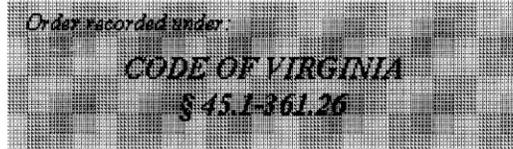


130000166



**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)

UNIT/WELL NAME: U-27

TRACT(S): 4

LOCATION: BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-97-0218-0563-04

**APPLICANTS:** CNX Gas Company LLC on behalf of Calvin Deskins, Roscoe Deskins Jr., Torch Oil and Gas Co.

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
December 18, 2012

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

**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 07/16/1997, Recorded on 07/24/1997, Deed Book/Instrument No. 464, Page 763.
2. Supplemental Order Executed 10/02/1997, Recorded on 10/21/1997, Deed Book/Instrument No. 469, Page 227.
3. Disbursement Order -03 Executed 04/17/2012, Recorded on 06/04/2012, Deed Book/Instrument No. 120001095.

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the December 18, 2012 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) 4 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 4 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

Applicant has certified and represented to the Board that:

Torch Oil and Gas Company, Roscoe R. Deskins Jr., and Calvin Eddie Deskins have entered into a royalty split agreement.

**RELIEF GRANTED:**

VG08 Disbursement  
Unit U-27  
VG08-97-0218-0583-04

Table 1  
Tracts: 4

Fractional Ownership	Net Acreage Ownership	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed
		Total acreage in escrow before disbursement				0.96770	
4		Tract 4 (total acreage)		0.01			
1	4	Torch Oil and Gas Co/ro Sue Craddock, 670 Dona Ana Rd., SW, Deming, NM 86030	1/1	0.0100	50.00%	0.0060	0.6221%
2	4	Roscoe Deskins Jr. 1728 Wardell Road, Cedar Bluff, VA 24809	1/2	0.0060	50.00%	0.0025	0.2610%
3	4	Calvin Deskins 16972 Riverside, Raven, VA 24639	1/2	0.0060	50.00%	0.0025	0.2610%

- 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.**

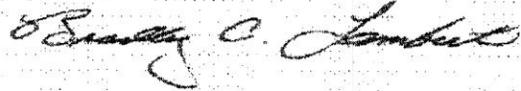
**CONCLUSION:**

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.

DONE AND EXECUTED this 2 day of January, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 2 day of January, 2013 by Order of the Virginia Gas and Oil Board.



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

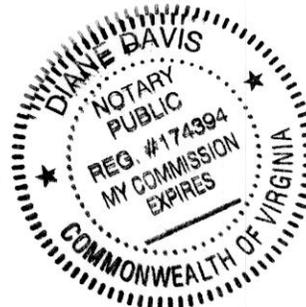
COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSEL)

Acknowledged on this 2<sup>nd</sup> day of January, 2013, 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.



Diane J. Davis, Notary Public  
174394

My Commission expires: September 30, 2013



**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**PETITIONER:** CNX Gas Company LLC

**DIVISION OF GAS AND OIL**

**DOCKET NO:** VGOB 97-0218-0563-04

**RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING TRACT(S) 4**

**HEARING DATE:** December 18, 2012

**DRILLING UNIT:** U-27

**BUCHANAN COUNTY, VIRGINIA**

**PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS**

**1. Petitioner and its counsel**

Petitioner is CNX Gas Company LLC, 2481 John Nash Blvd, Bluefield, WV 24701, (304)323-6500. Petitioner's counsel is Mark A. Swartz, Swartz Law Offices, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808..

**2. Relief Sought**

A petition for the disbursement of funds from escrow regarding Tract 24 for Torch Oil & Gas Company, Roscoe Deskings, Jr. and Calvin Deskings for Unit U-27, Keen Mountain Quadrangle, Buchanan, County, Virginia.

**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)**

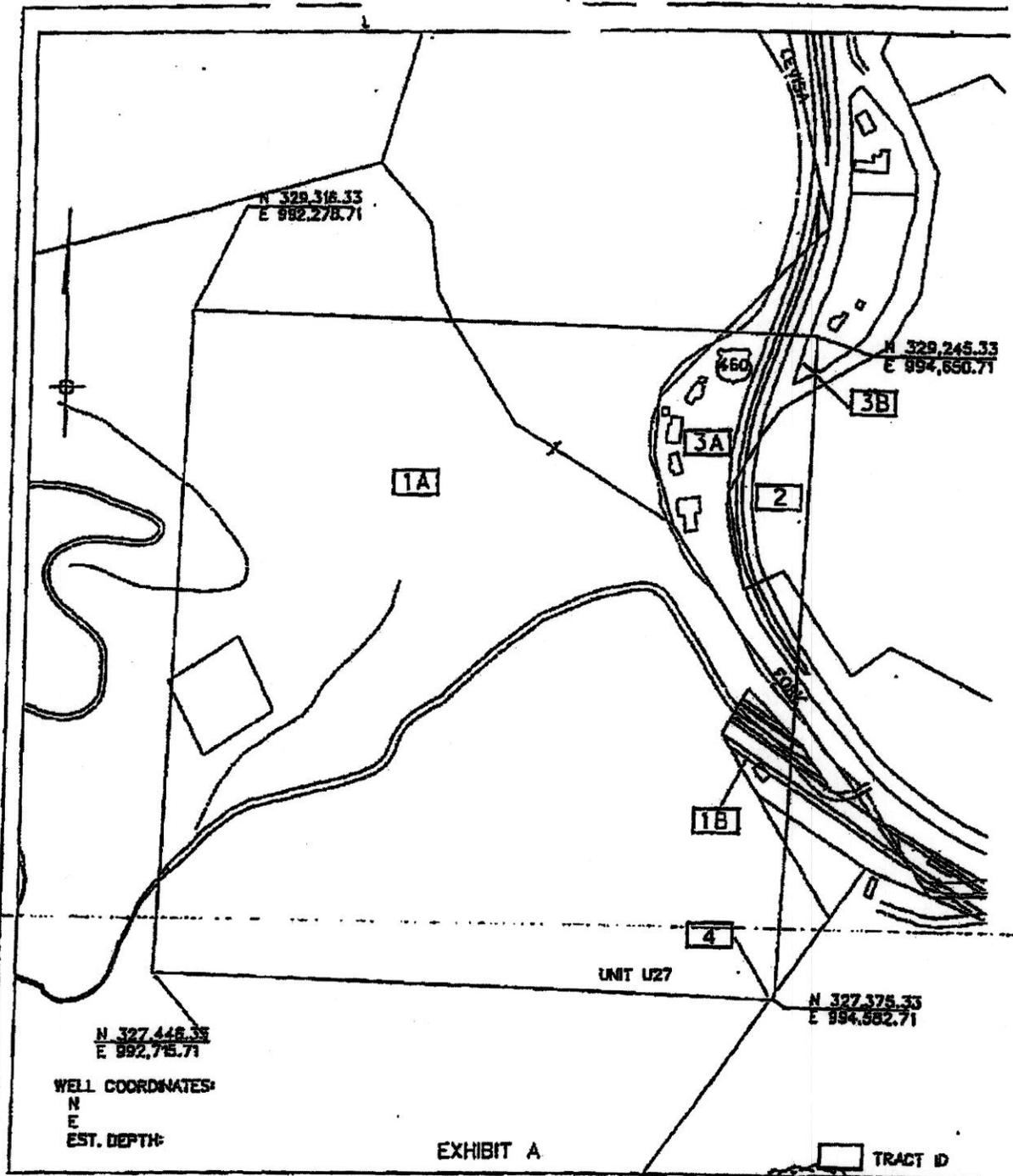
Coalbed Methane

**5. Factual basis for relief requested**

Torch Oil and Gas Company, Roscoe R. Deskings Jr., and Calvin Eddie Deskings have entered into a royalty split agreement.

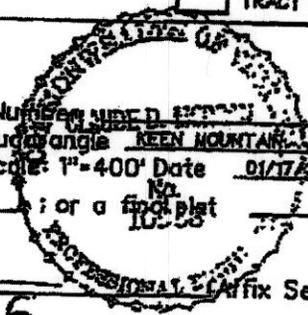
**6. Attestation**

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



VGOB-97-0218-0563

Company CONSOL INC. Well Name and Number KEEN MOUNTAIN  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_  
 County BUCHANAN District \_\_\_\_\_ Scale: 1"=400' Date 01/17/99  
 This plat is a new plat \_\_\_\_\_; an updated plat \_\_\_\_\_; or a final plat \_\_\_\_\_



Form DGO-GO-7  
Rev. 9/84

Charles O. Moye  
Licensed Professional Engineer

4  
CONSOL Inc.  
CBM U-27  
Tract Identifications  
DGO-60-7 Attachment

1. Hugh MacRae Land Trust - Tr. 6 - 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  
Consolidation Coal Company - Oil & Gas  
Buchanan Production Company - CBM, Oil & Gas Lessee  
72.52 acres - 90.6500%
- 1A. Consolidation Coal Company - Surface
- 1B. Darrell Meadows - Surface
2. 4/5 Yukon Pocahontas Coal Company, et al - Tr. 110  
1/5 C. L. Ritter Lumber Company - Tr. 51  
Coal  
Island Creek Coal Company - Coal Below Tiller  
Fermac Coal Company - Coal above drainage  
Buchanan Production Company - CBM Lessee  
C. L. Ritter Lumber Company, et al - Oil & Gas  
Yukon Pocahontas Coal Company, et al - Surface  
Buchanan Production Company - CBM, Oil & Gas Lessee  
2.14 acres - 2.6750%
3. Yukon Pocahontas Coal Company, et al - Tr. 99  
Coal Oil & Gas  
Island Creek Coal Company - Coal Below Tiller  
~~Fermac Coal Company - Coal above drainage~~  
Buchanan Production Company - CBM Lessee  
Buchanan Production Company - CBM, Oil & Gas Lessee  
5.33 acres - 6.6625%
- 3A. T. R. Stump, et al - Surface
- 3B. Roscoe Deskins - Surface
4. 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  
Roscoe Deskins - Surface Oil & Gas  
Buchanan Production Company - CBM, Oil & Gas Lessee  
0.010 acres - 0.0125%



Not provided in package

Exhibit E  
Unit U-27  
Docket #VGOB 97-0218-0563-04  
List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit	Division of Interest in		
			2 Left 3.4066%	3 Left 9.5185%	4 Left 1.2413%
<b>Tract #2, 2.14 Acre Tract</b>					
<b>COAL OWNERSHIP</b>					
Yukon Pocahontas Coal Company, et al. Tr. 110	2.14 acres	2.6750%	0.0911%	0.2546%	0.0332%
(1) Yukon Pocahontas Coal Company, et al. (Only 3/5 interest conflicting)	1.28 acres 3/5 of 2.14 acres	1.6050%	0.0547%	0.1528%	0.0199%
(a) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.64200 acres 1/2 of 2.14 acres	0.8025%	0.0273%	0.0764%	0.0100%
(b) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.14267 acres 1/9 of 2.14 acres	0.1783%	0.0061%	0.0170%	0.0022%
(c) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.07133 acres 1/18 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(d) Consolidation Coal Company * 10545 Riverside Dr. Oakwood, VA 24631	0.42800 acres 1/3 of 2.14 acres	0.5350%	0.0182%	0.0509%	0.0066%

*Note: Plum Creek Timberlands retained their CBM interest, there is no conflict. The royalty for (d) is to be paid to Plum Creek.*

**OIL & GAS OWNERSHIP**

Yukon Pocahontas Coal Co. Tr. 110, et al.	2.14 acres	2.6750%	0.0911%	0.2546%	0.0332%
(3) Walter Wade Heirs					
(a) Carl Wade Heirs, Devisees, Successors or Assigns					
(a.1) Emanuel Wade 226 Adam Street Blountville, TN 37617	0.03567 acres 1/60 of 2.14 acres	0.0446%	0.0015%	0.0042%	0.0006%
(a.2) Gaylene Deskins Heirs, Devisees, Successors or Assigns					
(a.2.1) Nick Deskins 720 Skyview Drive Chilhowie, VA 24319-4527	0.01783 acres 1/120 of 2.14 acres	0.0223%	0.0008%	0.0021%	0.0003%
(a.2.2) Valmy Shannon 103 Blanton Drive Seaford, VA 23696-2522	0.01783 acres 1/120 of 2.14 acres	0.0223%	0.0008%	0.0021%	0.0003%
(b) Eunice Wade Baldwin Heirs, Devisees, Successors or Assigns <i>Documentation Pending</i>	0.07133 acres 1/30 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(c) Stella Wade Gillespie Heirs, Devisees, Successors or Assigns <i>Documentation Pending</i>	0.07133 acres 1/30 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(d) Glayds Wade Boyd P. O. Box 374 Cedar Bluff, VA 24809	0.07133 acres 1/30 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(e) Vinnie Wade Newberry 17339 Days Point Road Smithfield, VA 23430	0.07133 acres 1/30 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(f) Eady Wade Smith Heirs					

**Exhibit E**  
**Unit U-27**  
**Docket #VGOB 97-0218-0563-04**  
**List of Conflicting Owners/Claimants that require escrow**

	Net Acres in Unit	Interest in Unit	Divison of Interest in		
			2 Left 3.4066%	3 Left 9.5185%	4 Left 1.2413%
(f.1) Lula Smith Robins Heirs, Devisees, Successors or Assigns <i>Documentation Pending</i>	0.01783 acres 1/120 of 2.14 acres	0.0223%	0.0008%	0.0021%	0.0003%
(f.2) Tom C. Smith Heirs no Issue					
(f.3) Earl Dolphus Smith Heirs, Devisees, Successors or Assigns <i>Documentation Pending</i>	0.01783 acres 1/120 of 2.14 acres	0.0223%	0.0008%	0.0021%	0.0003%
(f.4) Raymond S. Smith Heirs, Devisees, Successors or Assigns <i>Documentation Pending</i>	0.01783 acres 1/120 of 2.14 acres	0.0223%	0.0008%	0.0021%	0.0003%
(f.5) Luther Smith Heirs, Devisees, Successors or Assigns					
(f.5.1) Geraldine Smith Heirs, Devisees, Successors or Assigns					
(f.5.1.1) Lisa Wallace	Predeceased Luther & Geraldine Smith				
(f.5.1.1.1) Anna Bond 1760 Knox Creek Road Hurley, VA 24620	0.00149 acres 1/1440 of 2.14 acres	0.0019%	0.0001%	0.0002%	0.00002%
(f.5.1.1.2) Scotty Bond Box 82 Swords Creek, VA 24649	0.00149 acres 1/1440 of 2.14 acres	0.0019%	0.0001%	0.0002%	0.00002%
(f.5.2.1) David Smith 84 Poison Ivy Drive Taylorsville, NC 28681	0.00297 acres 1/720 of 2.14 acres	0.0037%	0.0001%	0.0004%	0.00005%
(f.5.2.2) Donald Smith 84 Poison Ivy Drive Taylorsville, NC 28681	0.00297 acres 1/720 of 2.14 acres	0.0037%	0.0001%	0.0004%	0.00005%
(f.5.2.3) Judy Tiedemann 530 150th Street Amery, WI 54001-2805	0.00297 acres 1/720 of 2.14 acres	0.0037%	0.0001%	0.0004%	0.00005%
(f.5.2.4) Paul Smith P.O. Box 1143 Claremont, NC 28610	0.00297 acres 1/720 of 2.14 acres	0.0037%	0.0001%	0.0004%	0.00005%
(f.5.2.5) Peggy Smith 84 Poison Ivy Drive Taylorsville, NC 28681	0.00297 acres 1/720 of 2.14 acres	0.0037%	0.0001%	0.0004%	0.00005%
(4) Myrta N. Ratliff Heirs, Devisees, Successors or Assigns Address Unknown	0.42800 acres 1/5 of 2.14 acres	0.5350%	0.0182%	0.0509%	0.0066%
(5) Mona Webb Heirs, Devisees, Successors or Assigns					
(d) Virginia W. Cole Heirs Devisees, Successors or Assigns					
(d.3) Melissa M. Turner 3480 Eaglebrook Rd. Christiansburg, VA 24073	0.00764 acres 1/280 of 2.14 acres	0.0096%	0.0003%	0.0009%	0.0001%
(d.4) Maura Nichole Turner 3480 Eaglebrook Rd. Christiansburg, VA 24073	0.00764 acres 1/280 of 2.14 acres	0.0096%	0.0003%	0.0009%	0.0001%

