

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: X36
TRACT(S): 1E
LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-98-0324-0628-06

APPLICANTS: CNX Gas Company LLC on behalf of Richard K. Wade

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
May 16, 2017

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.
4. Disbursement Order -02 Executed 05/27/2015, Recorded on 06/05/2015, Deed Book/Instrument No. 150000902.

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5. Disbursement Order -03 Executed 05/11/2016, Recorded on 05/19/2016, Deed Book/Instrument No. 160000886.
6. Disbursement Order -04 Executed 10/26/2016, Recorded on 11/08/2016, Deed Book/Instrument No. 160002058.
7. Disbursement Order -05 Executed 02/02/2017, Recorded on 02/28/2017, Deed Book/Instrument No. 170000418.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the May 16, 2017 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) 1E identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1E 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. Richard Kenneth Wade is the gas claimant in a portion of Tr. 1E. As such Richard Kenneth Wade is entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 98-0324-0628-03, it dismissed the coal claimant(s) Hurt McGuire Land Trust as a Respondent to these proceedings. Accordingly, Hurt McGuire Land Trust was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 Richard Kenneth Wade and shall not escrow same. See Exhibit EE annexed hereto

RELIEF GRANTED:

VGOB Disbursement
Unit X36
VGOB-98-0324-0628-06

Table 1
Tracts: 1E

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed	Adjustment Amount
			in Tract	in Tract	Agreement	Disbursed	Disbursed	
						0.09070		
			1.2700					
1	1E	Richard K. Wade\301 Kennedy Drive Pounding Mill VA 24637	1/14	0.0907	100.00%	0.0907	100.0158%	

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 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 17 day of May, 2017 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

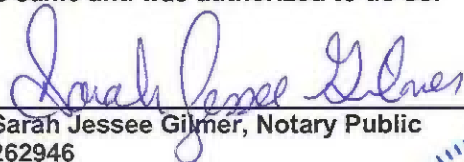
DONE AND PERFORMED this 17 day of May, 2017 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 17th day of May, 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, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 98-0324-0628-06

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1E (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: May 16, 2017

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, 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 a portion of Tract 1E, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Richard Kenneth Wade.

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)

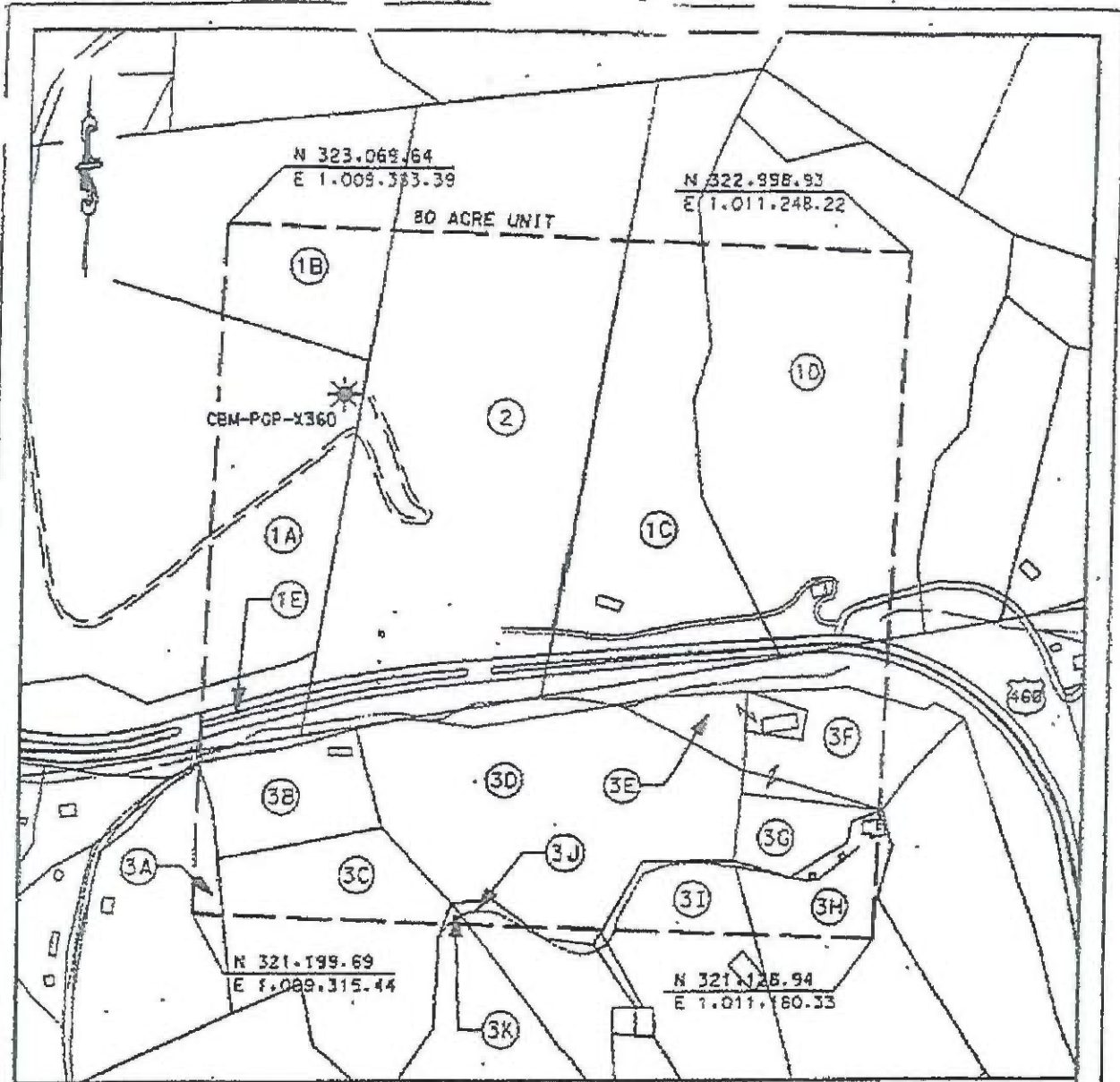
Coalbed Methane

5. Factual basis for relief requested

- a. Richard Kenneth Wade is the gas claimant in a portion of Tr. 1E. As such Richard Kenneth Wade is entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 98-0324-0628-03, it dismissed the coal claimant(s) Hurt McGuire Land Trust as a Respondent to these proceedings. Accordingly, Hurt McGuire Land Trust was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 Richard Kenneth Wade and shall 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




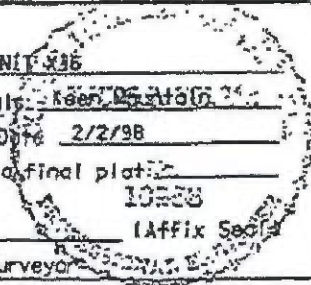
-  TRACT LAND HOOK
-  TRACT LAND ID'S

EXHIBIT A
OAKWOOD FIELD UNIT X-36
FORCE POOLING
VG08-98-0324-0628

Company Pocahontas Gas Partnership Well Name and Number UNIT X36
 Tract No. _____ Elevation _____ Quadrangle Keokuk 25 106 24
 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-00-7
 Rev. 9/91


 Licensed Professional Engineer or Licensed Land Surveyor



POCAHONTAS GAS PARTNERSHIP
UNIT X-36
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 12.2825%
- 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
26.69 acres 33.3825%

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-98-0324-0628-06
List of Respondents in Escrow

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	Net Acres in Unit	Interest in Unit
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Escrowing no longer required

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

	Net Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1A - 7.53 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	7.53 acres	9.4125%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Consolidation Coal Company 10545 Riverside Dr. Oakwood, VA 24631 <i>(Royalties Paid to CNX Gas Company LLC)</i>	7.53 acres	9.4125%	n/a
<u>Tract #1B - 3.03 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	3.03 acres	3.7875%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Daisy Burke 1145 Hidden Acre Rd. Vansant, VA 24656	3.03 acres	3.7875%	n/a
<u>Tract #1C - 9.81 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	9.81 acres	12.2625%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Elmer & Tammy Pruitt			<i>Deeded to CNX Gas Company LLC on December 5, 2008 recorded under Instrument # 08000440. Tammy Pruitt assigned CBM Royalties related to accumulations prior to the conveyance to CNX Gas Company LLC to Elmer R. Pruitt 3/31/2015</i>
(a) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317	9.81 acres	12.2625%	n/a
<i>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.</i>			
<u>Royalties to be paid as follows:</u>			
Elmer R. Pruitt 2734 Riverside Dr. Raven, VA 24639-8540	9.81 acres	12.2625%	n/a

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

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	Net Acres in Unit	Interest in Unit	Percent of Escrow
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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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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, Estil 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 2734 Riverside Drive Raven, VA 24639			
<i>Deeded to CNX Gas Company LLC on December 5, 2008 recorded under Instrument # 08000440. Tammy Pruitt assigned CBM Royalties related to accumulations prior to the conveyance to CNX Gas Company LLC to Elmer R. Pruitt 3/31/2015</i>			
(a) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317	12.64 acres	15.8000%	n/a

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	12.64 acres	15.8000%	n/a
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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 #1E - 1.27 acres

COAL FEE OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	1.27 acres	1.5875%	
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OIL & GAS OWNERSHIP

(1) Ord Wade Heirs, Devisees, Successors or Assigns	1.27 acres	1.5875%	
(a) Curtis E. Wade Heirs, Devisees, Successors or Assigns			
(a.1) Laura Beth Lundy Wade Heirs, Devisees, Successors or Assigns			
(a.1.1) Barbara W. Hendrix PO Box 21884 St. Simons Island, GA 31522	0.0259 acres 1/49 of 1.27 acres	0.0324%	n/a

Exhibit EE
Unit X-36
Docket #VGOB-98-0324-0628-06
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

170001138

	Net Acres in Unit	Interest in Unit	Percent of Escrow
(a.1.2) Susan J. Wade 6745 N Richmond St Chicago, IL 60645	0.0259 acres 1/49 of 1.27 acres	0.0324%	<i>n/a</i>
(a.1.3) Lydia R. Freund 734 Norton Ave Mundelein, IL 60060-1924	0.0259 acres 1/49 of 1.27 acres	0.0324%	<i>n/a</i>
(a.1.4) Thelma (Josie) Wade 16330 Old Timber Rd Abingdon, VA 24210-4888	0.0259 acres 1/49 of 1.27 acres	0.0324%	<i>n/a</i>
(a.1.5) Julia W. Beckman 12500 Virtudes Street Coral Gables, FL 33156	0.0259 acres 1/49 of 1.27 acres	0.0324%	<i>n/a</i>
(a.1.6) Curtis R. Wade 629 High Point Drive Mount Dora, FL 32757	0.0259 acres 1/49 of 1.27 acres	0.0324%	<i>n/a</i>
(a.1.7) Nathan Wade 60 Longbranch Ln Tryon, NC 28782	0.0259 acres 1/49 of 1.27 acres	0.0324%	<i>n/a</i>
(b) Madge Patricia Wade Dillon Heirs, Devisees, Successors or Assigns			
(b.1) Pamela Leigh Stout 4128 Sorrento Drive Chesapeake, VA 23321	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>
(b.2) Kris Ann Hardison 38112 Owens Grove Road Wakefield, VA 23888	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>
(b.3) Jodi Lynn Dixon 6253 Hilmare Drive Westerville, OH 43082	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>
(b.4) David Patrick Dillon 3711 Peppercorn Way Chesapeake, VA 23321	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>
(b.5) Michael Anthony Dillon 5692 SW Longspur Lane Palm City, FL 34990	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>
(c) Ann Laura Bohon Heirs, Devisees, Successors or Assigns			
(c.1) Paul Bohon 22287 Benhams Rd Bristol, VA 24202	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>
(c.2) Harty Loria 111 Lazy Trail Penfield, NY 14526-1705	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>
(c.3) Jennilyn Quillen 816 Hamilton Road Blountville, TN 27617	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>

Exhibit EE
Unit X-36
Docket #VGOB-98-0324-0628-06
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

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	Net Acres in Unit	Interest in Unit	Percent of Escrow
(c.4) Joe Bohon 1723 Cindy Dr Greenville, TN 37743-5805	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>
(c.5) Charles Dewaine Bohon, Jr. Heirs, Devisees, Successors or Assigns			
(c.5.1) Charles Dewain Bohon, III 12635 Gov. George C. Pe Pounding Mill, VA 24637	0.0363 acres 1/35 of 1.27 acres	0.0454%	<i>n/a</i>
(d) Phyllis Jean Estep PO Box 515 Gordonsville, VA 22942	0.1814 acres 1/7 of 1.27 acres	0.2268%	<i>n/a</i>
(e) Dorothy E. Lowe P.O. Box 436 Cedar Bluff, VA 24609	0.1814 acres 1/7 of 1.27 acres	0.2268%	<i>n/a</i>
(f) Ruth Stump P.O. Box 36 Faith Hill, NC 28041	0.1814 acres 1/7 of 1.27 acres	0.2268%	<i>n/a</i>
(g) Kenneth Wade Heirs, Devisees, Successors or Assigns			
(g.1) Richard Wade 301 Kennedy Drive Pounding Mill, VA 24637	0.0907 acres 1/14 of 1.27 acres	0.1134%	100.00% HB2058
(g.2) Serena McClanahan P.O. Box 1233 Cedar Bluff, VA 24609	0.0907 acres 1/14 of 1.27 acres	0.11339%	<i>n/a</i>
	Acreage in Unit	1.2700	
	Percentage of Unit	1.5875%	

TOTAL CONFLICTS RESOLVED:

Acreage in Unit	34.28	
Percentage of Unit		42.8500%

INSTRUMENT 170001138
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
May 30, 2017 AT 04:33 PM
BEVERLY S. TILLER, CLERK
RECORDED BY: VAH