

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: I22

TRACT(S): 6

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-99-0720-0728-01

APPLICANTS:

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

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 11/30/1999, Recorded on 12/13/1999, Deed Book/Instrument No.
499, Page 418.
2. Supplemental Order Executed 02/03/2000, Recorded on 02/14/2000, Deed Book/Instrument No.
502, Page 121.

NOTICE:

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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) 6 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 6 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. Norfolk Southern Railway Company is the gas claimant in Tracts 6. As such Norfolk Southern Railway Company are 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 Norfolk Southern Railway Company and not escrow same. See Exhibit EE annexed hereto.

VGOB Disbursement
Unit 122

Table 1

Item	Tract	Disbursement Table
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Total acreage in escrow before disbursement

6 Tract 6 (total acreage)

Adjustment Comments:

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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 § 45.1-361.9 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.

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DONE AND EXECUTED this 26 day of April, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

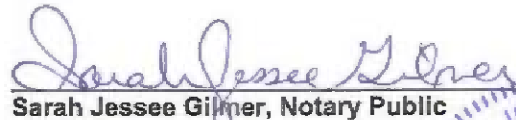
DONE AND PERFORMED this 26 day of April, 2016 by Order of the Virginia Gas and Oil Board.



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

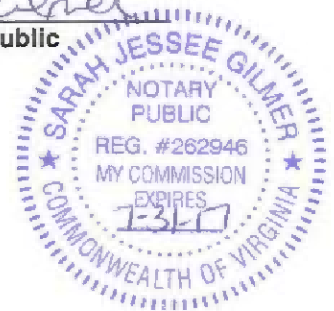
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 26th day of April, 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 99-0720-0728-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 6 (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: 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: 122**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 24809, (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(s) attributable to Tract 6, as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Norfolk Southern Railway Company; (3) Dismissal of coal owner(s): Yukon Pocahontas Coal Company, Buchanan Coal Company, Sayers-Pocahontas Coal Company & Consolidation Coal Company.

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

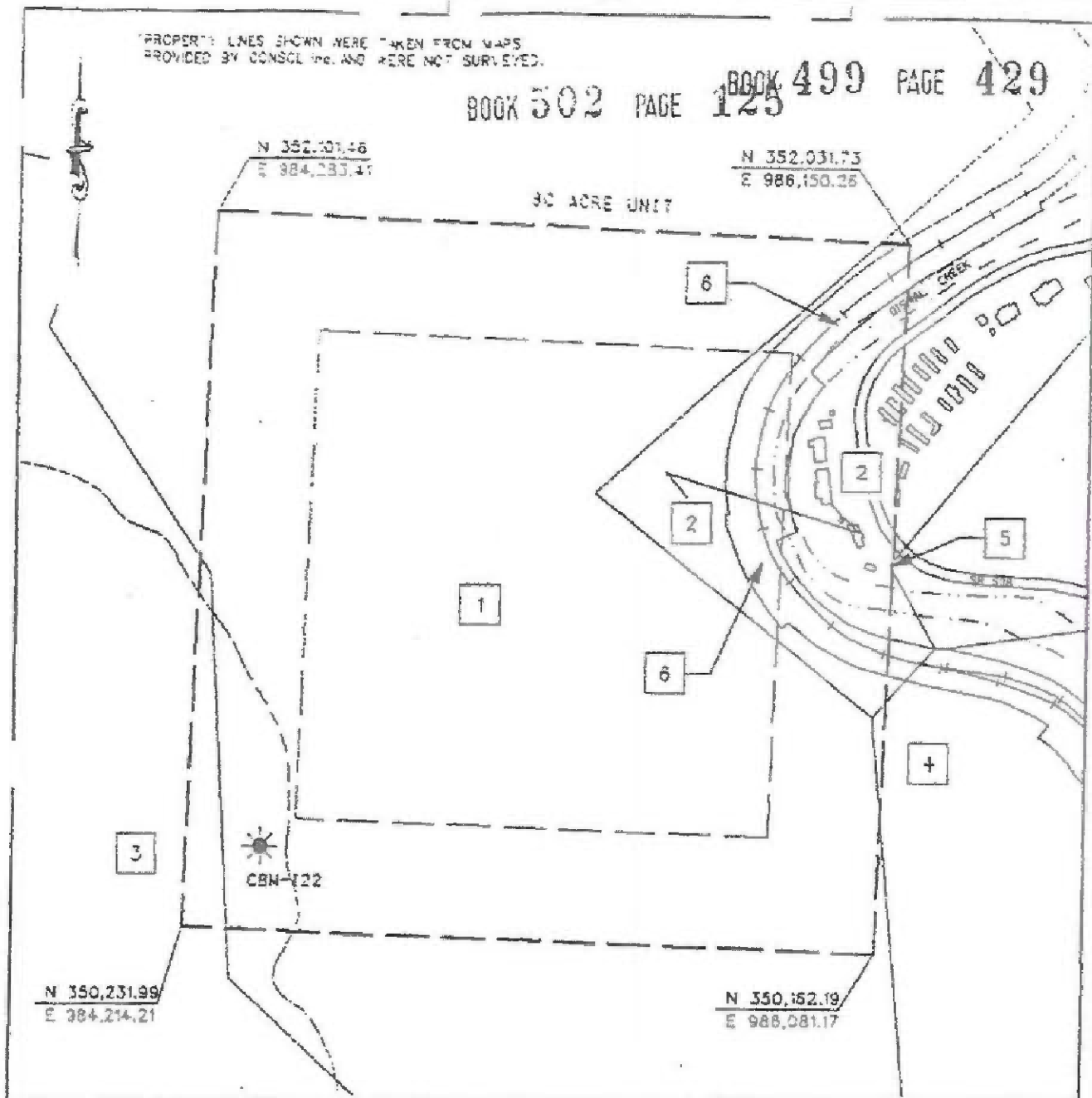
- a. Norfolk Southern Railway Company is the gas claimant in Tracts 6. As such Norfolk Southern Railway Company are entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- b. That CNX Gas Company LLC has given the notice(s) required 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 Norfolk Southern Railway Company 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.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS
PROVIDED BY CONSOL INC. AND WERE NOT SURVEYED.

BOOK 502 PAGE 125 BOOK 499 PAGE 429



LEGEND

- ← TRACT LAND HOOK
[2] TRACT LAND ID'S

EXHIBIT A
OAKWOOD FIELD UNIT 1-22
FORCE POOLING
VGOB-99-0720-0728

Company CONSOL Inc. Well Name and Number UNIT 122
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 000-GO-7
Rev. 3/91

Charles D. May
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

BOOK 502 PAGE 126

CONSOL INC.

UNIT I-22

Tract Identifications

1. Yukon Pocahontas Coal Company, et al, Tr. 83 - Coal, Oil & Gas
Coal Lessees
Island Creek Coal Company - Coal Below Tiller
Jewell Smokeless Coal Corp. - Coal bove Drainage
Buchanan Production Company - CBM Lessee
62.20 acres 77.7500%
2. Yukon Pocahontas Coal Company, et al, Tr. 125 - Coal, Oil & Gas
Coal Lessees
Island Creek Coal Company - Coal Below Tiller
Jewell Smokeless Coal Corp. - Coal bove Drainage
Buchanan Production Company - CBM Lessee
6.04 acres 7.5500%
3. Yukon Pocahontas Coal Company, et al, Tr. 65 - Coal, Oil & Gas
Coal Lessees
Island Creek Coal Company - Coal Below Tiller
Jewell Smokeless Coal Corp. - Coal bove Drainage
Buchanan Production Company - CBM Lessee
4.62 acres 5.7750%
4. Yukon Pocahontas Coal Company, et al, Tr. 136 - Coal, Oil & Gas
Coal Lessees
Island Creek Coal Company - Coal Below Tiller
Jewell Smokeless Coal Corp. - Coal bove Drainage
Buchanan Production Company - CBM Lessee
2.87 acres 3.5875%
5. Slocum Land Corporation, et al - Coal, Oil & Gas
Coal Lessees
Island Creek Coal Company - Coal Below Tiller
Jewell Smokeless Coal Corp. - Coal bove Drainage
Buchanan Production Company - CBM Lessee
0.14 acres 0.1750%
6. Norfolk Southern Corp. - Coal, (surface down 800') & Oil & Gas
Yukon Pocahontas Coal Company, et al, Tr. 136 - Remainder of Coal
Coal Lessees
Island Creek Coal Company - Coal Below 800'
Jewell Smokeless Coal Corp. - Coal bove Drainage
Buchanan Production Company - CBM Lessee below 800'
4.13 acres 5.1625%

Exhibit E
Unit I-22
Docket #VGOB 99-0720-0728-01
List of Conflicting Owners/Claimants that require escrow

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Acres in Unit

Percent
of Unit

Escrowing no longer required

Exhibit EE
Unit I-22
Docket #VGOB 99-0720-0728-01
List of Conflicting Owners with Royalty Splits/Court Orders/HB2058

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	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #6, 4.13 Acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Yukon Pocahontas Coal Company et al., Tr.136 (Coal below 800')	4.13 acres	5.1625%	n/a
(a) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	2.07 acres 1/2 of 4.13 acres	2.5813%	n/a
(b) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.46 acres 1/9 of 4.13 acres	0.5736%	n/a
(c) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.23 acres 1/18 of 4.13 acres	0.2866%	n/a
(d) Consolidation Coal Company 10545 Riverside Dr. Oakwood, VA 24631	1.38 acres 1/3 of 4.13 acres	1.7208%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Norfolk Southern Railway Company	4.13 acres	5.1625%	100.0000% HB2058
Royalties paid to: Pocahontas Land Corporation Treasurer, Pocahontas Land Corporation P. O. Box 1517 Bluefield, WV 24701			

INSTRUMENT #160000892
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MAY 19, 2016 AT 04:34PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLP