

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: Y37

TRACT(S): 3A, 3B, 3D, 3E

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-98-0324-0637-01

APPLICANTS:

CNX Gas Company LLC on behalf of Commonwealth of Virginia, Doris Betty Addison, Rondal
& Freda Wade

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia
December 15, 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.
476, Page 797.
2. Supplemental Order Executed 09/02/1998, Recorded on 09/02/1998, Deed Book/Instrument No.
481, Page 159.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the
December 15, 2015 hearing and considered whether to:

150002118

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 3A, 3B, 3D, 3E identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3A, 3B, 3D, 3E 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. Affidavit from Commonwealth Coal Corporation dated September 30, 2015 stating they have no legal claim to CBM royalties based on the current state of Virginia law, therefore 100% of the royalty will be paid to the oil and gas owners, namely Doris Betty Addison. The 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.
- b. Rondal & Freda Wade and VDOT are the gas claimants in Tract 3B, 3D, & 3E. As such, is 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.
- c. 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.
- d. 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.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. 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.
- g. 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 persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be divided and paid.

RELIEF GRANTED:

150002118

DONE AND EXECUTED this 16 day of December, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

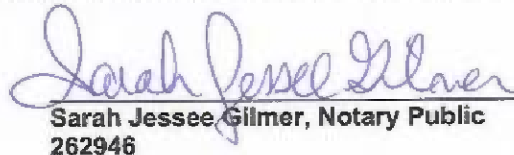
DONE AND PERFORMED this 16 day of December, 2015 by Order of the Virginia Gas and Oil Board.



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

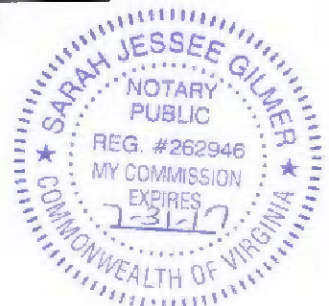
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 16th day of December, 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 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 98-0324-0637-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 3A, 3B, 3D, 3E (2) AND
AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES

HEARING DATE: December 15, 2015

DRILLING UNIT: Y37

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 Mall 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, attributable to Tracts 3A, 3B, 3D, & 3E, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the following parties; Doris Betty Addison, Rondal & Freda Wade, and VDOT.

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)

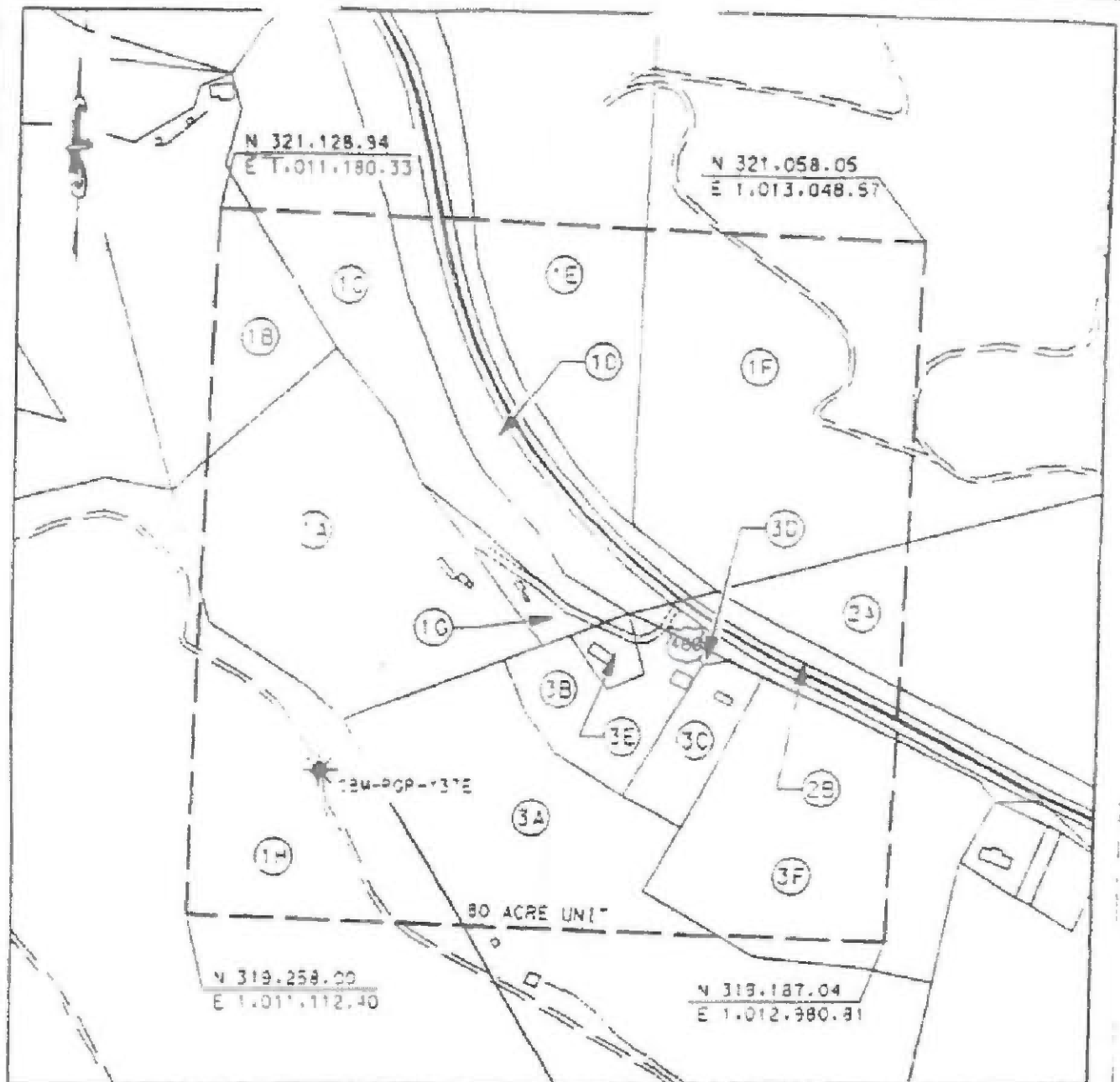
Coalbed Methane

5. Factual basis for relief requested

- a. Affidavit from Commonwealth Coal Corporation dated September 30, 2015 stating they have no legal claim to CBM royalties based on the current state of Virginia law, therefore 100% of the royalty will be paid to the oil and gas owners, namely Doris Betty Addison. The 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.
- b. Rondal & Freda Wade and VDOT are the gas claimants in Tract 3B, 3D, & 3E. As such, is 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.
- c. 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.
- d. 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.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. 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.
- g. 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 persons identified in Exhibit EE annexed hereto and the annexed Table, 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.

**LEGEND**

- TRACT LAND HOOK
- [Z] TRACT LAND ID'S

EXHIBIT A
OAKWOOD FIELD UNIT Y-37
FORCE POOLING
VGOB-98-0324-0637

Company Pocahontas Gas Partnership Well Name and Number UNIT Y37
 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 OGO-60-7
Rev. 9/91

Charles S. May
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

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

1. 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 Lessee
 Consolidation Coal Co. - Oil & Gas Lessee
 54.55 acres 66.1875%
- 1A. Bobby Shortt - Surface
 1B. Hubert Carter - Surface
 1C. John Street - Surface
 1D. VDOT - Surface
 1E. Louis Horn - Surface
 1F. Commonwealth Coal Co. - Surface
 1G. E. L. Shortt - Surface
 1H. Commonwealth Coal Co. - Surface
2. Commonwealth Coal Co. Tr 4 - Coal, Oil & Gas
 Consolidation Coal Co. - Below drainage coal Leased
 United Coal Company - Above drainage coal Leased
 Pocahontas Gas Partnership - CBM Lessee
 Consolidation Coal Co. - Oil & Gas Lessee
 4.32 acres 5.4000%
- 2A. Commonwealth Coal Co. - 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
 Betty Addison - Surface, Oil & Gas
 8.62 acres 10.7750%
- 3B. 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
 Rondel Wade - Surface, Oil & Gas
 2.83 acres 3.5375%
- 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
 Jimmy Wade - Surface, Oil & Gas
 1.68 acres 2.1000%

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

- 3D. ✓
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
0.03 acres 0.0375%
- 3E. ✓
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
Rondal Wade - Surface, Oil & Gas
0.49 acres 0.6125%
- 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
Gerald K. Short - Surface, Oil & Gas
7.48 acres 9.3500%

150002118

Exhibit E
Unit Y-37
Docket #VGOB-98-0324-0637-01
List of Respondents that require escrow

	Net Acres in Unit	Percent of Unit
<u>Tract #3C - 1.68 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Commonwealth Coal Corp. Tr 3 P.O. Box 1269 Bristol, VA 24203	1.68 acres	2.1000%
<u>OIL & GAS OWNERSHIP</u>		
<i>The W9's have not been received</i>		
(1) Jimmy & Linda Wade, TE 1333 Short Hill Road Raven, VA 24639	1.68 acres	2.1000%
<u>Tract #3F - 7.48 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Commonwealth Coal Corp. Tr 3 P.O. Box 1269 Bristol, VA 24203	7.48 acres	9.3500%
<u>OIL & GAS OWNERSHIP</u>		
<i>W9 Pending</i>		
(1) Gerald K. Short PO Box 33 Shortt Gap, VA 24647	7.48 acres	9.3500%

Exhibit EE
Unit Y-37

Docket #YGOB-98-0324-0637-01

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

		Net Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #3A - 8.62 acres</u>				
<u>COAL OWNERSHIP</u>				
(1)	Commonwealth Coal Corp. Tr 3 P.O. Box 1269 Bristol, VA 24203	8.62 acres	10.7750%	n/a
<u>OIL & GAS OWNERSHIP</u>				
<i>Affidavit from Commonwealth Coal Corporation, dated September 30, 2015 stating they make no claim to the CBM due to the current state of law The owners listed below are plaintiffs in case no: 1:10-cv65</i>				
(1)	Doris Betty Addison 1305 Terrace Court Sykesville, MD 21784	8.62 acres	10.7750%	40.7951% -100%
<u>Tract #3B - 2.83 acres</u>				
<u>COAL OWNERSHIP</u>				
(1)	Commonwealth Coal Company, Tr. 3 (Newell Short 87.13 Acre Tract) P.O. Box 1269 Bristol, VA 24203	2.83 acres	3.5375%	n/a
<u>OIL & GAS OWNERSHIP</u>				
(1)	Rondal & Freda Wade, TE 1053 Short Hill Road Raven, VA 24639	2.83 acres	3.5375%	13.3933% HB2058
<u>Tract #3D - 0.03 acres</u>				
<u>COAL OWNERSHIP</u>				
(1)	Commonwealth Coal Corp. Tr 3 P.O. Box 1269 Bristol, VA 24203	0.03 acres	0.0375%	n/a
<u>OIL & GAS OWNERSHIP</u>				
(1)	Commonwealth of Virginia Department of Transportation 870 Bonham Road Bristol, VA 24201	0.03 acres	0.0375%	0.1420% HB2058

150002118

Exhibit EE

Unit Y-37

Docket #VGOB-98-0324-0637-01

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

		Net Acres In Unit	Percent of Unit	Percent of Escrow
<u>Tract #3E - 0.49 acres</u>				
<u>COAL OWNERSHIP</u>				
(1)	Commonwealth Coal Corp. Tr 3 P.O. Box 1269 Bristol, VA 24203	0.49 acres	0.6125%	n/a
<u>OIL & GAS OWNERSHIP</u>				
(1)	Rondal & Freda Wade, TE 1053 Short Hill Road Raven, VA 24639	0.49 acres	0.6125%	2.3190% HB2058
Total Acreage Resolved			11.9700	
Total Percentage Resolved				14.9625%

INSTRUMENT #150002118
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
DECEMBER 29, 2015 AT 12:16PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLB