

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: Y38

TRACT(S): 3A, A portion of 3F

LOCATION: BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-98-0324-0630-02

**APPLICANTS:**

CNX Gas Company LLC on behalf of Barbara Hendrix, Curtis R. Wade, Gerald K. Shortt

**HEARING DATE AND LOCATION:**

On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 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 51.
2. Supplemental Order Executed 08/28/1998, Recorded on 09/02/1998, Deed Book/Instrument No. 481, Page 202.
3. Disbursement Order -01 Executed 01/12/2016, Recorded on 02/02/2016, Deed Book/Instrument No. 160000154.

**NOTICE:**

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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) 3A, A portion of 3F identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3A, A portion of 3F 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. Gerald K. Shortt, Barbara K. Hendrix, and Curtis R. Wade is the gas claimant in Tracts 3A & 3F (portion). As such Gerald K. Shortt, Barbara K. Hendrix, and Curtis R. Wade 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 Gerald K. Shortt, Barbara K. Hendrix, and Curtis R. Wade and not escrow same. See Exhibit EE annexed hereto.

**RELIEF GRANTED:**

VGOB Disbursement

Unit Y38

VGOB-98-0324-0630-02

Table 1

Tracts: 3A, A portion of 3F

| Item                        | Tract | Disbursement Table                                          | Fractional<br>Ownership | Net Acreage<br>Ownership | Royalty<br>Split | Escrowed<br>Acres | Percent of<br>Escrowed<br>Funds | Adjustment<br>Amount |
|-----------------------------|-------|-------------------------------------------------------------|-------------------------|--------------------------|------------------|-------------------|---------------------------------|----------------------|
|                             |       |                                                             | in Tract                | in Tract                 | Agreement        | Disbursed         | Disbursed                       |                      |
|                             |       |                                                             |                         |                          |                  |                   |                                 |                      |
|                             |       |                                                             |                         |                          |                  |                   |                                 |                      |
|                             |       |                                                             |                         |                          |                  |                   |                                 |                      |
|                             |       | Total acreage in escrow before disbursement                 |                         |                          |                  | 5.30000           |                                 |                      |
|                             |       |                                                             |                         |                          |                  |                   |                                 |                      |
| 3A Tract 3A (total acreage) |       |                                                             | 2.3200                  |                          |                  |                   |                                 |                      |
| 1                           | 3A    | Gerald K. Shortt 1475 Shortt's Road, Raven, VA 24639        |                         | 2.3200                   | 100.00%          | 2.3200            | 43.7736%                        |                      |
| 3F Tract 3F (total acreage) |       |                                                             | 2.9800                  |                          |                  |                   |                                 |                      |
| 1                           | 3F    | Barbara Hendrix PO Box 21884, Saint Simons Island, GA 31522 | 1/7                     | 0.4257                   | 100.00%          | 0.4257            | 8.0323%                         |                      |
| 2                           | 3F    | Curtis R. Wade 629 High Point Drive, Mount Dora, FL 32757   | 1/7                     | 0.4257                   | 100.00%          | 0.4257            | 8.0323%                         |                      |

**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.

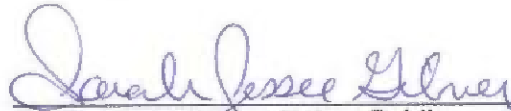
DONE AND EXECUTED this 10 day of May, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 10<sup>th</sup> day of May, 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, that he executed the same and was authorized to do so.



Sarah Jessee Gilmer, Notary Public  
262946



My Commission expires: July 31, 2017

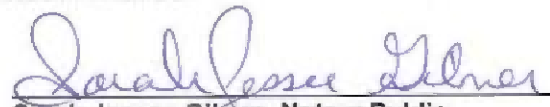
DONE AND PERFORMED this 11 day of May, 2016 by Order of the Virginia Gas and Oil Board



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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 11<sup>th</sup> day of May, 2016, 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 98-0324-0630-02

**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 3A, A portion of 3F (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:** On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

DRILLING UNIT: Y38

BUCHANAN COUNTY, VIRGINIA

## PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, P. O. 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 Tract(s) 3A & 3F (portion), as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Gerald K. Shortt, Barbara K. Hendrix, and Curtis R. Wade; (3) Dismissal of Coal Owner(s): Commonwealth Coal Corp.

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

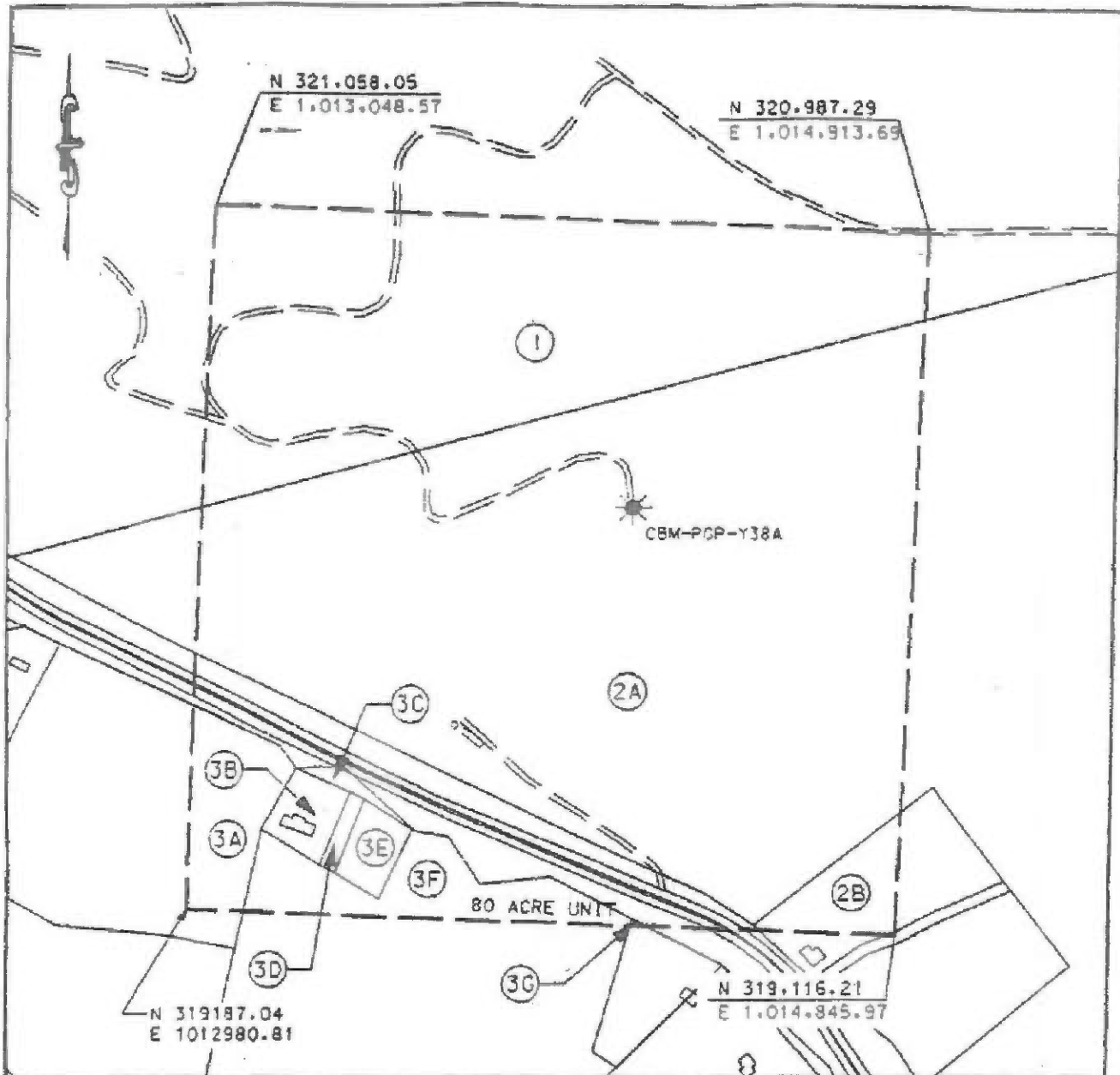
- a. Gerald K. Shortt, Barbara K. Hendrix, and Curtis R. Wade is the gas claimant in Tracts 3A & 3F (portion). As such Gerald K. Shortt, Barbara K. Hendrix, and Curtis R. Wade are entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- 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 Gerald K. Shortt, Barbara K. Hendrix, and Curtis R. Wade 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 ID'S

EXHIBIT A  
OAKWOOD FIELD UNIT Y-38  
FORCE POOLING  
VGOB-98-0324-0630

Company Pocahontas Gas Partnership Well Name and Number UNIT Y38  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Keeri Mountain  
 County Buchanan District Garden Scale: 1" = 400' Date 2/3/98  
 This plat is a new plat X : an updated plat \_\_\_\_\_ : or a final plat \_\_\_\_\_

Form DGO-00-7  
Rev. 9/91

Charles G. Morgan  
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)



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**POCAHONTAS GAS PARTNERSHIP**

**UNIT Y-38**

**Tract Identifications**

1. Commonwealth Coal Co. Tr 2 - Fee  
Consolidation Coal Co. - Below drainage coal Leased  
United Coal Company - Above drainage coal Leased  
Consolidation Coal Company - Oil & Gas Lessee  
Pocahontas Gas Partnership - CBM Lessee  
20.84 acres                      26.0500%
2. Commonwealth Coal Co. Tr 4 - Coal, Oil & Gas  
Consolidation Coal Co. - Below drainage coal Leased  
United Coal Company - Above drainage coal Leased  
Consolidation Coal Co. - Oil & Gas Lessee  
Pocahontas Gas Partnership - CBM Lessee  
52.06 acres                      65.0750%
- 2A. Harold Altizer - Surface  
2B. Peggy Lane - Surface
- 3A. Commonwealth Coal Co. Tr 3 - Coal  
Consolidation Coal Co. - Below drainage coal Leased  
United Coal Company - Above drainage coal Leased  
Pocahontas Gas Partnership - CBM Lessee  
Gerald K. Short - Surface, Oil & Gas  
2.32 acres                      2.9000%
- 3B,D,E. Commonwealth Coal Co. Tr 3 - Coal  
Consolidation Coal Co. - Below drainage coal Leased  
United Coal Company - Above drainage coal Leased  
Pocahontas Gas Partnership - CBM Lessee  
Bob Brown - Surface, Oil & Gas  
1.61 acres                      2.0125%
- 3C. Commonwealth Coal Co. Tr 3 - Coal  
Consolidation Coal Co. - Below drainage coal Leased  
United Coal Company - Above drainage coal Leased  
Pocahontas Gas Partnership - CBM Lessee  
VDOT - Surface, Oil & Gas  
0.18 acres                      0.2250%
- 3F. Commonwealth Coal Co. Tr 3 - Coal  
Consolidation Coal Co. - Below drainage coal Leased  
United Coal Company - Above drainage coal Leased  
Pocahontas Gas Partnership - CBM Lessee  
Curtis Wade - Surface, Oil & Gas  
2.98 acres                      3.7250%

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**POCAHONTAS GAS PARTNERSHIP**

**UNIT Y-38**

**Tract Identifications**

3G.

Commonwealth Coal Co. Tr 3 - Coal  
Consolidation Coal Co. - Below drainage coal Leased  
United Coal Company - Above drainage coal Leased  
Pocahontas Gas Partnership - CBM Lessee  
Elmer Burke - Surface, Oil & Gas  
0.01 acres                      0.0125%

Exhibit E  
Unit Y-38  
Docket #VGOB-98-0324-0630-02  
List of All Owners/Claimants requiring escrow

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|  | Net Acres<br>In Unit | Interest in<br>Unit |
|--|----------------------|---------------------|
|--|----------------------|---------------------|

Tract #3F - 2.98 acres

COAL OWNERSHIP

|     |                                                                    |            |         |
|-----|--------------------------------------------------------------------|------------|---------|
| (1) | Commonwealth Coal Corp. Tr 3<br>P.O. Box 1269<br>Bristol, VA 24203 | 2.98 acres | 3.7250% |
|-----|--------------------------------------------------------------------|------------|---------|

OIL & GAS OWNERSHIP

*The respondents listed below did not respond timely to the W-9 request and will continue to be escrowed*

|     |                                                       |            |         |
|-----|-------------------------------------------------------|------------|---------|
| (1) | Curtis E. Wade Heirs, Devisees, Successors or Assigns | 2.98 acres | 3.7250% |
|-----|-------------------------------------------------------|------------|---------|

(a) Laura Beth Lundy Wade Heirs, Devisees, Successors or Assigns

|       |                                                                       |                                  |         |
|-------|-----------------------------------------------------------------------|----------------------------------|---------|
| (a.2) | Susan J. Wade<br>222 Pearson St., Apt. 1001<br>Chicago, IL 60611-2321 | 0.426 acres<br>1/7 of 2.98 acres | 0.5321% |
|-------|-----------------------------------------------------------------------|----------------------------------|---------|

|       |                                                               |                                  |         |
|-------|---------------------------------------------------------------|----------------------------------|---------|
| (a.3) | Lydia R. Freund<br>734 Norton Ave<br>Mundelein, IL 60060-1924 | 0.426 acres<br>1/7 of 2.98 acres | 0.5321% |
|-------|---------------------------------------------------------------|----------------------------------|---------|

|       |                                                                |                                  |         |
|-------|----------------------------------------------------------------|----------------------------------|---------|
| (a.4) | Josie Wade<br>16330 Old Timber Road<br>Abingdon, VA 24210-4888 | 0.426 acres<br>1/7 of 2.98 acres | 0.5321% |
|-------|----------------------------------------------------------------|----------------------------------|---------|

|       |                                                                  |                                  |         |
|-------|------------------------------------------------------------------|----------------------------------|---------|
| (a.5) | Julia W. Beckman<br>12500 Virtudes St.<br>Coral Gables, FL 33156 | 0.426 acres<br>1/7 of 2.98 acres | 0.5321% |
|-------|------------------------------------------------------------------|----------------------------------|---------|

|       |                                                                   |                                  |         |
|-------|-------------------------------------------------------------------|----------------------------------|---------|
| (a.7) | Nathan Wade<br>29 Station Court, Apt. 308<br>Greenville, SC 29601 | 0.426 acres<br>1/7 of 2.98 acres | 0.5321% |
|-------|-------------------------------------------------------------------|----------------------------------|---------|

Exhibit EE  
Unit Y-38  
Docket #VGOB-98-0324-0630-02  
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

160000887

|                                                                                               | Net Acres<br>In Unit             | Interest in<br>Unit | Percent<br>of Escrow |
|-----------------------------------------------------------------------------------------------|----------------------------------|---------------------|----------------------|
| <u>Tract #3A - 2.32 acres</u>                                                                 |                                  |                     |                      |
| <u>COAL OWNERSHIP</u>                                                                         |                                  |                     |                      |
| (1) Commonwealth Coal Corp. Tr 3<br>P.O. Box 1269<br>Bristol, VA 24203                        | 2.32 acres                       | 2.9000%             |                      |
| <u>OIL &amp; GAS OWNERSHIP</u>                                                                |                                  |                     |                      |
| (1) Gerald K. Shortt<br>1475 Shortts Road<br>Raven, VA 24639                                  | 2.32 acres                       | 2.9000%             | 43.7736%<br>HB2058   |
| <u>Tract #3B,D,E - 1.61 acres</u>                                                             |                                  |                     |                      |
| <u>COAL OWNERSHIP</u>                                                                         |                                  |                     |                      |
| (1) Commonwealth Coal Corp. Tr 3<br>P.O. Box 1269<br>Bristol, VA 24203                        | 1.61 acres                       | 2.0125%             | n/a                  |
| <u>OIL &amp; GAS OWNERSHIP</u>                                                                |                                  |                     |                      |
| (1) Robert Brown Heirs, Devisees<br>Successors or Assigns                                     |                                  |                     |                      |
| (a) Evelyn S. Brown<br>P.O. Box 7<br>Oakwood, VA 24631                                        | 1.61 acres                       | 2.0125%             | n/a                  |
| <u>Tract #3C - 0.18 acres</u>                                                                 |                                  |                     |                      |
| <u>COAL OWNERSHIP</u>                                                                         |                                  |                     |                      |
| (1) Commonwealth Coal Corp. Tr 3<br>P.O. Box 1269<br>Bristol, VA 24203                        | 0.18 acres                       | 0.2250%             | n/a                  |
| <u>OIL &amp; GAS OWNERSHIP</u>                                                                |                                  |                     |                      |
| (1) Commonwealth of Virginia<br>Dept. of Transportation<br>870 Bonham Rd<br>Bristol, VA 24201 | 0.18 acres                       | 0.2250%             | n/a                  |
| <u>Tract #3F - 2.98 acres</u>                                                                 |                                  |                     |                      |
| <u>COAL OWNERSHIP</u>                                                                         |                                  |                     |                      |
| (1) Commonwealth Coal Corp. Tr 3<br>P.O. Box 1269<br>Bristol, VA 24203                        | 2.98 acres                       | 3.7250%             | n/a                  |
| <u>OIL &amp; GAS OWNERSHIP</u>                                                                |                                  |                     |                      |
| (1) Curtis E. Wade Heirs, Devisees, Succ<br>or Assigns                                        | 2.98 acres                       |                     |                      |
| (a) Laura Beth Lundy Wade Heirs, Devisees,<br>Successors or Assigns                           |                                  |                     |                      |
| (a.1) Barbara K. Hendrix<br>PO Box 21884<br>Saint Simons Island, GA 31522                     | 0.426 acres<br>1/7 of 2.98 acres | 0.5321%             | 8.0323%<br>HB2058    |
| (a.6) Curtis R. Wade<br>629 High Point Drive<br>Mount Dora, FL 32757                          | 0.426 acres<br>1/7 of 2.98 acres | 0.5321%             | 8.0323%<br>HB2058    |

Exhibit EE  
Unit Y-38  
Docket #VGOB-98-0324-0630-02  
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

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|                                                                        | Net Acres<br>In Unit | Interest in<br>Unit | Percent<br>of Escrow |
|------------------------------------------------------------------------|----------------------|---------------------|----------------------|
| <u>Tract #3A - 2.32 acres</u>                                          |                      |                     |                      |
| <u>COAL OWNERSHIP</u>                                                  |                      |                     |                      |
| (1) Commonwealth Coal Corp. Tr 3<br>P.O. Box 1269<br>Bristol, VA 24203 | 2.32 acres           | 2.9000%             |                      |
| <u>OIL &amp; GAS OWNERSHIP</u>                                         |                      |                     |                      |
| (1) Gerald K. Shortt<br>1475 Shortts Road<br>Raven, VA 24639           | 2.32 acres           | 2.9000%             | 43.7736%<br>HB2058   |
| <u>Tract #3B,D,E - 1.61 acres</u>                                      |                      |                     |                      |
| <u>Tract #3G - 0.01 acres</u>                                          |                      |                     |                      |
| <u>COAL OWNERSHIP</u>                                                  |                      |                     |                      |
| (1) Commonwealth Coal Corp. Tr 3<br>P.O. Box 1269<br>Bristol, VA 24203 | 0.01 acres           | 0.0125%             | n/a                  |
| <u>OIL &amp; GAS OWNERSHIP</u>                                         |                      |                     |                      |
| (1) Eimer & Elsie Burke, T/E<br>1759 Riverside Dr<br>Raven, VA 24639   | 0.01 acres           | 0.0125%             | n/a                  |

INSTRUMENT #160000887  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
MAY 19, 2016 AT 04:26PM

BEVERLY S. TILLER, CLERK  
RECORDED BY: SLP