

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: V20

TRACT(S): 3A, 4

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-92-0721-0243-04

APPLICANTS: CNX Gas Company LLC on behalf of W.S. Ellis Estate

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
March 21, 2017

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

PRIOR PROCEEDINGS:

1. Supplemental Order.
2. Original Pooling Order Executed 08/14/1992, Recorded on 08/17/1992, Deed Book/Instrument No. 396, Page 537.
3. Supplemental Order Executed 06/23/1993, Recorded on 07/01/1993, Deed Book/Instrument No. 410, Page 799.
4. Disbursement Order -01 Executed 09/30/2004, Recorded on 10/05/2004, Deed Book/Instrument No. 604, Page 70.
5. Disbursement Order -02 Executed 08/11/2005, Recorded on 08/18/2005, Deed Book/Instrument No. 050002459.

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6. Disbursement Order -03 Executed 01/20/2016, Recorded on 02/02/2016, Deed Book/Instrument No. 160000148.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the March 21, 2017 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) 3A, 4 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3A, 4 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:

W.S. Ellis Heirs, Devisees, Successors or Assigns, c/o James Huffman, Agent is entitled to 100% of the CBM royalties awarded under Case No. 12-294, Opinion dated March 10, 2015. Said decision allows the Applicant and Designated Operator to pay royalties directly to the person(s) identified in Exhibit EE annexed hereto and the annexed table, further, specifies how said royalties are to be paid.

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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 22 day of March, 2017 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 22 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 22nd 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.



Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2017



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 92-0721-0243-04

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 3A, 4 (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES (3) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.1-361.22:2.

HEARING DATE: February 21, 2017

DRILLING UNIT: V20

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 3A & 4, as depicted upon the annexed table. (Inactive Account - Royalties currently being paid under VP8SGU1, Docket #VGOB 95-1024-0526).

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

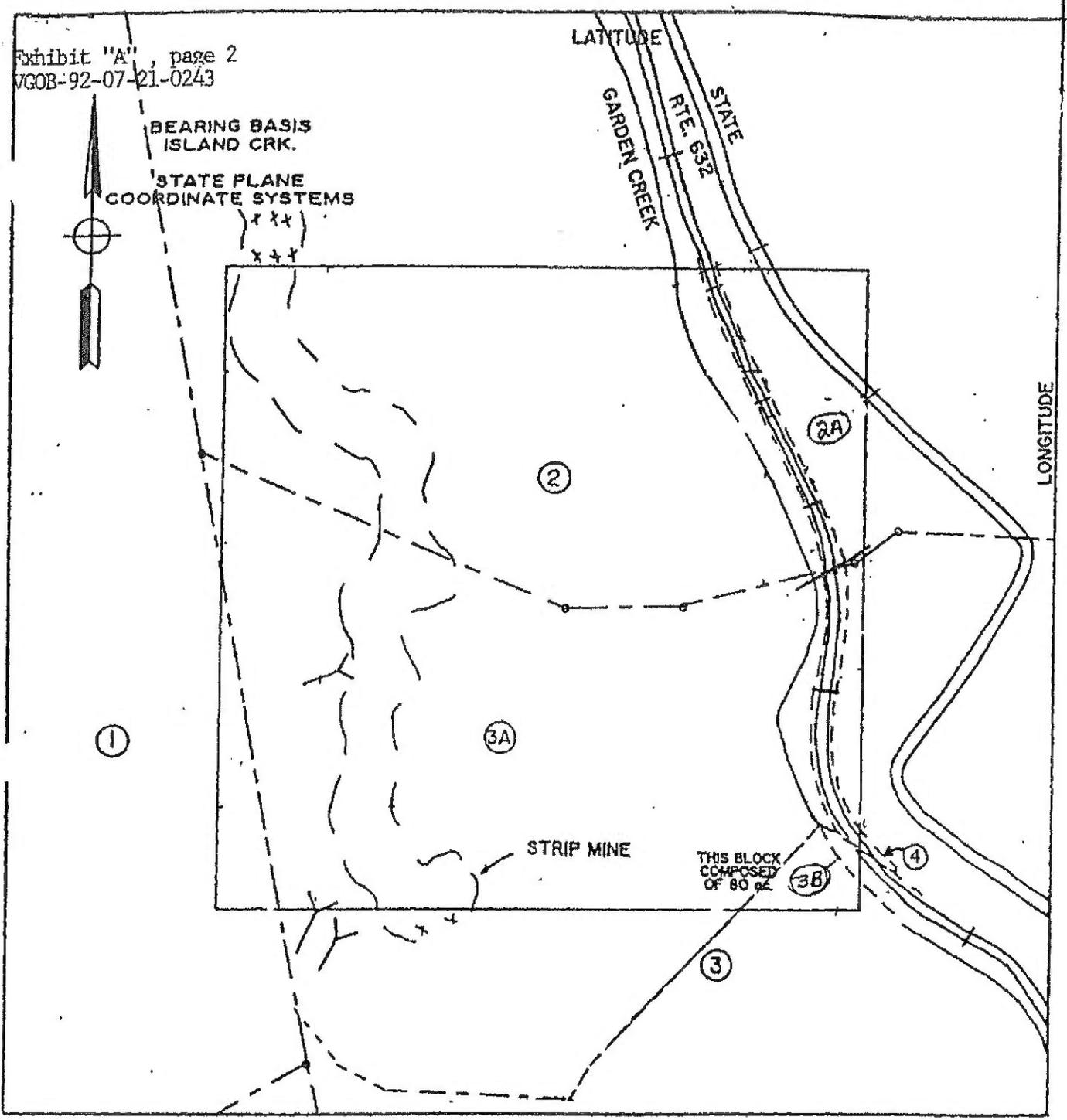
5. Factual basis for relief requested

W.S. Ellis Heirs, Devisees, Successors or Assigns, c/o James Huffman, Agent is entitled to 100% of the CBM royalties awarded under Case No. 12-294, Opinion dated March 10, 2015. Said decision allows the Applicant and Designated Operator to pay royalties directly to the person(s) identified in Exhibit EE annexed hereto and the annexed table, further, specifies how said royalties are to be paid.

6. Attestation

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

Exhibit "A", page 2
VGOB-92-07-21-0243



WELL LOCATION PLAT

COMPANY OXY USA INC. WELL NAME and No. UNIT V-20/B
 TRACT No. NA ELEVATION NA QUADRANGLE VANSANT-KECK MTH
 COUNTY BUCHANAN DISTRICT GARDEN-HURRICANE SCALE: 1"=400' DATE 6/4/92

THIS PLAT IS A NEW 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.

Horace C. Van Meter
 LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

Well Plat Legend
Property and Lease Information
Well Unit -- V-20

1. Coal Landon R. Wyatt, Jr., Wayles R. Harrison, Jr.,
 Trustees. Big Axe Tract 32
 Oil & Gas Dianna L. Graham
 Oil & Gas Lessee No Lease of record.
 Coal Lessee Island Creek Coal Company
 Permac, Inc.
 Coalbed Methane Lessee Buchanan Production Company
- 1 = 2.71% - 2.17 Acres
2. Coal, Oil & Gas Yukon Pocahontas Coal Company, et al.
 BVP 116
 Oil & Gas Lessee Cabot Oil & Gas Corporation
 Coal Lessee Island Creek Coal Company
 Permac, Inc.
 Coalbed Methane Lessee Buchanan Production Company
- 2 = 44.11% - 35.29 Acres
3. Coal Hugh Macrae Land Trust, Tract 11
 Oil & Gas Permac, Inc.
 Oil & Gas Lessee No Lease of Record
 Coal Lessee Consolidation Coal Company
 Island Creek Coal Company
 Permac, Inc.
 Coalbed Methane Lessee Pocahontas Gas Partnership
- 3 = 1.34% - 1.07 Acres
- 3A. Coal Hugh Macrae Land Trust, Tract 11
 Oil & Gas W. S. Ellis, Heirs
 Oil & Gas Lessee No Lease of Record
 Coal Lessee Consolidation Coal Company
 Island Creek Coal Company
 Permac, Inc.
 Coalbed Methane Lessee Pocahontas Gas Partnership
- 3A = 47.07% - 37.65 Acres
- 3B. Coal, Oil & Gas Norfolk & Western Railroad
 Oil & Gas Lessee No Lease of Record
 Coal Lessee Island Creek Coal Company
 Coalbed Methane Lessee No Lease of Record
- 3B. 0.23% - 0.18 Acres
- 3C. Coal Hugh Macrae Land Trust, Tract 11
 Oil & Gas Gaston Cook, Heirs
 Oil & Gas Lessee No Lease of Record
 Coal Lessee Consolidation Coal Company
 Island Creek Coal Company
 Permac, Inc.
 Coalbed Methane Lessee Pocahontas Gas Partnership
- 3C. 1.41% - 1.14 Acres
4. Coal Norfolk & Western Railroad
 Oil & Gas W. S. Ellis, Heirs
 Oil & Gas Lessee No Lease of Record
 Coal Lessee Island Creek Coal Company
 Coalbed Methane Lessee No Lease of Record
- 4 = 3.13% - 2.50 Acres

Exhibit E
Unit V-20
Docket #VGOB 92-0721-0243-04
List of Respondents that require escrow

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Net Acres in Unit	Interest in Unit	Division of 3 - Panel 1.116%	Division of 4 - Panel 6.250%	Division of 5 - Panel 5.076%
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Escrowing No Longer Required

List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Net Acres in Unit	Interest in Unit	Division of 3 - Panel 1.116%	Division of 4 - Panel 6.250%	Division of 5 - Panel 5.076%	Percent of Escrow
<u>Tract #1 - 2.17 acres</u>						
<u>COAL OWNERSHIP</u>						
(1) H-W Financial, LLC P.O. Box 11000 Danville, VA 24543	2.17 acres	2.7125%	0.030%	0.170%	0.138%	n/a
<u>OIL & GAS OWNERSHIP</u>						
(1) Dlanra Graham P. O. Box 255 Aylett, VA 23009	2.17 acres	2.7125%	0.030%	0.170%	0.138%	n/a
<u>Tract #3 - 1.07 acres</u>						
<u>COAL OWNERSHIP</u>						
(1) Hugh MacRae Land Trust c/o Alan Siegel Esq. Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715	1.07 acres	1.3375%	0.015%	0.084%	0.068%	n/a
<p><i>By Assignment and Bill of Sale, HMLT devised all of its right, title and interest (other than "Excluded Assets") to Torch Energy Advisors Inc. effective September 4, 1991 and recorded in Buchanan County under DB474 / PG384.</i></p> <p>Torch Oil & Gas Company c/o Sue Ann Craddock 670 Dona Ana Road SW</p> <p><i>Effective 2/1/11, Torch Oil & Gas Company assigned a 2% ORRI to SAC Investments, L.P.</i></p> <p><i>Effective 3/31/14, Torch Oil & Gas Company, et al. assigned and conveyed 10% of its right, title and interest to Rockport Oil & Gas, L.L.C. In addition, Torch Oil & Gas Company, et al. assigned and conveyed the remaining 90% of its right, title and interest to Chisos, Ltd.</i></p>						
Rockport Oil & Gas L.L. PO Box 847 Houston, TX 77001	0.11 acres 1/10 of 1.07 acres	0.1338%	0.001%	0.0084%	0.0068%	n/a
Chisos, LTD 670 Dona Ana Road SW Deming, New Mexico 88030	0.96 acres 9/10 of 1.07 acres	1.2038%	0.013%	0.0752%	0.0611%	n/a
<u>OIL & GAS OWNERSHIP</u>						
(1) CNX Gas Company LLC PO Box 643830 Pittsburgh, PA 15264-3830 <i>Previously Consolidation Coal Company</i>	1.07 acres	1.3375%	0.015%	0.084%	0.068%	n/a

Tract #3A - 37.65 acres

COAL OWNERSHIP

(1) Hugh MacRae Land Trust c/o Alan Siegel Esq. Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715	37.65 acres	47.0625%	0.525%	2.941%	2.389%	
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By Assignment and Bill of Sale, HMLT devised all of its right, title and interest (other than "Excluded Assets") to Torch Energy Advisors Inc. effective September 4, 1991 and recorded in Buchanan County under DB474 / PG384.

Exhibit EE
Unit V-20
Docket #VGOB 92-0721-0243-04
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Net Acres in Unit	Interest In Unit	Division of 3 - Panel 1.116%	Division of 4 - Panel 6.250%	Division of 5 - Panel 5.076%	Percent of Escrow	
Torch Oil & Gas Company c/o Sue Ann Craddock 670 Dona Ana Road SW							
<i>Effective 2/1/11, Torch Oil & Gas Company assigned a 2% ORRI to SAC Investments, L.P.</i>							
<i>Effective 3/31/14, Torch Oil & Gas Company, et al. assigned and conveyed 10% of its right, title and interest to Rockport Oil & Gas, L.L.C. In addition, Torch Oil & Gas Company, et al. assigned and conveyed the remaining 90% of its right, title and interest to Chisos, Ltd.</i>							
	Rockport Oil & Gas L.L. PO Box 847 Houston, TX 77001	3.77 acres 1/10 of 37.65 acres	4.7063%	0.053%	0.2941%	0.2389%	n/a
	Chisos, LTD 670 Dona Ana Road SW Deming, New Mexico 88030	33.89 acres 9/10 of 37.65 acres	42.3563%	0.473%	2.6473%	2.1500%	n/a
<u>OIL & GAS OWNERSHIP</u>							
(1)	W.S. Eills Heirs, Devisees, Successors or Assigns c/o James W. Huffman, Agent 296 Timberleaf Beavercreek, OH 45430	37.65 acres	47.0625%	0.525%	2.941%	2.389%	93.7733% Court Order
<i>Prevailing plaintiff under Case No. 12-294 Awarded 100% of the CBM royalty.</i>							
<u>Tract #3C - 1.14 acres</u>							
<u>COAL OWNERSHIP</u>							
(1)	Hugh MacRae Land Trust c/o Alan Siegel Esq. Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715	1.14 acres	1.4250%	0.016%	0.089%	0.072%	n/a
<i>By Assignment and Bill of Sale, HMLT devised all of its right, title and interest (other than "Excluded Assets") to Torch Energy Advisors Inc. effective September 4, 1991 and recorded in Buchanan County under DB474 / PG384.</i>							
Torch Oil & Gas Company c/o Sue Ann Craddock 670 Dona Ana Road SW							
<i>Effective 2/1/11, Torch Oil & Gas Company assigned a 2% ORRI to SAC Investments, L.P.</i>							
<i>Effective 3/31/14, Torch Oil & Gas Company, et al. assigned and conveyed 10% of its right, title and interest to Rockport Oil & Gas, L.L.C. In addition, Torch Oil & Gas Company, et al. assigned and conveyed the remaining 90% of its right, title and interest to Chisos, Ltd.</i>							
	Rockport Oil & Gas L.L. PO Box 847 Houston, TX 77001	0.11 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.0089%	0.0072%	n/a
	Chisos, LTD 670 Dona Ana Road SW Deming, New Mexico 88030	1.03 acres 9/10 of 1.14 acres	1.2825%	0.014%	0.0802%	0.0651%	n/a
<u>OIL & GAS OWNERSHIP</u>							
(1)	Gaston Cook Heirs, Devisees, Successors or Assigns	1.14 acres	1.4250%	0.016%	0.089%	0.072%	

Exhibit EE
Unit V-20

Docket #VGOB 92-0721-0243-04

List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Net Acres in Unit	Interest In Unit	Division of 3 - Panel 1.116%	Division of 4 - Panel 6.250%	Division of 5 - Panel 5.076%	Percent of Escrow
(a) Mary Ann Bartram 5321 Leavers Ct Rosedale, MD 21237-4953	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a
(b) Thelma Jean Kline 3707 Overview Drive Fredericksburg, VA 22408	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a
(c) Harold V. Cooke P.O. Box 305 Oakwood, VA 24631	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a
(d) Leslie K. Cook 6086 Douneray Loop Crystal River, FL 34429	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a
(e) Mamie K. Cook 140505 Watson Lane #1 Woodbridge, VA 22193	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a
(f) Robert B. Cook Heirs, Devisees, Successors, or Assigns						
(f.1) Barbara Cook 132 Autumn Chase Road Lebanon, VA 24266-4545	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a
(g) Nancy C. Duty P.O. Box 816 Grundy, VA 24614	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a
(h) Betty Lawonne Gibson 2117 Old York Road York, SC 29745	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a
(i) Kathy Diane Murray 141 Pine Drive Mt. Airy, NC 27030	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a
(j) Francis C. Hincee Stearns 14411 North Fairview Lane Woodbridge, VA 22191	0.114 acres 1/10 of 1.14 acres	0.1425%	0.002%	0.009%	0.007%	n/a

Tract #4 - 2.50 acresCOAL OWNERSHIP

(1) Norfolk Southern Corporation	2.50 acres	3.1250%	0.035%	0.195%	0.159%	n/a
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Royalties paid to:

Pocahontas Land Corporation
Treasurer, Pocahontas Land Corporation
P. O. Box 1517
Bluefield, WV 24701

OIL & GAS OWNERSHIP

(1) W.S. Ellis Heirs, Devisees, Successors or Assigns c/o James W. Huffman, Agent 296 Timberleaf Beavercreek, OH 45430	2.50 acres	3.1250%	0.035%	0.195%	0.159%	6.2267% HB2058
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INSTRUMENT #170000701
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
APRIL 12, 2017 AT 09:26AM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB