



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: W37

TRACT(S): 1D

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-98-0324-0632-03

APPLICANTS: CNX Gas Company LLC on behalf of CNX Gas Company LLC, Hurt McGuire Land Trust

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
April 18, 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 18.
2. Supplemental Order Executed 08/28/1998, Recorded on 09/02/1998, Deed Book/Instrument No. 481, Page 117.
3. Disbursement Order -01 Executed 05/27/2015, Recorded on 06/05/2015, Deed Book/Instrument No. 150000900.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the April 18, 2017 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) 1D identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 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 AND § 45.1-361.22:2

Applicant has certified and represented to the Board that:

- a. Hurt McGuire Land Trust and CNX Gas Company LLC have entered into royalty split agreement(s). Said royalty split agreement(s) allow the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE.
- 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.

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.

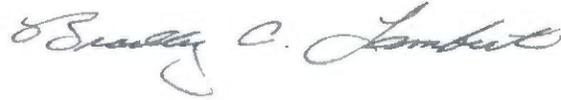
CONCLUSION:

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 18 day of April, 2017 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 18 day of April, 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 18th day of April, 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, 2017



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 98-0324-0632-03

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1D (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: April 18, 2017

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, 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) 1D as depicted upon the annexed Table; (2) authorization to begin paying royalties directly to Hurt McGuire Land Trust and CNX Gas Company LLC ; (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)

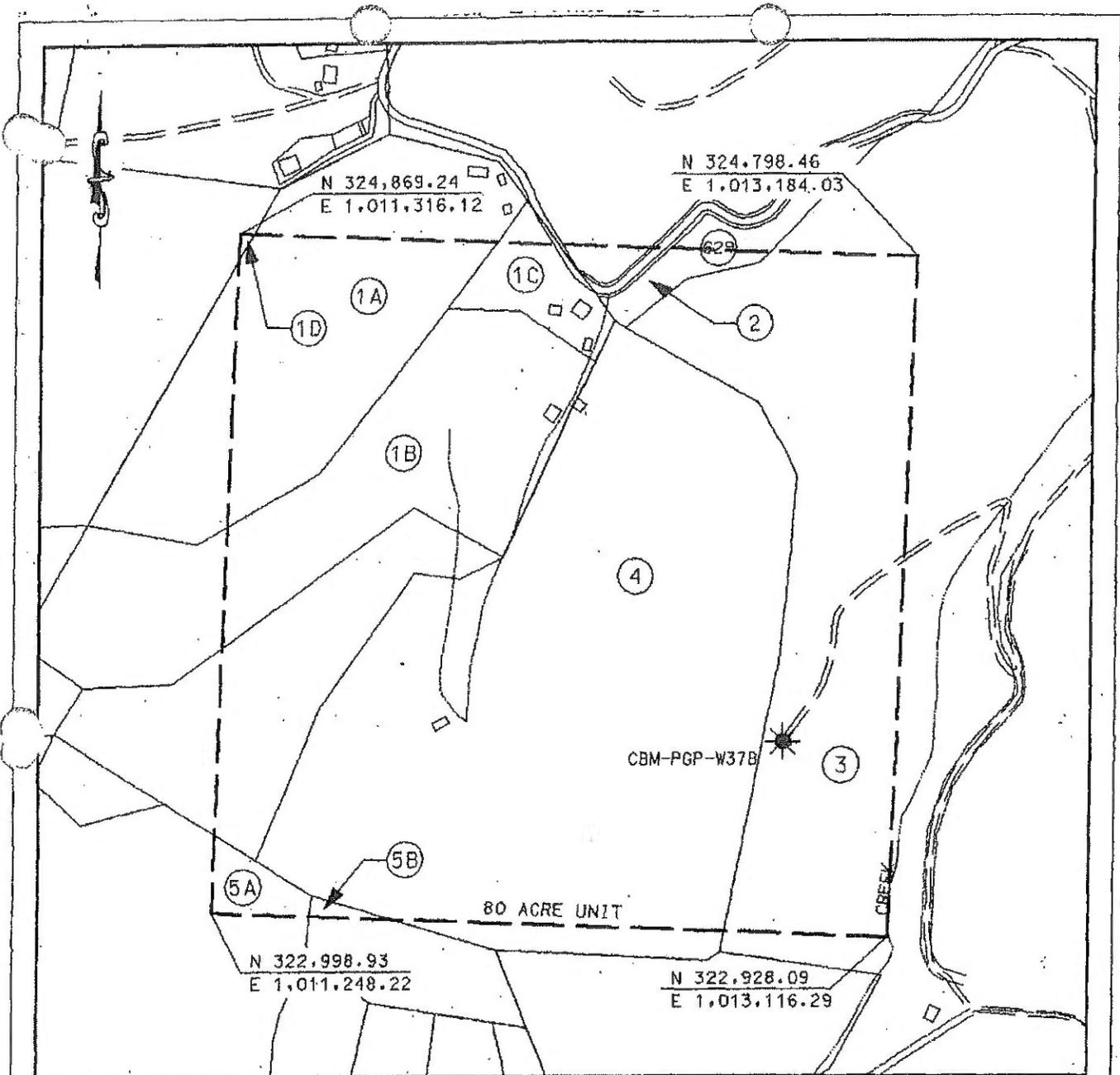
Coalbed Methane

5. Factual basis for relief requested

- a. Hurt McGuire Land Trust and CNX Gas Company LLC have entered into royalty split agreement(s). Said royalty split agreement(s) allow the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE.
- 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.

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 Poachontas 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-GD-7
 Rev. 9/91

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

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 46.75000

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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 98-0324-0632-03
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>			
<i>Suit pending against the Estate</i>			
(1) Peggy Cantrell, et al <i>(aka Oris Cantrell Heirs, Devisees, Suc</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 24141-8560	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

Outstanding W9/Affidavits

(1) Thurman Burke Heirs, Devisees, Successors or Assigns (DOD 12/28/2006) T001780	1.71 acres	2.1375%	0.00375%
(a) Elmer Lee Burke	<i>Conveyed by Instr. #07000352, 9/13/2007</i>		
(b) James Henry Burke	<i>Conveyed by Instr. #07000352, 9/13/2007</i>		
(c) Inis Mae Short	<i>Conveyed by Instr. #07000352, 9/13/2007</i>		
(d) Anita Carol Cantrell	<i>Conveyed by Instr. #07000352, 9/13/2007</i>		

Exhibit E
Unit W-37
Docket #VGOB 98-0324-0632-03
List of Respondents In escrow

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	Net Acres in Unit	Interest in Unit	Division of Interest in 6 Right 0.17543%
(2) Cathleen Arrington, et al			
(a) Cathleen G. Arrington 7342 Pine Street Radford, VA 24141	0.86 acres 1/2 of 1.71 acres	1.0688%	0.00187%
(b) Penny L. Falck 2390 Glade Drive Christiansburg, VA 24073	0.86 acres 1/2 of 1.71 acres	1.0688%	0.00187%

Tract #5B - 0.12 acres

COAL OWNERSHIP

Hurt McGuire Land Trust c/o Charles Green, Trustee PO Box 1067 Bluefield, VA 24605-4067	0.12 acres	0.1500%	0.00026%
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OIL & GAS OWNERSHIP

Suit pending against the Estate

(1) Peggy Cantrell, et al <i>(aka Oris Cantrell Heirs, Devisees, Suc</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	11.170		
Total Percentage in Unit		13.9625%	

Exhibit EE
Unit W-37
Docket #VGOB 98-0324-0632-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Net Acres In Unit	Interest in Unit	Division of Interest in 6 Right 0.17543%	Percent of Escrow
<u>Tract #1A - 7.64 acres</u>				
<u>COAL OWNERSHIP</u>				
(1) Hurt McGuire Land Trust c/o Charles Green, Trustee PO Box 1067 Bluefield, VA 24605-4067	7.64 acres	9.5500%	0.01675%	
<u>OIL & GAS OWNERSHIP</u>				
(1) Hubbard L. Osborne 3195 Osborne Mountain Road Raven, VA 24639	7.64 acres	9.5500%	0.01675%	n/a
<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%	0.0894% Royalty Division Agreement
<u>OIL & GAS OWNERSHIP</u>				
(1) Consolidation Coal Company PO Box 643830 Pittsburgh, PA 15264-3830 <i>(Royalties Paid to CNX Gas Company LLC)</i>	0.02 acres	0.0250%	0.00004%	0.0894% Royalty Division Agreement
<u>Tract #5A - 0.84 acres</u>				
<u>COAL OWNERSHIP</u>				
(1) Hurt McGuire Land Trust c/o Charles Green, Trustee PO Box 1067 Bluefield, VA 24605-4067	0.84 acres	1.0500%	0.00184%	n/a
<u>OIL & GAS OWNERSHIP</u>				
Rosella Pruitt Heirs, devisees, Successors or Assigns				
<i>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.</i>				
(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>
(a) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317	0.84 acres	1.0500%	0.00184%	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	0.84 acres	1.0500%	0.00184%	n/a
<i>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</i>				
Total Acreage Resolved			8.5000	
Total Percentage Resolved				10.6250%

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AC

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INSTRUMENT 170000849
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
May 2, 2017 AT 03:28 PM
BEVERLY S. TILLER, CLERK
RECORDED BY: GGB