



**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:** X37

**TRACT(S):** A portion of 1B

**LOCATION:** BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-98-0324-0633-04

**APPLICANTS:** CNX Gas Company LLC on behalf of Amy M. Hess, Hurt McGuire Land Trust, Penny Falck

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
September 18, 2018

**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 1, County BUCHANAN.
2. Supplemental Order Executed 08/28/1998, Recorded on 09/02/1998, Deed Book/Instrument No. 481, Page 194, County BUCHANAN.
3. Disbursement Order -01 Executed 05/28/2014, Recorded on 06/13/2014, Deed Book/Instrument No. 140000998, County BUCHANAN.
4. Disbursement Order -02 Executed 05/27/2015, Recorded on 06/05/2015, Deed Book/Instrument No. 150000901, County BUCHANAN.

5. Disbursement Order -03 Executed 03/16/2016, Recorded on 03/29/2016, Deed Book/Instrument No. 160000522, County BUCHANAN.

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the September 18, 2018 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) A portion of 1B identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 1B 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:

Hurt McGuire Land Trust and Amy Hess and Penny Falck (previously Oris Cantrell) have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be divided and paid.

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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.

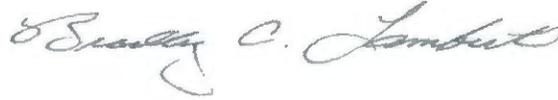
**CONCLUSION:**

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 20 day of September, 2018 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

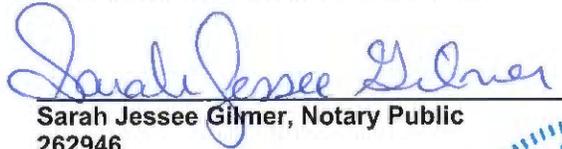
DONE AND PERFORMED this 20 day of September, 2018 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 20<sup>th</sup> day of September 2018, 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 98-0324-0633-04

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 1B (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: July 17, 2018

DRILLING UNIT: X37

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 1B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Hurt McGuire Land Trust, Amy Hess and Penny Falck.

**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

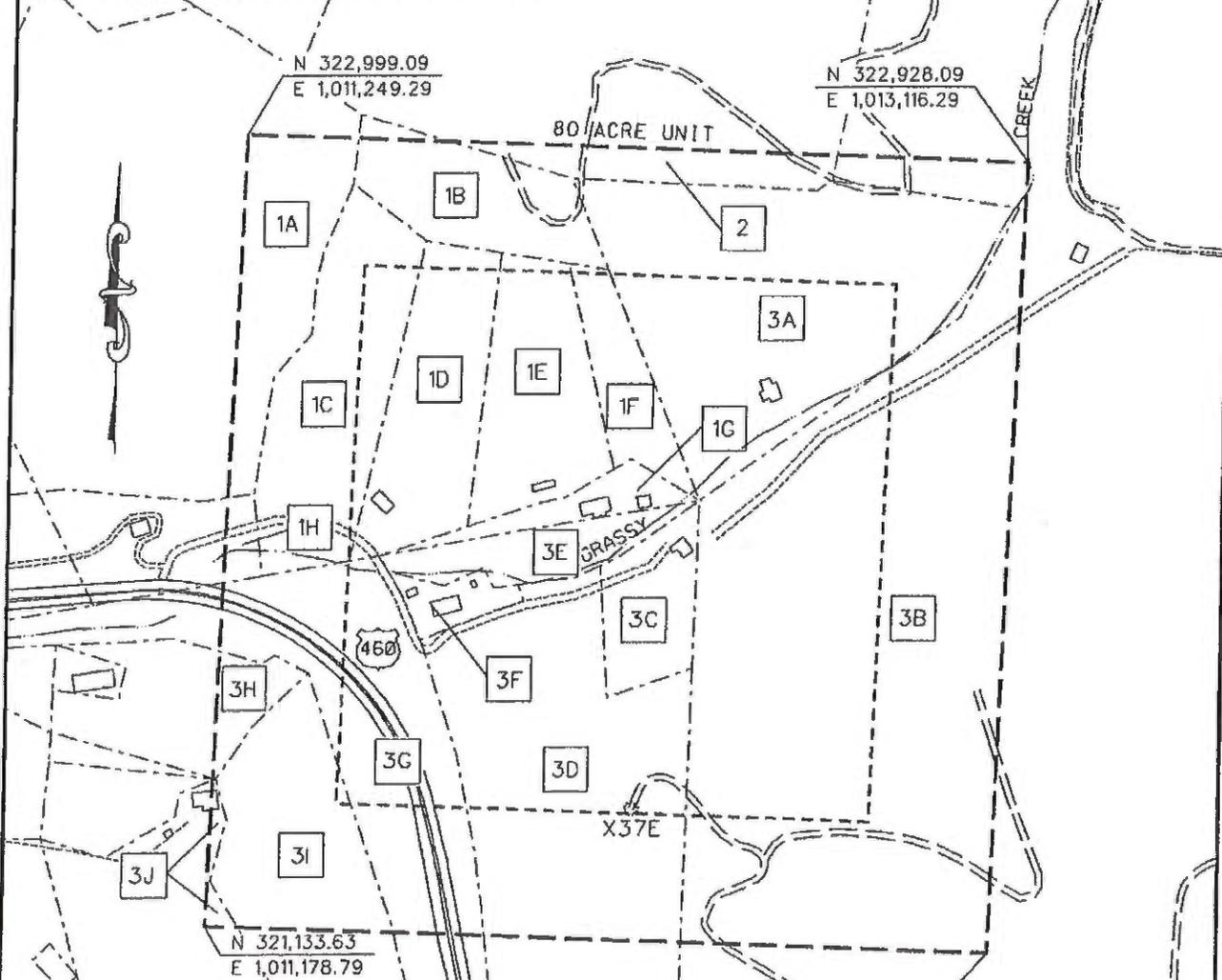
**5. Factual basis for relief requested**

Hurt McGuire Land Trust and Amy Hess and Penny Falck (previously Oris Cantrell) have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be divided and paid.

**6. Attestation**

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

Property lines shown on this plat were provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.



BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CBM-X37  
 CBM-Y37E S 22° 23' 20" W 1907.08'  
 CBM-X36A N 59° 21' 56" W 1766.99'  
 CBM-W36D N 43° 6' 2" W 2317.87'  
 CBM-W37B N 6° 59' 42" E 2150.14'  
 CBM-X38L N 41° 51' 32" E 1775.73'

CBM-X38D N 54° 21' 10" E 2164.32'  
 CBM-X38J N 56° 21' 18" E 2426.41'  
 CBM-X37G N 71° 30' 20" E 857.79'  
 CBM-X38B N 89° 0' 0" E 1848.07'  
 CBM-Y38B S 64° 23' 54" E 1483.95'  
 CBM-Y38A S 59° 28' 26" E 2270.11'  
 CBM-Y38C S 51° 37' 48" E 1741.01'

N 321,063.49  
 E 1,013,045.74

☉ CBM WELL  
 ⊙ PROPOSED CBM WELL



Digitally signed by Stephen E Maxfield  
 DN: c=US, o=IdeaTrust ACES Business Representative, ou=D. R. PRICE ENGINEERING AND LAND SURVEYING INC PC, cn=Stephen E Maxfield, 0.9.2342.19200300.100.1.1=A0109800000013B4DEE1AFB000057FD  
 Date: 2014.04.01 08:16:38 -04'00'

EXHIBIT A  
 OAKWOOD FIELD  
 UNIT X37  
 FORCE POOLING  
 VGOB-98-0324-0633-01

Company CNX Gas Company LLC Well Name and Number UNIT X37  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle KEEN MOUNTAIN  
 County BUCHANAN District GARDEN Scale: 1" = 400' Date \_\_\_\_\_  
 This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-GD-7 \_\_\_\_\_ (Affix Seal)  
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

**CNX Gas Company LLC****UNIT X 37****Tract Identification**

- 1A. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal  
 Island Creek Coal Company – Coal below Tiller Seam Leased  
 Jewell Smokeless Coal Company – Tiller and above Coal Leased  
 CNX Gas Company LLC – CBM Leased  
 CNX Gas Company LLC – Surface, Oil and Gas  
 3.21 Acres 4.0125%
- 1B. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal  
 Island Creek Coal Company – Coal below Tiller Seam Leased  
 Jewell Smokeless Coal Company – Tiller and above Coal Leased  
 CNX Gas Company LLC – CBM Leased  
 Oris Cantrell Heirs – Surface, Oil and Gas  
 2.64 Acres 3.3000%
- 1C. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal  
 Island Creek Coal Company – Coal below Tiller Seam Leased  
 Jewell Smokeless Coal Company – Tiller and above Coal Leased  
 CNX Gas Company LLC – CBM Leased  
 Donald R. Young – Oil and Gas  
 CNX Gas Company LLC – Oil, Gas and CBM Leased  
 Linda Marie Young Pilson - Surface  
 4.83 Acres 6.0375%
- 1D. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal  
 Island Creek Coal Company – Coal below Tiller Seam Leased  
 Jewell Smokeless Coal Company – Tiller and above Coal Leased  
 CNX Gas Company LLC – CBM Leased  
 Donald R. Young – Oil and Gas  
 CNX Gas Company LLC – Oil, Gas and CBM Leased  
 Linda Marie Young Pilson - Surface  
 3.61 Acres 4.5125%
- 1E. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal  
 Island Creek Coal Company – Coal below Tiller Seam Leased  
 Jewell Smokeless Coal Company – Tiller and above Coal Leased  
 CNX Gas Company LLC – CBM Leased  
 Patrick Counts – Surface, Oil and Gas  
 3.35 Acres 4.1875%
- 1F. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal  
 Island Creek Coal Company – Coal below Tiller Seam Leased  
 Jewell Smokeless Coal Company – Tiller and above Coal Leased  
 CNX Gas Company LLC – CBM Leased  
 CNX Gas Company LLC – Oil and Gas  
 Unknown Surface Owner  
 1.45 Acres 1.8125%

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

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**CNX Gas Company LLC**

**UNIT X 37**

**Tract Identification**

- 1G. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal  
Island Creek Coal Company – Coal below Tiller Seam Leased  
Jewell Smokeless Coal Company – Tiller and above Coal Leased  
CNX Gas Company LLC – CBM Leased  
Grady McGlothlin, et ux – Surface, Oil and Gas  
0.88 Acres 1.1000%
- 1H. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal  
Island Creek Coal Company – Coal below Tiller Seam Leased  
Jewell Smokeless Coal Company – Tiller and above Coal Leased  
CNX Gas Company LLC – CBM Leased  
CNX Gas Company LLC – Surface, Oil and Gas  
OR  
Elmer R. Pruitt, et ux – Surface, Oil and Gas  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
0.37 Acres 0.4625%
2. Commonwealth Coal Corporation Tract 1 (40.87 Acre Tract) – Coal & Gas  
Reserve Coal Properties Company – Below Drainage Coal Leased  
Knox Creek Coal Corporation – Coal In Tiller and Above Leased  
CNX Gas Company LLC – CBM Leased  
Oris Cantrell Heirs – Surface  
1.03 Acres 1.2875%
3. Commonwealth Coal Corporation Tract 2 (965.00 Acre Tract) – All Minerals  
Reserve Coal Properties Company – Below Drainage Coal Leased  
Knox Creek Coal Corporation – Coal In Tiller and Above Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
58.63 Acres 73.2875%
- 3A. Unknown Surface Owner  
3B. Commonwealth Coal Corporation – Surface  
3C. Unknown Surface Owner  
3D. Unknown Surface Owner  
3E. Unknown Surface Owner  
3F. Unknown Surface Owner  
3G. Commonwealth of Virginia – Surface  
3H. Unknown Surface Owner  
3I. Unknown Surface Owner  
3J. Unknown Surface Owner

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

	Net Acres in Unit	Interest in Unit
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Tract #1B - 2.64 acres

COAL OWNERSHIP

(1)	Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 <i>(Lewis Osborne 628.41 Acre Tract)</i>	2.64 acres	3.3000% <i>Dismissed under -03 petition</i>
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OIL & GAS OWNERSHIP

*Outstanding W9/Affidavits*

(1)	Oris Cantrell Heirs, Devises, Successors or Assigns** <i>60 acre tract T001761</i>	2.64 acres	3.3000%
(b)	Jamie Cantrell 478 Pacific Ave, Apt. E Virginia Beach, VA 23451	0.66 acres 1/4 of 2.64 acres	0.8250%
(d)	Cathleen Arrington 7342 Pine ST Radford, VA 24141	0.66 acres 1/4 of 2.64 acres	0.8250%

*\*\* Note: Peggy Cantrell entered into a prenuptial agreement when she married Oris Cantrell on the condition that he purchase and name her a beneficiary in a life insurance policy. He did not do that, and she filed suit seeking to set aside the prenuptial agreement, or, in the alternative, receive the amount of the insurance proceeds. By order dated May 7, 2018, her claim was denied and she is no longer a potential owner in property.*

Total Acreage in Tract	1.3200	
Total Percentage in Tract		1.6500%

Tract #1H - 0.37 acres

*Escrow due to Title Conflict*

COAL OWNERSHIP

(1)	Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 <i>(Lewis Osborne 628.41 Acre Tract)</i>	0.37 acres	0.4625%
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OIL & GAS OWNERSHIP

(1)	Elmer & Tammy Pruitt  <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	0.37 acres	0.4625%
<b>- OR -</b>			
(1)	Elmer R. Pruitt 2734 Riverside Dr. Raven, VA 24639-8540	0.37 acres	0.4625%

Total Acreage in Unit	1.6900	
Total Percentage in Unit		3.7625%

Exhibit EE  
Unit X-37  
Docket #VGOB-98-0324-0633-04  
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

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	Net Acres in Unit	Interest in Unit	Percent of Escrow
<b><u>Tract #1A - 3.21 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 <i>(Lewis Osborne 628.41 Acre Tract)</i>	3.21 acres	4.0125%	<i>n/a</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Elmer & Tammy Pruitt  <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	3.21 acres	4.0125%	<i>n/a</i>
<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 &amp; X37</i>			
<b><u>Tract #1B - 2.64 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 <i>(Lewis Osborne 628.41 Acre Tract)</i>	2.64 acres	3.3000%	21.9269% Royalty Division Agreement
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Oris Cantrell Helrs, Deviseses, Successors or Assigns** <i>60 acre tract T001761</i>	2.64 acres	3.3000%	
(a) Amy Hess P.O. Box 922 Vansant, VA 24656	0.66 acres 1/4 of 2.64 acres	0.8250%	10.9635% Royalty Division Agreement
(c) Penny Falck 2390 Glade Drive Christiansburg, VA 24073	0.66 acres 1/4 of 2.64 acres	0.8250%	10.9635% Royalty Division Agreement
<i>** Note: Peggy Cantrell entered into a prenuptial agreement when she married Oris Cantrell on the condition that he purchase and name her a beneficiary in a life insurance policy. He did not do that, and she filed suit seeking to set aside the prenuptial agreement, or, in the alternative, receive the amount of the insurance proceeds. By order dated May 7, 2018, her claim was denied and she is no longer a potential owner in property.</i>			
	<b>Total Tract Acres</b>	1.32	
	<b>Total Tract Percentage</b>	1.6500%	
<b><u>Tract #1C - 4.83 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 <i>(Lewis Osborne 628.41 Acre Tract)</i>	4.83 acres	6.0375%	<i>n/a</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Donald Ray Young 905 Willis Gap Rd. Ararat, VA 24053	4.83 acres	6.0375%	<i>n/a</i>

Exhibit EE  
Unit X-37  
Docket #VGOB-98-0324-0633-04  
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

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	Net Acres in Unit	Interest in Unit	Percent of Escrow
<b><u>Tract #1D - 3.61 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 <i>(Lewis Osborne 628.41 Acre Tract)</i>	3.61 acres	4.5125%	<i>n/a</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Donald Ray Young 905 Willis Gap Rd. Ararat, VA 24053	3.81 acres	4.5125%	<i>n/a</i>
<b><u>Tract #1E - 3.35 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 <i>(Lewis Osborne 628.41 Acre Tract)</i>	3.35 acres	4.1875%	<i>n/a</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Mitchell Counts			
	<i>Deeded to Patrick Counts on April 1, 2005, recorded at Instrument # 10-0281 on February 11, 2010.</i>		
(a) Patrick Counts 1665 Riverside Drive Raven, VA 24639	3.35 acres	4.1875%	<i>n/a</i>
<i>Hurt-Mcguire disclaims any ownership of the CBM or ownership interest in or claim to the escrowed royalties, 1/23/2015</i>			
<b><u>Tract #1F - 1.45 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 <i>(Lewis Osborne 628.41 Acre Tract)</i>	1.45 acres	1.8125%	<i>n/a</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Gary Davis			
	<i>Deeded to CNX Gas Company LLC on July 19, 2012 and recorded at Instrument # 120001414.</i>		
(a) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317	1.45 acres	1.8125%	<i>n/a</i>
<b><u>Tract #1G - 0.88 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 <i>(Lewis Osborne 628.41 Acre Tract)</i>	0.88 acres	1.1000%	<i>n/a</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Grady McGlothlin, et ux	0.88 acres	1.1000%	
(a) Grady McGlothlin P. O. Box 955 Raven, VA 24639	0.44 acres 1/2 of 0.88 acres	0.5500%	<i>n/a</i>

Exhibit EE  
Unit X-37  
Docket #VGOB-98-0324-0633-04  
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

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	Net Acres in Unit	Interest in Unit	Percent of Escrow
(b) Pauline McGlothlin P. O. Box 955 Raven, VA 24639	0.44 acres 1/2 of 0.88 acres	0.5500%	n/a
<b><u>TOTAL CONFLICTS RESOLVED:</u></b>			
	Acreege in Unit	18.6500	
	Percentage of Unit		23.3125%

INSTRUMENT 180001708  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY CIRCUIT COURT ON  
October 22, 2018 AT 10:56 AM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: CXE