**Exhibit E**  
**Unit U-27**  
**Docket #VGOB 97-0218-0563-04**  
**List of Conflicting Owners/Claimants that require escrow**

	Net Acres in Unit	Interest in Unit	Division of Interest in		
			2 Left 3.4066%	3 Left 9.5185%	4 Left 1.2413%
(d.5) Garrett Reid Turner 3480 Eaglebrook Rd. Christiansburg, VA 24073	0.00764 acres 1/280 of 2.14 acres	0.0096%	0.0003%	0.0009%	0.0001%
(d.6) Jordyn Noelle Turner 3480 Eaglebrook Rd. Christiansburg, VA 24073	0.00764 acres 1/280 of 2.14 acres	0.0096%	0.0003%	0.0009%	0.0001%
(g) Robert W. Casey P. O. Box 45 Shortt Gap, VA 24647	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%
<b>Total tract acres</b>		<b>0.95</b>			
<b>Total tract percent</b>		<b>1.1846%</b>			
			<b>Acreage in Unit</b>		<b>0.95</b>
			<b>Percentage of Unit</b>		<b>1.1846%</b>

Exhibit EE  
Unit U-27  
Docket #VGOB 97-0218-0563-04  
List of Conflicting Owners/Claimants with Royalty Split Agreements

		Net Acres in Unit	Interest in Unit	Division of Interest in			Percent of Escrow
				2 Left 3.4066%	3 Left 9.5185%	4 Left 1.2413%	
<b><u>Tract #1, 72.52 Acre Tract</u></b>							
<b><u>COAL OWNERSHIP</u></b>							
(1)	Hugh MacRae Land Trust Tr. 6 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6705	72.52 acres	90.6500%	3.0881%	8.6285%	1.12524%	n/a
<b><u>CBM Royalty Owner (from the Coal owner):</u></b>							
Torch Oil and Gas Company c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030							
<b><u>OIL &amp; GAS OWNERSHIP</u></b>							
(1)	CNX Gas Company LLC (Consolidation Coal Company) 2481 John Nash Blvd. Bluefield, WV 24701	72.52 acres	90.6500%	3.0881%	8.6285%	1.12524%	n/a
<b><u>Tract #2, 2.14 Acre Tract</u></b>							
<b><u>COAL OWNERSHIP</u></b>							
	Yukon Pocahontas Coal Company, et al. Tr. 110	2.14 acres	2.6750%	0.0911%	0.2546%	0.0332%	
(1)	Yukon Pocahontas Coal Company, et al. (Only 3/5 interest conflicting)	1.28 acres 3/5 of 2.14 acres	1.6050%	0.0547%	0.1528%	0.0199%	
(a)	Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.64200 acres 1/2 of 2.14 acres	0.8025%	0.0273%	0.0764%	0.0100%	n/a
(b)	Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.14267 acres 1/9 of 2.14 acres	0.1783%	0.0061%	0.0170%	0.0022%	n/a
(c)	Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.07133 acres 1/18 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%	n/a
(d)	Consolidation Coal Company * 10545 Riverside Dr. Oakwood, VA 24631	0.42800 acres 1/3 of 2.14 acres					
<b><u>Royalties Paid to:</u></b>							
	Plum Creek Timberlands, L.P. Attn: Mineral Department One Concourse Parkway, Suite 755 Atlanta, GA 30328	0.42800 acres 1/3 of 2.14 acres	0.5350%	0.0182%	0.0509%	0.0066%	n/a
* Note: Plum Creek Timberlands retained their CBM interest, there is no conflict. The royalty for (d) is to be paid to Plum Creek.							
<b><u>OIL &amp; GAS OWNERSHIP</u></b>							
	Yukon Pocahontas Coal Co. Tr. 110, et al.	2.14 acres	2.6750%	0.0911%	0.2546%	0.0332%	
(5)	Mona Webb Heirs, Devises, Successors or Assigns						
(a)	Harold Webb Heirs, Devises, Successors or Assigns Documentation Pending	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	n/a
(b)	Harman Webb 106 3rd Avenue Richlands, VA 24641	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	n/a
(c)	John Webb P. O.Box 577 Keen Mountain, VA 24624	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	n/a

Exhibit EE  
Unit U-27  
Docket #VGOB 97-0218-0563-04  
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Net Acres in Unit	Interest in Unit	Division of Interest in			Percent of Escrow
			2 Left 3.4066%	3 Left 9.5185%	4 Left 1.2413%	
(d) Virginia W. Cole Heirs Devises, Successors or Assigns						
(d.1) Carol Cole Ownbey 2908 Valley Farm Road Waxhaw, North Carolina 28173	0.01529 acres 1/140 of 2.14 acres	0.0191%	0.0007%	0.0018%	0.0002%	n/a
(d.2) Barbara Cole Maxwell 5780 Chicwood Drive Pulaski, VA 24301	0.01529 acres 1/140 of 2.14 acres	0.0191%	0.0007%	0.0018%	0.0002%	n/a
(e) Emma R. Hurbert Heirs, Devises, Successors, or Assigns						
(e.1) Bill Chambers 8940 Mill Creek Road Millboro, VA 24460	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	n/a
(f) Ruby W. Wells 5980 Pearl Road Parma Heights, OH 44130	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	n/a
<b>Total tract acres</b>	<b>0.34</b>					
<b>Total tract percent</b>	<b>0.4204%</b>					

**Tract #4, 0.01 Acre Tract**

**COAL OWNERSHIP**

(1) Hugh MacRae Land Trust Tr. 6 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 1 Bryant Park New York, NY 10036-6705	0.01 acres	0.0125%	0.0004%	0.0012%	0.0002%	0.5221%
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**CBM Royalty Owner (from the Coal owner):**

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

**OIL & GAS OWNERSHIP**

(1) Roscoe Reuben Deskins Sr. Heirs, Devises, Successors or Assigns	0.010 acres	0.0125%	0.0004%	0.0012%	0.0002%	
(a) Roscoe Deskins, Jr. 1728 Wardell Rd. Cedar Bluff, VA 24609	0.005 acres 1/2 of 0.010 acres	0.0063%	0.0002%	0.0006%	0.0001%	0.2610%
(b) Calvin Eddie Deskins 6972 Riverside Raven, VA 24639	0.005 acres 1/2 of 0.010 acres	0.0063%	0.0002%	0.0006%	0.0001%	0.2610%
				<b>Acreage in Unit</b>	<b>72.87</b>	
				<b>Percentage of Unit</b>		<b>91.0829%</b>

INSTRUMENT #130000166  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
JANUARY 28, 2013 AT 01:19PM

BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB 1/16/2012