

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

**CODE OF VIRGINIA
§ 45.2-1628**

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 § 45.2-1600 (et seq)

UNIT/WELL NAME: P41

TRACT(S): 2B, 2C

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-93-0217-0329-06

APPLICANTS: Pocahontas Gas LLC on behalf of Abraham U. McDonald, Aristotle L. McDonald, By'shey W. McDonald, Byrd McDonald, Empire Management, LLC, Gregory B. McDonald, James M. McGuire Land Trust, Norfolk Southern Railway Company, Pocahontas Gas LLC, Sherry R. McDonald

HEARING DATE AND LOCATION: Virginia Department of Energy, Big Stone Gap, Virginia
March 18, 2025

APPEARANCES: Mark A. Swartz on behalf of Pocahontas Gas LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 04/05/1993, Recorded on 04/08/1993, Deed Book/Instrument No. 406, Page 512, County BUCHANAN.
2. Supplemental Order Executed 04/25/1994, Recorded on 05/20/1994, Deed Book/Instrument No. 422, Page 468, County BUCHANAN.
3. Disbursement Order -01 Executed 02/18/2003, Recorded on 02/21/2003, Deed Book/Instrument No. 563, Page 36, County BUCHANAN.

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- 4. Supplemental Order Executed 02/18/2003, Recorded on 02/21/2003, Deed Book/Instrument No. 563, Page 36, County BUCHANAN.
- 5. Disbursement Order -05 Executed 11/19/2013, Recorded on 12/06/2013, Deed Book/Instrument No. 130002388, County BUCHANAN.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the March 18, 2025 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) 2B, 2C identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2B, 2C 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 § 45.2-1622 AND § 45.2-1624.

Applicant has certified and represented to the Board that:

- a. James M. McGuire Land Trust, and Pocahontas Gas LLC, successor in title, 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. Norfolk Southern Railway Company, Sherry R. McDonald, Aristotle McDonald, Abraham McDonald, Greg B. McDonald, Byrd W. McDonald, By'shey McDonald, and Empire Management, LLC are the gas claimant(s) in Tract 2C and as such, are entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.2-1624.A.
- c. That Pocahontas Gas LLC (formerly CNX Gas Company LLC) has given the notice(s) required by § 45.2-1624.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 § 45.2-1622.B.5 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. § 45.2-1624.A. further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant(s) Norfolk Southern Railway Company, Sherry R. McDonald, Aristotle McDonald, Abraham McDonald, Greg B. McDonald, Byrd W. McDonald, By'shey McDonald, and Empire Management, LLC and not

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 and 2.
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 § 45.2-1609 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 March, 2025 by a majority of the Virginia Gas and Oil Board.

Interim Chairman, Gus W. Janson

DONE AND PERFORMED this 20 day of March, 2025 by Order of the Virginia Gas and Oil Board.

James P. Skorupa
Principal Executive to the staff,
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 20th day of March, 2025, personally before me a notary public in and for the Commonwealth of Virginia, appeared Donald L. Ratliff, being duly sworn did depose and say that he is the Interim Chairman of the Virginia Gas and Oil Board and appeared James P. Skorupa, 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, 2025

BEFORE THE VIRGINIA GAS AND OIL BOARD**PETITIONER:** Pocahontas Gas LLC**GAS AND OIL PROGRAM****DOCKET NO:** VGOB 93-0217-0329-06**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2B, 2C (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES (3) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.2-1624.****HEARING DATE:** March 18, 2025**DRILLING UNIT:** P41**BUCHANAN COUNTY, VIRGINIA****PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS****1. Petitioner and its counsel**

Petitioner is Pocahontas Gas 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 2B & 2C, as depicted upon the annexed table; and (2) authorization to pay escrowed royalty directly to the parties to the royalty split between James M. McGuire Land Trust and Pocahontas Gas LLC; and authorization to pay escrowed royalty directly to Norfolk Southern Railway Company, Sherry R. McDonald, Aristotle McDonald, Abraham McDonald, Greg B. McDonald, Byrd W. McDonald, By'shey McDonald, and Empire Management, LLC; (3) Dismissal of Coal Owner(s): James M. McGuire Land Trust.

3. Legal Authority

Va. Code Ann. § 45.2-1600 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)

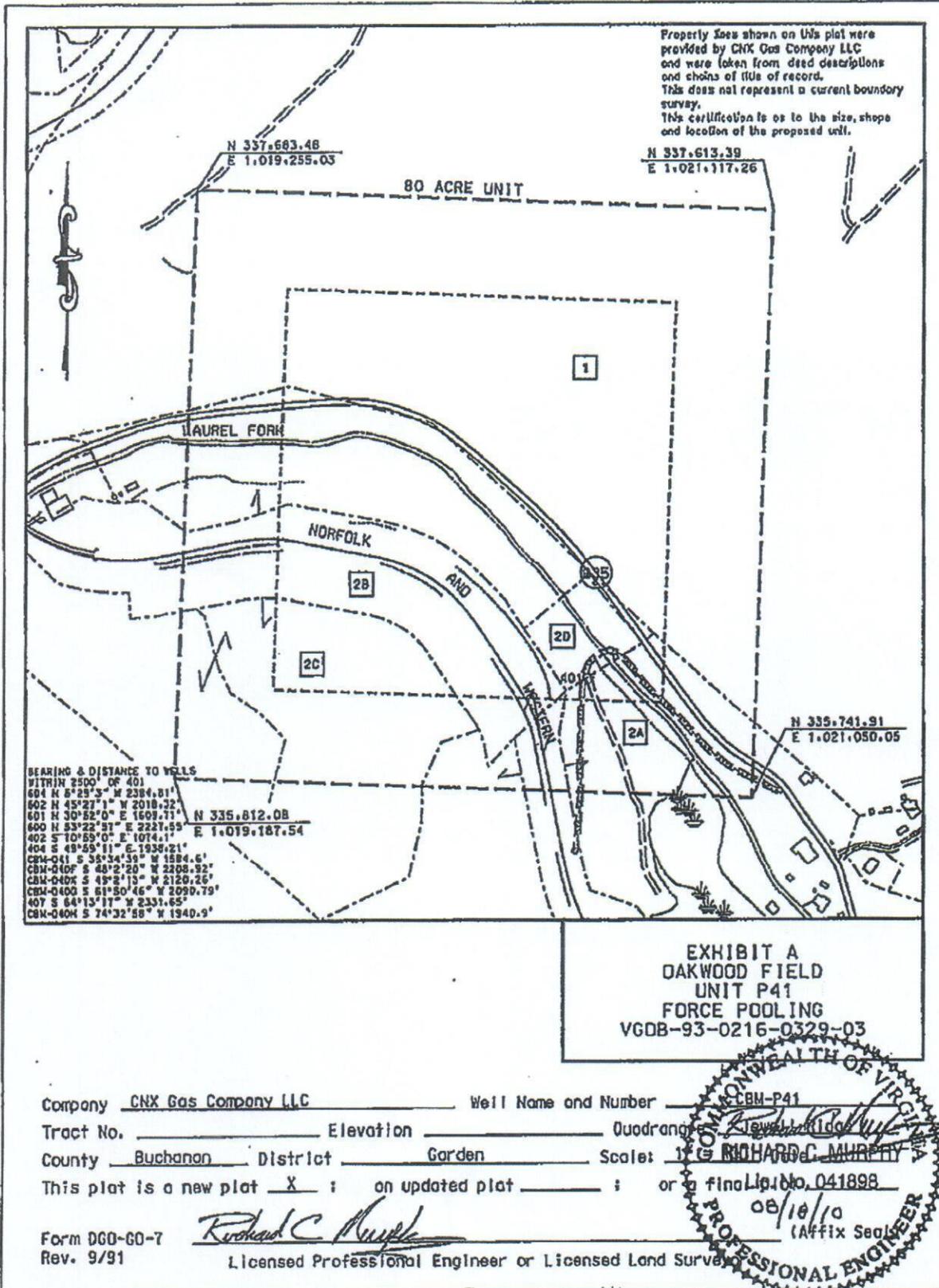
Coalbed Methane

5. Factual basis for relief requested

- a. James M. McGuire Land Trust, and Pocahontas Gas LLC, successor in title, 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. Norfolk Southern Railway Company, Sherry R. McDonald, Aristotle McDonald, Abraham McDonald, Greg B. McDonald, Byrd W. McDonald, By'shey McDonald, and Empire Management, LLC are the gas claimant(s) in Tract 2C and as such, are entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.2-1624.A.
- c. That Pocahontas Gas LLC (formerly CNX Gas Company LLC) has given the notice(s) required by § 45.2-1624.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 § 45.2-1622.B.5 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. § 45.2-1624.A. further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant(s) Norfolk Southern Railway Company, Sherry R. McDonald, Aristotle McDonald, Abraham McDonald, Greg B. McDonald, Byrd W. McDonald, By'shey McDonald, and Empire Management, LLC and not

