

Instrument prepared by

VIRGINIA GAS AND OIL BOARD

Order recorded under

CODE OF VIRGINIA

§ 45.1-361.26

BEFORE THE VIRGINIA GAS AND OIL BOARD

**RELIEF
SOUGHT:**

An Order for Disbursement of Escrowed Funds
(and Authorization for Direct Payment of Royalties)

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: S15

TRACT(S): A portion of 3

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-92-0721-0237-02

APPLICANTS:

CNX Gas Company LLC on behalf of Danny Carlos Blankenship, Eddie Dwight Blankenship,
Harrison Wyatt L.L.C.

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia
January 19, 2016

APPEARANCES:

Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 08/12/1992, Recorded on 08/17/1992, Deed Book/Instrument No. 396, Page 647.
2. Supplemental Order Executed 07/22/1993, Recorded on 07/29/1993, Deed Book/Instrument No. 412, Page 130.
3. Disbursement Order -01 Executed 10/16/2005, Recorded on 10/14/2005, Deed Book/Instrument No. 3103.

NOTICE:

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The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the January 19, 2016 hearing and considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) A portion of 3 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 3 relative to the interests of the Applicants identified in the attached petition.
- (3) Continue 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. Harrison Wyatt LLC and Danny Carlos Blankenship have entered into royalty agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be divided and paid.
- b. Eddie Dwight Blankenship is the gas claimants in Tract 3 As such, is entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- c. That CNX Gas Company LLC has given the notice(s) required by § 45.1-361.22:2.A to all conflicting claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- d. That none of the conflicting claimants noticed have provided, within 45 days of the notice(s) given as provided in b. above, the Board, its designated agent the Director of the Division of Gas and Oil, the Operator and/or the Applicant evidence of either an agreement regarding the escrowed funds/royalties or a proceeding regarding same.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. That an Exhibit identified as Table 1 is annexed hereto, and it specifies how the disbursement(s) is to be calculated and paid by the escrow agent.
- g. That Va. Code Ann. § 45.1-361.22:2.A. further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit S15

VGOB-92-0721-0237-02

Table 1

Tracts: A portion of 3

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			in Tract	in Tract	Agreement	Disbursed	Disbursed
		Total acreage in escrow before disbursement				0.07000	
3 Tract 3 (total acreage)			0.07				
1	3	Harrison Wyatt L.L.C.\PO Box 11000, Danville, VA 24543	1/4	0.0175	50.00%	0.0088	12.5000%
2	3	Eddie Dwight Blankenship\131 Hub Lane, Lebanon, VA 24266-5551	1/4	0.0175	100.00%	0.0175	25.0000%
3	3	Danny Carlos Blankenship\P.O. Box 151, Rowe, VA 24646	1/4	0.0175	50.00%	0.0088	12.5000%

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 continue 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 § 45.1-381.9 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 January, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

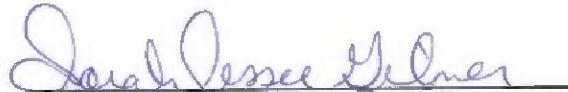
DONE AND PERFORMED this 20 day of January, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 20th day of January, 2016, 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, 2017



160000140

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 92-0721-0237-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 3 (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES

HEARING DATE: January 19, 2016

DRILLING UNIT: S15

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 627 Claypool Hill Mall Road, Cedar Bluff, VA 24609, (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(s) attributable to Tract(s) 3 as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to the following parties; Harrison Wyatt, LLC, Eddie Dwight Blankenship, Danny Carlos Blankenship

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

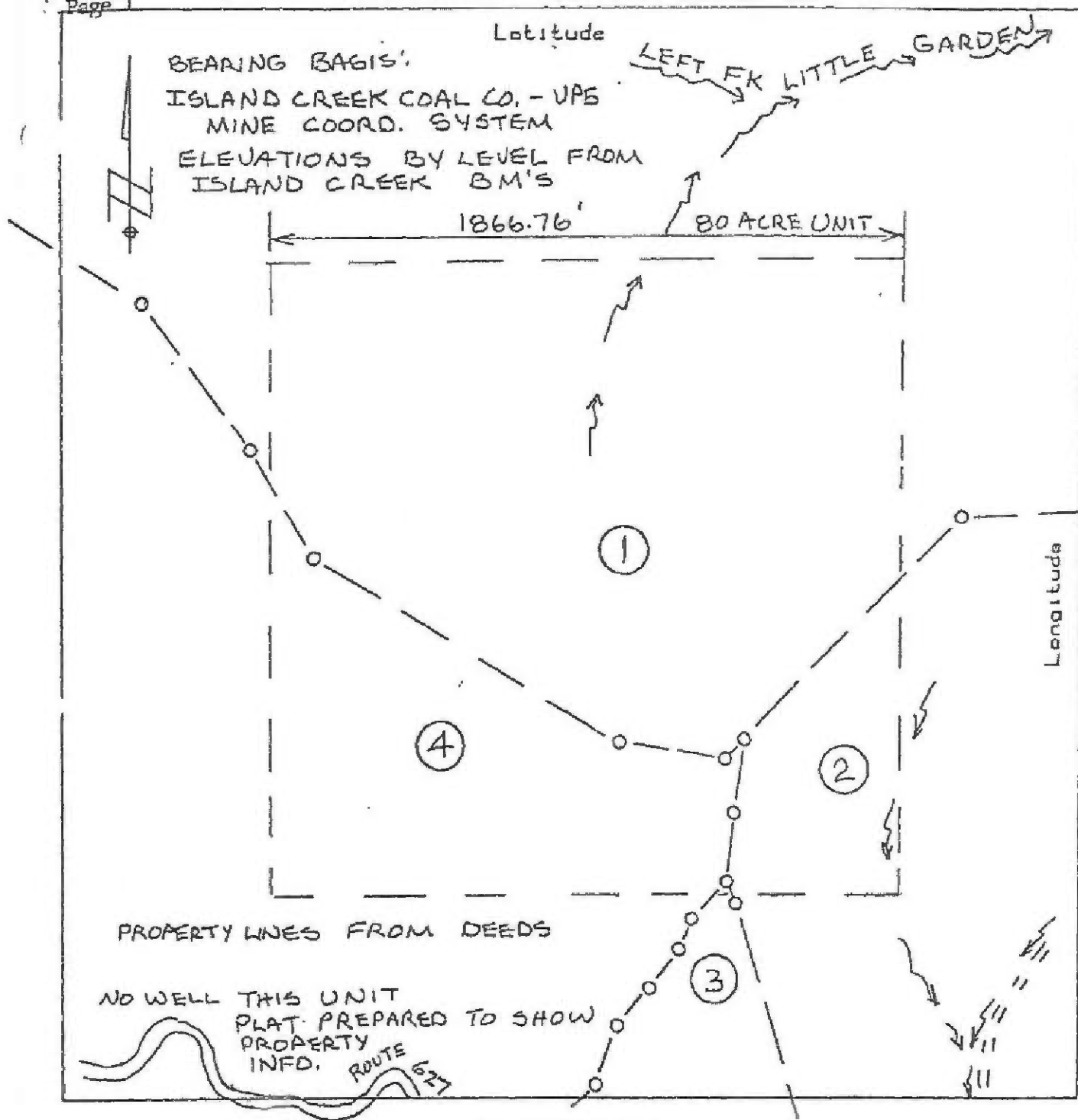
5. Factual basis for relief requested

- a. Harrison Wyatt LLC and Danny Carlos Blankenship have entered into royalty agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be divided and paid.
- b. Eddie Dwight Blankenship is the gas claimants in Tract 3 As such, is entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- c. That CNX Gas Company LLC has given the notice(s) required by § 45.1-361.22:2.A to all conflicting claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- d. That none of the conflicting claimants noticed have provided, within 45 days of the notice(s) given as provided in b. above, the Board, its designated agent the Director of the Division of Gas and Oil, the Operator and/or the Applicant evidence of either an agreement regarding the escrowed funds/royalties or a proceeding regarding same.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. That an Exhibit identified as Table 1 is annexed hereto, and it specifies how the disbursement (s) is to be calculated and paid by the escrow agent.
- g. That Va. Code Ann. § 45.1-361.22:2.A. further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant and not escrow same. See Exhibit EE annexed hereto.

6. Attestation

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

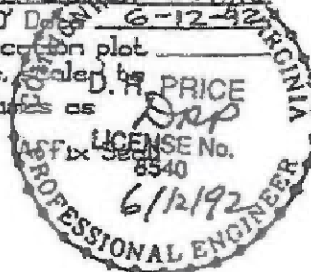
Page 1



WELL LOCATION PLAT

Company ISLAND CREEK COAL CO. Well Name and Number UNIT 5.15/B
 Tract No. A/A Elevation A/A Quadangle VANSALEATH
 County BUCHANAN District HURRICANE Scale: 1" = 400' Date 6-12-92
 This Plat is a new plot ☒; an updated plot ☐; or a final location plot ☐
 Denotes the location of a well on United States topographic Maps. Scale by D.H. PRICE
 + 24,000. latitude and longitude lines being represented by border lines as shown.

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



OIL AND GAS OWNERSHIP

PERSON OR ENTITY	PERCENTAGE	TOTAL
I. Tract Factor: $50.68/80 = 63.35\%$		
1. Yukon-Pocahontas Coal Company, a Virginia limited partnership	1/2 or 31.67500%	
2. Georgia-Pacific Corporation, a Georgia corporation	1/3 or 21.11667%	
3. Buchanan Coal Company, a Virginia limited partnership	1/9 or 7.03889%	
4. Sayers-Pocahontas Coal Company, a Virginia limited partnership	1/18 or 3.51944%	63.35000%
II. Tract Factor: $7.72/80 = 9.65\%$		
5. Jerry Raines and Phyllis Raines, Husband and Wife, as tenants by the entirety with right of survivorship	1/1 or 9.65000%	9.65000%
III. Tract Factor: $.07/80 = .0875\%$		
6. Iris Blankenship and Clifford Blankenship, Her Husband	1/1 or .087500%	.087500%
IV. Tract Factor: $21.91/80 = 26.9125\%$		
7. Landon R. Wyatt, Jr., and Wayles R. Harrison, Jr., Trustees under Trust Agreement dated November 25, 1977, and recorded in Deed Book 255, Page 152. See Exhibit "D"	1/12 or 26.91250%	26.91250% 100.00000%

OIL OWNERSHIP

PERSON OR ENTITY	PERCENTAGE	TOTAL
I. Tract Factor: $50.68/80 = 63.35\%$		
1. Yukon-Pocahontas Coal Company, a Virginia limited partnership	1/2 or 31.67500%	
2. Georgia-Pacific Corporation, a Georgia corporation	1/3 or 21.11667%	
3. Buchanan Coal Company, a Virginia limited partnership	1/9 or 7.03889%	
4. Sayers-Pocahontas Coal Company, a Virginia limited partnership	1/18 or 3.51944%	63.35000%
II. Tract Factor: $7.72/80 = 9.65\%$		
5. Landon R. Wyatt, Jr., and Wayles R. Harrison, Jr., Trustees under Trust Agreement dated November 25, 1977, and recorded in Deed Book 255, Page 152. See Exhibit "D"	1/1 or 9.65000%	9.65000%
III. Tract Factor: $.07/80 = .0875\%$		
6. Landon R. Wyatt, Jr., and Wayles R. Harrison, Jr., Trustees under Trust Agreement dated November 25, 1977, and recorded in Deed Book 255, Page 152. See Exhibit "D"	1/1 or .08750%	.08750%
IV. Tract Factor: $21.93/80 = 26.9125\%$		
7. Landon R. Wyatt, Jr., and Wayles R. Harrison, Jr., Trustees under Trust Agreement dated November 25, 1977, and recorded in Deed Book 255, Page 152. See Exhibit "D"	1/1 or 26.91250%	26.91250% 100.00000%

Exhibit E
Unit S-15
Docket # VGOB 92-0721-0237-02
List of Respondents that require escrow

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	Acres in Unit	Percent of Unit
<u>Tract #3 - 0.07 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Harrison-Wyatt, L.L.C. P.O. Box 11000 Danville, VA 24543	0.07 acres	0.0875%
<u>OIL & GAS OWNERSHIP</u>		
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.</i>		
(1) Darrell Blankenship, et al. ** (25.00 acre tract) (Iris Lee Nunley Heirs, Devisees, Successors or Assigns)	0.07 acres	0.0875%
(b) Darrell Blankenship HC65 Box 1A Rowe, VA 24646	0.018 acres 1/4 of 18.15 acres	0.0219%
(c) Deborah Jean Mendez 1454 Duckhorn ST. NW Concord, NC 28027	0.018 acres 1/4 of 18.15 acres	0.0219%

Exhibit EE
Unit S-15
Docket # VGOB 92-0721-0237-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

160000140

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #2 - 7.72 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, L.L.C. P.O. Box 11000 Danville, VA 24543	7.72 acres	9.6500%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Jerry Raines P.O. Box 132 Oakwood, VA 24631 <i>(100% of the royalty awarded by lawsuit)</i>	7.72 acres	9.6500%	n/a
<u>Tract #3 - 0.07 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, L.L.C. P.O. Box 11000 Danville, VA 24543	0.07 acres	0.0875%	12.5000% - 50%
<u>OIL & GAS OWNERSHIP</u>			
(1) Darrell Blankenship, et al. ** (25.00 acre tract) <i>(Iris Lee Nunley Heirs, Devisees, Successors or Assigns)</i>	0.07 acres	0.0875%	
(a) Eddie Dwight Blankenship 131 Hub Lane Lebanon, VA 24266-5551	0.018 acres 1/4 of 18.15 acres	0.0219%	25.0000% - 100% HB2058
(d) Danny Carlos Blankenship P.O. Box 151 Rowe, VA 24646	0.018 acres 1/4 of 18.15 acres	0.0219%	12.5000% - 50%

INSTRUMENT #160000140
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
FEBRUARY 2, 2016 AT 02:33PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLP