

*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

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

**UNITWELL NAME:** S15

**TRACT(S):** A portion of 3

**LOCATION:** BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-92-0721-0237-03

**APPLICANTS:** CNX Gas Company LLC on behalf of Deborah Mendez

**HEARING DATE AND LOCATION:** On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

**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.
4. Disbursement Order -02 Executed 01/20/2016, Recorded on 02/02/2016, Deed Book/Instrument No. 160000140.

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**NOTICE:**

- (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. Deborah Jean Mendez is the gas claimant in Tracts portion of Tr. 3. As such Deborah Mendez 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.
- b. That CNX Gas Company LLC has previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 92-0721-0237-02, it dismissed the coal claimant(s) H-W Financial LLC (Formerly Harrison-Wyatt LLC) as a Respondent to these proceedings. Accordingly, H-W Financial LLC (Formerly Harrison-Wyatt LLC) was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- d. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- e. 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.
- f. 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 Deborah Mendez and not escrow same. See Exhibit EE annexed hereto.



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:**

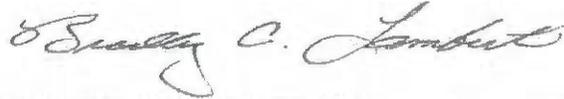
Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

**APPEALS:**

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 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 8 day of March, 2017 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 8 day of March, 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 8<sup>th</sup> day of March, 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.



Charles Blair Linford, Notary Public  
7710935

My Commission expires: March 31, 2021



## BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 92-0721-0237-03

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

**HEARING DATE:** On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

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, 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(s) attributable to Tract(s) portion of Tr. 3 as depicted upon the annexed Table; (Royalties currently being paid under VP2SGU, Docket #VGOB 02-0319-1008)

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)

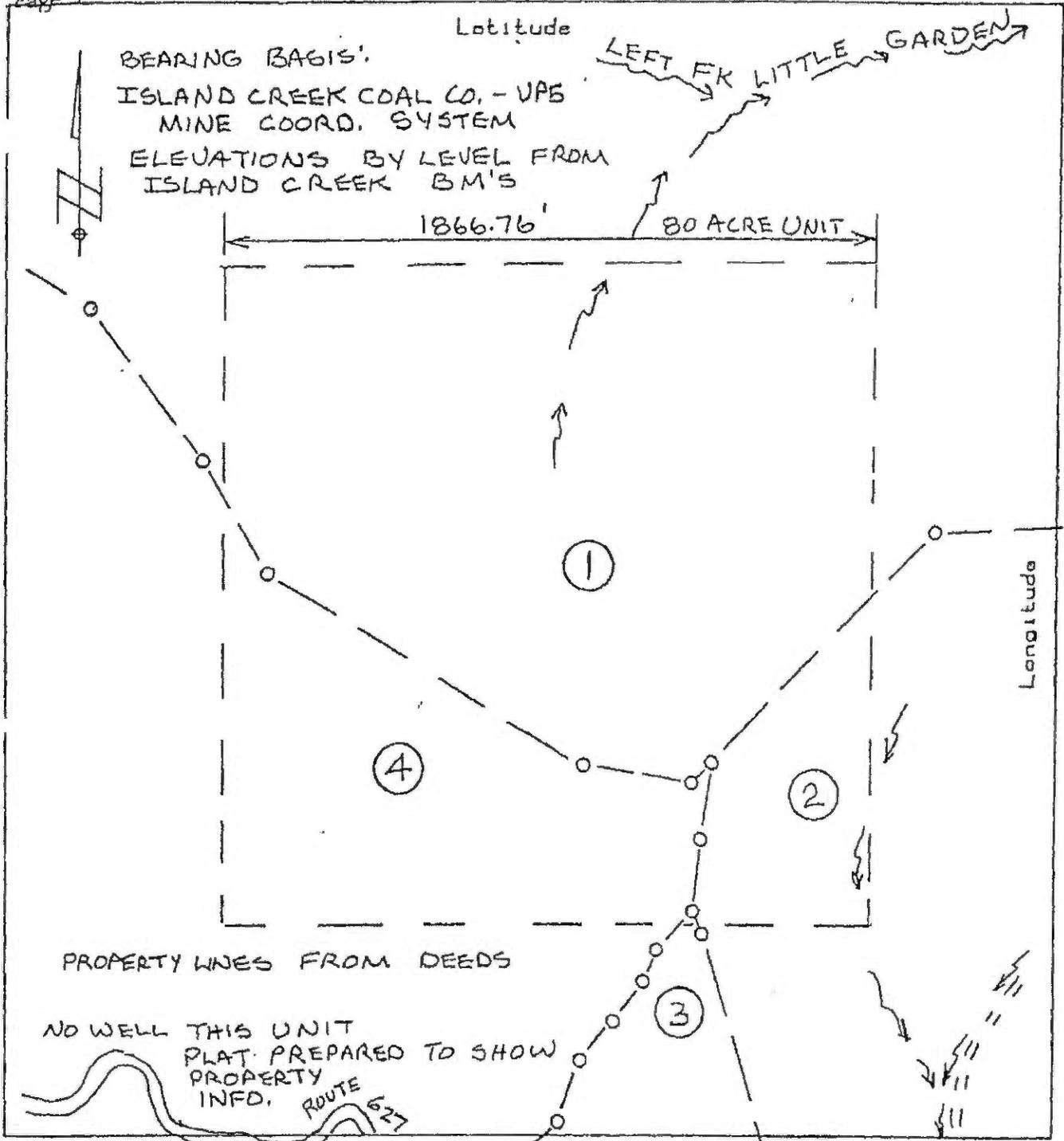
Coalbed Methane

5. Factual basis for relief requested

- a. Deborah Jean Mendez is the gas claimant in Tracts portion of Tr. 3. As such Deborah Mendez 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.
- b. That CNX Gas Company LLC has previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 92-0721-0237-02, it dismissed the coal claimant(s) H-W Financial LLC (Formerly Harrison-Wyatt LLC) as a Respondent to these proceedings. Accordingly, H-W Financial LLC (Formerly Harrison-Wyatt LLC) was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- d. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- e. 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.
- f. 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 Deborah Mendez 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.

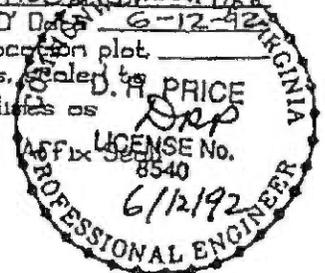


WELL LOCATION PLAT

Company ISLAND CREEK COAL CO. Well Name and Number UNIT 5.15/B  
 Tract No. N/A Elevation N/A Quadrangle VANSALETHO  
 County BUCHANAN District HURRICANE Scale: 1" = 400' Date 6-12-92  
 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, scaled to  
 + 24,000. Latitude and longitude lines being represented by border lines as  
 shown.

*D. A. Price*  
 Licensed Professional Engineer or Licensed Land Surveyor



OIL AND GAS INTEREST

<u>PERSON OR ENTITY</u>	<u>PERCENTAGE</u>	<u>TOTAL</u>
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: $21.53/80 = 26.9125\%$		
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%

COAL INTEREST

<u>PERSON OR ENTITY</u>	<u>PERCENTAGE</u>	<u>TOTAL</u>
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: $21.53/80 = 26.9125\%$		
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%

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Exhibit E  
Unit S-15  
Docket # VGOB 92-0721-0237-03  
List of Respondents that require escrow

	Acres in Unit	Percent of Unit
<u>Tract #3 - 0.07 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) H-W Financial LLC P.O. Box 11000 Danville, VA 24543	0.07 acres	0.0875% <i>Dismissed under -02 petition</i>
<u>OIL &amp; GAS OWNERSHIP</u>		
<u>Outstanding W-9/Affidavit</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%
(b) Darrell Blankenship HC65 Box 1A Rowe, VA 24646	0.018 acres 1/4 of 18.15 acres	0.0219%

Exhibit EE  
 Unit S-15  
 Docket # VGOB 92-0721-0237-03  
 List of Respondents with Royalty Split Agreements/Court Orders/HB2058

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	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #2 - 7.72 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) H-W Financial LLC P.O. Box 11000 Danville, VA 24543	7.72 acres	9.6500%	n/a
<u>OIL &amp; GAS OWNERSHIP</u>			
(1) Jerry & Phyllis 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) H-W Financial LLC P.O. Box 11000 Danville, VA 24543	0.07 acres	0.0875%	n/a
<u>OIL &amp; 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) Eddle Dwight Blankenship 131 Hub Lane Lebanon, VA 24266-5551	0.018 acres 1/4 of 18.15 acres	0.0219%	n/a
(c) Deborah Jean Mendez 11902 Brownstone View Drive Charlotte, NC 28269	0.018 acres 1/4 of 18.15 acres	0.0219%	50.0000% HB2058
(d) Danny Carlos Blankenship P.O. Box 151 Rowe, VA 24646	0.018 acres 1/4 of 18.15 acres	0.0219%	n/a

INSTRUMENT #170000541  
 RECORDED IN THE CLERK'S OFFICE OF  
 BUCHANAN COUNTY ON  
 MARCH 21, 2017 AT 03:39PM

BEVERLY S. TILLER, CLERK  
 RECORDED BY: 66B