



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: U-13

TRACT(S): 1

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-92-1117-0285-02

APPLICANTS: CNX Gas Company LLC on behalf of H-W 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 01/11/1993, Recorded on 01/26/1993, Deed Book/Instrument No. 403, Page 634.
2. Supplemental Order Executed 12/01/1993, Recorded on 12/03/1993, Deed Book/Instrument No. 416, Page 326.
3. Disbursement Order -01 Executed 02/20/2013, Recorded on 03/19/2013, Deed Book/Instrument No. 130000479.

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 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1 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. That H-W Financial, LLC (previously Harrison-Wyatt, LLC) as successor in interest of Big Axe Land Company—the gas claimant in Tract 1A—is entitled to 100% of the CBM royalties attributable to its gas claims that are now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- b. That when the Board pooled this Unit by Order entered January 11, 1993, it identified the Respondents to be dismissed at this time, who are identified in the Notice of Hearing as surface owners. Surface owners are not gas claimants and are not entitled to receive royalties under Va. Code Ann. § 45.1-361.22:2.A.
- c. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- d. 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.
- e. 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 H-W Financial, LLC (previously Harrison-Wyatt, LLC) and shall not escrow same. See Exhibit EE annexed hereto.
- f. That notice of the Petition and the hearing regarding same has been provided by U.S. Mail and by publication. See certification of mailing and proof of publication.

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

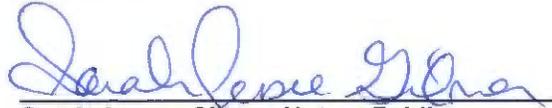
DONE AND PERFORMED this 20 day of December, 2017 by Order of the Virginia Gas and Oil Board.



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 92-1117-0285-02

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

HEARING DATE: December 19, 2017

DRILLING UNIT: U-13

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 Tract 1, as depicted upon the annexed table; (2) dismissal of surface owners in Tract 1, 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. That H-W Financial, LLC (previously Harrison-Wyatt, LLC) as successor in interest of Big Axe Land Company—the gas claimant in Tract 1A—is entitled to 100% of the CBM royalties attributable to its gas claims that are now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- b. That when the Board pooled this Unit by Order entered January 11, 1993, it identified the Respondents to be dismissed at this time, who are identified in the Notice of Hearing as surface owners. Surface owners are not gas claimants and are not entitled to receive royalties under Va. Code Ann. § 45.1-361.22:2.A.
- c. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- d. 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.
- e. 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 H-W Financial, LLC (previously Harrison-Wyatt, LLC) and shall not escrow same. See Exhibit EE annexed hereto.
- f. That notice of the Petition and the hearing regarding same has been provided by U.S. Mail and by publication. See certification of mailing and proof of publication.

6. Attestation

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

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37° 12' 30"

TD 2190

EH 5.2
ELEV. FROM
USGS BM
TRIG. LEVELS

LATITUDE

BOOK 403 PAGE 644

WELL COORDINATES:
N 23532.672
E 31797.311
STATE PLANE
N 330133.3315
E 967815.9210

BEARING BASIS
ISLAND CRK.
V.P. 5 MINE
STATE PLANE
COORDINATE SYSTEM



N 41° 17' 00" W
1781.965'

S 21° 30' 10" E
473.35'

YOUNGS BR.

753' R

ACCESS
ROAD

N 13° 07' 22" W
1041.03'

BOREHOLE 513

S 6° 05' 34" E
576.97'

AXLE

VANCE BR.

5

4

3

WGOR 92-11-17-0285

EXHIBIT "A"

THIS BLOCK
COMPOSED
OF 80 Ac.

LONGITUDE 82° 02' 30"
7.620'

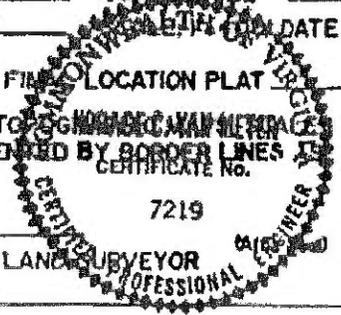
WELL LOCATION PLAT

COMPANY	<u>OXY USA Inc.</u>	WELL NAME and No.	<u>11-13</u>
TRACT No.	<u>BIG AXE TR. 8</u>	ELEVATION	<u>2483.09</u>
COUNTY	<u>BUCHANAN</u>	DISTRICT	<u>HURRICANE</u>
		QUADRANGLE	<u>VANSANT</u>
		DATE	<u>6-26-92</u>

THIS PLAT IS A NEW PLAT X ; AN UPDATED PLAT _____ ; OR A FILED LOCATION PLAT _____

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TO 24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES IS SHOWN.

H.C. Van Meter



LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

FORM DGO-GO-7
REV. 9/91

LAND CREEK COAL COMPANY

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Well Plat Legend
Property and Lease Information
BOREHOLE 5.3

1. Surface B. F. McGlothlin Heirs
Coal, Oil & Gas Wayles R. Harrison Jr. & Landon R.
. Wyatt, Jr., Trustees
. Big Axe Tract 8
Oil & Gas Lessee Buchanan Production Company
Coal Lessee Island Creek Coal Company
. Jewell Smokeless Coal Company
. Koch Raven
Coalbed Methane Lessee Buchanan Production Company

1 = 15.66% - 12.53 Acres

2. Coal Wayles R. Harrison Jr. & Landon R.
. Wyatt, Jr., Trustees
. Big Axe Tract 1
Oil & Gas Garden Realty Corporation
Oil & Gas Lessee Pocahontas Gas Partnership
Coal Lessee Island Creek Coal Company
. Jewell Smokeless Coal Company
. Koch Raven
Coalbed Methane Lessee Buchanan Production Company

2 = 27.78% - 22.22 Acres

3. Coal, Oil & Gas Wayles R. Harrison Jr. & Landon R.
. Wyatt, Jr., Trustees
. Big Axe Tract 7
Oil & Gas Lessee Buchanan Production Company
Coal Lessee Island Creek Coal Company
. Jewell Smokeless Coal Company
. Koch Raven
Coalbed Methane Lessee Buchanan Production Company

3 = 7.62% - 6.10 Acres

4. Coal, Oil & Gas W. Clyde Dennis, Et Al. Tract
Oil and Gas Lessees Columbia Natural Resources
. Pocahontas Gas Partnership
Coal Lessee Island Creek Coal Company
. Jewell Smokeless Coal Company
. Koch Raven
Coalbed Methane Lessee Buchanan Production Company

4 = 39.07% - 31.25 Acres

5. Coal, Oil & Gas W. Clyde Dennis, Et Al. Tract
Oil and Gas Lessees Columbia Natural Resources
. Pocahontas Gas Partnership
Coal Lessee Island Creek Coal Company
. Jewell Smokeless Coal Company
. Koch Raven
Coalbed Methane Lessee Buchanan Production Company

5 = 9.87% - 7.90 Acres

Exhibit E
UNIT U-13
Docket # VGOB 92-1117-0285-02
List of Owners/Claimants that require escrow

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Acres In Unit

Percent
of Unit

Escrowing no longer required

10/19/2017

Exhibit EE
Unit U-13
VGOB 92-1117-0285-02
List of all Owners/Claimants with Royalty Division Agreements/Court Order/HB2058
80.00 Acres

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	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #1 - 12.53 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) H-W Financial, LLC Oxy Tr 33 / Big Axe Tr 8 (272.00 acre tract) P.O. Box 11000 Danville, VA 24543	12.53 acres	15.6625%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) H-W Financial, LLC Oxy Tr 33 / Big Axe Tr 8 (272.00 acre tract) P.O. Box 11000 Danville, VA 24543	12.53 acres	15.6625%	100.00% HB2058
<u>Tract #2 - 22.22 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) H-W Financial, LLC Oxy Tr 41 / Big Axe Tr 1 (274.00 acre tract) P.O. Box 11000 Danville, VA 24543	22.22 acres	27.7750%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Garden Realty Corporation c/o Margaret Burns 108 Bexley Road Mooresville, NC 28117	22.22 acres	27.7750%	n/a

INSTRUMENT 180000072
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY CIRCUIT COURT ON
January 10, 2018 AT 11:24 AM
BEVERLY S. TILLER, CLERK
RECORDED BY: CXE