

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: Y35

TRACT(S): 2

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-97-0916-0601-02

APPLICANTS: CNX Gas Company LLC on behalf of William & Hannalore Engardio

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
June 21, 2016

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

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 11/13/1997, Recorded on 11/21/1997, Deed Book/Instrument No. 470, Page 286.
2. Supplemental Order Executed 04/22/1998, Recorded on 04/29/1998, Deed Book/Instrument No. 475, Page 343.
3. Disbursement Order -01 Executed 11/13/2015, Recorded on 12/02/2015, Deed Book/Instrument No. 150001955.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the June 21, 2016 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) 2 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2 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. William Larry Engardio is the gas claimant in Tracts 2. As such William Larry Engardio 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 William Larry Engardio and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit Y35

VGOB-97-0916-0601-02

Table 1

Tracts: 2

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds	Adjustment Amount
			In Tract	inTract	Agreement	Disbursed	Disbursed	
		Total acreage in escrow before disbursement				0.78000		
2 Tract 2 (total acreage)			0.6500					
1	2	William & Hannalore Engardio\3187 Riverside Drive, Raven, VA 24639		0.6500	100.00%	0.6500	83.3333%	

Adjustment Comments:

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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 6 day of July, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 6 day of July, 2016 by Order of the Virginia Gas and Oil Board.



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

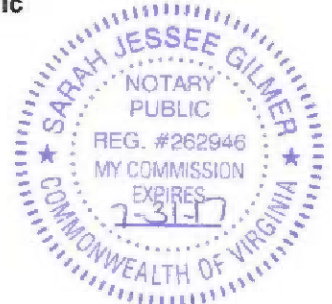
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 6th day of July, 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 97-0916-0601-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2 (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: June 21, 2016

DRILLING UNIT: Y35

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) 2 as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to William Larry Engardio; (3) Dismissal of Coal Owner(s) Hurt McGuire Land Trust

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

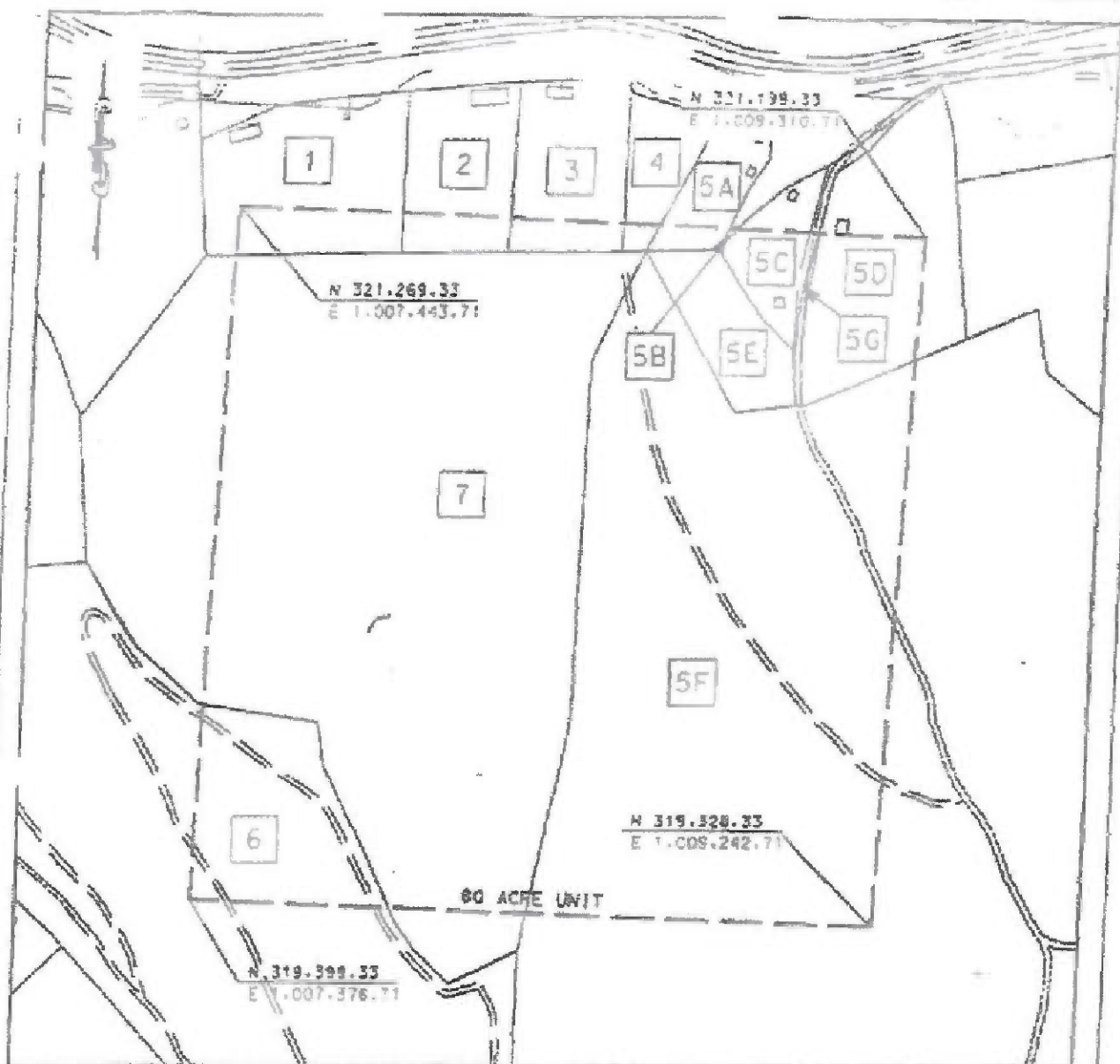
5. Factual basis for relief requested

- a. William Larry Engardio is the gas claimant in Tracts 2 As such William Larry Engardio 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 William Larry Engardio 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.

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LEGEND

- ← TRACT LAND HOOK
- [2] TRACT LAND 10'S

EXHIBIT A
OAKWOOD FIELD UNIT Y-35
FORCE POOLING
VCOB-97-09-16-0601

Company Peachant Gas Partnership Well Name and Number UNIT 435
 Tract No. Cool Mountain Elevation _____ Quadrangle KEP-100-N-100-00-00-00
 County Buchanan District Garden Scale: 1" = 400' Date 7/28/97
 This plat is a new plat X : an updated plat _____ : or original plat No. _____

Form DGO-90-7
Rev. 9/91

Charles E. Morgan
Licensed Professional Engineer or Licensed Land Surveyor

10958

Affix Seal

UNIT Y-35
Tract Identifications

1. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Anna L. Bohon - Surface, Oil & Gas
1.23 acres 1.5375%
2. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
William Larry Engardio - Surface, Oil & Gas
0.65 acres 0.8125%
3. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Pocahontas Gas Partnership - Surface, Oil & Gas
0.57 acres 0.7125%
4. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Danny Hinkle - Surface, Oil & Gas
0.13 acres 0.1625%
5. Commonwealth Coal Co. Tr 2 - Coal, Oil & Gas
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Leased
36.84 acres 46.1750%
- 5A. Danny Hinkle - Surface
- 5B. Hazel Elster - Surface
- 5C. Rhonda Perry - Surface
- 5D. James H. Cook - Surface
- 5E. Ord Wade Heirs - Surface
- 5F. Commonwealth Coal Co. - Surface
- 5G. Commonwealth Coal Co. R/W
6. Coal Mountain Mining Co. Tr 31 - Coal, Oil & Gas
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Leased
Consolidation Coal Co. - Surface Rights
4.85 acres 6.0625%

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7. Coal Mountain Mining Co. Tr 13 - Coal, Oil & Gas
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CDM Leased
Claude Kendrick - Surface
35.63 acres 44.53751

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Exhibit E
Unit Y-35
Docket #VGOB 97-09-16-0601-02
List of Respondents that require escrow

Net Acres in Unit	Interest in Unit	Division of Interest in		
		13-East 11.5918%	14-East 23.6241%	15-East 1.6610%

Treat #4 - 0.13 acres

COAL OWNERSHIP

(1)	Hurt McGuire c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	0.13 acres	0.16250%	0.01884%	0.03839%	0.00270%
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OIL & GAS OWNERSHIP

The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.

(1)	Danny Hinkle P. O. Box 571 Oakwood, VA 24631	0.13 acres	0.16250%	0.01884%	0.03839%	0.00270%
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	Net Acres in Unit	Interest in Unit	Division of Interest in			Percent of Escrow
			13-East 11.5918%	14-East 23.8241%	15-East 1.6610%	
<u>Tract #1 - 1.23 acres</u>						
<u>COAL OWNERSHIP</u>						
(1) Hurt McGuire c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	1.23 acres	1.53750%	0.17822%	0.36322%	0.02554%	n/a
<u>OIL & GAS OWNERSHIP</u>						
(1) Ann Laura Bohon Heirs, Devisees, Successors or Assigns	1.23 acres	1.53750%	0.17822%	0.36322%	0.02554%	
(a) Paul Bohon 22287 Benhams Rd Bristol, VA 24202	0.25 acres 1/5 of 1.23 acres	0.30750%	0.03564%	0.07264%	0.00511%	n/a
(b) Harty Loria 111 Lazy Trail Perfield, NY 14526-1705	0.25 acres 1/5 of 1.23 acres	0.30750%	0.03564%	0.07264%	0.00511%	n/a
(c) Jennilyn Quillen 35 Sunset Ridge Ct Gray, TN 37615	0.25 acres 1/5 of 1.23 acres	0.30750%	0.03564%	0.07264%	0.00511%	n/a
(d) Joe Bohon 1723 Cindy Dr Greenville, TN 37743-5805	0.25 acres 1/5 of 1.23 acres	0.30750%	0.03564%	0.07264%	0.00511%	n/a
(e) Charles Dewaine Bohon, Jr. Heirs, Devisees, Successors or Assigns						
(e.1) Charles Dewain Bohon, III 12635 Gov. George C. Perry Hl Pounding Mill, VA 24637	0.25 acres 1/5 of 1.23 acres	0.30750%	0.03564%	0.07264%	0.00511%	n/a
<u>Tract #2 - 0.65 acres</u>						
<u>COAL OWNERSHIP</u>						
(1) Hurt McGuire c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	0.65 acres	0.81250%	0.09418%	0.19195%	0.01350%	
<u>OIL & GAS OWNERSHIP</u>						
(1) William & Hannalore Engardio, T/E 3187 Riverside Dr Raven, VA 24639	0.65 acres	0.81250%	0.09418%	0.19195%	0.01350%	\$3.3333% HB2058
<u>Tract #3 - 0.57 acres</u>						
<u>COAL OWNERSHIP</u>						
(1) Hurt McGuire c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	0.57 acres	0.71250%	0.08259%	0.16832%	0.01183%	n/a

Net Acres in Unit	Interest in Unit	Division of Interest in			Percent of Escrow
		13-East 11.5918%	14-East 23.6241%	15-East 1.6610%	

OIL & GAS OWNERSHIP

(1) CNX Gas Company LLC P.O. Box 643830 Canonsburg, PA 15264-3830 (Pocahontas Gas Partnership)	0.57 acres	0.71260%	0.08259%	0.16832%	0.01183%	n/a
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INSTRUMENT #160001377
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
AUGUST 3, 2016 AT 10:56AM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB