

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)

UNIT/WELL NAME: W37

TRACT(S): 1A, 5A

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-98-0324-0632-01

APPLICANTS: CNX Gas Company LLC on behalf of CNX Gas Company LLC, Elmer Pruitt, Hubbard Osborne, Hurt McGuire Land Trust

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 05/28/1998, Recorded on 06/05/1998, Deed Book/Instrument No. 477, Page 18.
2. Supplemental Order Executed 08/28/1998, Recorded on 09/02/1998, Deed Book/Instrument No. 481, Page 117.

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) 1A, 5A identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1A, 5A 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. ☐

☐ Hurt McGuire Land Trust and Hubbard Osborne have entered into a Royalty Split Agreement. 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, further, specifies how said royalties are to be divided and paid

RELIEF GRANTED:

VGOB Disbursement

Unit W37

VGOB-98-0324-0632-01

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

Tracts: 1A, 5A

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Item	Tract	Disbursement Table	Fractional Ownership		Net Acreage		Royalty		Escrowed Acres		Percent of Escrowed Funds		Disbursement
			in Tract	in Tract	Ownership	in Tract	Agreement	Split	Disbursed	Disbursed	Disbursed	Disbursed	
		Total acreage in escrow before disbursement							19.67000				
5A Tract 5A (total acreage)			0.84										
1	5A	CNX Gas Company LLC/P.O. Box 643830, Pittsburgh, PA 15264-3830			0.8400			30.00%	0.2520		1.2811%		\$553.62
2	5A	Elmer Pruitt 2734 Riverside Dr., Raven, VA 24639-8540			0.8400			70.00%	0.5880		2.9893%		\$1,291.78

VGOB Disbursement
Unit W37

VGOB-98-0324-0632-01

Table 2 (pay percentage on balance after deducting the above balance)
Tracts: 1A, 5A

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			In Tract	in Tract	Agreement	Disbursed	Disbursed
		Total acreage in escrow before disbursement				19.67000	
1A Tract 1A (total acreage)			7.64				
1	1A	Hurt McGuire Land Trust\PO Box 1067, Bluefield, VA 24605		7.6400	50.00%	3.8200	19.4204%
2	1A	Hubbard Osborne\3195 Osborne Mountain Road, Raven, VA 24639		7.6400	50.00%	3.8200	19.4204%
5A Tract 5A (total acreage)			0.84				
1	5A	CNX Gas Company LLC\P.O. Box 843830, Pittsburgh, PA 15264-3830		0.8400	100.00%	0.8400	4.2705%

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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 and 2.
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.

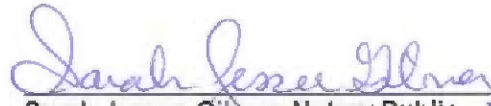
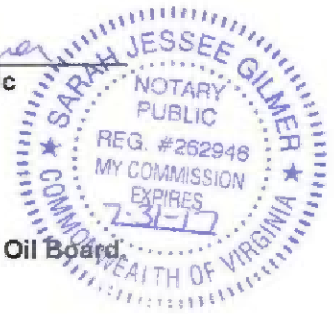
DONE AND EXECUTED this 27 day of May, 2015 by a majority of the Virginia Gas and Oil Board.



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

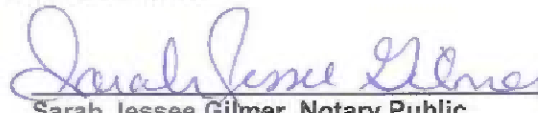
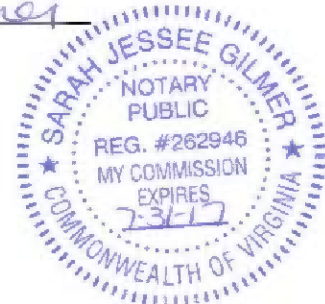
DONE AND PERFORMED this 28 day of May, 2015 by Order of the Virginia Gas and Oil Board



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 98-0324-0632-01**RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 1A, 5A
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES****HEARING DATE:** May 26, 2015**DRILLING UNIT:** W37**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 Mail 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 1A & 5A 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

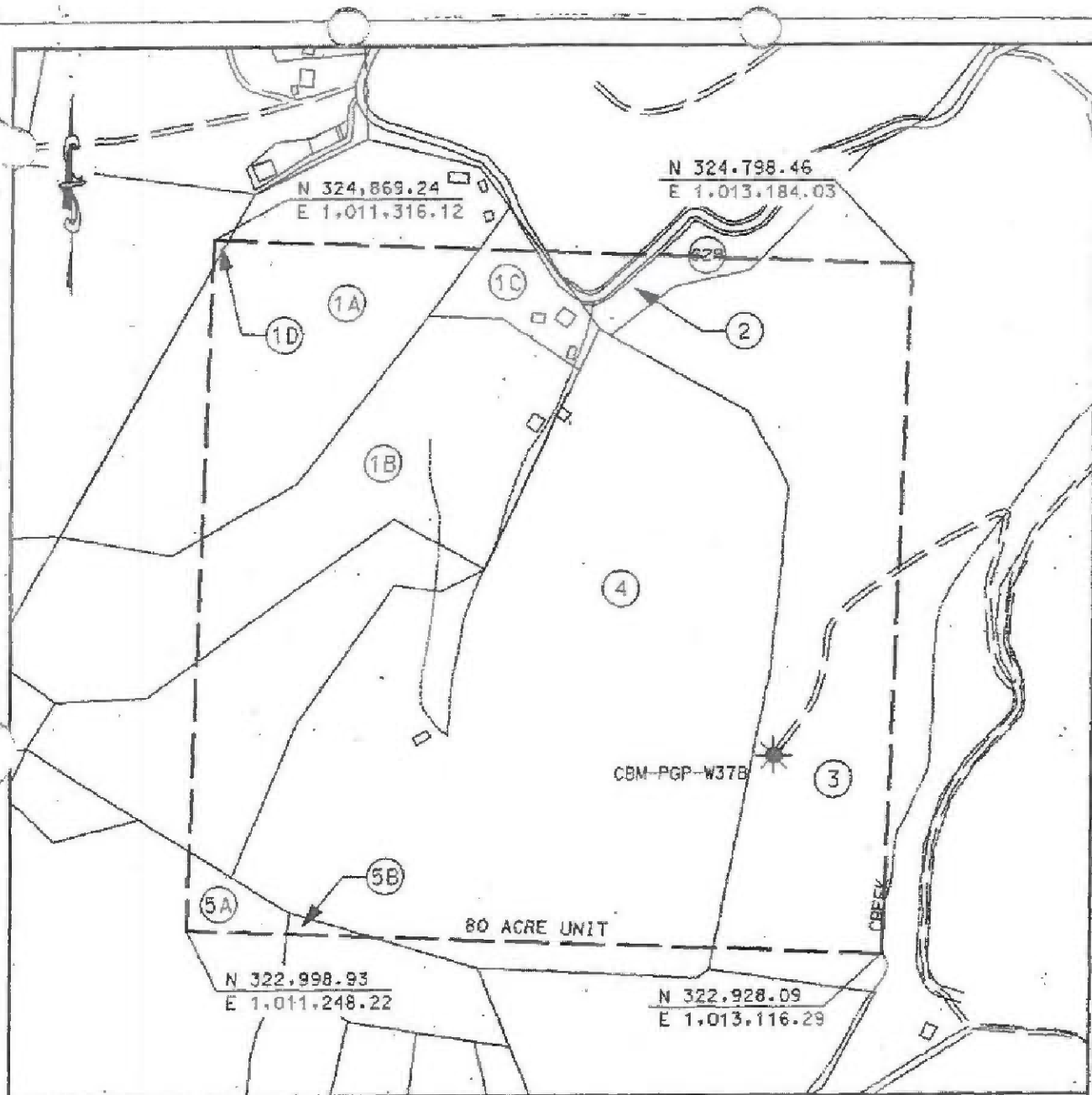
(a) Elmer Pruitt & CNX Gas Company LLC is entitled to 100% of the CBM royalties per settlement agreement dated September 1, 2014. Elmer Pruitt will receive a one-time payout from the escrow account of the royalties that have accumulated to the date of the deed to CNX Gas Company LLC. Said agreement allows 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.

Hurt McGuire Land Trust and Hubbard Osborne have entered into a Royalty Split Agreement. 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, further, specifies how said royalties are to be divided and paid

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6. Attestation

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

**LEGEND**

↖ TRACT LAND HOOK

[2] TRACT LAND ID'S

EXHIBIT A
OAKWOOD FIELD UNIT W-37
FORCE POOLING
VGOB-98-0324-0632

Company Poconchos Gas Partnership Well Name and Number UNIT W37

Tract No. _____ Elevation _____ Quadrangle Keen 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-GO-7
Rev. 9/91

Charles D. Meyer (Affix Seal)
Licensed Professional Engineer or Licensed Land Surveyor

POCAHONTAS GAS PARTNERSHIP**UNIT W-37****Tract Identifications**

- 1A. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Hubbard Osborne - Surface, Oil & Gas
7.64 acres 9.55000%
- 1B. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Oris Cantrell - Surface, Oil & Gas
9.34 acres 11.67500%
- 1C. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Thurman Burke - Surface, Oil & Gas
1.71 acres 2.13750%
- 1D. Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Consolidation Coal Company - Surface, Oil & Gas
0.02 acres 0.02500%
2. Coal Mountain Mining Tr 26 - Fee
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Leased
Oris Cantrell - Surface
1.34 acres 1.67500%
3. Commonwealth Coal Co. Tr 2 - Fee
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Leased
21.59 acres 26.98750%
4. Commonwealth Coal Co. Tr 1 - Coal & Gas
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Leased
Oris Cantrell - Surface
37.40 acres 48.75000

POCAHONTAS GAS PARTNERSHIP**UNIT W-37****Tract Identifications****5A.**

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
0.84 acres 1.05000%

5B.

Hurt & McGuire - Coal
Consolidation Coal Co. - Coal below Tiller seam Leased
Jewell Smokeless Coal - Tiller & above coal Leased
Oris Cantrell - Surface, Oil & Gas
0.12 acres 0.15000%

Exhibit E
Unit W-37
Docket #VGOB 98-0324-0632-01
List of Respondents in escrow

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	Net Acres in Unit	Interest in Unit	Division of Interest in 6 Right 0.17543%
<u>Tract #1B - 9.34 acres</u>			
<u>COAL OWNERSHIP</u>			
Hurt McGuire Land Trust c/o Charles Green, Trustee PO Box 1067 Bluefield, VA 24605-4067	9.34 acres	11.6750%	0.02048%
<u>OIL & GAS OWNERSHIP</u>			
(1) Peggy Cantrell, et al <i>(aka Oris Cantrell Heirs, Devisees, Si</i>	9.34 acres	11.6750%	0.02048%
(a) Oris Cantrell Heirs, Devisees, Successors or Assigns			
(a.1) Peggy Cantrell (2nd wife) 225 Old Abingdon Hwy Bristol, VA 24201	3.11 acres 1/3 of 9.34 acres	3.8917%	0.00683%
(a.2) Patsy Hess PO Box 922 Vansant, VA 24656	1.56 acres 1/6 of 9.34 acres	1.9458%	0.00341%
(a.3) Jamie Cantrell 112 Kennedy Dr. Pounding Mill, VA 24637	1.56 acres 1/6 of 9.34 acres	1.9458%	0.00341%
(a.4) Penny Falck 2390 Glade Dr. Christiansburg, VA 24073	1.56 acres 1/6 of 9.34 acres	1.9458%	0.00341%
(a.5) Cathleen Arrington 7342 Pine St Radford, VA 24141-6560	1.56 acres 1/6 of 9.34 acres	1.9458%	0.00341%

Tract #1C - 1.71 acres

COAL OWNERSHIP

Hurt McGuire Land Trust c/o Charles Green, Trustee PO Box 1067 Bluefield, VA 24605-4067	1.71 acres	2.1375%	0.00375%
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OIL & GAS OWNERSHIP

(1) Thurman Burke Star Rt. Box 87 Raven, VA 24639 <i>(Deceased - documentation pending)</i>	1.71 acres	2.1375%	0.00375%
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Exhibit E
Unit W-37
Docket #VGOB 98-0324-0632-01
List of Respondents in escrow

150000900

	Net Acres in Unit	Interest in Unit	Division of Interest in 6 Right 0.17543%
<u>Tract #1D - 0.02 acres</u>			
<u>COAL OWNERSHIP</u>			
Hurt McGuire Land Trust c/o Charles Green, Trustee PO Box 1067 Bluefield, VA 24605-4067	0.02 acres	0.0250%	0.00004%
<u>OIL & GAS OWNERSHIP</u>			
(1) Consolidation Coal Company 10545 Riverside Dr. Oakwood, VA 24631 <i>(Royalties Paid to CNX Gas Company LLC)</i>	0.02 acres	0.0250%	0.00004%
<u>Tract #5B - 0.12 acres</u>			
<u>COAL OWNERSHIP</u>			
Hurt McGuire Land Trust c/o Charles Green, Trustee PO Box 1067 Bluefield, VA 24605-4067	0.12 acres	0.1500%	0.00026%
<u>OIL & GAS OWNERSHIP</u>			
(1) Peggy Cantrell, et al <i>(aka Oris Cantrell Heirs, Devisees, S)</i>	0.12 acres	0.1500%	0.00026%
(a) Oris Cantrell Heirs, Devisees, Successors or Assigns			
(a.1) Peggy Cantrell (2nd wife) 225 Old Abingdon Hwy Bristol, VA 24201	0.04 acres 1/3 of 0.12 acres	0.0500%	0.00009%
(a.2) Patsy Hess PO Box 922 Vansant, VA 24656	0.02 acres 1/6 of 0.12 acres	0.0250%	0.00004%
(a.3) Jamie Cantrell 112 Kennedy Dr. Pounding Mill, VA 24637	0.02 acres 1/6 of 0.12 acres	0.0250%	0.00004%
(a.4) Penny Falck 2390 Glade Dr. Christiansburg, VA 24073	0.02 acres 1/6 of 0.12 acres	0.0250%	0.00004%
(a.5) Cathleen Arrington 7342 Pine St Radford, VA 24141-8560	0.02 acres 1/6 of 0.12 acres	0.0250%	0.00004%
Total Acreage in Unit	11.190		
Total Percentage in Unit		25.6625%	

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

	Net Acres in Unit	Interest in Unit	Division of Interest in 6 Right 0.17543%	Percent of Escrow
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Tract #1A - 7.64 acres

COAL OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green, Trustee PO Box 1067 Bluefield, VA 24606-4067	7.64 acres	9.5500%	0.01675%	19.4204%
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OIL & GAS OWNERSHIP

(1) Hubbard L. Osborne 3195 Osborne Mountain Road Raven, VA 24639	7.64 acres	9.5500%	0.01675%	19.4204%
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Tract #5A - 0.84 acres

COAL OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green, Trustee PO Box 1067 Bluefield, VA 24605-4067	0.84 acres	1.0500%	0.00184%	
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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 # 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</i>			
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(a) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317	0.84 acres	1.0500%	0.00184%	1.2811%
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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	0.84 acres	1.0500%	0.00184%	2.9893%
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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

Total Acreage Resolved	8.4800
Total Percentage Resolved	10.6000%

INSTRUMENT #150000900
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JUNE 5, 2015 AT 10:38AM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB