Anne Borkey Fath, Sharon Borkey Parsons, Betty McGlothlin, Una Lee Mulligan Bailey, McGlothlin Living Trust, Darla Torres, Cecil McGlothlin, Jr., Norman McGlothlin, Ann Mullins Washburn, Michael M. Mullins, Charlene Dixon Seale, Patricia Wade, Virginia Peterson, Paula J. Morrow, W.A. Street Heirs Trust c/o H.A. Street

NOTICE IS HEREBY GIVEN that Applicant is requesting that the Virginia Gas and Oil Board (hereinafter Board) issue an order as follows:

- (1) Directing the Board's Escrow Agent to make the disbursements to the persons identified in Table 1 hereto using the percentages stated therein;
- (2) Directing Applicant to pay the persons identified in Table 1 hereto and to discontinue escrow of their royalty payments;
- (3) Dismissing the Respondent surface owners named above.

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RELIEF GRANTED:

VGOB Disbursement
Unit T13

VGOB-92-0317-0197-01

Table 1

Tracts: 1, 2, 3

Item	Tract	Disbursement Table	Fractional Ownership		Net Acreage		Royalty Split		Escrowed Acres		Percent of Escrowed Funds		Adjustment Amount	
			in Tract	in Tract	in Tract	Agreement	Disbursed	Disbursed	Disbursed	Disbursed				
1 Tract 1 (total acreage)			42.6300											
1	1	H-W Financial, LLC\PO Box 11000 Danville VA 24543		42.6300	100.00%			42.6300		53.2875%				
2 Tract 2 (total acreage)			1.6200											
1	2	H-W Financial, LLC\PO Box 11000 Danville VA 24543		1.6200	50.00%			0.8100		1.0125%				
2	2	CNX Gas Company LLC\PO Box 643830 Pittsburgh PA 15264-3830		1.6200	50.00%			0.8100		1.0125%				
3 Tract 3 (total acreage)			35.7500											
1	3	H-W Financial, LLC\PO Box 11000 Danville VA 24543		35.7500	50.00%			17.8750		22.3438%				
2	3	Garden Realty Corporation\c/o Margaret Burns 108 Bexley Rd Mooresville NC 28117		35.7500	50.00%			17.8750		22.3438%				

Adjustment Comments:

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.
2. The Escrow Agent is ordered to close the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:

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

APPEALS:

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

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DONE AND EXECUTED this 20 day of December, 2017 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

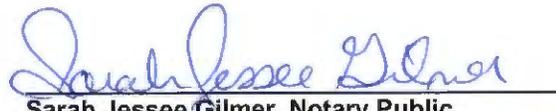
DONE AND PERFORMED this 20 day of December, 2017 by Order of the Virginia Gas and Oil Board.



Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 20th day of December, 2017, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared 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 the same and was authorized to do so.


Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 92-0317-0197-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1, 2, 3 (2) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.1-361.22:2.

HEARING DATE: December 19, 2017

DRILLING UNIT: T13

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, PO Box 570, Pounding Mill, VA 24637, (276)596-5075. Petitioner's counsel is Mark A. Swartz, Hillard & Swartz, LLP, 122 Capital Street, Suite 201, Charleston, WV 25301.

2. Relief Sought

(1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1, 2 and 3, as depicted upon the annexed table; (2) dismissal of surface owners in Tract 2, B.F. McGlothlin Heirs, Devisees, Successors or Assigns (individuals listed below).

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

Coalbed Methane

5. Factual basis for relief requested

- a. H-W Financial, LLC and CNX Gas Company LLC & Garden Realty Corp. have entered into royalty split agreement(s). Said royalty split agreement(s) allow the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE.
- b. COMMONWEALTH OF VIRGINIA: To the following persons who will receive a disbursement of escrowed funds if the relief sought by Applicant's Petition is granted by the Virginia Gas and Oil Board:

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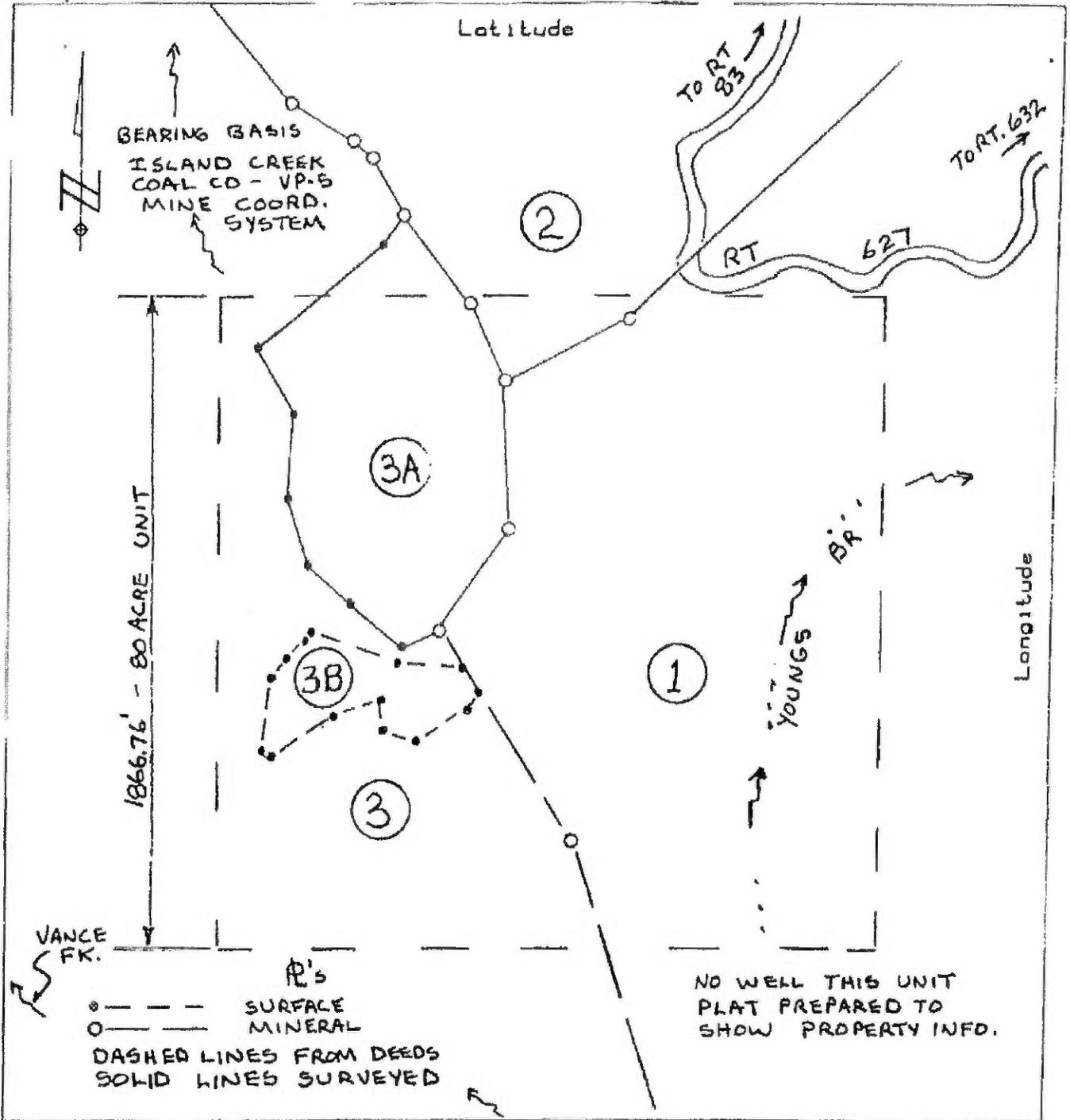
B.F. McGlothlin Heirs, Devisees, Successors or Assigns including Shauna McGlothlin, Jon McGlothlin, Logan McGlothlin, Bonnie McGlothlin, Ralph Edward McGlothlin, Jr., Patricia S. McGlothlin, Bascom "Buddy" Matney, Helen Carol Mamone, Ann C. Rauhauser, Joseph Blair McGlothlin, Katherine M. Warren, St. Jude's Children's Research Hospital, Children's Hospital of Richmond, Shirley Presley, Donald A. McGlothlin, Jr., Wayne Talbert Burton, Sr., Joseph John Laperla, Mary Louise Laperla, Leah Ann McGlothlin, Kevin Timothy McGlothlin, Kenna Dixon Moose, Michael McKinley Dixon, Peggy Durham, Shery W. Bennett, Pauline W. Shortridge, Floyd Edmond Wampler, Thomas D. McGlothlin, James W. McGlothlin, Michael G. McGlothlin, Doris Ann McGlothlin, Anne Borkey Fath, Sharon Borkey Parsons, Betty McGlothlin, Una Lee Mulligan Bailey, McGlothlin Living Trust, Darla Torres, Cecil McGlothlin, Jr., Norman McGlothlin, Ann Mullins Washburn, Michael M. Mullins, Charlene Dixon Seale, Patricia Wade, Virginia Peterson, Paula J. Morrow, W.A. Street Heirs Trust c/o H.A. Street

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- (2) Directing Applicant to pay the persons identified in Table 1 hereto and to discontinue escrow of their royalty payments;
- (3) Dismissing the Respondent surface owners named above.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

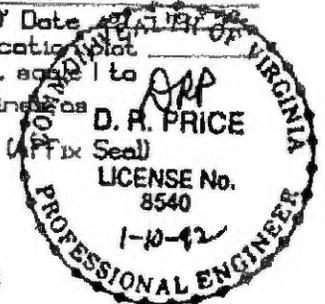


WELL LOCATION PLAT

Company OXY USA INC Well Name and Number UNIT T13
 Tract No. N/A Elevation N/A Quadrangle VANSANT
 County BUCHANAN District S. GRUNDY / GARDEN Scale: 1" = 400' Date 1-10-92

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.

D. R. Price
 Licensed Professional Engineer or Licensed Land Surveyor



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OXY USA INC.

Well Plat Legend
Property and Lease Information
Well Unit -- T13

1. Surface ----- B. F. McGlothlin Heirs
Coal, Oil & Gas ----- Big Axe Tract No. 8
Wayles R. Harrison and Landon R.
Wyatt, Jr., Trustees
Oil & Gas Lessee ----- OXY USA, INC.
Coal Lessee ----- Island Creek Coal Co.
Jewell Smokless Coal Corp.
Coalbed Methane Lessee -- OXY USA, Inc.

5 = 42.63 Acres - 53.30% of Unit

2. Surface, Oil & Gas ----- ~~Raymond Street & Gerald McClanahan~~ *Oxy*
Coal ----- Big Axe Tract No 1
Wayles R. Harrison and Landon R.
Wyatt, Jr., Trustees
Oil & Gas Lessee ----- None
Coal Lessee ----- Island Creek Coal Co.
Jewell Smokless Coal Corp.
Coalbed Methane Lessee -- OXY USA, Inc.

1 = 1.62 Acres - 2.02% of Unit

3. Surface ----- VP 5 Mining Co.
%Island Creek Coal Co.
Coal ----- Big Axe Tract No 1
Wayles R. Harrison and Landon R.
Wyatt, Jr., Trustees
Oil & Gas ----- Garden Realty Corp.
Oil & Gas Lessee ----- Pocahontas Gas Partnership
Coal Lessee ----- Island Creek Coal Co.
Jewell Smokless Coal Corp.
Coalbed Methane Lessee -- OXY USA, Inc.

- 3A. Surface ----- Raymond Street & Gerald McClanahan
Coal ----- Big Axe Tract No 1
Wayles R. Harrison and Landon R.
Wyatt, Jr., Trustees
Oil & Gas ----- Garden Realty Corp.
Oil & Gas Lessee ----- Pocahontas Gas Partnership
Coal Lessee ----- Island Creek Coal Co.
Jewell Smokless Coal Corp.
Coalbed Methane Lessee -- OXY USA, Inc.

- 3B. Surface ----- Street/Vandyke Cemetery
Coal ----- Big Axe Tract No 1
Wayles R. Harrison and Landon R.
Wyatt, Jr., Trustees
Oil & Gas ----- Garden Realty Corp.
Oil & Gas Lessee ----- Pocahontas Gas Partnership
Coal Lessee ----- Island Creek Coal Co.
Jewell Smokless Coal Corp.
Coalbed Methane Lessee -- OXY USA, Inc.

3, 3A & 3B = 35.75 Acres - 44.68% of Unit

Exhibit E
UNIT T-13
Docket # VGOB 92-0317-0197-01
List of Owners/Claimants that require escrow

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Acres in Unit	Percent of Unit
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Escrowing no longer required

	Acres in Unit	Percent of Unit	Division of Interest in		Percent of Escrow
			9 East 7.75%	10-East 5.54%	
<u>Tract #1, 42.63 Acres</u>					
<u>COAL FEE OWNERSHIP</u>					
(1) H-W Financial, LLC P.O. Box 11000 Danville, VA 24543	42.63 acres	53.28750%	4.12978%	2.95213%	n/a
<u>OIL & GAS FEE OWNERSHIP</u>					
(1) H-W Financial, LLC P.O. Box 11000 Danville, VA 24543	42.63 acres	53.28750%	4.12978%	2.95213%	53.2875% HB2058
<u>Tract #2, 1.62 Acres</u>					
<u>COAL FEE OWNERSHIP</u>					
(1) H-W Financial, LLC P.O. Box 11000 Danville, VA 24543	1.62 acres	2.02500%	0.15694%	0.11219%	1.0125% Royalty Division Agreement
<u>OIL & GAS FEE OWNERSHIP</u>					
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	1.62 acres	2.02500%	0.15694%	0.11219%	1.0125% Royalty Division Agreement
<u>Tract #3, 35.75 Acres</u>					
<u>COAL FEE OWNERSHIP</u>					
(1) H-W Financial, LLC P.O. Box 11000 Danville, VA 24543	35.75 acres	44.68750%	3.46328%	2.47569%	22.3438% Royalty Division Agreement
<u>OIL & GAS FEE OWNERSHIP</u>					
(1) Garden Realty Corp. c/o Margaret Burns 108 Bexley Road Mooresville, NC 28117	35.75 acres	44.68750%	3.46328%	2.47569%	22.3438% Royalty Division Agreement

INSTRUMENT 180000070
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY CIRCUIT COURT ON
January 10, 2018 AT 11:22 AM
BEVERLY S. TILLER, CLERK
RECORDED BY: CXE