



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: Q48

TRACT(S): A portion of 3

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-00-0418-0790-03

APPLICANTS: CNX Gas Company LLC on behalf of Joseph Paul Horn

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 05/26/2000, Recorded on 06/02/2000, Deed Book/Instrument No. 508, Page 125.
- 2. Supplemental Order Executed 08/14/2000, Recorded on 08/17/2000, Deed Book/Instrument No. 511, Page 590.
- 3. Modification Order -01 Executed 07/21/2015, Recorded on 08/26/2015, Deed Book/Instrument No. 150001397.
- 4. Supplemental Order -01, Recorded on 05/03/2016, Deed Book/Instrument No. 160000768.

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5. Disbursement Order -02 Executed 08/24/2016, Recorded on 08/30/2016, Deed Book/Instrument No. 160001565.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) A portion of 3 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 3 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. Joseph Paul Horn is the gas claimants in a portion of Tr.3. As such Joseph Paul Horn is entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 00-0418-0790-02, it dismissed the coal claimant(s) Hurt-McGuire Land Trust as a Respondent to these proceedings. Accordingly, Island Creek Coal Company was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 Joseph Paul Horn and shall not escrow same. See Exhibit EE annexed hereto.

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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.

DONE AND EXECUTED this 15 day of May, 2017 by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert

Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 15th day of May, 2017, 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, that he executed the same and was authorized to do so.

Sarah Jessee Gilmer

Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2021



DONE AND PERFORMED this 16 day of May, 2017 by Order of the Virginia Gas and Oil Board.

Rick Cooper

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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 16th day of May, 2017, personally before me a notary public in and for the Commonwealth of Virginia, appeared Rick Cooper, being duly sworn did depose and say that he is the Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Sarah Jessee Gilmer

Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 00-0418-0790-03

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 3 (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: Q48**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(s) portion of Tr. 3 as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Joseph Paul Horn

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)

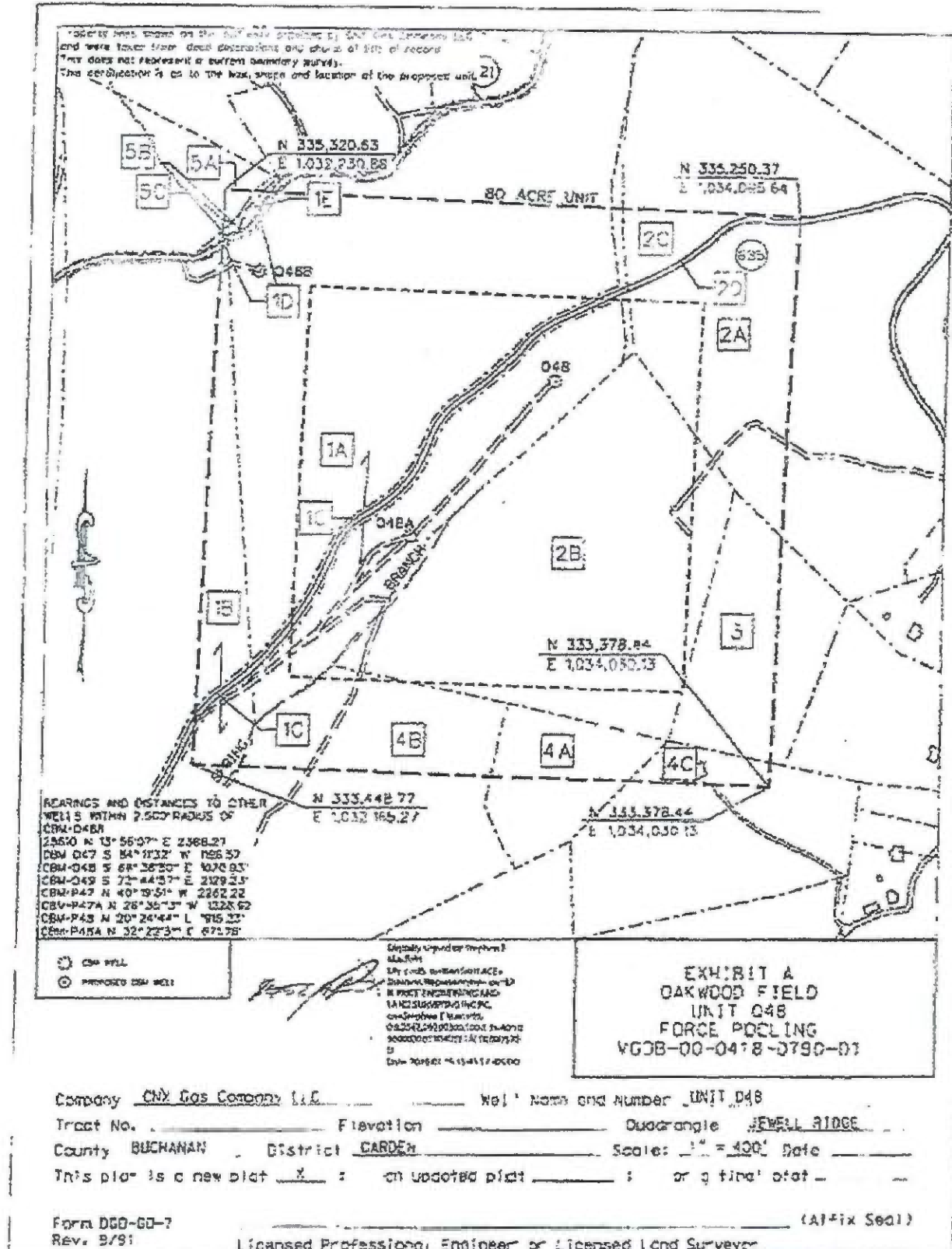
Coalbed Methane

5. Factual basis for relief requested

- a. Joseph Paul Horn is the gas claimants in a portion of Tr.3. As such Joseph Paul Horn is entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 00-0418-0790-02, it dismissed the coal claimant(s) Hurt-McGuire Land Trust as a Respondent to these proceedings. Accordingly, Island Creek Coal Company was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 Joseph Paul Horn and shall 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.



CNX Gas Company LLC
UNIT Q48
Tract Identifications

1. G. W. St. Clair II, et al (94 Acre Tract) – All Minerals
 CONSOL Buchanan Mining Company LLC – Coal In and Below P-3 Seam Leased
 Jewell Ridge Coal Corporation – Jawbone Seam of Coal Leased
 CNX Gas Company LLC – CBM Leased
 38.96 acres 48.2000%
- 1A. CNX Gas Company LLC - Surface
 1B. Unknown Surface Owner
 1C. Commonwealth of Virginia - Surface
 1D. Commonwealth of Virginia - Surface
 1E. Commonwealth of Virginia - Surface
2. Hurt McGuire Land Trust, Tr. 320 (231 Acre Tract) – All Minerals
 CONSOL Buchanan Mining Company LLC – Below Drainage Coal Leased
 Massey Energy/Jewell Ridge Coal Corporation - Jawbone and Tiller Seams Leased
 CNX Gas Company LLC - CBM Leased
 28.84 acres 37.3000%
- 2A. CNX Gas Company LLC - Surface
 2B. B. B. Cole Heirs - Surface
 2C. Unknown Surface Owner
 2D. Commonwealth of Virginia – Surface
3. Hurt McGuire Land Trust, Tr. 320 (231 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC – Below Drainage Coal Leased
 Massey Energy/Jewell Ridge Coal Corporation - Jawbone and Tiller Seams Leased
 CNX Gas Company LLC - CBM Leased
 Lilly B. Osborne, et al (50%) / Hurt McGuire Land Trust (50%) – Oil and Gas
 CNX Gas Company LLC - CBM Leased (50%) (Hurt McGuire Land Trust Interest)
 Lilly B. Osborne, et al – Surface
 4.50 acres 5.7500%
4. Hurt McGuire Land Trust, Tr. 320 (231 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC – Below Drainage Coal Leased
 Massey Energy/Jewell Ridge Coal Corporation - Jawbone and Tiller Seams Leased
 CNX Gas Company LLC - CBM Leased
 James O. and Margaret McNeill Heirs (50%) / Hurt McGuire Land Trust (50%) – Oil and Gas
 CNX Gas Company LLC - CBM Leased (50%) (Hurt McGuire Land Trust Interest)
 8.34 acres 10.4250%
- 4A. Unknown Surface Owner
 4B. Unknown Surface Owner
 4C. Unknown Surface Owner
5. James M. McGuire Trust (66.56 Acre Tract) – All Minerals
 CONSOL Buchanan Mining Company LLC – Below Drainage Coal Leased
 Jewell Smokeless Coal Corporation - Jewell/Raven Seam Leased
 CNX Gas Company LLC - CBM Leased
 0.26 acres 0.3250%
- 5A. CNX Gas Company LLC – Surface
 5B. Commonwealth of Virginia - 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."

Exhibit E
 Unit Q-48
 Docket #VGOB-00-0418-0790-03
 List of Owners/Claimants in Escrow

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	Net Acres in Unit	Interest in Unit
<u>Tract #3 - 4.60 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hurt-McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Tr. 320 - 231 Acre Tract)	2.300 acres 1/2 of 4.60 acres	2.8750% <i>Dismissed with 02 petition</i>
<u>OIL & GAS OWNERSHIP</u>		
Lillie B. Osborne, et al	4.60 acres	5.7500%
(1) Edna Bell Horn Heirs, Devisees, Successors or Assigns		
<i>WS / Affidavit's not received</i>		
(b) Roy Rogers Horn 542 River Oaks Dr. Danville, VA 24540	0.329 acres 1/14 of 4.60 acres	0.4107%
(f) Thelma Marie Underwood 2413 Harrys Branch Rd. Whitewood, VA 24657-9461	0.329 acres 1/14 of 4.60 acres	0.4107%
	Tract acres 0.6571 Tract percent 0.8214%	
<u>Tract #4 - 8.34 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hurt-McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Tr. 320 - 231 Acre Tract)	4.17 acres 1/2 of 8.34 acres	5.2125% <i>Dismissed with 02 petition</i>
<u>OIL & GAS OWNERSHIP</u>		
<i>Unresolved Hairship</i>		
(1) James O. and Margaret McNeil Heirs Devisees, Successors or Assigns Heirs/Address Unknown	4.17 acres 1/2 of 8.34 acres	5.2125%
	Tract acres 4.1700 Tract percent 5.2125%	
	Total tract acres remaining in Escrow 4.8271 Total tract percentage remaining in Escrow 6.0339%	

Exhibit EE
 Unit Q-48
 Docket #VGOB-00-0418-0790-03
 List of Conflicting Owners/Claimants with Royalty Split Agreements/HB2058

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	Net Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #3 - 4.60 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hurt-McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Tr. 320 - 231 Acre Tract)	2.300 acres 1/2 of 4.60 acres	2.8750%	
<u>OIL & GAS OWNERSHIP</u>			
Lillie B. Osborne, et al	4.60 acres	5.7500%	
(1) Edna Bell Horn Heirs, Devisees, Successors or Assigns			
(a) Lilly Bell Osborne Elswick 1158 Hogback Rd. Tazewell, VA 24651-9240	0.329 acres 1/14 of 4.60 acres	0.4107%	n/a
(c) Shelby Jean Reynolds 136 Longacre Ln. Princeton, WV 24740	0.329 acres 1/14 of 4.60 acres	0.4107%	n/a
(d) Willie Mae Mutter 1010 Newton St Apt 104 Bristol VA 24201	0.329 acres 1/14 of 4.60 acres	0.4107%	n/a
(e) William Ray Horn 40 Sulfur Ln. Swords Creek, VA 24649	0.329 acres 1/14 of 4.60 acres	0.4107%	n/a
(g) Joseph Paul Horn 1290 Onyx Rd. Jewell Ridge, VA 24622	0.329 acres 1/14 of 4.60 acres	0.4107%	6.3730% HB2058
	Total tract acres	1.6429	
	Total tract percent	2.0536%	

INSTRUMENT 170001140
 RECORDED IN THE CLERK'S OFFICE OF
 BUCHANAN COUNTY ON
 May 30, 2017 AT 04:34 PM
 BEVERLY S. TILLER, CLERK
 RECORDED BY: VAH