

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: FF23

TRACT(S): 2A

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-99-0216-0709-02

APPLICANTS:

CNX Gas Company LLC on behalf of Jamie Henry Hale, Jeffery Carlos Hale, Pamela Jo
Keene

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia
November 17, 2015

APPEARANCES:

Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 09/30/1999, Recorded on 10/14/1999, Deed Book/Instrument No. 497, Page 426.
2. Supplemental Order Executed 12/09/1999, Recorded on 12/13/1999, Deed Book/Instrument No. 499, Page 362.
3. Disbursement Order -01 Executed 08/21/2007, Recorded on 08/28/2007, Deed Book/Instrument No. 70003152.

NOTICE:

150001956

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the November 17, 2015 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) 2A identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2A relative to the interests of the Applicants identified in the attached petition.
- (3) Close 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:

Affidavit from Torch Oil & Gas Company dated August 5, 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 Pamela J. Keene, Jamie H. Hale and Jeffery C. Hale. 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.

There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

RELIEF GRANTED:

150001956

150001956

DONE AND EXECUTED this 18 day of November, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

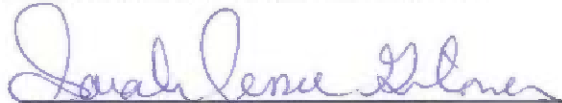
DONE AND PERFORMED this 18 day of November, 2015 by Order of the Virginia Gas and Oil Board.



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

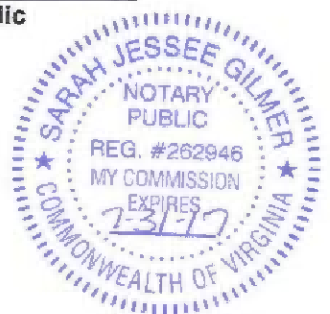
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 18th day of November, 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 99-0216-0709-02

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

HEARING DATE: November 17, 2015

DRILLING UNIT: FF23

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 Mail 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 Tract 2A as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the following parties; Pamela J. Keene, Jamie H. Hale and Jeffery C. Hale

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

Affidavit from Torch Oil & Gas Company dated August 5, 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 Pamela J. Keene, Jamie H. Hale and Jeffery C. Hale. 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.

There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

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 FF-23
FORCE POOLING
VGDB-99-0216-0709

Company Pocahontas Gas Partnership Well Name and Number UNIT FF23
 Tract No. Buckhorn Coal Co. Elevation 0.00
 County Buchanan District Hurricane Scale: 1" = 400' Date 1/14/99
 This plat is a new plat X ; an updated plat _____ or a final plat _____

Form 000-GO-7
Rev. 9/91

Claude A. Maye
Licensed Professional Engineer or Licensed Land Surveyor

10958

(Affix Seal)

POCAHONTAS GAS PARTNERSHIP**Unit FF-23****Tract Identifications**

1. Buckhorn Coal Mining - Tr. 1 - Fee
Consolidation Coal Company - Below Tiller coal Leased
Permac, Inc. - Tiller and above coal Leased
Pocahontas Gas Partnership - CBM Leased
71.13 acres 79.39502%
- 2A. Hugh MacRae Land Trust - TR 9 - Coal
Consolidation Coal Company - Below Tiller coal Leased
Permac, Inc. - Tiller and above coal Leased
Pocahontas Gas Partnership - CBM Leased
Carlos Hale, Heirs - Surface, Oil & Gas
12.00 acres 15.00000%
- 2B. Hugh MacRae Land Trust - TR 9 - Coal
Consolidation Coal Company - Below Tiller coal Leased
Permac, Inc. - Tiller and above coal Leased
Pocahontas Gas Partnership - CBM Leased
Permac Inc. - Surface, Oil & Gas
6.46 acres 8.07500%

Exhibit E
Unit FF-23
Docket #VGOB-99-0216-0709-02
List of Respondents that require escrow
(89.58 Acre Unit)

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	Acres in Unit	Interest in Unit
Escrowing not required		

List of Respondents with Royalty Split Agreements or Court Orders

	Net Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2A - 12.00 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.9 (Sparrell Hale 412 Acre Tract) c/o Gump, Strauss, Akin LLP 1 Bryant Park, Floor #41 New York, NY 10036-6715	12.00 acres	13.4394%	
By Assignment and Bill of Sale, HMLT devised all of its right, title and interest (other than "Excluded Assets") to Torch Energy Advisors Inc. effective September 4, 1991 and recorded in Buchanan County under DB474 / PG384.			
Torch Oil & Gas Company c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, New Mexico 88030			
<u>OIL & GAS OWNERSHIP</u>			
Affidavit from Torch Oil & Gas Co., dated August 5, 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-cv59			
(1) Jeffery C. Hale, et al (aka Carlos Henry Hale Heirs)	12.00 acres	13.4394%	
(a) Lorene Hale Heirs, Deviseses, Successors or Assigns (1/3)	Per will, her interest is to be divided equally among her 3 children. (DOD 10/3/2014)		
(a.1) Pamela Jo Keene 3707 Garden Creek Road Rowe, VA 24646	1.33 acres 1/9 of 12.00 acres	1.4933%	11.1111%
(a.2) Jamie Henry Hale 1901 Lum Hollow Road Haysi, VA 24256	1.33 acres 1/9 of 12.00 acres	1.4933%	11.1111%
(a.3) Jeffery Carlos Hale 1926 Zacks Fork Road Lenoir, NC 28645	1.33 acres 1/9 of 12.00 acres	1.4933%	11.1111%
(b) Pamela Jo Keene 3707 Garden Creek Road Rowe, VA 24646	2.67 acres 2/9 of 12.00 acres	2.9865%	22.2222%
(c) Jamie Henry Hale 1901 Lum Hollow Road Haysi, VA 24256	2.67 acres 2/9 of 12.00 acres	2.9865%	22.2222%
(d) Jeffery Carlos Hale 1926 Zacks Fork Road Lenoir, NC 28645	2.67 acres 2/9 of 12.00 acres	2.9865%	22.2222%

Tract #2B - 6.46 acres

COAL OWNERSHIP

(1) Hugh Macrae Land Trust, Tr.9 c/o Gump, Strauss, Akin LLP 1 Bryant Park, Floor #41 New York, NY 10036-6715	6.46 acres	7.2106%	n/a
By Assignment and Bill of Sale, HMLT devised all of its right, title and interest (other than "Excluded Assets") to Torch Energy Advisors Inc. effective September 4, 1991 and recorded in Buchanan County under DB474 / PG384.			
Torch Oil & Gas Company c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030			

Exhibit EE
Unit FF-23
Docket #VGOB 99-0216-0709-02
List of Respondents with Royalty Split Agreements or Court Orders

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	Net Acres in Unit	Interest in Unit	Percent of Escrow
<u>OIL & GAS OWNERSHIP</u>			
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317-6506 <i>(Previously Pocahontas Gas Partnership)</i>	6.46 acres	7.2106%	n/a

INSTRUMENT #150001956
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
DECEMBER 2, 2015 AT 09:03AM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB