

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: L47

TRACT(S): 2, 999

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-99-0720-0726-01

APPLICANTS:

CNX Gas Company LLC on behalf of Buchanan County, VA, CNX Gas Company LLC, Norfolk
Southern Railway Company c/o Pocahontas Land Corporation

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia
May 10, 2016

APPEARANCES:

Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 12/17/1999, Recorded on 12/22/1999, Deed Book/Instrument No. 499, Page 824.
2. Supplemental Order Executed 02/22/2000, Recorded on 02/25/2000, Deed Book/Instrument No. 502, Page 506.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the May 10, 2016 hearing and considered whether to:

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- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 2, 999 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2, 999 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:

- a. Account has been over paid.
- b. Norfolk Southern Railway Company c/o Pocahontas Land Corporation and Buchanan County, VA is the gas claimant in Tracts 2 As such Norfolk Southern Railway Company c/o Pocahontas Land Corporation and Buchanan County, VA 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 Norfolk Southern Railway Company c/o Pocahontas Land Corporation and Buchanan County, VA and not escrow same. See Exhibit EE annexed hereto.

VGOB Disbursement

Unit L47

Table 1 (pay exact dollar amount based on account balance of 5/31/2003)
Tracts: 2,999

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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 close 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 § 45.1-381.9 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.

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DONE AND EXECUTED this 11 day of May, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

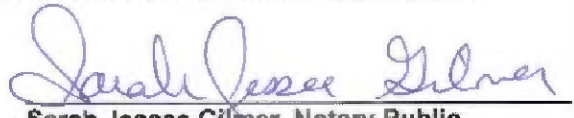
DONE AND PERFORMED this 11 day of May, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 11th day of May, 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 99-0720-0726-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2, 999 (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: May 10, 2016**DRILLING UNIT:** L47**BUCHANAN COUNTY, VIRGINIA****PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS****1. Petitioner and its counsel**

Petitioner is CNX Gas Company LLC, P. O. 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) Refund of escrow payments heretofore deposited with the Board's Escrow Agent. Reimburse overpayment of funds deposited with the Board's Escrow Agent attributable to Unit L47 to CNX Gas Company LLC, as depicted upon the annexed Exhibit; (2) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tract 2, as depicted upon the annexed table; and authorization to begin paying royalties directly to Norfolk Southern Railway Company c/o Pocahontas Land Corporation and Buchanan County, VA; (3) Dismissal of coal owner: David Horton.

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)

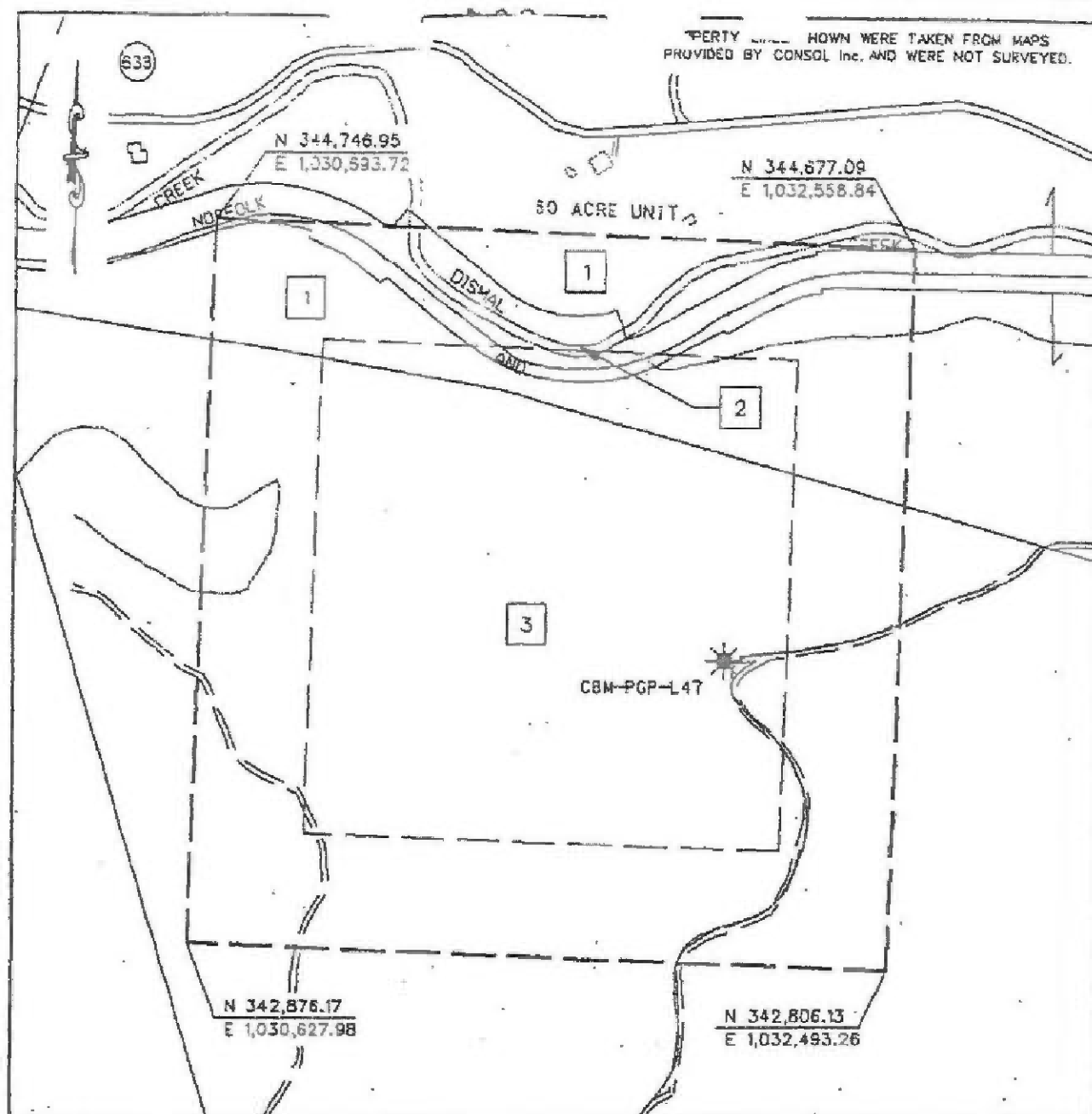
Coalbed Methane

5. Factual basis for relief requested

- a. Account has been over paid.
- b. Norfolk Southern Railway Company c/o Pocahontas Land Corporation and Buchanan County, VA is the gas claimant in Tracts 2 As such Norfolk Southern Railway Company c/o Pocahontas Land Corporation and Buchanan County, VA 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 Norfolk Southern Railway Company c/o Pocahontas Land Corporation and Buchanan County, VA 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.

**LEGEND**

TRACT LAND HOOK

TRACT LAND ID'S

EXHIBIT A
OAKWOOD FIELD UNIT L-47
FORCE POOLING
VGOB-99-0720-0726

Company Pocahontas Gas Partnership Well Name and Number UNIT L47
 Tract No. Elevation Quadrangle Jewell Ridge
 County Buchanan District Garden Scale: 1" = 400' Date 6/8/99
 This plat is a new plat X ; an updated plat ; or a final plat

Form DGO-60-7
Rev. 9/91

Charles E. Meyer (Affix Seal)
Licensed Professional Engineer or Licensed Land Surveyor

POCAHONTAS GAS PARTNERSHIP**UNIT L - 47****Tract Identifications**

1. David Horton - Coal, Oil & Gas
Coal Lessee
Reserve Coal Properties - Below drainage coal Lessee
Pocahontas Gas Partnership - Oil & Gas Lessee
Pocahontas Gas Partnership - CBM Lessee
Reserve Coal Properties - Surface
13.60 acres 17.0000%
2. Norfolk Southern Corp. - Coal (surface down 800') & Oil & Gas
David Horton - Coal below 800'
Coal Lessee
Reserve Coal Properties - Coal below 800'
Pocahontas Gas Partnership - CBM Lessee below 800'
5.17 acres 6.4625%
3. Pocahontas Mining Company, Tr 7 - Fee
Coal Lessees
Reserve Coal Properties - P-3 Seam and 250' above
Jewell Ridge Coal Corp. - Tiller Seam and above
Pocahontas Gas Partnership - CBM Leased P-3 Seam and 250' above
61.23 acres 76.5375%

Exhibit E
UNIT L-47
Docket # VGOB - 99-0720-0726-01
List of Respondents that require escrow

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Percent of
Unit

Acres in Unit

All Conflicts Resolved

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #2, 5.17 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) David Horton (Coal below 800') PO Box 58A Richlands, VA 24641	5.17 acres	6.4625%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Norfolk Southern Railway Company c/o Pocahontas Land Corporation, Agent PO Box 1517 Bluefield, WV 24701			
Conveyed to Buchanan Co. 5/12/2003, DB 569 PG 498 Norfolk Southern will receive a one-time payment of the funds that accumulated up until the date of the sale			
(a) Buchanan County Virginia PO Box 1056 Grundy, VA 24614	5.17 acres	6.4625%	100.0000% HB2058

INSTRUMENT #160000890
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MAY 19, 2016 AT 04:31PM
BEVERLY S. TILLER, CLERK
RECORDED BY: SLP