



**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):** 13

**LOCATION:** BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-96-0116-0531-03

**APPLICANTS:** Pocahontas Gas LLC on behalf of Walter L. Keen Estate

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
February 19, 2019

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

**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 04/01/1996, Recorded on 04/08/1996, Deed Book/Instrument No. 447, Page 464, County BUCHANAN.
2. Supplemental Order Executed 01/28/1997, Recorded on 02/03/1997, Deed Book/Instrument No. 458, Page 181, County BUCHANAN.
3. Disbursement Order -02 Executed 03/22/2017, Recorded on 04/12/2017, Deed Book/Instrument No. 170000703, County BUCHANAN.

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the February 19, 2019 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) 13 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 13 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. Walter L. Keen Estate is 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. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- c. 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.



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:**

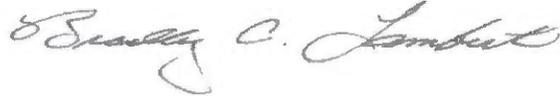
Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

**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 21 day of February, 2019 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

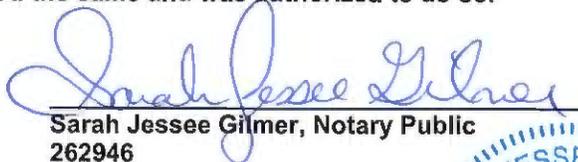
DONE AND PERFORMED this 21 day of February, 2019 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 21<sup>st</sup> day of February, 2019, 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: Pocahontas Gas LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 96-0116-0531-03

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

HEARING DATE: February 19, 2019

DRILLING UNIT: V29

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 Tract 13, as depicted upon the annexed table directly to the following parties:  
Walter L. Keen Estate.  
(Inactive unit, 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)**

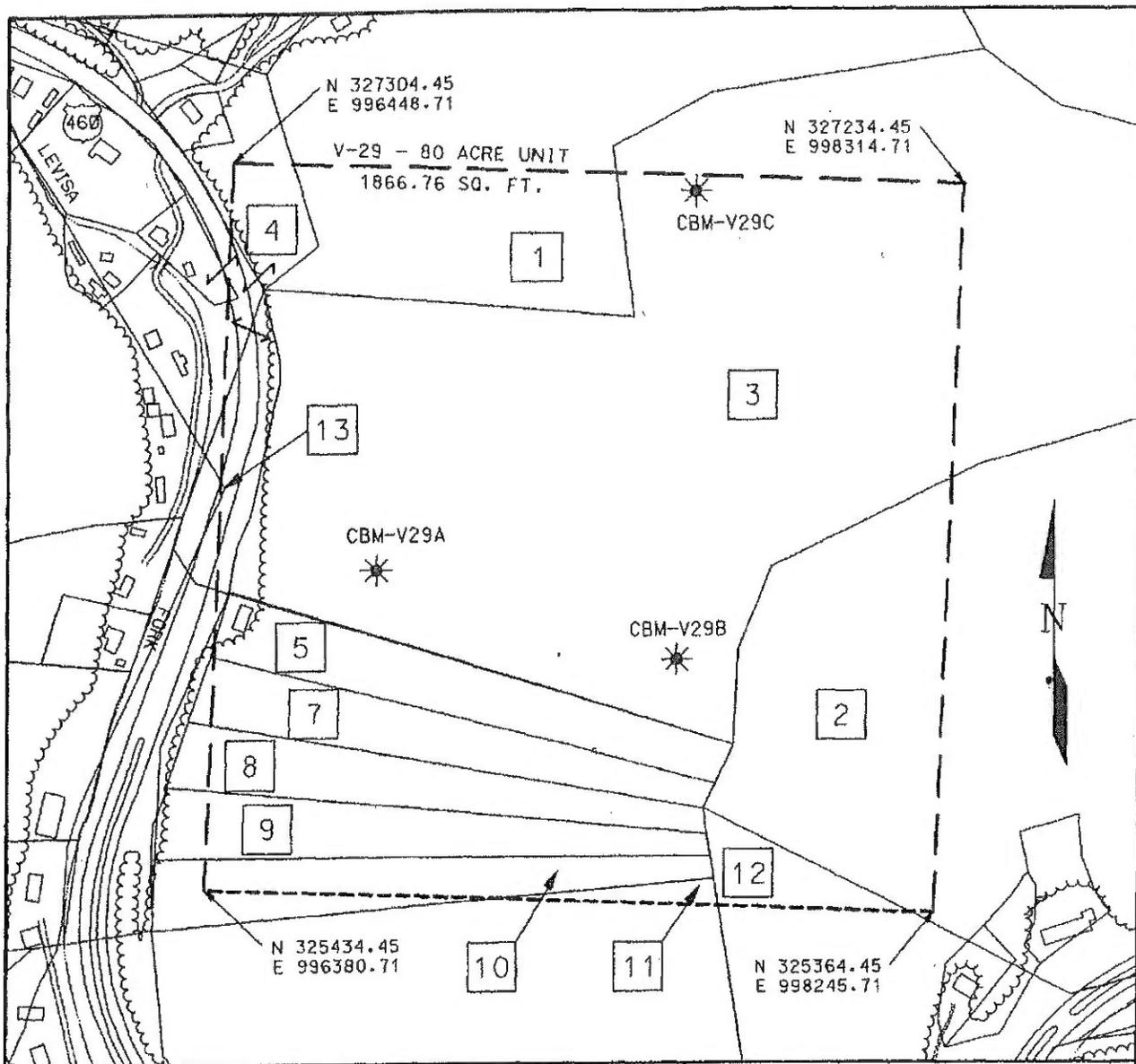
Coalbed Methane

**5. Factual basis for relief requested**

- a. Walter L. Keen Estate is 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. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- c. 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.

**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-GO-7  
 Rev. 9/91

*Charles E. Mays*  
 Licensed Professional Engineer or Licensed Land Surveyor  
 (Affix Seal)

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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%

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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-96-0116-0531-03  
List of Owners/Claimants that require escrow

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Acres in Unit	Percent of Unit	Division of Interest in 1 LEFT = 28.2146%	Division of Interest in 2 LEFT = 15.1599%
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*Escrowing no longer required*

Exhibit EE  
Oakwood Field Unit V-29  
VGOB-96-0116-0531-03  
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

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	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
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**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%	n/a
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**OIL & GAS OWNERSHIP**

(1) Garden Realty Corporation 2777 Corn Valley Rd Honaker, VA 24260	17.29 acres	21.6125%	6.0979%	3.2764%	n/a
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**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%	n/a
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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.*

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%	n/a
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%	n/a

**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 <span style="float: right;"><i>Conveyed Interest to Walter Lee Keen &amp; Henry Harman Deed Book 157, Page 360</i></span>					
(a.1) Luthur Harman Heirs, Devisees, Successors or Assigns					
(a.1.1) Julia Harman <span style="float: right;"><i>Conveyed Interest to Walter Lee Keen &amp; Henry Harman Deed Book 157, Page 360</i></span>					
(a.2) S.W. Harman <span style="float: right;"><i>Conveyed Interest to Kendris Harman Deed Book 214, Page 154</i></span>					
(a.2.1) Kendris Harman 110 Carmel Drive Tazewell, VA 24651	0.002 acres 12/121 of 0.02 acres	0.0025%	0.00038%	0.00002%	n/a

*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) Ofille 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*
- (a.6) Evelyn H. Ford *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.7) Mazy H. Grizzle	<i>Conveyed Interest to Walter Lee Keen &amp; Henry Harman Deed Book 157, Page 360</i>				
(a.8) Ruth H. Baldwin	<i>Conveyed Interest to Walter Lee Keen &amp; Sarah Jane Keen Deed Book 157, Page 358</i>				
(a.9) Glen Harman	<i>Conveyed Interest to Walter Lee Keen &amp; Sarah Jane Keen Deed Book 157, Page 358</i>				
(a.10) Sarah Jane Keen c/o Sandra Smlth 21258 Capri Avenue Abingdon, VA 24211	0.005 acres 133/484 of 0.02 acres	0.0069%	0.00104%	0.00005%	n/a
<b>Sarah Jane Keen was not included in CL12-292, paid under HB2058</b>					
<b>According to the Divorce decree Sarah Jane Keen &amp; Walter L. Keen are to receive 50/50</b>					
<i>Although Sarah owns 24/121, the interest shown is Sarah &amp; Walter's interest combined and split 50% as per the divorce</i>					
(a.11) Henry F. Harman 21363 Sims Road Abingdon, VA 24211-6286	0.007 acres 85/242 of 0.02 acres	0.0088%	0.00133%	0.00006%	n/a
<i>Prevailing plaintiff under Case No. CL 12-292</i>					
<i>Awarded 100% of the CBM royalty.</i>					
(2) Estate of Waller L. Keen ** c/o Angela Bailey, Executrix PO Box 998 Pounding Mill, VA 24637	0.0070 acres 85/242 of 0.02 acres	0.0088%	0.00133%	0.00006%	100.0000% Court Order
<b>**Due to &lt; \$1.00 remaining in escrow, acres remaining in escrow, which is acres owned prior to divorce, will be disbursed to Estate of Waller L. Keen, to close the escrow account</b>					
(2) Estate of Waller L. Keen ** c/o Angela Bailey, Executrix PO Box 998 Pounding Mill, VA 24637	0.0055 acres 133/484 of 0.02 acres	0.0069%	0.00104%	0.00005%	
<i>Prior to his death, Walter L. Keen was</i>					
<i>Prevailing plaintiff under Case No. CL 12-292</i>					
<i>Awarded 100% of the CBM royalty.</i>					
<b>According to the Divorce decree Sarah Jane Keen &amp; Walter L. Keen are to receive 50/50</b>					
<i>Although Walter owns 85/242, the interest shown is Sarah &amp; Walter's interest combined and split 50% as per the divorce</i>					

INSTRUMENT 190000272  
 RECORDED IN THE CLERK'S OFFICE OF  
 BUCHANAN COUNTY CIRCUIT COURT ON  
 MARCH 12, 2019 AT 08:50 AM  
 BEVERLY S. TILLER, CLERK  
 RECORDED BY: CXE