

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA
§ 45.1-361.26

160000359

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: S37

TRACT(S): A portion of 5

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-98-0421-0649-07

APPLICANTS:

CNX Gas Company LLC on behalf of Barbara Joyce Harmon, Kenneth R. Osborne, Marilyn Taylor, Martha Gilliams, Mary Jane Keen, Shirley Keen, Sidney Smith

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 06/10/1998, Recorded on 06/16/1998, Deed Book/Instrument No. 477, Page 653.
2. Modification Order -01 Executed 04/21/2000, Recorded on 04/28/2000, Deed Book/Instrument No. 506, Page 375.
3. Supplemental Order -01 Executed 06/26/2000, Recorded on 07/05/2000, Deed Book/Instrument No. 509, Page 602.

4. Modification Order -02 Executed 03/29/2004, Recorded on 04/02/2004, Deed Book/Instrument No. 589, Page 664.

5. Supplemental Order -02, Recorded on 09/26/2006, Deed Book/Instrument No. 060003151.

6. Disbursement Order -04 Executed 05/10/2010, Recorded on 05/26/2010, Deed Book/Instrument No. 100001387.

7. Disbursement Order -05 Executed 04/17/2012, Recorded on 06/04/2012, Deed Book/Instrument No. 120001096.

8. Disbursement Order -06 Executed 03/20/2013, Recorded on 04/23/2013, Deed Book/Instrument No. 130000863.

NOTICE:

(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 5 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 5 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:

16000359

- a. Sidney Smith, Kenneth Osborne, Martha Guilliams, Mary Jane Keen, Shirley Keen, Barbara Joyce Harmon, and Marilyn Taylor are the gas claimants in a portion of Tract 5. 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.
- 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 CNX Gas Company LLC and not escrow same. See Exhibit EE annexed hereto.

VGOB Disbursement

VGOB-98-0421-0649-07

Tracts: A portion of 5

[illegible]

5		Tract 5 (total acreage)		1.0000							
7	5	Marilyn Taylor P.O. Box 285, Pounding Mill, VA 24637		1/10	0.1000	100.00%	0.1000	0.1000	23.7135%		

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 9 day of February, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 9 day of February, 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 9th day of February, 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 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 98-0421-0649-07**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 5 (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES****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:** S37**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 a portion of 5, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Sydney Smith, Kenneth Osborne, Martha Guilliams, Mary Jane Keen, Shirley Keen, Barbara Joyce Harmon, and Marilyn Taylor.

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. Sidney Smith, Kenneth Osborne, Martha Guilliams, Mary Jane Keen, Shirley Keen, Barbara Joyce Harmon, and Marilyn Taylor are the gas claimants in a portion of Tract 5. 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.
- 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 CNX Gas Company LLC 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.

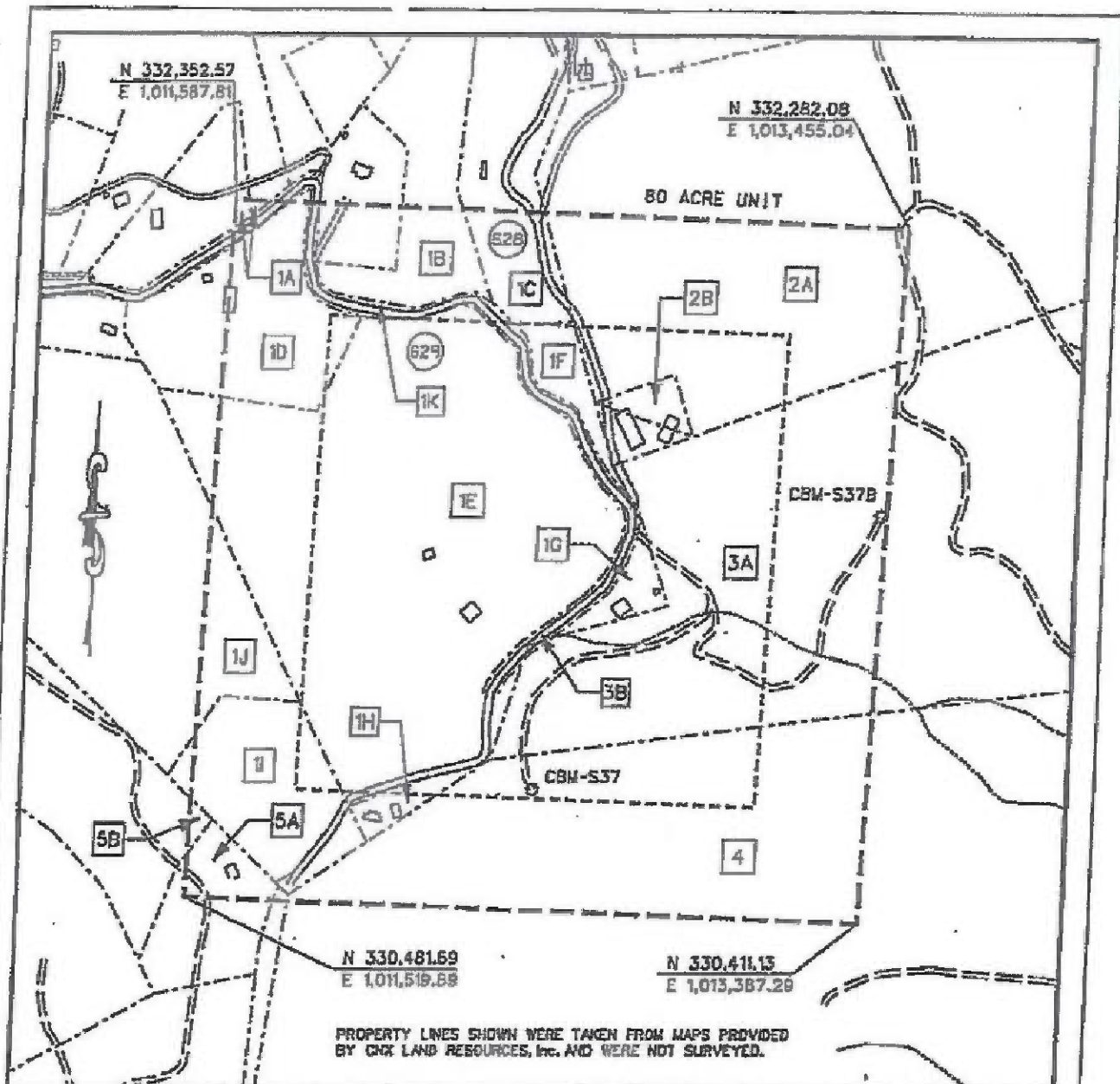


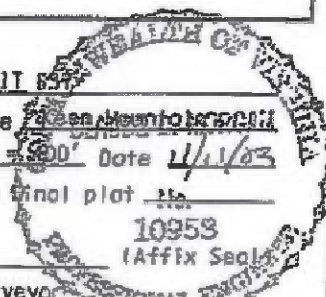
EXHIBIT A
OAKWOOD FIELD UNIT S-37
FORCE POOLING
VG08-98-0421-0649-02

Company CNX Gas Company, LLC. Well Name and Number UNIT S-37
 Tract No. _____ Elevation _____ Quadrangle 24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100
 County Buchanan District Garden Scale: 1" = 500' Date 11/1/03
 This plot is a new plot X ; an updated plot _____ ; or a final plot etc.

Form DGO-60-7
Rev. 9/91

Charles D. Nicks
Licensed Professional Engineer or Licensed Land Surveyor

Page Number 8.



5

CNX Gas Combative LLO
UNIT S-37
Tract Identification

1. G.W. Gillespie Estate, Inc., et al - All Minerals
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Jewell Smokeless Coal Corporation - Coal In Jawbone Seam Leased
CNX Gas Company LLC - CBM Leased
38.78 acres 48.4750%
- 1A. Bobby J. Matney, et ux - Surface
- 1B. Frank Horn - Surface
- 1C. Lonnie Honaker - Surface
- 1D. Melissa Vandyke - Surface
- 1E. Ethel Burke - Surface
- 1F. Frank Horn - Surface
- 1G. Raymond Davis - Surface
- 1H. Harold Osborne - Surface
- 1I. Roby Horn - Surface
- 1J. Jimmy L. Horn - Surface
- 1K. Commonwealth of Virginia - Surface
2. Carl F. Metcalf Estate - All Minerals
Consolidation Coal Company - Coal Below Jawbone Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
10.46 acres 13.0750%
- 2A. New Garden Coal Company - Surface
- 2B. Horn Mountain Free Pentecostal Church - Surface
3. R.O. Vandyke Heirs - All Minerals
Consolidation Coal Company - Coal Below Drainage Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
15.77 acres 19.7125%
- 3A. New Garden Coal Company - Surface
- 3B. Commonwealth of Virginia - Surface
4. Coal Mountain Mining Company, L.L.P. Tr. 26 (1,355 Acre Tract) - Fee
Consolidation Coal Company - Below Drainage Coal Leased
A.T. Massey - Above Drainage Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
13.98 acres 17.4875%
5. Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal
Consolidation Coal Company - Below Drainage Coal Leased
A. T. Massey - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Linkous Horn Heirs - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased (10%)
1.00 acres 1.2500%
- 5A. Willard Osborne - Surface
- 5B. Arlen Osborne - Surface

Exhibit E
Unit S-37
Docket # VGOB-98-0421-0649-07
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit	Division of Interest in	
			8-Right 16.41221%	9-Right 9.54198%
<u>Tract #5, 1.00 acres</u>				
<u>COAL OWNERSHIP</u>				
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	1.00 acres	1.2500%	0.20515%	0.11927%
<u>OIL & GAS OWNERSHIP</u>				
Linkous Horn Heirs, Devisees, Successors or Assigns	1.00 acres	1.2500%	0.20515%	0.11927%
(2) Lydia Blankenship Heirs, Devisees, Successors or Assigns				
(c) Patsy Moore 6985 Horn Mountain Road Raven, VA 24639	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(d) Brenda Sue Justice 1101 Longwall Lane Raven, VA 24639	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(e) James R. Osborne P. O. Box 484 Keen Mountain, VA 24624	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(f) Clifford Osborne Heirs, Devisees, Successors or Assigns				
(f.1) Phyllis W. Osborne 1109 Moore Rd. Raven, VA 24639	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(g) Ronnie Osborne Box 12 Oakwood, VA 24631	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(h) Charles M. Osborne 216 Plantation Drive Richlands, VA 24641	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(i) Richard Osborne P. O. Box 586 Keen Mountain, VA 24624	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				

Exhibit E
Unit S-37
Docket # VGOB-98-0421-0649-07
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit	Division of Interest in	
			8-Right 16.41221%	9-Right 9.54198%
(j) William Osborne Heirs, Devisees, Successors or Assigns				
(j.1) Ruth Keen <i>(Deed of Gift to Joyce Lineberry Mae 3/16/03)</i>				
(j.1.1) Joyce Lineberry Mae c/o Rose Mae P.O. Box 172 Cooleemee, NC 27014	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(k) John David Osborne Heirs, Devisees, Successors or Assigns				
(k.1) Darlene B. Osborne 1055 Mapleleaf Hollow Raven, VA 24639	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(3) Henry Horn Heirs, Devisees, Successors or Assigns				
<i>The respondent listed below did not respond timely to the W9 request and will continue to be escrowed.</i>				
(a) Perry W. Horn PO Box 148 Raven, VA 24639	0.0217 acres 13/600 of 1.00 acres	0.0271%	0.00444%	0.00256%
(4) Thelma H. Osborne Heirs, Devisees, Successors or Assigns				
<i>The respondent listed below did not respond timely to the W9 request and will continue to be escrowed.</i>				
(a) Paul Junior Osborne P.O. Box 80 Richlands, VA 24641	0.0333 acres 1/30 of 1.00 acres	0.0417%	0.00684%	0.00398%
<i>The respondent listed below did not respond timely to the W9 request and will continue to be escrowed.</i>				
(b) Curtis McCoy Osborne P.O. Box 31 Raven, VA 24639	0.0333 acres 1/30 of 1.00 acres	0.0417%	0.00684%	0.00398%
	Acreage in Unit		0.1702	
	Percentage of Unit			0.2127%

Exhibit EE
Unit S-37
Docket # VGOB-98-0421-0649-97
List of Conflicting Owners/Claimants with Royalty Split Agreements/HB2058

	Acres in Unit	Interest in Unit	Division of Interest in		Percent of
			8-Right 16.41221%	9-Right 9.54198%	Escrow
<u>Tract #5, 1.00 acres</u>					
<u>COAL OWNERSHIP</u>					
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	1.00 acres	1.2500%	0.20515%	0.11927%	n/a
<u>OIL & GAS OWNERSHIP</u>					
Linkous Horn Heirs, Devisees, Successors or Assigns	1.00 acres	1.2500%	0.20515%	0.11927%	
(1) Arizona Osborne Heirs, Devisees, Successors or Assigns					
(a) Sidney Smith 1911 McVitty Road Salem, VA 24153	0.0333 acres 1/30 of 1.00 acres	0.0417%	0.00684%	0.00398%	7.9045% HB 2058
(b) Kenneth R. Osborne 848 Peyton Street Roanoke, VA 24019	0.0333 acres 1/30 of 1.00 acres	0.0417%	0.00684%	0.00398%	7.9045% HB 2058
(c) Martha Williams 1911 McVitty Road Salem, VA 24153	0.0333 acres 1/30 of 1.00 acres	0.0417%	0.00684%	0.00398%	7.9045% HB 2058
(2) Lydia Blankenship Heirs, Devisees, Successors or Assigns					
(a) Mary Jane Keen 1077 Longwall LN Raven, VA 24639	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%	2.1558% HB 2058
(b) Shirley Keen 1685 Honaker Branch Road Raven, VA 24639	0.0091 acres 1/110 of 1.00 acres	0.0114%	0.00187%	0.00108%	2.1558% HB 2058
(c) Ivory Horn Heirs, Devisees, Successors or Assigns					
(c.1) Margaret E. Dye 262 Arch Barrett Drive Rosedale, VA 24280	0.0206 acres 37/1800 of 1.00 acres	0.0257%	0.00403%	0.00266%	n/a
(c.2) Nellie A. Maynard P.O. Box 296 Raven, VA 24639	0.0206 acres 37/1800 of 1.00 acres	0.0257%	0.00403%	0.00266%	n/a
(c.3) Tammy D. Boyd Street 195 Taylor Circle Raven, VA 24639	0.0206 acres 37/1800 of 1.00 acres	0.0257%	0.00403%	0.00266%	n/a
(c.4) Patricia D. Horton 200 Birch Street Raven, VA 24639	0.0056 acres 1/180 of 1.00 acres	0.0069%	0.00109%	0.00072%	n/a
(c.5) Danny W. Elder P.O. Box 748 Raven, VA 24639	0.0056 acres 1/180 of 1.00 acres	0.0069%	0.00109%	0.00072%	n/a
(c.6) Robert G. Elder 229 Horton Crest Drive #15 Richlands, VA 24641	0.0056 acres 1/180 of 1.00 acres	0.0069%	0.00109%	0.00072%	n/a
(4) Thelma H. Osborne Heirs, Devisees, Successors or Assigns					

Exhibit EE
Unit S-37
Docket # VGOB-98-0421-0849-07
List of Conflicting Owners/Claimants with Royalty Split Agreements/HB2058

160000359

	Acres in Unit	Interest in Unit	Division of Interest in		Percent of Escrow
			8-Right 16.41221%	9-Right 9.54198%	
(c) Barbara Joyce Harmon P.O. Box 174 North Tazewell, VA 24630	0.0333 acres 1/30 of 1.00 acres	0.0417%	0.00684%	0.00398%	7.9045% HB 2058
(5) Joseph P. Horne 492 Gray Branch Road Cedar Bluff, VA 24609	0.1000 acres 1/10 of 1.00 acres	0.1250%	0.02052%	0.01193%	n/a
(6) Nancy H. Stilwell 140 Rasnake Road North Tazewell, VA 24630	0.1000 acres 1/10 of 1.00 acres	0.1250%	0.02052%	0.01193%	n/a
(7) Earnest Horn Heirs, Devisees, Successors or Assigns					
(a) Dorothy Horn Heirs, Devisees, Successors or Assigns					
Balford Daniel Perkins Heirs, Devisees Successors or Assigns					
(a.1) Wesley D. Perkins 305 Bane Bottom Avenue Cedar Bluff, VA 24609	0.0600 acres 1/20 of 1.00 acres	0.0625%	0.00981%	0.00647%	n/a
<i>Entitled to 1/2 of Royalties by Deed of Gift from Wesley Perkins:</i>					
Tania Yvonne Hess 195 Anglewood Lane Cedar Bluff, VA 24609	0.0600 acres 1/20 of 1.00 acres	0.0625%	0.00981%	0.00647%	n/a
(8) Martha Smith P. O. Box 396 Max Meadows, VA 24360	0.1000 acres 1/10 of 1.00 acres	0.1250%	0.02052%	0.01193%	n/a
(9) Sarah K. Day 905 Valley View Drive Pearisburg, VA 24134	0.1000 acres 1/10 of 1.00 acres	0.1250%	0.02052%	0.01193%	n/a
(10) Carl Horn Heirs, Devisees, Successors or Assigns					
(a) Marilyn Taylor PO Box 285 Pounding Mill, VA 24637	0.1000 acres 1/10 of 1.00 acres	0.1250%	0.02052%	0.01193%	23.7135% HB 2058
			Acres in Unit Percentage of Unit	0.8298	1.0373%

INSTRUMENT #160000359
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MARCH 2, 2016 AT 02:49PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLP