

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

An Order for Disbursement of Escrowed Funds ☐
(and Authorization for Direct Payment of Royalties)

SOUGHT:

Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

JURISDICTION:

UNIT/WELL NAME: X36

TRACT(S): 1C, 1D

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-98-0324-0628-02

APPLICANTS:

CNX Gas Company LLC on behalf of CNX Gas Company LLC, Elmer Pruitt

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia ☐
May 26, 2015

APPEARANCES:

Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 05/26/1998, Recorded on 06/05/1998, Deed Book/Instrument No. 477, Page 87.
2. Supplemental Order Executed 08/28/1998, Recorded on 09/02/1998, Deed Book/Instrument No. 481, Page 175.
3. Disbursement Order -01 Executed 10/18/2007, Recorded on 10/29/2007, Deed Book/Instrument No. 70004027.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the May 26, 2015 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) 1C, 1D identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1C, 1D 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:

(a) Elmer Pruitt & CNX Gas Company LLC is entitled to 100% of the CBM royalties per settlement agreement dated September 1, 2014. Elmer Pruitt will receive a one-time payout from the escrow account of the royalties that have accumulated to the date of the deed to CNX Gas Company LLC. Said agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table specifies how said royalties are to be paid.

RELIEF GRANTED:

VGOB Disbursement
Unit X36

VGOB-98-0324-0628-02

Table 1 (pay exact dollar amount based on account balance of 1/31/2009)

Tracts: 1C, 1D

Item	Tract	Disbursement Table											
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DONE AND EXECUTED this 27 day of May, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 27th day of May, 2015, 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, that he executed the same and was authorized to do so.


 Sarah Jessee Gilmer, Notary Public
 262946


My Commission expires: July 31, 2017

DONE AND PERFORMED this 28 day of May, 2015 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 28th day of May, 2015, personally before me a notary public in and for the Commonwealth of Virginia, appeared Rick Cooper, being duly sworn did depose and say that he is the Principal Executive to the staff of the Virginia Gas and Oil Board, that he 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 98-0324-0628-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 1C, 1D
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: May 26, 2015

DRILLING UNIT: X36

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 627 Claypool Hill Mall Road, Cedar Bluff, VA 24609, (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 1C & 1D to the persons identified in the Table using the percentages set forth in the Table; (2) authorization to begin paying royalties directly to the parties to the agreement or court order; and (3) dismissal of coal owner(s)/claimant(s) named in the Notice of Hearing and identified in Exhibit B2 who were pooled by the Board as conflicting claimants.

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

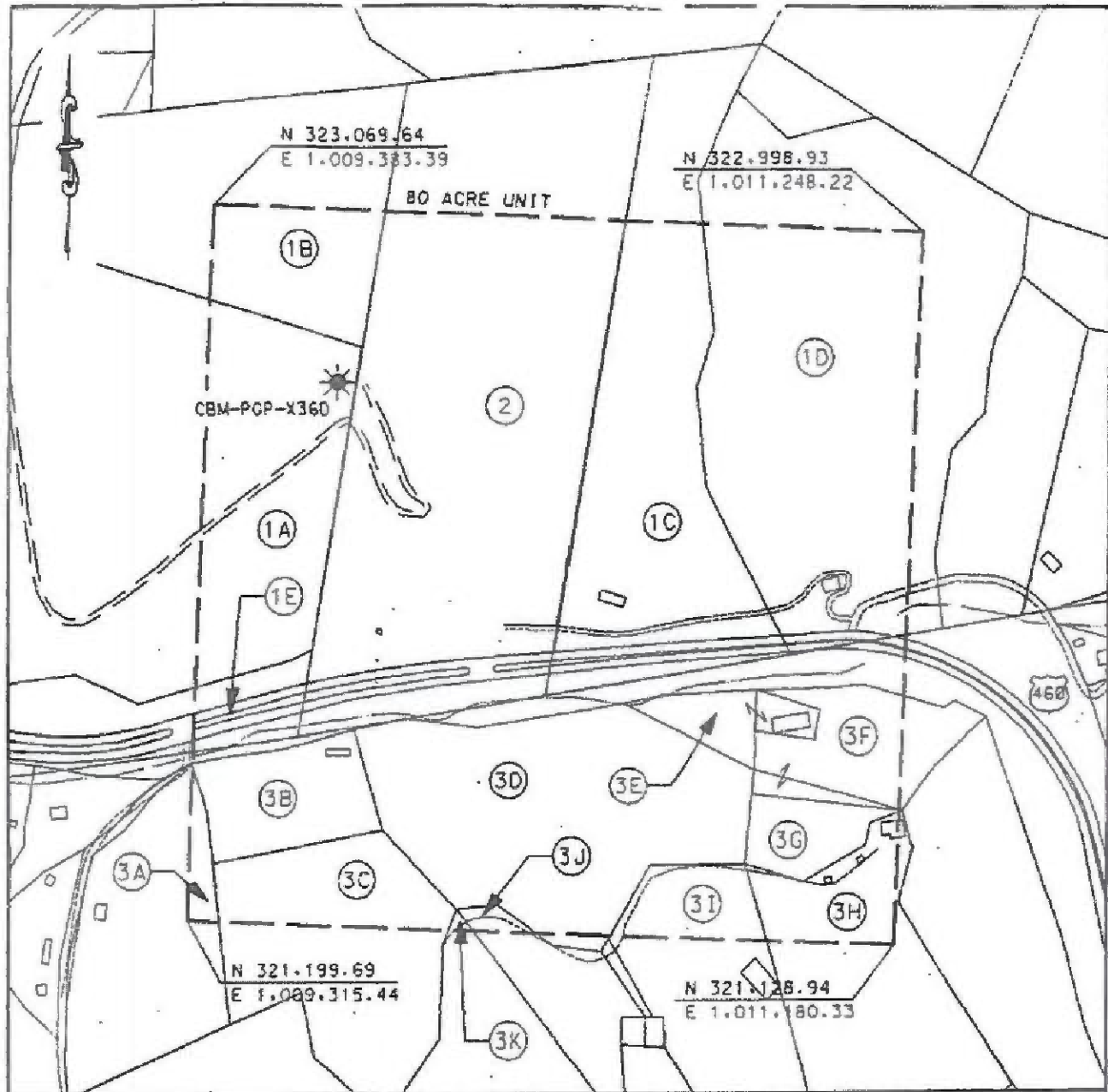
5. Factual basis for relief requested

(a) Elmer Pruitt & CNX Gas Company LLC is entitled to 100% of the CBM royalties per settlement agreement dated September 1, 2014. Elmer Pruitt will receive a one-time payout from the escrow account of the royalties that have accumulated to the date of the deed to CNX Gas Company LLC. Said agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table specifies how said royalties are to be paid.

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 ID'S

EXHIBIT A
OAKWOOD FIELD UNIT X-36
FORCE POOLING
VGOB-98-0324-0628

Company Pocahontas Gas Partnership Well Name and Number UNIT X36
Tract No. _____ Elevation _____ Quadrangle Keen, Buchanan
County Buchanan District Garden Scale: 1" = 400' Date 2/2/98
This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DCO-GO-7
Rev. 9/91

Charles E. May
Licensed Professional Engineer or Licensed Land Surveyor

10258

(Affix Seal)

POCAHONTAS GAS PARTNERSHIP**UNIT X-38****Tract Identifications**

- 1A. Hurt & McGuire - Coal
 Consolidation Coal Co. - Coal below Tiller seam Leased
 Jewell Smokeless Coal - Tiller & above coal Leased
 Consolidation Coal Company - Surface, Oil & Gas
 7.53 acres 9.4125%
- 1B. Hurt & McGuire - Coal
 Consolidation Coal Co. - Coal below Tiller seam Leased
 Jewell Smokeless Coal - Tiller & above coal Leased
 Daisy Burke - Surface, Oil & Gas
 3.03 acres 3.7875%
- 1C. Hurt & McGuire - Coal
 Consolidation Coal Co. - Coal below Tiller seam Leased
 Jewell Smokeless Coal - Tiller & above coal Leased
 Pocahontas Gas Partnership - Oil & Gas Leased
 Pocahontas Gas Partnership - CBM Leased
 Elmer Pruitt - Surface, Oil & Gas
 9.81 acres 12.2625%
- 1D. Hurt & McGuire - Coal
 Consolidation Coal Co. - Coal below Tiller seam Leased
 Jewell Smokeless Coal - Tiller & above coal Leased
 Pocahontas Gas Partnership - Oil & Gas Leased
 Pocahontas Gas Partnership - CBM Leased
 Rosella Pruitt - Surface, Oil & Gas
 12.84 acres 15.8000%
- 1E. Hurt & McGuire - Coal
 Consolidation Coal Co. - Coal below Tiller seam Leased
 Jewell Smokeless Coal - Tiller & above coal Leased
 Ord Wade heirs - Oil & Gas
 VDOT - Surface
 1.27 acres 1.5875%
2. Yukon Pocahontas - TR. 31 - Surface, Coal, Oil & Gas
 Island Creek Coal Co. - Coal below Tiller seam Leased
 Consolidation Coal Co. - P3 seam Leased
 Jewell Smokeless Coal - Tiller & above coal Leased
 Pocahontas Gas Partnership - CBM Leased
 19.03 acres 23.7875%
3. 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
 28.69 acres 33.3625%

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POCAHONTAS GAS PARTNERSHIP

UNIT X-38

Tract Identifications

3A.	James Cook - Surface
3B.	James Cook - Surface
3C.	Raleigh Shortt - Surface
3D.	Mac Construction - Surface
3E.	Mark Taylor - Surface
3F.	Coy Taylor - Surface
3G.	Hubert Carter - Surface
3H.	Hubert Carter - Surface
3I.	Windell Shortt - Surface
3J.	Ed Whited - Surface
3K.	Raleigh Shortt - Surface

Exhibit E
Unit X-36
Docket #VGOB-98-0324-0628-02
List of Respondents in Escrow

150000902

	Net Acres in Unit	Interest in Unit
<u>Tract #1E - 1.27 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	1.27 acres	1.5875%
<u>OIL & GAS OWNERSHIP</u>		
(1) Ord Wade Heirs	1.27 acres	1.5875%
(a) Curtis E. Wade Rt. 1 Box 200 Raven, VA 24639	0.18 acres 1/7 of 1.27 acres	0.2268%
(b) Madge Patricia Dillon 1941 Lisbon Road Chesapeake, VA 23321	0.18 acres 1/7 of 1.27 acres	0.2268%
(c) Anna L. Bohon P.O. Box 278 Oakwood, VA 24631	0.18 acres 1/7 of 1.27 acres	0.2268%
(d) Phyllis Jean Estep 402 Gentry Drive Gordonsville, VA 22942	0.18 acres 1/7 of 1.27 acres	0.2268%
(e) Dorothy E. Lowe P.O. Box 436 Cedar Bluff, VA 24609	0.18 acres 1/7 of 1.27 acres	0.2268%
(f) Ruth Stump P.O. Box 36 Faith Hill, NC 28041	0.36 acres 2/7 of 1.27 acres	0.4536%

Exhibit EE
Unit X-36
Docket #VGOB-98-0324-0628-02
List of Respondents with Royalty Split Agreements and/or Court Orders

150000902

	Net Acres In Unit	Interest in Unit	Percent of Escrow
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Tract #1A - 7.53 acres

COAL OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	7.53 acres	9.4125%	n/a
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OIL & GAS OWNERSHIP

(1) Consolidation Coal Company 10545 Riverside Dr. Oakwood, VA 24631 (Royalties Paid to CNX Gas Company LLC)	7.53 acres	9.4125%	n/a
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Tract #1B - 3.03 acres

COAL OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	3.03 acres	3.7875%	n/a
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OIL & GAS OWNERSHIP

(1) Daisy Burke 1145 Hidden Acre Rd. Vansant, VA 24656	3.03 acres	3.7875%	n/a
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Tract #1C - 9.81 acres

COAL OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	9.81 acres	12.2625%	n/a
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OIL & GAS OWNERSHIP

(1) Elmer & Tammy Pruitt	Deeded to CNX Gas Company LLC on December 5, 2008 recorded under Instrument # 080004400 Tammy Pruitt assigned CBM Royalties related to accumulations prior to the conveyance to CNX Gas Company LLC to Elmer R. Pruitt 3/31/2015		
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(a) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317	9.81 acres	12.2625%	12.4073%
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Elmer Pruitt will receive a one time payout from escrow of the royalties that have accumulated to the date of the deed to CNX Gas Company LLC December 5, 2008. Elmer Pruitt will be paid 70% of the funds in escrow up until the date of the deed. CNX will receive 30% up until the date of the deed, then 100% after.

Royalties to be paid as follows:

Elmer R. Pruitt 2734 Riverside Dr. Raven, VA 24639-8540	9.81 acres	12.2625%	28.9503%
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Per Settlement Agreement dated September 1, 2014, Hurt McGuire Land Trust waived and disclaimed all potential boundary ownership of the CBM in the 57 acre contained in Units W36, W37, X36 & X37

Tract #1D - 12.64 acres

COAL OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	12.64 acres	15.8000%	n/a
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150000902

Exhibit EE

Unit X-36

Docket #VGOB-98-0324-0626-02

List of Respondents with Royalty Split Agreements and/or Court Orders

Net Acres in Unit	Interest in Unit	Percent of Escrow
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OIL & GAS OWNERSHIP

Rosella Pruitt Heirs, Devisees,
Successors or Assigns

Rosella Pruitt died testate on December 6, 2002, per WB26 / PG411 she devised the property to her five children; Thelma P. Justice, Estel Pruitt, Wanda P. McGlothlin, Elmer Randolph Pruitt and Bertha Joy Rampley. On January 12, 2005, Elmer Pruitt together with the heirs, conveyed their interest to Elmer & Tammy Pruitt (T/E) and recorded at DB611 / PG257 on February 1, 2005.

- (1) Elmer & Tammy Pruitt *Deeded to CNX Gas Company LLC on December 5, 2008 recorded under Instrument # 080004400*
 2734 Riverside Drive *Tammy Pruitt assigned CBM Royalties related to accumulations prior to the conveyance to*
 Raven, VA 24639 *CNX Gas Company LLC to Elmer R. Pruitt 3/31/2016*

- | | | | |
|--------------------------|-------------|----------|----------|
| (a) CNX Gas Company, LLC | 12.64 acres | 15.8000% | 15.9865% |
| 1000 Consol Energy Drive | | | |
| Canonsburg, PA 15317 | | | |

Elmer Pruitt will receive a one time payout from escrow of the royalties that have accumulated to the date of the deed to CNX Gas Company LLC December 5, 2008. Elmer Pruitt will be paid 70% of the funds in escrow up until the date of the deed. CNX will receive 30% up until the date of the deed, then 100% after.

Royalties to be paid as follows:

Elmer R. Pruitt	12.64 acres	15.8000%	37.3019%
2734 Riverside Dr.			
Raven, VA 24639-8540			

Per Settlement Agreement dated September 1, 2014, Hurt McGuire Land Trust waived and disclaimed all potential boundary ownership of the CBM in the 57 acre contained in Units W36, W37, X36 & X37

TOTAL CONFLICTS RESOLVED:

Acreage in Unit	33.01
Percentage of Unit	41.2625%

INSTRUMENT #150000902
 RECORDED IN THE CLERK'S OFFICE OF
 BUCHANAN COUNTY ON
 JUNE 5, 2015 AT 10:40AM

BEVERLY S. TILLER, CLERK
 RECORDED BY: 668