

120001253

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)

UNIT/WELL NAME: **L42**
TRACT(S): Tract 3
LOCATION: Buchanan County, Virginia

DOCKET NUMBER: **VGOB-99-1019-0751-01**

APPLICANTS: CNX on behalf of Norfolk Southern Railway Company and Buchanan County,
Virginia.

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
April 17, 2012

APPEARANCES: Mark Swartz on behalf of CNX Gas Company LLC, Sharon Pigeon, Sr. Assistant
Attorney General representing the Board

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 1221/99, Recorded on 12/22/09, Book 499, Page 777
2. Supplemental Order Executed 02/25/2000, Recorded on 02/25/2000, Book 502, Page 554

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the April 17, 2012 hearing and consider whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 3 identified in the attached miscellaneous petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract 3 relative to the interests of the Applicants identified in the attached miscellaneous petition.
- (3) **CLOSE** the escrow account under this docket number.

FINDINGS: *Code of Virginia* § 45.1-361.22

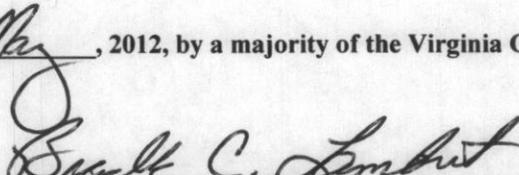
Applicant has certified and represented to the Board that:

There is no conflict as to the ownership of CBM and the royalties attributable to Norfolk and Southern Railway Company and Buchanan County and can be released. The Applicant and Designated Operator request that they be allowed to pay royalties directly

Effective Date:

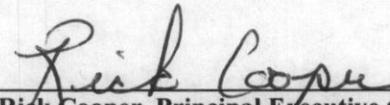
This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 31 day of May, 2012, by a majority of the Virginia Gas and Oil Board.



Bradley C. Lambert, Chairman
Virginia Gas and Oil Board

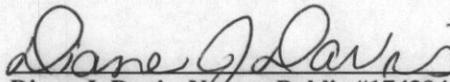
DONE AND PERFORMED this 31ST day of MAY, 2012 BY Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL)

Acknowledged on this 31ST day of May, 2012, 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 Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.



Diane J. Davis, Notary Public #174394

My commission expire: 09/30/2013



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO: VGOB 99-1019-0751-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 3
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: April 17, 2012

DRILLING UNIT: L42

BUCHANAN COUNTY, VIRGINIA

MISCELLANEOUS PETITION

1. **Petitioner and its counsel:** Petitioner is CNX Gas Company LLC, 2481 John Nash Boulevard, Bluefield, West Virginia 24701, 304/323-6500. Petitioner's counsel is Mark A. Swartz, **SWARTZ LAW OFFICES, PLLC.**, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.

2. **Relief sought:** (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 3 as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to Pocahontas Land Corporation (for the benefit of Norfolk Southern Railway Company) and Buchanan County.

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.

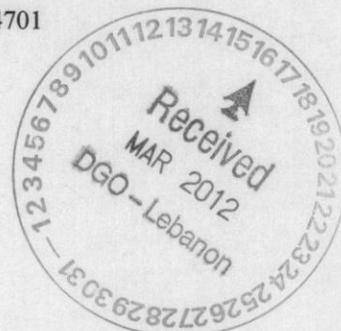
5. **Factual basis for relief requested:** There is no conflict as to the ownership of CBM and the royalties attributable to Norfolk Southern Railway Company and Buchanan County can be released. The Applicant and Designated Operator are also requesting that they be allowed to pay royalties directly to Pocahontas Land Corporation (for the benefit of Norfolk Southern Railway Company and Buchanan County. The annexed Exhibit A-1, further specifies how said royalties are to be paid.

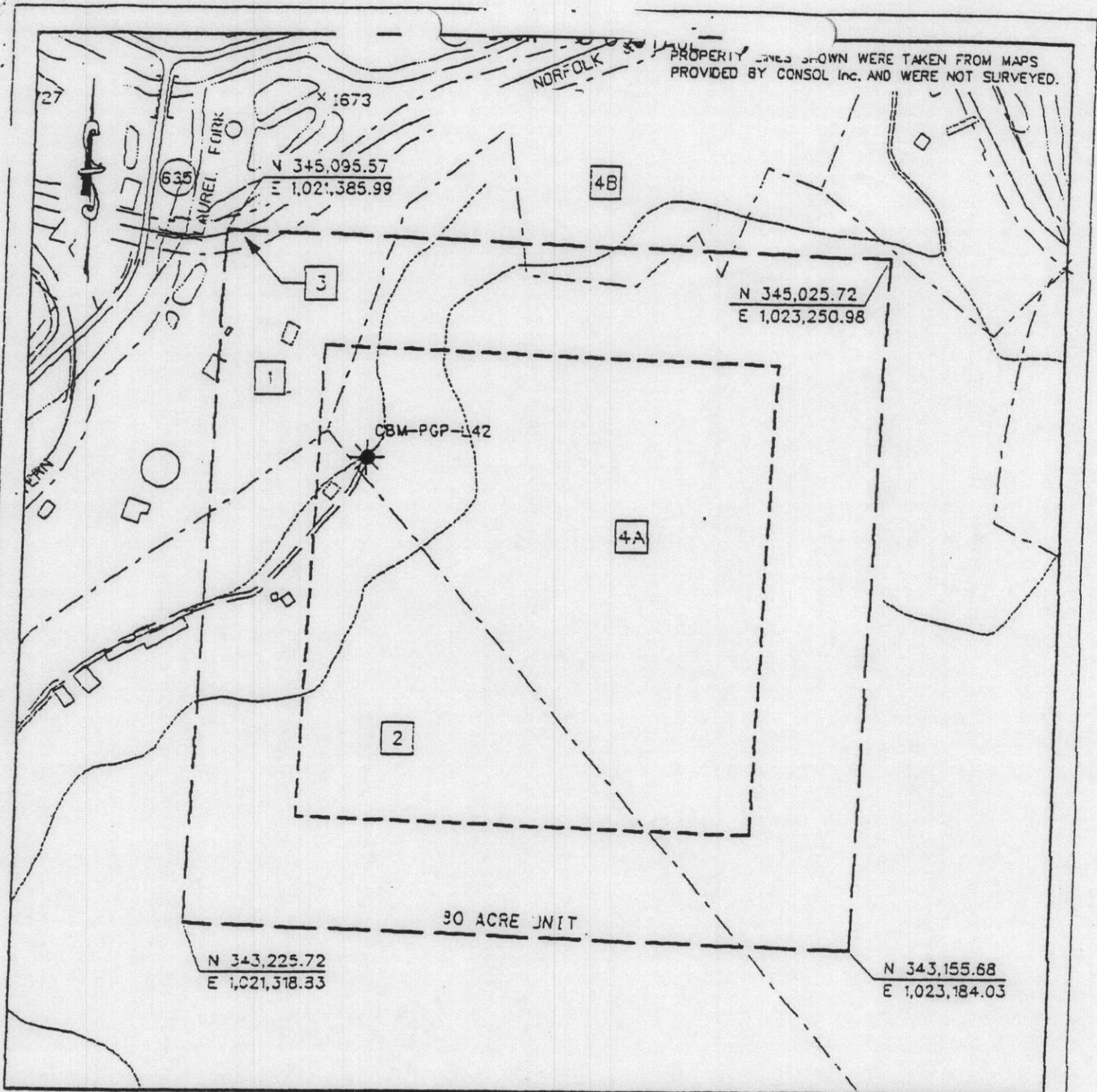
6. **Attestation:** The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

CNX GAS COMPANY LLC
BY ITS PROFESSIONAL MANAGER
CNX GAS COMPANY LLC, PETITIONER

By: _____

Anita D. Duty
Pooling Supervisor
CNX Land Resources, Inc.
2481 John Nash Blvd.
Bluefield, West Virginia 24701





LEGEND

↖ TRACT LAND HOOK

2 TRACT LAND ID'S

EXHIBIT A
OAKWOOD FIELD UNIT L-42
FORCE POOLING
VGOB-99-1019-0751

Company Pocahontas Gas Partnership Well Name and Number UNIT L42
 Tract No. _____ Elevation _____ Quadrangle Jewell Ridge
 County Buchanan District Garden Scale: 1" = 400' Date 9/9/99
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form 500-60-7
Rev. 3.81

Claude S. Meyer
Licensed Professional Engineer or Licensed Land Surveyor

Affix Seal

CNX Gas Company LLC
UNIT L 42
Tract Identifications

1. **C. L. Ritter Lumber Company Tr. 41 (230.57 Acre Tract) – Fee**
Island Creek Coal Company/Consol Energy, Inc. - Coal Below Tiller Seam Leased
Jewell Smokeless Coal Company – Coal Above Tiller Seam Leased
Hard Rock Exploration and Carter Oil & Gas, Inc. - Oil and Gas Leased
CNX Gas Company LLC - CBM Leased
5.49 acres 6.8625%

2. **P. J. Brown Heirs, et al (889 Acre Tract) – All Minerals**
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Drainage Leased
Jewell Smokeless Coal Corporation – Coal Above Drainage Leased
Dismal Processing, LLC – Lessee (Coal Refuse Only)
CNX Gas Company LLC – Oil, Gas and CBM Leased (99.86775%)
P. J. Brown Heirs - Surface
28.28 acres 35.3500%

3. **County of Buchanan – Fee**
Island Creek Coal Company/Consol Energy, Inc. – Coal in P-3 Seam Leased
CNX Gas Company LLC – CBM Leased
0.14 acres 0.1750%

4. **Betty Jean Bishop, et al (John McNeil 750.00 Acre Tract) - All Minerals**
Consolidation Coal Company – Coal Below Drainage Leased
Circle L. Land Company, Inc. – Red Ash Seam of Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
46.09 acres 57.6125%

- 4A. **Betty Jean Bishop, et al - Surface**
- 4B. **Judy Taylor, et al - Surface**

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

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Exhibit EE
Unit L-42
VGOB Docket# 99-1019-0751-01
List of All Owners/Claimants who no longer Require Escrow

	Acres in Unit	Percent of Unit	Percent of Escrow
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TRACT #3 - 0.14 acres

*According to the supplemental order, tract #3 is being escrowed due to conflict.
That conflict is resolved due to a deed and escrow can be released to the owner below*

COAL OWNERSHIP

(1) Buchanan County P.O. Box 950 Grundy, VA 24614 <i>Incorrectly identified as CL Ritter Lumber Company. (Previously owned by Norfolk Southern Railway Company)</i>	0.14 acres	0.1750%	
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OIL & GAS OWNERSHIP

(1) Buchanan County P.O. Box 950 Grundy, VA 24614 <i>(Previously owned by Norfolk Southern Railway Company)</i>	0.14 acres	0.1750%	100%
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**Exhibit A-1
Tract-by-Tract Escrow Calculation
Account Balances as of 5/31/2003**

Unit L42
Docket VGOB# 99-1019-0751-01
0.140000

Owners	Tract #	Acres	Owners' Percent of Escrow	Amount Due Owners \$145.77
Norfolk Southern Railway Company- Coal	3	0.14	100.0000%	\$145.77
Norfolk Southern Railway Company (Royalties paid to Pocahontas Land Corporation)- O&G				

** Royalties will be paid to Norfolk Southern Railway Company until May 2003.
The property was deeded to Buchanan County VA 5/12/2003

Account Balances as of 1/31/2012

Unit L42
Docket VGOB# 99-1019-0751-01
0.140000

Owners	Tract #	Acres	Owners' Percent of Escrow	Amount Due Owners \$691.24
Buchanan County VA- Coal	3	0.14	100.0000%	\$691.24
Buchanan County VA- O&G				

Wells contributing to the escrow account: L42, L42A, & L42B

Disbursement Closes the Account

INSTRUMENT #120001253
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JUNE 25, 2012 AT 01:41PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB

9

Hagy, Sharon (DMME)

From: VITASHARE System [vitashare@vita.virginia.gov]
Sent: Tuesday, July 03, 2012 10:27 AM
To: Hagy, Sharon (DMME)
Subject: New Transaction XX4JF87A2Z7B6UDH-0003

Transaction details for Sharon Hagy(user shagy_1) _____

Job Id: XX4JF87A2Z7B6UDH-0003

Date: Tue, Jul 3, at 10:26

Transaction Details:

Acknowledge Security Policy: I understand that this system is not intended for sensitive data.

Recipient's Email example- user1@virginia.gov, user2@virginia.gov:

AnitaDuty@consolenergy.com, dldavis@firstbank.com, gloria.clark@dmme.virginia.gov,
hilareymullins@consolenergy.com

Message - Describe file attachment: Please see the recorded Disbursement orders on the following dockets: 0196-01 0240-03 0625-10 0681-07 0751-01 0784-02 0921-02 1139-02 1542-02
Let me know if you are unable to download the files. Happy 4th. Thank you, Sharon

Notify me when the file is downloaded?: Yes

Pin: 253143

Files:

0196-01_Disbursement.tif
0240-03_Disbursement.tif
0625-10_Disbursement.tif
0681-07_Disbursement.tif
0751-01_Disbursement.tif
0784-02_Disbursement.tif
0921-02_Disbursement.tif
1139-02_Disbursement.tif
1542-02_Disbursement.tif

View details here

<<http://vitashare.vita.virginia.gov/fcweb/viewJobLink.do?JOBIDX=XX4JF87A2Z7B6UDH>>

Total Estimated File Size: 2831 KB

Total Number of Files: 9

Estimated Upload Time: 00:01:55



8000751 - L42
 Trade Date *07/06/2012*
 Settlement Date 07/06/2012
 Time Modified 07/05/2012
 Description VGOB Docket #99-1019-0751-01
 Well: L42 Tract 3
 Payee Buchanan County Virginia
 FBO Buchanan County Virginia
 Tax Year 2012
 Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29609
 Gross Distribution \$691.00
 Net Distribution \$691.00

8000751 - L42
 Trade Date 07/06/2012
 Settlement Date 07/06/2012
 Time Modified 07/05/2012
 Description VGOB Docket #99-1019-0751-01
 Well: L42 Tract 3
 Payee Buchanan County Virginia
 FBO Buchanan County Virginia
 Tax Year 2012
 Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29609
 Gross Distribution \$691.00
 Net Distribution \$691.00

THIS DOCUMENT HAS A MULTI-COLORED FACE THAT CHANGES COLOR GRADUALLY. SEE LIST OF SECURITY FEATURES ON THE BACK. DO NOT CASH UNLESS ALL ARE PRESENT.



TRUST DIVISION
 38 E VALLEY DRIVE
 BRISTOL, VA 24201
 (866) 505-1496

07/06/2012

88-446
514

CHECK NO. 029609

8000751 - L42

\$691.00

Six hundred ninety one and 00/100

Dollars

PAY TO THE ORDER OF

BUCHANAN COUNTY VIRGINIA
 PO BOX 1056
 GRUNDY VA 24614

⑈029609⑈ ⑆051404464⑆ 2001 004 7⑈

Details on back. Security Features Included



8000751 - L42

Trade Date *07/06/2012*
 Settlement Date 07/06/2012
 Time Modified 07/05/2012
 Description VGOB Docket #99-1019-0751-01
 Well: L42 Tract 3
 Payee Pocahontas Land Corp. Agent for Norfolk...
 FBO Pocahontas Land Corp. Agent for Norfolk...
 Tax Year 2012
 Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29608
 Gross Distribution \$145.77
 Net Distribution \$145.77

8000751 - L42

Trade Date 07/06/2012
 Settlement Date 07/06/2012
 Time Modified 07/05/2012
 Description VGOB Docket #99-1019-0751-01
 Well: L42 Tract 3
 Payee Pocahontas Land Corp. Agent for Norfolk...
 FBO Pocahontas Land Corp. Agent for Norfolk...
 Tax Year 2012
 Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29608
 Gross Distribution \$145.77
 Net Distribution \$145.77

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TRUST DIVISION
 38 E VALLEY DRIVE
 BRISTOL, VA 24201
 (866) 505-1496

07/06/2012

68-446
514

CHECK NO. 029608

8000751 - L42

\$145.77

Dollars

Details on back
Security Features included

One hundred forty five and 77/100

PAY TO THE ORDER OF

POCAHONTAS LAND CORP AGENT FOR NORFOLK
 SOUTHERN RAILWAY CO
 PO BOX 1517
 BLUEFIELD WV 24701

⑈029608⑈ ⑆051404464⑆ 2001 004 7⑈