

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

UNITWELL NAME: AV111

TRACT(S): 5

LOCATION: BUCHANAN, RUSSELL County, Virginia

DOCKET NUMBER: VGOB-01-0116-0852-02

APPLICANTS: CNX Gas Company LLC on behalf of Jamie Hale, Jeffery C. Hale, Pamela J. Keene

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
November 17, 2015

APPEARANCES: Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 03/02/2001, Recorded on 03/07/2001, Deed Book/Instrument No. 521, Page 518.
2. Supplemental Order Executed 05/01/2001, Recorded on 05/25/2001, Deed Book/Instrument No. 526, Page 743.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the November 17, 2015 hearing and considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 5 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 5 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:

Affidavit from Torch Oil & Gas Company dated August 5, 2015 stating they have no legal claim to CBM royalties based on the current state of Virginia law, therefore 100% of the royalty will be paid to the oil and gas owners, namely Pamela J. Keene, Jamie H. Hale and Jeffery C. Hale. The Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be divided and paid.

There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

RELIEF GRANTED:

VGOB Disbursement
Unit AV111

VGOB-01-0116-0852-02

Table 1

Tracts: 5

VGOB Disbursement Unit AV111							
VGOB-01-0116-0852-02							
Table 1							
Tracts: 5							
Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			In Tract	In Tract	Agreement	Disbursed	Disbursed
		Total acreage in escrow before disbursement				1.22000	
5 Tract 5 (total acreage)			1.22				
1	5	Pamela J. Keene\3707 Garden Creek Road, Rowe, VA 24646	1/9	0.1356	100.00%	0.1356	11.1111%
2	5	Jamie Hale\1909 Lum Hollow Road., Haysl, VA 24256	1/9	0.1356	100.00%	0.1356	11.1111%
3	5	Jeffery C. Hale\1926 Zacks Fork Road, Lenoir, NC 28645	1/9	0.1356	100.00%	0.1356	11.1111%
4	5	Pamela J. Keene\3707 Garden Creek Road, Rowe, VA 24646	2/9	0.2711	100.00%	0.2711	22.2222%

1.22

5 Tract 5 (total acreage)

5	5	Jamie Hale\1909 Lum Hollow Road., Haysi, VA 24256	2/9	0.2711	100.00%	0.2711	22.22222%
6	5	Jeffery C. Hale\1926 Zacks Fork Road, Lenoir, NC 28645	2/9	0.2711	100.00%	0.2711	22.22222%

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.

150002113

DONE AND EXECUTED this 18 day of November, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

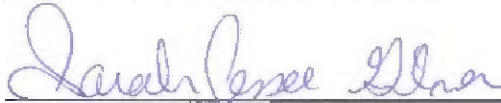
DONE AND PERFORMED this 18 day of November, 2015 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 18th day of November, 2015, 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



150002113

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 01-0116-0852-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 5 (2) AND
AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES

HEARING DATE: November 17, 2015

DRILLING UNIT: AV111

BUCHANAN, RUSSELL 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 24609, (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, attributable to Tract 5, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the following parties; Pamela J. Keene, Jamie H. Hale and Jeffery C. Hale.

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

Affidavit from Torch Oil & Gas Company dated August 5, 2015 stating they have no legal claim to CBM royalties based on the current state of Virginia law, therefore 100% of the royalty will be paid to the oil and gas owners, namely Pamela J. Keene, Jamie H. Hale and Jeffery C. Hale. The Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be divided and paid.

There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

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

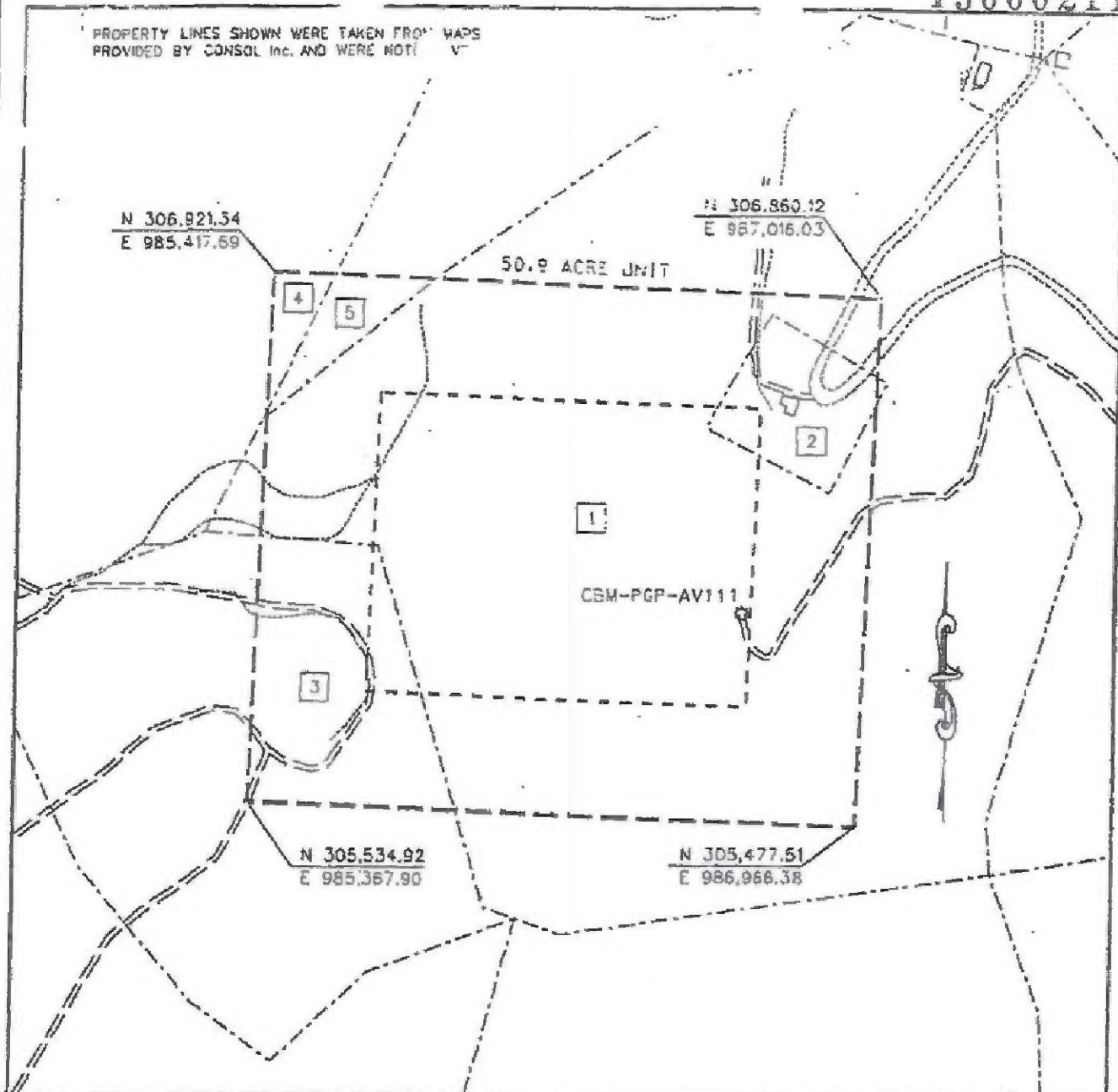


EXHIBIT A
OAKWOOD FIELD UNIT AV-111
FORCE POOLING
VGOB-01-0116-0852

Company Pocahontas Gas Partnership Well Name and Number UNIT AV-111
Tract No. Elevation Quadrangle Hanaker 15 D. 1577
County Buchanan/Russell District Hurricane/New Garden Scale: 1" = 400' Date 12/13/00
This plot is a new plot X : an updated plot : or a final plot No

Form OGO-GO-7
Rev. 9/91

Charles E. Morgan
Licensed Professional Engineer or Licensed Land Surveyor

10533
(Affix Seal)

POCAHONTAS GAS PARTNERSHIP

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Unit AV-111
 Tract Identifications
 (50.9 Acre Unit)

1. Hugh MacRae Land Trust - TR 9 - Coal
 Consolidation Coal Company - Below Tiller coal Leased
 Pocahontas Gas Partnership - CBM Lessee
 Pocahontas Gas Partnership - Surface, Oil & Gas
 39.34 acres 77.2888 %
2. Pocahontas Gas Partnership - Fee
 2.75 acres 5.4028 %
3. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal
 Coal Lessee
 Sandy Ridge Energy Company - Above Drainage Coal Leased
 Pocahontas Gas Partnership - CBM Leased
 Earl Whitel - Surface, Oil & Gas
 Pocahontas Gas Partnership - Oil, Gas and CBM Leased
 6.89 acres 13.5363 %
4. Buckhorn Coal Company Tr. 2 - Fee
 Coal Lessees
 Consolidation Coal Company - Below Drainage Coal Leased
 Sandy Ridge Energy Company - Above Drainage Coal Leased
 Reserve Coal Properties Company - Oil & Gas Leased
 Pocahontas Gas Partnership - CBM Leased
 0.70 acres 1.3752 %
5. Hugh MacRae Land Trust Tr. 9 - Coal
 Coal Lessee
 Consolidation Coal Company - Below Tiller Coal Leased
 Pocahontas Gas Partnership - CBM Leased
 Carlos Hale Heirs - Surface, Oil & Gas
 1.22 acres 2.3969 %

Exhibit E
Unit AV111
Docket #VGOB 01-0116-0852-02
List of Respondents that require escrow
(50.90 Acre Unit)

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Acres in UnitInterest In
Unit

Escrowing not required

Exhibit EE
Unit AV111
VGOB #01-0116-0852-02
List of Respondents with Royalty Split Agreements or Court Orders
(50.90 Acre Unit)

BOOK 0796 PAGE 0955

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	Acres in Unit	Interest in Unit	Percent of Escrow
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Tract #1, 39.34 acres

COAL OWNERSHIP

(1) Hugh Macrae Land Trust, Tr.9 (Sparrell Hale 412 Acre Tract) c/o Gump, Strauss, Akis LLP 1 Bryant Park New York, NY 10036-6715	39.34 acres	77.2888%	n/a
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By Assignment and Bill of Sale, HMLT devised all of its right, title and interest (other than "Excluded Assets") to Torch Energy Advisors Inc. effective September 4, 1991 and recorded in Buchanan County under DB474 / PG384.

Torch Oil & Gas Company
c/o Sue Ann Craddock
670 Dona Ana Road SW
Deming, New Mexico 88030

OIL & GAS OWNERSHIP

(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317-8506 (Pocahontas Gas Partnership)	39.34 acres	77.2888%	n/a
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Tract #3, 6.89 acres

COAL OWNERSHIP

(1) Buckhorn Coal Company Jacob Fuller Tract (453 Acre Tract) c/o Charlie Hart P. O. Box 187 Tazewell, VA 24651	6.89 acres	13.5363%	n/a
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OIL & GAS OWNERSHIP

(1) Michael Whited, et al (Previously Columbus Earl Whited Heirs)	6.89 acres	13.5363%	
(a) Michael Whited PO Box 297 Swords Creek, VA 24696	0.69 acres 1/10 of 6.89 acres	1.3536%	n/a
(b) Ferrell Whited PO Box 1471 Honaker, VA 24260-1471	1.24 acres 9/50 of 6.89 acres	2.4365%	n/a
(c) Herald Whited 120 Clifton Farm Rd. Honaker, VA 24260	1.24 acres 9/50 of 6.89 acres	2.4365%	n/a
(d) Marty Whited PO Box 0881 Lebanon, VA 24266-0881	1.24 acres 9/50 of 6.89 acres	2.4365%	n/a
(e) Cathy Darlene Ward 2014 Miller Creek Rd Swords Creek, VA 24649	1.24 acres 9/50 of 6.89 acres	2.4365%	n/a

Exhibit EE
Unit AV111

VGOB #01-0116-0852-02

List of Respondents with Royalty Split Agreements or Court Orders
(50.90 Acre Unit)

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	Acres in Unit	Interest in Unit	Percent of Escrow
(f) Melissa Skeens 120 Clifton Farm Rd Honaker, VA 24260	1.24 acres 9/60 of 6.89 acres	2.4365%	n/a

Tract #5, 1.22 acresCOAL OWNERSHIP

(1) Hugh Macrae Land Trust, Tr.9 (Sparrell Hale 412 Acre Tract) c/o Gump, Strauss, Akis LLP 1 Bryant Park, Floor #41 New York, NY 10036-6715	1.22 acres	2.3969%	n/a
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By Assignment and Bill of Sale, HMLT devised all of its right, title and interest (other than "Excluded Assets") to Torch Energy Advisors Inc. effective September 4, 1991 and recorded in Buchanan County under DB474 / PG384.

Torch Oil & Gas Company
c/o Sue Ann Craddock
670 Dona Ana Road SW
Deming, New Mexico 88030

OIL & GAS OWNERSHIP

Affidavit from Torch Oil & Gas Co., dated August 5, 2015 stating they make no claim to the CBM due to the current state of law
The owners listed below are Plaintiffs in Case No: 1:10-cv59

(1) Jeffrey C. Hale, et al (aka - Carlos Henry Hale Heirs)	1.22 acres	2.3969%	
(a) Lorene Hale Heirs, Devises, Successors or Assigns (1/3)			
Per will, her interest is to be divided equally among her 3 children. (DOD 10/3/2014)			
(a.1) Pamela J. Keene 3707 Garden Creek Rd. Rowe, VA 24646	0.14 acres 1/9 of 1.22 acres	0.2663%	11.1111%
(a.2) Jamie Hale 1909 Lum Hollow Rd Haysi, VA 24256	0.14 acres 1/9 of 1.22 acres	0.2663%	11.1111%
(a.3) Jeffery C. Hale 1926 Zacks Fork Road Lenoir, NC 28645	0.14 acres 1/9 of 1.22 acres	0.2663%	11.1111%
(b) Pamela J. Keene 3707 Garden Creek Rd. Rowe, VA 24646	0.27 acres 2/9 of 1.22 acres	0.5326%	22.2222%
(c) Jamie Hale 1909 Lum Hollow Rd Haysi, VA 24256	0.27 acres 2/9 of 1.22 acres	0.5326%	22.2222%
(d) Jeffery C. Hale 1926 Zacks Fork Road Lenoir, NC 28645	0.27 acres 2/9 of 1.22 acres	0.5326%	22.2222%

1502532

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 12-28, 2015. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:26 o'clock P. M, after payment of \$ tax imposed by Sec. 58.1-302.

TESTE: ANN S. McREYNOLDS, CLERK

Original returned this date to: Sarah GilmerBY: Ann S. McReynolds CLERK

10
RV
3200-2010-00

150002113

original

INSTRUMENT #150002113
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
DECEMBER 29, 2015 AT 12:10PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLB

3200-2010-00