6. Attestation

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



CNX Gas Company LLC
UNIT P 41
Tract Identification

1. P. J. Brown Heirs, et al (889 Acre Tract) – All Mineral
 Island Creek Coal Company/Consol Energy, Inc. Company – Coal Below Drainage Leased
 Jewell Smokeless Coal Corporation – Coal Above Drainage Leased
 CNX Gas Company LLC – Oil, Gas and CBM Leased (99.86775%)
 P. J. Brown Heirs - Surface
 40.73 Acres 50.9125%
- 2A. James M. McGuire Trust – Coal
 Reserve Coal Properties – Below Drainage Coal Leased
 Jewell Ridge Coal Corp.- Jawbone and Tiller Seams Leased
 CNX Gas Company LLC – All Minerals except Coal
 Consolidation Coal Company – Surface
 8.69 Acres 8.2375%
- 2B. James M. McGuire Trust – Coal
 Reserve Coal Properties – Below Drainage Coal Leased
 Jewell Ridge Coal Corp. – Jawbone and Tiller Seams Leased
 Norfolk & Western Railway Company – Surface and All Minerals except Coal
 9.72 Acres 12.1500%
- 2C. James M. McGuire Trust – Coal
 Reserve Coal Properties – Below Drainage Coal Leased
 Jewell Ridge Coal Corp. – Jawbone and Tiller Seams Leased
 Linda M. Estridge, et al – Surface and All Minerals except Coal
 21.32 Acres 26.6500%
- 2D. James M. McGuire Trust – Coal
 Reserve Coal Properties – Below Drainage Coal Leased
 Jewell Ridge Coal Corp. – Jawbone and Tiller Seams Leased
 CNX Gas Company LLC – Surface and All Minerals except Coal
 1.64 Acres 2.0500%

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Exhibit E
Unit P-41
Docket #VGOB 93-0216-0329-06
List of all Owners/Claimants that require escrow

| | Acres in Unit | Percent of Unit | Interest in 15-Right 1.97042% |
|--|---------------|--------------------|-------------------------------------|
|--|---------------|--------------------|-------------------------------------|

Escrowing no longer required

Exhibit EE
Unit P-41
Docket #VGOB 93-0216-0329-06
List of all Respondents with Royalty Split Agreements/Court Orders/HB2058

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| | Acres in Unit | Percent of Unit | Interest in 15-Right 1.97042% | Percent of Escrow |
|---|--|-----------------|-------------------------------|---|
| <u>Tract #2A - 6.59 acres</u> | | | | |
| <u>COAL OWNERSHIP</u> | | | | |
| (1) James M. McGuire Land Trust <i>(460.57 Acre Tract)</i> 15519 Lookout Ridge Bristol, VA 24202 | 6.59 acres | 8.2375% | 0.16231% | <i>n/a</i> |
| <u>OIL & GAS OWNERSHIP</u> | | | | |
| (1) Pocahontas Gas LLC 1000 Horizon Vue Drive Canonsburg, PA 15317 <i>(Previously Reserve Coal Properties)</i> | 6.59 acres | 8.2375% | 0.16231% | <i>n/a</i> |
| <u>Tract #2B - 9.72 acres</u> | | | | |
| <u>COAL OWNERSHIP</u> | | | | |
| (1) James M. McGuire Land Trust <i>(460.57 Acre Tract)</i> 15519 Lookout Ridge Bristol, VA 24202 | 9.72 acres | 12.1500% | 0.23941% | <i>n/a</i> |
| <u>OIL & GAS OWNERSHIP</u> | | | | |
| (1) Norfolk Southern Railway Company 650 West Peachtree St; Box 22 Atlanta, GA 30309 | 9.72 acres | 12.1500% | 0.23941% | 53.9667% HB2058 |
| <u>Tract #2C - 21.32 acres</u> | | | | |
| <u>COAL OWNERSHIP</u> | | | | |
| (1) James M. McGuire Land Trust <i>(460.57 Acre Tract)</i> 15519 Lookout Ridge Bristol, VA 24202 | 21.32 acres | 26.6500% | 0.52512% | 23.0167% Royalty Division Agreement |
| <u>OIL & GAS OWNERSHIP</u> | | | | |
| (1) Pocahontas Gas LLC <i>(Previously W. B. McDonald, et ux. Heirs, Devisees, Successors or Assigns)</i> | 21.32 acres | 26.6500% | 0.52512% | |
| (a) Pocahontas Gas LLC 1000 Horizon Vue Drive Canonsburg, PA 15317 | 13.03 acres 11/18 of 21.32 acres | 16.2861% | 0.32090% | <i>n/a</i> |
| | <i>**interests previously paid from escrow</i> | | | |
| (b) Pocahontas Gas LLC PO Box 643355 Pittsburgh, PA 15264-3355 | 8.29 acres 7/18 of 21.32 acres | 10.3639% | 0.20421% | 23.0167% Royalty Division Agreement |
| <u>Prior owners below are due payment from escrow at 100% for funds accumulated prior to their conveyance:</u> | | | | |
| Sherry R. McDonald 112 Meadowbrook N Jackson MS 39211-5971 | 1.18 acres 1/18 of 21.32 acres | 1.4806% | | 5.8118% HB2058 |
| Aristotle L. McDonald 523 Belair Way Nashville TN 37125-6108 | 1.18 acres 1/18 of 21.32 acres | 1.4806% | | 5.8118% HB2058 |
| Abraham U. McDonald 112 Meadowbrook N Jackson MS 39211-5971 | 1.18 acres 1/18 of 21.32 acres | 1.4806% | | 5.8118% HB2058 |

**Exhibit EE
Unit P-41
Docket #VGOB 93-0216-0329-06
List of all Respondents with Royalty Split Agreements/Court Orders/HB2058**

| | Acres in Unit | Percent of Unit | Interest in 15-Right 1.97042% | Percent of Escrow |
|--|-----------------------------------|-----------------|-------------------------------|--|
| Gregory B. McDonald 2220 Nicholasville Rd, Suite 250 Lexington, KY 40503 | 1.18 acres 1/18 of 21.32 acres | 1.4806% | | 5.8118% HB2058 |
| Byrd McDonald 6224 SE Main Street Portland OR 97215 | 1.18 acres 1/18 of 21.32 acres | 1.4806% | | 5.8118% HB2058 |
| By'shey W McDonald 5073 Magnolia Gardens Place Lexington KY 40515-1413 | 1.18 acres 1/18 of 21.32 acres | 1.4806% | | 5.8118% HB2058 |
| Timothy McDonald Heirs, Devisees, Successors, or Assigns | | | | |
| Empire Management, LLC 2220 Nicholasville Road, Ste 250 Lexington KY 40503 | 1.18 acres 1/18 of 21.32 acres | 1.4806% | | 5.8118% HB2058 |
| Greg McDonald conveyed interest as Co-Executer/Co-Trustee and individually (Instrument No.11-2743) Sherry R. McDonald conveyed interest as Co-Executer/Co-Trustee and individually (Instrument No.11-2748) Timothy J. McDonald conveyed interest as Co-Executer/Co-Trustee and individually (Instrument No.11-2708) Aristotle McDonald Abraham McDonald Tamela M. Pelphrey Byrd W.McDonald II By'Shey McDonald Greta M. Meek Meledge Estridge | | | | <i>conveyed interest (Instrument 11-2747) , 11/4/2011 conveyed interest (Instrument 11-2749), 11/4/2011 conveyed interest (Instrument 11-2744), 11/4/2011 conveyed interest (Instrument 11-2755), 11/7/2011 conveyed interest (Instrument 11-2746), 11/4/2011 conveyed interest (Instrument 11-2745), 11/4/2011 conveyed interest (Instrument 11-2623), 10/21/2011</i> |

Tract #2D - 1.64 acres

COAL OWNERSHIP

| | | | | |
|---|------------|---------|----------|-----|
| (1) James M. McGuire Land Trust <i>(460.57 Acre Tract)</i> 15519 Lookout Ridge Bristol, VA 24202 | 1.64 acres | 2.0500% | 0.04039% | n/a |
|---|------------|---------|----------|-----|

OIL & GAS OWNERSHIP

| | | | | |
|---|------------|---------|----------|-----|
| (1) Pocahontas Gas LLC 1000 Horizon Vue Drive Canonsburg, PA 15317 <i>(Previously Reserve Coal Properties)</i> | 1.64 acres | 2.0500% | 0.04039% | n/a |
|---|------------|---------|----------|-----|

Total Acres 39.2700
Total Percentage 49.0875%

INSTRUMENT 250000340
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY CIRCUIT COURT ON
APRIL 1, 2025 AT 03:10 PM
BEVERLY S. TILLER, CLERK
RECORDED BY: CXE