

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: U18

TRACT(S): 4,6,7,10,12

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-93-0420-0355-02

APPLICANTS:

CNX Gas Company LLC on behalf of Grace Ratliff

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 08/25/1993, Recorded on 08/31/1993, Deed Book/Instrument No. 413, Page 222.
2. Supplemental Order Executed 04/25/1994, Recorded on 05/20/1994, Deed Book/Instrument No. 422, Page 482.
3. Disbursement Order -01 Executed 09/30/2004, Recorded on 10/05/2004, Deed Book/Instrument No. 604, Page 28.

NOTICE:

160001177

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 4,6,7,10,12 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 4,6,7,10,12 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. Grace Ratliff is the gas claimant in Tracts 4, 6, 7, 10 & 12. As such Grace Ratliff are 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 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.
- c. 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.
- 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 Grace Ratliff and not escrow same. See Exhibit EE annexed hereto.

160001177

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.

160001177

160001177

DONE AND EXECUTED this 22 day of June, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

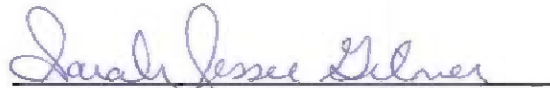
DONE AND PERFORMED this 22 day of June, 2016 by Order of the Virginia Gas and Oil Board.



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

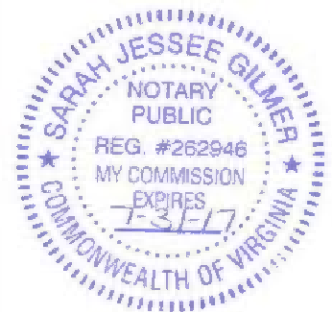
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 22nd day of June, 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



BEFORE THE VIRGINIA GAS AND OIL BOARD**PETITIONER:** CNX Gas Company LLC**DIVISION OF GAS AND OIL****DOCKET NO:** VGOB 93-0420-0355-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 4,6,7,10,12 (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: 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: U18**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 of Tract(s) 4, 6, 7, 10 & 12, as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Grace Ratliff; (3) Dismissal of Coal Owner: Harrison Wyatt, LLC.

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. Grace Ratliff is the gas claimant in Tracts 4, 6, 7, 10 & 12. As such Grace Ratliff are 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 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.
- c. 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.
- 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 Grace Ratliff and not escrow same. See Exhibit EE annexed hereto.

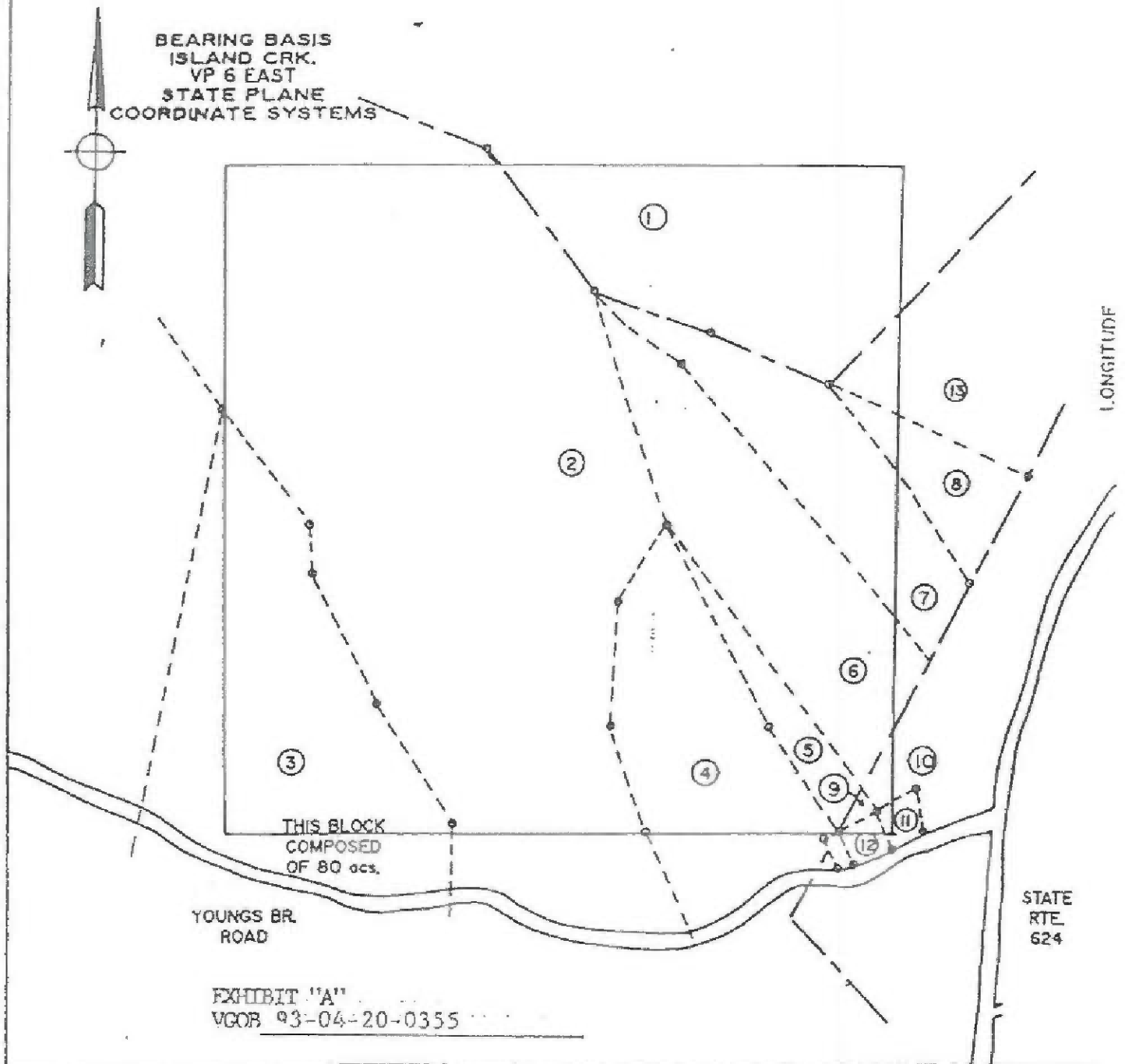
6. Attestation

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

LATITUDE

160001177

BEARING BASIS
ISLAND CRK.
VP 6 EAST
STATE PLANE
COORDINATE SYSTEMS



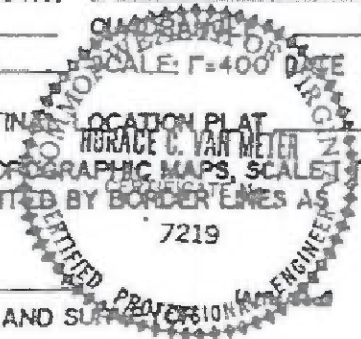
WELL LOCATION PLAT

COMPANY OXY USA INC. WELL NAME and No. UNIT U18
TRACT No. NA ELEVATION NA VANSANT
COUNTY BUCHANAN DISTRICT HURRICANE SCALE: 1"=400' DATE 11/3/91

THIS PLAT IS A NEW PLAT X ; AN UPDATED PLAT ; OR A FINE LOCATION PLAT

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE TO 24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN

HC Van Meter



CONSOL INC.
UNIT U-18
Tract Identifications

1. Yukon Pocahontas Coal Co. Etal. Tr 116 - Coal, Oil & Gas
 Island Creek Coal Company - Coal Lessee
 Beatrice Pocahontas Company
 Jewell Smokeless Coal Corporation
 Buchanan Production Company - CBM Lessee
 Neal Blankenship - Surface
 10.432 acres 13.04000%

2. Big Axe Land Company - Coal
 Wayles R. Harrison & Landon R. Wyatt, Jr., Trustees
 Island Creek Coal Company - Coal Lessee
 Beatrice Pocahontas Company
 Jewell Smokeless Coal Corporation
 Buchanan Production Company - CBM Lessee
 Ira Gordon Ratliff - Surface, Oil & Gas
 37.624 acres 47.03000%

3. Big Axe Land Company - Coal
 Wayles R. Harrison & Landon R. Wyatt, Jr., Trustees
 Island Creek Coal Company - Coal Lessee
 Beatrice Pocahontas Company
 Jewell Smokeless Coal Corporation
 Buchanan Production Company - CBM Lessee
 Dianna L. Graham - Surface, Oil & Gas
 8.688 acres 10.86000%

- 4, 6, 7,
10 & 12 Big Axe Land Company - Coal
 Wayles R. Harrison & Landon R. Wyatt, Jr., Trustees
 Island Creek Coal Company - Coal Lessee
 Beatrice Pocahontas Company
 Jewell Smokeless Coal Corporation
 Buchanan Production Company - CBM Lessee
 Wyatt & Grace Ratliff - Surface, Oil & Gas
 20.34 acres 25.42500%

- 5 & 9. Big Axe Land Company - Coal
 Wayles R. Harrison & Landon R. Wyatt, Jr., Trustees
 Island Creek Coal Company - Coal Lessee
 Beatrice Pocahontas Company
 Jewell Smokeless Coal Corporation
 Buchanan Production Company - CBM Lessee
 James & Janice Taylor - Surface, Oil & Gas
 1.744 acres 2.18000%

CONSOL INC.
UNIT U-18
Tract Identifications

8. Big Axe Land Company - Coal
Wayles R. Harrison & Landon R. Wyatt, Jr., Trustees
Island Creek Coal Company - Coal Lessee
Beatrice Pocahontas Company
Jewell Smokeless Coal Corporation
Buchanan Production Company - CBM Lessee
Harless & Ruby Ratliff - Surface, Oil & Gas
0.34 acres 0.42500%
11. Big Axe Land Company - Coal
Wayles R. Harrison & Landon R. Wyatt, Jr., Trustees
Island Creek Coal Company - Coal Lessee
Beatrice Pocahontas Company
Jewell Smokeless Coal Corporation
Buchanan Production Company - CBM Lessee
Carlus & Elizabeth Ratliff - Surface, Oil & Gas
0.06 acres 0.07500%
13. Big Axe Land Company - Coal
Wayles R. Harrison & Landon R. Wyatt, Jr., Trustees
Island Creek Coal Company - Coal Lessee
Beatrice Pocahontas Company
Jewell Smokeless Coal Corporation
Buchanan Production Company - CBM Lessee
Earl & Dorothy Ratliff - Surface, Oil & Gas
0.772 acres 0.96500%

160001177

Exhibit E
Unit U-18

VGOB 93-0420-0355-02

List of Respondents that require escrow

	Net Acres in Unit	Interest in Unit
<u>Tracts #5 & 9 - 1.744 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) H-W Financial LLC Box 11000 Danville, VA 24543	1.744 acres	2.1800%
<u>OIL & GAS FEE OWNERSHIP</u>		
<i>W-9/Affidavit Pending</i>		
(1) James & Janice Taylor Rt.2 Box 57 Oakwood, VA 24631	1.744 acres	2.1800%
<u>Tract #8 - 0.34 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) H-W Financial LLC Box 11000 Danville, VA 24543	0.34 acres	0.4250%
<u>OIL & GAS FEE OWNERSHIP</u>		
<i>W-9/Affidavit Pending</i>		
(1) Harless & Ruby Ratliff, T/E <i>Harless Ratliff deceased 1984</i> Ruby Ratliff PO Box 125 Oakwood, VA 24631	0.34 acres	0.4250%
<u>Tract #11 - 0.06 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) H-W Financial LLC Box 11000 Danville, VA 24543	0.06 acres	0.0750%
<u>OIL & GAS FEE OWNERSHIP</u>		
<i>W-9/Affidavit Pending</i>		
(1) Carlus & Elizabeth Ratliff, T/E <i>Carlus Ratliff deceased 11/26/2015</i> Elizabeth Ratliff PO Box 59 Oakwood, VA 24631	0.06 acres	0.0750%
<u>Tract #13 - 0.772 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) H-W Financial LLC Box 11000 Danville, VA 24543	0.772 acres	0.9650%

160001177

Exhibit E
Unit U-18
VGOB 93-0420-0355-02
List of Respondents that require escrow

	Net Acres in Unit	Interest in Unit
<u>OIL & GAS FEE OWNERSHIP</u>		
<i>W-9/Affidavit Pending</i>		
(1) Earl & Dorothy Ratliff, T/E 8335 Garden Creek Rd Oakwood, VA 24831	0.772 acres	0.9650%
Total Acres	2.9160	
Total Percentage	3.6450%	

160001177

Exhibit EE

Unit U-18

VGOB 93-0420-0355-02

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

		Net Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2 - 37.624 acres</u>				
<u>COAL FEE OWNERSHIP</u>				
(1)	H-W Financial LLC Box 11000 Danville, VA 24543	37.624 acres	47.0300%	n/a
<u>OIL & GAS FEE OWNERSHIP</u>				
(1)	Ira Gordon Ratliff 1181 Youngs Branch Rd Oakwood, VA 24631	37.624 acres	47.0300%	n/a
<u>Tract #3 - 8.688 acres</u>				
<u>COAL FEE OWNERSHIP</u>				
(1)	H-W Financial LLC Box 11000 Danville, VA 24543	8.688 acres	10.8600%	n/a
<u>OIL & GAS FEE OWNERSHIP</u>				
(1)	Dianna L. Graham PO Box 395 Aylett, VA 23009	8.688 acres	10.8600%	n/a
<u>Tracts #4,6,7,10 & 12 - 20.34 acres</u>				
<u>COAL FEE OWNERSHIP</u>				
(1)	H-W Financial LLC Box 11000 Danville, VA 24543	20.34 acres	25.4250%	
<u>OIL & GAS FEE OWNERSHIP</u>				
Wyatt Ratliff deceased May 14, 2015				
(1)	Grace Ratliff 8131 Garden Creek Road Oakwood, VA 24631	20.34 acres	25.4250%	87.4613% HB2058
Total Acres		66.65		
Total Percentage		83.3150%		

INSTRUMENT #160001177
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JULY 7, 2016 AT 08:55AM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB