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060003157

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 98-1020-0695-01 ~~01~~ ✓

ELECTIONS: UNIT T-35  
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on March 29, 2004 which was recorded at Deed Book 589, Page 622 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on April 2, 2004, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates whether or not the escrow of funds is required with regard to Unit T-35;

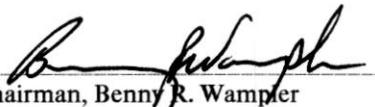
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

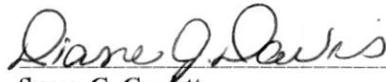
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 29<sup>th</sup> day of August, 2006, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

STATE OF VIRGINIA  
COUNTY OF ~~WISE~~

Washington  
Acknowledged on this 29<sup>th</sup> day of August, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary

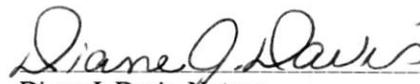
My commission expires: 9/30/09.

DONE AND PERFORMED THIS 20<sup>th</sup> day of September, 2006, by Order of the Board.

  
B. R. Wilson,  
Principal Executive to the Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 20<sup>th</sup> day of September, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.

  
Diane J. Davis, Notary

My commission expires: 9/30/09.

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit T-35  
VGOB 98-1020-0695-01 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING ELECTIONS,  
ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Gas Company LLC, as a Manager - Environmental Permitting and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on March 29, 2004, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the counties identified above; that said Order was recorded on April 2, 2004;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of March 29, 2004;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

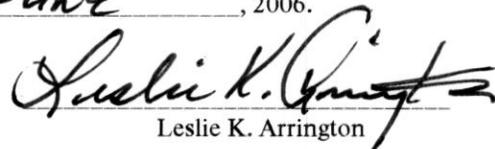
None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

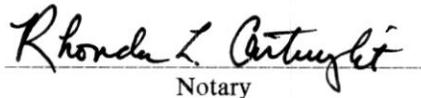
See attached Exhibit EE

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 27<sup>th</sup> day of June, 2006.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as a Manager - Environmental / Permitting for CNX Gas Company LLC, on behalf of the corporate Designated Operator, this 27<sup>th</sup> day of June, 2006.

  
Notary

My commission expires: 10/31/2009.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

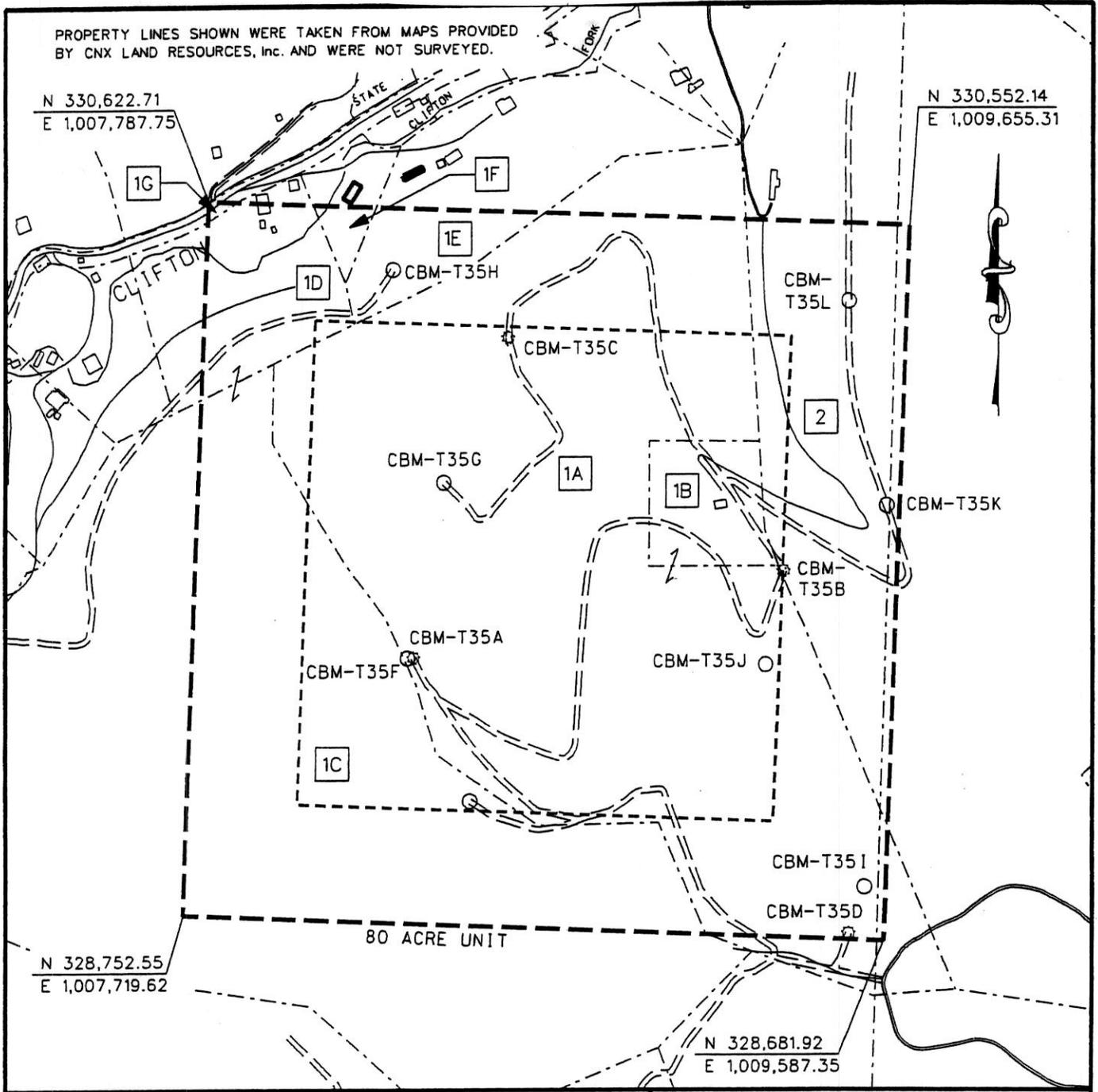


EXHIBIT A  
 OAKWOOD FIELD  
 UNIT T-35  
 FORCE POOLING  
 VGOB-98-1020-0695-01

Company CNX Gas Company LLC Well Name and Number UNIT T35  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Keen Mountain  
 County Buchanan District Garden Scale: 1" = 400' Date 11/11/03  
 This plat is a new plat  ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-60-7 \_\_\_\_\_ (Affix Seal)  
 Rev. 9/91 Charles O. May  
 Licensed Professional Engineer or Licensed Land Surveyor

# **CNX Gas Company LLC**

## **UNIT T-35**

### **Tract Identification**

1. **H. S. T. Group, L. C. - All Minerals**  
**Island Creek Coal Company/Consolidation Coal Company - Below Drainage Coal Leased**  
**Jewell Smokeless Coal Corporation - Above Drainage Coal Leased**  
**CNX Gas Company LLC - CBM Leased**  
**69.74 acres                      87.1750%**
  
- 1A. **Consolidation Coal Company - Surface**
- 1B. **Consolidation Coal Company - Surface**
- 1C. **Consolidation Coal Company – Surface**
- 1D. **Consolidation Coal Company - Surface**
- 1E. **Naomi Clifton, et al - Surface**
- 1F. **Consolidation Coal Company – Surface**
- 1G. **Commonwealth of Virginia - Surface**
  
2. **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**  
**Thomas Stillwell Heirs – Surface and All Minerals except Coal**  
**CNX Gas Company LLC – Oil, Gas and CBM Leased (71/72)**  
**10.26 acres                      12.8250%**

**Exhibit B-3**  
**Unit T-35**  
**Docket # VGOB-98-1020-0695-01**  
**List of Unleased Owners/Claimants**

	Acres in Unit	Percent of Unit	Division of Interest in	
			5-Right 15.69343%	6-Right 10.34483%
<b>II. <u>OIL &amp; GAS FEE OWNERSHIP</u></b>				
<b><u>Tract #2, 10.26 acres</u></b>				
(1) Thomas Stilwell Heirs, Devisees, Successors or Assigns	10.26 acres	12.82500%	2.01268%	1.32672%
(y) Quentin A. Stilwell P. O. Box 154 Rhame, ND 58651	0.1425 acres 1/72 of 10.26 acres	0.17813%	0.02795%	0.01843%

**Exhibit E**  
**Unit T-35**  
**Docket # VGOB-98-1020-0695-01**  
**List of Conflicting Owners/Claimants that require escrow**

		Acres in Unit	Percent of Unit	Division of Interest in	
				5-Right 15.69343%	6-Right 10.34483%
<b><u>Tract #2, 10.26 acres</u></b>					
<b><u>COAL FEE OWNERSHIP</u></b>					
(1)	Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	10.26 acres	12.8250%	2.0127%	1.3267%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>					
(1)	Thomas Stilwell Heirs, Devisees, Successors or Assigns	10.26 acres	12.8250%	2.0127%	1.3267%
(d)	Arthur M. Stilwell P.O. Box 314 Raven, VA 24639	1.2825 acres 1/8 of 10.26 acres	1.6031%	0.2516%	0.1658%
(g)	Linda S. Shelton P. O. Box 521 Pounding Mill, VA 24637	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(h)	Jerline Davis 118 Coronado Road North Tazewell, VA 24630	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(k)	Daniel J. Osborne 100 Third Street, SW No.D77 Mandan, ND 58554	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(l)	Sylvia A. Shelton 549 Jacks Creek Road Raven, VA 24639	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(n)	Lois Casey P. O. Box 521 Pounding Mill, VA 24637	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(o)	Cora Arnold Heirs, Devisees, Successors or Assigns				
(o.1)	James H. Arnold, widower P. O. Box 626 Raven, VA 24637	0.4275 acres 1/24 of 10.26 acres	0.5344%	0.0839%	0.0553%
(s)	Theodore Stilwell HC66 Box 112A Whitewood, VA 24657	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(t)	Curtis Stilwell P.O. Box 908 Pounding Mill, VA 24637	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(y)	Quentin A. Stilwell P. O. Box 154 Rhame, ND 58651	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%

Exhibit EE  
Unit T-35  
Docket # VGOB-98-1020-0695-01  
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Division of Interest in	
			5-Right 15.69343%	6-Right 10.34483%
<b><u>Tract #2, 10.26 acres</u></b>				
<b><u>COAL FEE OWNERSHIP</u></b>				
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	10.26 acres	12.8250%	2.0127%	1.3267%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>				
(1) Thomas Stilwell Heirs, Devisees, Successors or Assigns	10.26 acres	12.8250%	2.0127%	1.3267%
(a) Beulah V. Osborne HC 62, Box 109 Raven, VA 24639	1.2825 acres 1/8 of 10.26 acres	1.6031%	0.2516%	0.1658%
(b) Martha J. Stilwell HC 62, Box 95 Raven, VA 24639	1.2825 acres 1/8 of 10.26 acres	1.6031%	0.2516%	0.1658%
(c) Virginia N. Stilwell HC 62, Box 97 Raven, VA 24639	1.2825 acres 1/8 of 10.26 acres	1.6031%	0.2516%	0.1658%
(e) Exie Osborne Heirs, Devisees, Successors or Assigns				
(e.1) Myrtle Smith Heirs, Devisees, Successors or Assigns				
(e.1.1) Nancy Jackson P.O. Box 448 Doran, VA 24612	0.1069 acres 1/96 of 10.26 acres	0.1336%	0.0210%	0.0138%
(e.1.2) Darlene Ward 117 Franklin Avenue Richlands, VA 24641	0.1069 acres 1/96 of 10.26 acres	0.1336%	0.0210%	0.0138%
(e.2) Maxie Boyd P.O. Box 972 Raven, VA 24639	0.2138 acres 1/48 of 10.26 acres	0.2672%	0.0419%	0.0276%
(e.3) Ruth Osborne Smith P.O. Box 672 Doran, VA 24612	0.2138 acres 1/48 of 10.26 acres	0.2672%	0.0419%	0.0276%
(e.4) Judy Blankenship Box 221 Doran, VA 24612	0.2138 acres 1/48 of 10.26 acres	0.2672%	0.0419%	0.0276%
(e.5) John Osborne Box 6 Shortt Gap, VA 24647	0.2138 acres 1/48 of 10.26 acres	0.2672%	0.0419%	0.0276%

**Exhibit EE**  
**Unit T-35**  
**Docket # VGOB-98-1020-0695-01**  
**List of Conflicting Owners/Claimants with Royalty Split Agreements**

	Acres in Unit	Percent of Unit	Division of Interest in	
			5-Right 15.69343%	6-Right 10.34483%
(e.6) Ida Proffitt Box 6 Shortt Gap, VA 24647	0.2138 acres 1/48 of 10.26 acres	0.2672%	0.0419%	0.0276%
(f) Hubbard Osborne HC 62, Box 89 Raven, VA 24639	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(i) Arlin W. Osborne P. O. Box 446 Raven, VA 24639	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(j) Jackie D. Osborne Rt. 1, Box 209 Raven, VA 24639	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(m) Marvin J. Osborne P. O. Box 537 Richlands, VA 24641	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(o) Leonard C. Stilwell P. O. Box 932 Raven, VA 24639	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(p) Jay C. Stilwell Heirs, Devisees, Successors or Assigns				
(p.1) Connie Stilwell, widow P. O. Box 1035 Raven, VA 24639	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(q) Wanda Hagy P. O. Box 1738 Richlands, VA 24641	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(r) Bessie Lowe P. O. Box 47 Shortt Gap, VA 24647	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(u) Bernadine R. Lisburg 1418 First Avenue South Fargo, ND 58103	0.4275 acres 1/24 of 10.26 acres	0.5344%	0.0839%	0.0553%
(v) Gladys E. Pollert 1121 29 Street NW Fargo, ND 58102	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(w) David W. Stilwell 244 Texas Street, Apt #214 Rapid City, SD 57701	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(x) Thomas H. Stilwell 27 Horseshoe Bend Fargo, ND 58104	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%

**Exhibit EE**  
**Unit T-35**  
**Docket # VGOB-98-1020-0695-01**  
**List of Conflicting Owners/Claimants with Royalty Split Agreements**

	Acres in Unit	Percent of Unit	Division of Interest in	
			5-Right 15.69343%	6-Right 10.34483%
(z) Daniel J. Stilwell 100 Third Street SW No.D77 Mandan, ND 58554	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%
(aa) Bernice R. Lamb 2225 Second Avenue West International Falls, MN 56649	0.1425 acres 1/72 of 10.26 acres	0.1781%	0.0280%	0.0184%

**VIRGINIA:** In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 26<sup>th</sup> day of September, 2006 at 2:11 P M. The tax imposed by §587.1-802 of the Code has been paid in the amount of \$          .  
 Deed Book No.            and Page No.           . TESTE: James M. Bevins, Jr., Clerk  
 Returned to: J M E TESTE: Quincy S. Miller Deputy Clerk

RECORDED  
 SEP 26 2006  
 10:00 AM  
 BUCHANAN COUNTY, VA  
 CLERK'S OFFICE

BL  
#21

ENTERED

INSTRUMENT #060003157  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
SEPTEMBER 26, 2006 AT 02:11PM  
JAMES M. BEVINS, CLERK  
RECORDED BY: AKT