



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: V29

TRACT(S): A portion of 13, 5

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-96-0116-0531-02

APPLICANTS: CNX Gas Company LLC on behalf of Garden Realty Corporation, Henry F. Harman, Kendris Harman, Sarah J. Keen

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. Original Pooling Order Executed 04/01/1996, Recorded on 04/08/1996, Deed Book/Instrument No. 447, Page 464.
- 2. Supplemental Order Executed 01/28/1997, Recorded on 02/03/1997, Deed Book/Instrument No. 458, Page 181.

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:

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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) A portion of 13, 5 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 13, 5 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. Kendris Harman and Henry F. Harman are entitled to 100% of the CBM royalties awarded under Case No. CL12-292, in Tract 13, opinion dated January 22, 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.
- b. Garden Realty Corporation and Sarah J. Keen are the gas claimants in Tract 5 & portion of 13 As such, 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.
- c. 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.
- 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 § 45.1-361.22 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. § 45.1-361.22:2.A. further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant Garden Realty Corporation and Sarah J. Keen 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 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 96-0116-0531-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 13, 5 (2) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.1-361.22:2.

HEARING DATE: March 21, 2017

DRILLING UNIT: V29

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) 5 & portion of 13 as depicted upon the annexed Table; and (2) Dismissal of Coal Owner(s): Hugh MacRae Land Trust (Torch Oil & Gas), Rockport Oil & Gas, and Chisos (LTD) (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)

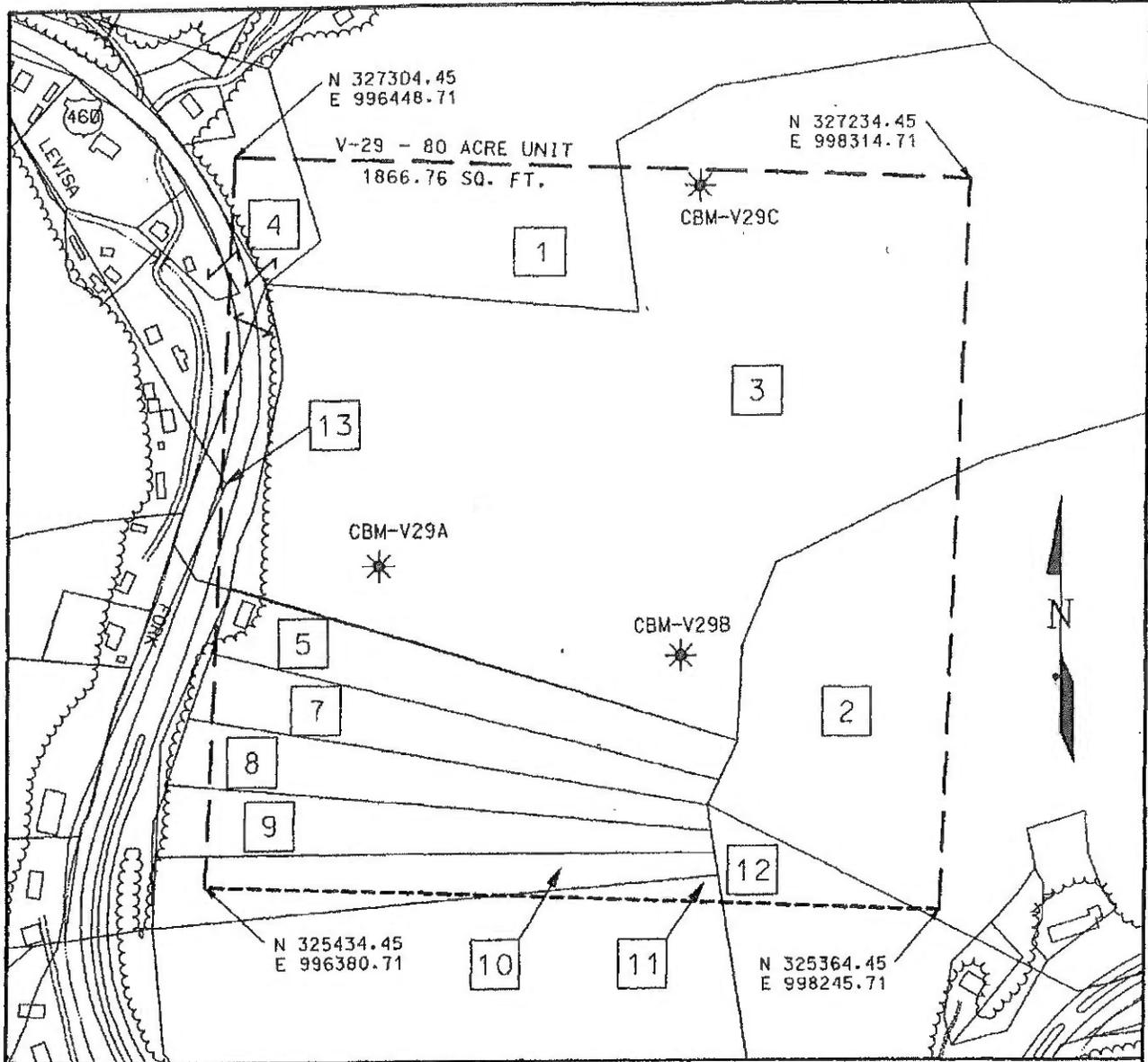
Coalbed Methane

5. Factual basis for relief requested

- a. Kendris Harman and Henry F. Harman are entitled to 100% of the CBM royalties awarded under Case No. CL12-292, in Tract 13, opinion dated January 22, 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.
- b. Garden Realty Corporation and Sarah J. Keen are the gas claimants in Tract 5 & portion of 13 As such, 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.
- c. 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.
- 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 § 45.1-361.22 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. § 45.1-361.22:2.A. further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant Garden Realty Corporation and Sarah J. Keen 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.



LEGEND

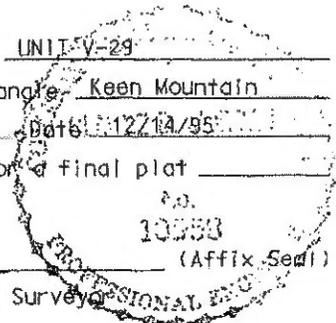
-  TRACT LAND HOOK
-  EXISTING CBM WELL
-  TRACT LAND ID'S

EXHIBIT A
 OAKWOOD FIELD UNIT V-29
 FORCE POOLING
 VGOB-96/01/16-0531

Company CONSOL Inc. Well Name and Number UNIT V-29
 Tract No. _____ Elevation _____ Quadrangle Keen Mountain
 County Buchanan District Garden Scale: 1" = 400' Date: 12/14/95
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-60-7
 Rev. 9/91

Charles E. May
 Licensed Professional Engineer or Licensed Land Surveyor



CONSOL Inc.
 CBM V-29
 Tract Identifications
 DGO-GO-7 Attachment

1. C.L. Ritter Lumber Company - Tr. 52 - Coal, Oil & Gas
 Coal Lessees
 Island Creek Coal Company - Coal Below Tiller
 Jewell Smokeless Coal Corp.
 Permac, Inc.
 Buchanan Production Company - CBM Lessee
 4.55 acres - 5.6875%

2. Yukon Pocahontas Coal Company, et al - Tr. 121 -
 Coal, Oil, Gas & Surface
 Coal Lessees
 Island Creek Coal Company - Coal Below Tiller
 Jewell Smokeless Coal Corp.
 Permac, Inc.
 Buchanan Production Company - CBM Lessee
 11.40 acres - 14.250%

3. Yukon Pocahontas Coal Company, et al - Tr. 120 -
 Coal, Oil, Gas & Surface
 Coal Lessees
 Island Creek Coal Company - Coal Below Tiller
 Jewell Smokeless Coal Corp.
 Permac, Inc.
 Buchanan Production Company - CBM Lessee
 40.34 acres - 50.425%

4. Yukon Pocahontas Coal Company, et al - Tr. 11-3 -
 Coal, Oil & Gas
 Coal Lessees
 Island Creek Coal Company - Coal Below Tiller
 Jewell Smokeless Coal Corp.
 Permac, Inc.
 Buchanan Production Company - CBM Lessee
 4.99 acres - 6.2375%

- 5- Coal Mountain Mining - Tr. 24 - Coal
 11. Coal Lessees
 Island Creek Coal Company - Pocahontas No. 3 seam
 United Coal Company - Coal above drainage
 Consolidation Coal Company - Coal below drainage
 Buchanan Production Company - CBM Lessee
 Garden Realty Corporation - Oil & Gas
 Consolidation Coal Company / Buchanan Production -
 Oil & Gas, CBM Lessee
 17.29 acres - 21.6125%

CONSOL Inc.
CBM V-29
Tract Identifications
DGO-GO-7 Attachment

12. Yukon Pocahontas Coal Company, et al - Tr. 113 -
Surface, Coal, Oil & Gas
Coal Lessees
Island Creek Coal Company - Coal Below Tiller
Jewell Smokeless Coal Corp.
Permac, Inc.
Buchanan Production Company - CBM Lessee
1.41 acres - 1.7625%

13. Hugh MacRae Land Trust - Tr. 17 - Coal
Coal Lessees
Island Creek Coal Company - Pocahontas No. 3 seam
United Coal Company - Coal above drainage
Consolidation Coal Company - Coal below drainage
Buchanan Production Company - CBM Lessee
A.J. Harmon heirs - Oil & Gas
0.02 acres - 0.0250%

Exhibit E
Oakwood Field Unit V-29
VGOB-96-0116-0531-02
List of Owners/Claimants that require escrow

| Acres in Unit | Percent of Unit | Division of Interest in 1 LEFT = 28.2146% | Division of Interest in 2 LEFT = 15.1599% |
|---------------|--------------------|---|---|
|---------------|--------------------|---|---|

Tract 13, 0.02 acre tract**COAL OWNERSHIP**

| | | | | |
|---|------------|---------|---------|---------|
| (1) Hugh MacRae Land Trust, Tr.17 c/o Alan Slegel, Esq. Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715 | 0.02 acres | 0.0250% | 0.0071% | 0.0038% |
|---|------------|---------|---------|---------|

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.

Torch Oil and Gas Company
c/o Sue Ann Craddock
670 Dona Ana Road SW
Deming, NM 88030

Effective 2/1/11, Torch Oil & Gas Company assigned a 2% ORRI to SAC Investments, L.P.

Effective 3/31/14, Torch Oil & Gas Company, et al. assigned and conveyed 10% of its right, title and interest to Rockport C 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.

| | | | | |
|---|-----------------------------------|---------|----------|----------|
| Rockport Oil & Gas L.L. PO Box 847 Houston, TX 77001 | 0.002 acres 1/10 of 0.02 acres | 0.0025% | 0.00071% | 0.00038% |
| Chisos, LTD 670 Dona Ana Road SW Deming, New Mexico 88030 | 0.018 acres 9/10 of 0.02 acres | 0.0225% | 0.00635% | 0.00341% |

OIL & GAS OWNERSHIP

| | | | | |
|---|------------|---------|---------|---------|
| A.J. Harman helrs, et al (25.83 acres) | 0.02 acres | 0.0250% | 0.0071% | 0.0038% |
|---|------------|---------|---------|---------|

Legal issue pending

| | | | | |
|--|-------------------------------------|---------|----------|----------|
| (2) Estate of Walter L. Keen ** c/o Angela Bailey, Executrix PO Box 525 Doran, VA 24612 | 0.007 acres 85/242 of 0.02 acres | 0.0088% | 0.00133% | 0.00000% |
|--|-------------------------------------|---------|----------|----------|

*Prior to his death, Walter L. Keen was
Prevailing plaintiff under Case No. CL 12-292
Awarded 100% of the CBM royalty.*

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

| | Acres in Unit | Percent of Unit | Division of Interest in 1 LEFT = 28.2146%2 LEFT = 15.1599% | Division of Interest in | Percent of Escrow |
|--|---------------|-----------------|---|-------------------------|-------------------|
|--|---------------|-----------------|---|-------------------------|-------------------|

Tract 5-11, 17.29 acre tract

COAL OWNERSHIP

| | | | | | |
|--|-------------|----------|---------|---------|--|
| (1) Coal Mountain Mining Company P.O. Box 675 Tazewell, VA 24651 | 17.29 acres | 21.6125% | 6.0979% | 3.2764% | |
|--|-------------|----------|---------|---------|--|

OIL & GAS OWNERSHIP

| | | | | | |
|---|-------------|----------|---------|---------|--------------------|
| (1) Garden Realty Corporation 2777 Corn Valley Rd Honaker, VA 24260 | 17.29 acres | 21.6125% | 6.0979% | 3.2764% | 99.8845% HB2058 |
|---|-------------|----------|---------|---------|--------------------|

Tract 13, 0.02 acre tract

COAL OWNERSHIP

| | | | | | |
|---|------------|---------|----------|----------|--|
| (1) Hugh MacRae Land Trust, Tr.17 c/o Alan Siegel, Esq. Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6715 | 0.02 acres | 0.0250% | 0.00705% | 0.00379% | |
|---|------------|---------|----------|----------|--|

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.

Torch Oil and Gas Company
c/o Sue Ann Craddock
670 Dona Ana Road SW
Deming, NM 88030

Effective 2/1/11, Torch Oil & Gas Company assigned a 2% ORRI to SAC Investments, L.P.

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.

| | | | | | |
|--|-----------------------------------|---------|----------|----------|--|
| Rockport Oil & Gas L.L. PO Box 847 Houston, TX 77001 | 0.002 acres 1/10 of 0.02 acres | 0.0025% | 0.00071% | 0.00038% | |
|--|-----------------------------------|---------|----------|----------|--|

| | | | | | |
|---|-----------------------------------|---------|----------|----------|--|
| Chisos, LTD 670 Dona Ana Road SV Deming, New Mexico 88030 | 0.018 acres 9/10 of 0.02 acres | 0.0225% | 0.00635% | 0.00341% | |
|---|-----------------------------------|---------|----------|----------|--|

OIL & GAS OWNERSHIP

| | | | | | |
|---|------------|---------|---------|---------|--|
| A.J. Harman heirs, et al (25.83 acres) | 0.02 acres | 0.0250% | 0.0071% | 0.0038% | |
|---|------------|---------|---------|---------|--|

(1) A.J. Harman Heirs, Devisees, Successors or Assigns

(a) Lydia M. Harman *Conveyed Interest to Walter Lee Keen & Henry Harman Deed Book 157, Page 360*

(a.1) Luthur Harman Heirs, Devisees, Successors or Assigns

(a.1.1) Julia Harman *Conveyed Interest to Walter Lee Keen & Henry Harman Deed Book 157, Page 360*

(a.2) S.W. Harman *Conveyed Interest to Kendris Harman Deed Book 214, Page 154*

| | | | | | |
|--|-------------------------------------|---------|----------|----------|---------|
| (a.2.1) Kendris Harman 110 Carmel Drive Tazewell, VA 24651 | 0.002 acres 12/121 of 0.02 acres | 0.0025% | 0.00038% | 0.04292% | 0.0115% |
|--|-------------------------------------|---------|----------|----------|---------|

*Prevailing plaintiff under Case No. CL 12-292
Awarded 100% of the CBM royalty.*

(a.3) Virgie H. Keen *Conveyed Interest to Walter Lee Keen & Henry Harman Deed Book 157, Page 360*

(a.4) Ollie H. Shortridge *Conveyed Interest to Walter Lee Keen & Henry Harman Deed Book 157, Page 360*

(a.5) Eva H. Ratliff *Conveyed Interest to Walter Lee Keen & Henry Harman Deed Book 157, Page 360*

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

| | Acres in Unit | Percent of Unit | Division of Interest in 1 LEFT = 28.2146% | Division of Interest in 2 LEFT = 15.1599% | Percent of Escrow |
|--|---|-----------------|--|--|-------------------|
| (a.6) Evelyn H. Ford | <i>Conveyed Interest to Walter Lee Keen & Henry Harman Deed Book 157, Page 360</i> | | | | |
| (a.7) Mazy H. Grizzle | <i>Conveyed Interest to Walter Lee Keen & Henry Harman Deed Book 157, Page 360</i> | | | | |
| (a.8) Ruth H. Baldwin | <i>Conveyed Interest to Walter Lee Keen & Sarah Jane Keen Deed Book 157, Page 358</i> | | | | |
| (a.9) Glen Harman | <i>Conveyed Interest to Walter Lee Keen & Sarah Jane Keen Deed Book 157, Page 358</i> | | | | |
| (a.10) Sarah Jane Keen c/o Sandra Smith 21258 Capri Avenue Abingdon, VA 24211 | 0.005 acres 59/242 of 0.02 acres | 0.0061% | 0.00092% | 0.10551% | 0.0282% HB2058 |
| <i>Sarah Jane Keen was not included in CL12-292, paid under HB2058</i> | | | | | |
| (a.11) Henry F. Harman 21363 Sims Road Abingdon, VA 24211-6286 | 0.006 acres 37/121 of 0.02 acres | 0.0076% | 0.00116% | 0.13233% | 0.0353% |

*Prevailing plaintiff under Case No. CL 12-292
 Awarded 100% of the CBM royalty.*

INSTRUMENT #170000703
 RECORDED IN THE CLERK'S OFFICE OF
 BUCHANAN COUNTY ON
 APRIL 12, 2017 AT 09:29AM

BEVERLY S. TILLER, CLERK
 RECORDED BY: GGB