

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: R51

TRACT(S): 3B

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-00-0321-0783-01

APPLICANTS:

CNX Gas Company LLC on behalf of Ronald & Joyce Reed

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 04/27/2000, Recorded on 05/03/2000, Deed Book/Instrument No. 506, Page 781.
2. Supplemental Order Executed 06/26/2000, Recorded on 07/05/2000, Deed Book/Instrument No. 509, Page 612.

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) 3B identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3B relative to the interests of the Applicants identified in the attached petition.
- (3) Continue 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. Ronald & Joyce Reed is the gas claimant in Tracts 3B. As such Ronald & Joyce Reed 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 Ronald & Joyce Reed and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit R51

VGOB-00-0321-0783-01

Table 1
Tracts: 3B

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds	Adjustment Amount
			In Tract	In Tract	Agreement	Disbursed	Disbursed	
		Total acreage in escrow before disbursement				15.50000		
3B Tract 3B (total acreage)			1.0600					
1	3B	Ronald & Joyce Reed\9071 Brown Mountain Road, Jewell Ridge, VA 24622		1.0600	100.00%	1.0600	6.8387%	

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 continue 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 9 day of June, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 9 day of June, 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 9th day of June, 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 00-0321-0783-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 3B (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: R51**BUCHANAN COUNTY, VIRGINIA****PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS****1. Petitioner and its counsel**

Petitioner is CNX Gas Company LLC, PO 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) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract 3B, as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Ronald & Joyce Reed; (3) Dismissal of Coal Owner(s): Pocahontas Resources LLC

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. Ronald & Joyce Reed is the gas claimant in Tracts 3B. As such Ronald & Joyce Reed 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 Ronald & Joyce Reed 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 CONSUL INC. AND WERE NOT SURVEYED

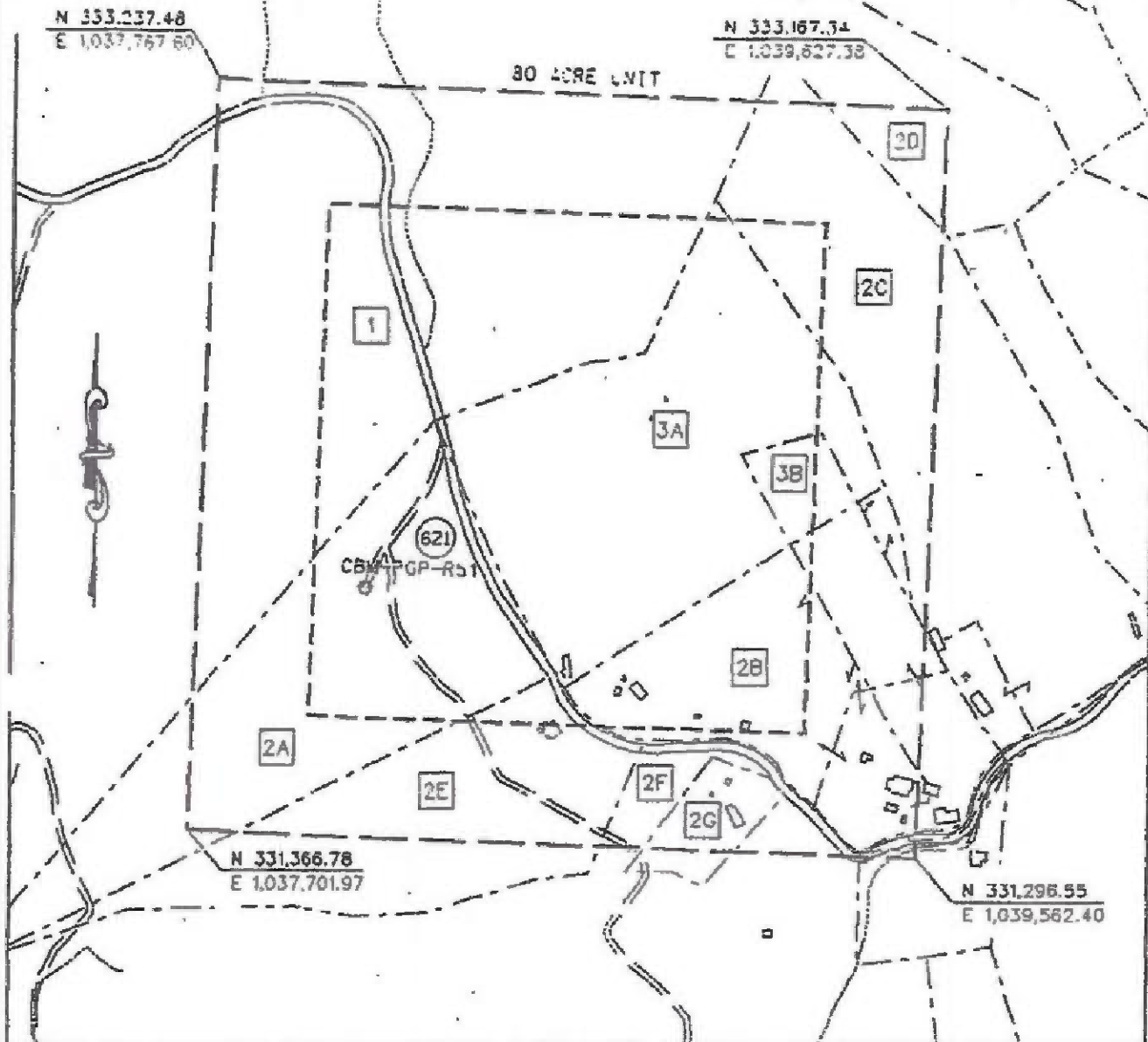


EXHIBIT A
OAKWOOD FIELD UNIT R-51
FORCE POOLING
VGOB-00-0321-0783

Company Pocahontas Gas Partnership Well Name and Number UNIT R51
Tract No. _____ Elevation _____ Quadrangle Jewell Ridge
County Buchanan District Garden Scale: 1" = 400' Date 2/09/00
This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91

Charles D. May
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

February 7, 2000

POCAHONTAS GAS PARTNERSHIP
UNIT R-51
Tract Identifications

1. Pocahontas Mining Company . Tr 22 - Coal, Oil & Gas
 Coal Lessees
 Reserve Coal Properties - P-3 Seam and 250' above
 Jewell Ridge Coal Corp.- Tiller Seam and above
 Pocahontas Gas Partnership - Oil & Gas Lessee
 Pocahontas Gas Partnership - CBM Lessee
 Lavoy Edward Hall & Terrance Lynn Hall - Surface
 26.72 acres 33.4000%

2. Pocahontas Mining Company . Tr 21 - Coal, Oil & Gas
 Coal Lessees
 Reserve Coal Properties - P-3 Seam and 250' above
 Jewell Ridge Coal Corp.- Tiller Seam and above
 Pocahontas Gas Partnership - Oil & Gas Lessee
 Pocahontas Gas Partnership - CBM Lessee
 37.78 acres 47.2250%

- 2A. Lavoy Edward Hall & Terrance Lynn Hall - Surface
- 2B. Ronald Reed - Surface
- 2C. Monroe Greeley - Surface
- 2D. Mayrland Joyce - Surface
- 2E. Ellis Byrd - Surface
- 2F. Willard Reed - Surface
- 2G. Larry Byrd - Surface

- 3A. Pocahontas Mining Company . Tr 21 - Coal
 Coal Lessees
 Reserve Coal Properties - P-3 Seam and 250' above
 Jewell Ridge Coal Corp.- Tiller Seam and above
 Pocahontas Gas Partnership - CBM Lessee
 Leshia Reed - Surface, Oil & Gas
 14.44 acres 18.0500%

- 3B. Pocahontas Mining Company . Tr 21 - Coal
 Coal Lessees
 Reserve Coal Properties - P-3 Seam and 250' above
 Jewell Ridge Coal Corp.- Tiller Seam and above
 Pocahontas Gas Partnership - CBM Lessee
 Ronald Reed - Surface, Oil & Gas
 1.06 acres 1.3250%

Exhibit E
Unit R-51
Docket #VGOB-00-0321-0783-01
List of Respondents that require escrow

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	Net Acres in Unit	Interest in Unit
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Tract #3A, 14.44 acres

COAL FEE OWNERSHIP

(1) Pocahontas Mining Company Tr. 21 Limited Partnership, L.L.P. P. O. Box 1339 Bluefield, WV 24701	14.44 acres	18.05000%
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OIL & GAS FEE OWNERSHIP

Escrow Due to Title Conflict

(1) Roma L. Matney, et al <i>15.00 Acre T000189 Previously Leshia M. Reed Matney, et al.</i>	14.44 acres	18.0500%
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(a) Roma Matney
721 Smith Ridge Rd
Jewell Ridge, VA 24622

(b) Lucinda Gilbert, et al *Possible outstanding interest*
Heirs Unknown

OR

(a) R.S. & Laura Edmond Heirs
Heirs Unknown

(b) Lucinda Gilbert, et al *Possible outstanding interest*
Heirs Unknown

160001083

Exhibit EE
Unit R-51
Docket #VGOB-00-0321-0783-01
List of Respondents with Royalty Splits/Court Orders/HB2058

	Net Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #3B, 1.06 acres</u>			
<u>COAL FEE OWNERSHIP</u>			
(1) Pocahontas Resources LLC Tr. 21 P. O. Box 1837 Abingdon, VA 24212	1.06 acres	1.32500%	n/a
<u>OIL & GAS FEE OWNERSHIP</u>			
(1) Ronald & Joyce Reed 9071 Brown Mountain Road Jewell Ridge, VA 24622	1.06 acres	1.32500%	6.83871% HB2058

INSTRUMENT #160001083
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JUNE 21, 2016 AT 01:44PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GBB