

0853-02

Instrument Control Number

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BOOK 0810 PAGE 0674

Commonwealth of Virginia  
Land Record Instruments  
Cover Sheet - Form A

[ILS VLR Cover Sheet Agent 1.0.66]

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Date of Instrument: [10/28/16 ]

Instrument Type: [ODAR ]

Number of Parcels [ 0 ]

Number of Pages [ 12 ]

City [ ] County [X] [Russell County ] (Box for Deed Stamp Only)

First and Second Grantors

Last Name	First Name	Middle Name or Initial	Suffix
[Virginia Gas & Oil Board ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]

First and Second Grantees

Last Name	First Name	Middle Name or Initial	Suffix
[X] [Hugh MacRae Land Trus] [ ]	[ ]	[ ]	[ ]
[X] [Torch Oil & Gas Company] [ ]	[ ]	[ ]	[ ]

Grantee Address (Name) [CNX Gas Company, LLC ]  
 (Address 1) [1000 Consol Energy Drive ]  
 (Address 2) [ ]  
 (City, State, Zip) [Cannonsburg ] [PA ] [15317-6509 ]

Consideration [0.00 ] Existing Debt [0.00 ] Assumption Balance [0.00 ]

Prior Instr. Recorded at: City [ ] County [ ] [ ] Percent. in this Juris. [ ]  
Book [ ] Page [ ] Instr. No [ ]

Parcel Identification No (PIN) [ ]  
 Tax Map Num. (if different than PIN) [ ]  
 Short Property Description [ ]  
 Current Property Address (Address 1) [ ]  
 (Address 2) [ ]  
 (City, State, Zip) [ ] [ ] [ ]

Instrument Prepared by [Virginia Gas & Oil Board ]  
 Recording Paid for by [DMME ]  
 Return Recording to (Name) [DMME - Division of Gas & Oil ]  
 (Address 1) [P. O. Drawer 159 ]  
 (Address 2) [ ]  
 (City, State, Zip) [Lebanon ] [VA ] [24266 ]  
 Customer Case ID [ ] [ ] [ ]



Instrument Control Number

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BOOK 0810 PAGE 0675

**Commonwealth of Virginia  
Land Record Instruments  
Continuation Cover Sheet  
Form B**

[ILS VLR Cover Sheet Agent 1.0.66]

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Date of Instrument: [10/28/16 ]

Instrument Type: [ODAR ]

Number of Parcels [ 0]

Number of Pages [ 12]

City  County  [Russell County ] (Box for Deed Stamp Only)

**Grantors/Grantees/Parcel Continuation Form B**

Last Name	First Name	Middle Name or Initial	Suffix
<input type="checkbox"/> [Rockport Oil & Gas LLC]		][	][
<input type="checkbox"/> [Chisos, LTD ]		][	][
<input type="checkbox"/> [CNX Gas Company, LLC]		][	][
<input type="checkbox"/> [Hale ]	][Jane	][D.	][
<input type="checkbox"/> [Dye ]	][Linda	][Kay	][
<input type="checkbox"/> [Hale ]	][Tony	][R.	][
<input type="checkbox"/> [Buckhorn Coal Company]		][	][
<input checked="" type="checkbox"/> [H. C. Bostic Coal Com ]		][	][
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Prior Instr. Recorded at: City  County  [ ] Percent. in this Juris. [ ]  
 Book [ ] Page [ ] Instr. No [ ]  
 Parcel Identification No (PIN) [ ]  
 Tax Map Num. (if different than PIN) [ ]  
 Short Property Description [ ]  
 Current Property Address (Address 1) [ ]  
 (Address 2) [ ]  
 (City, State, Zip) [ ] [ ] [ ]





**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:** AV112

**TRACT(S):** 2

**LOCATION:** BUCHANAN, RUSSELL County, Virginia

**DOCKET NUMBER:** VGOB-01-0116-0853-02

**APPLICANTS:** CNX Gas Company LLC on behalf of H.C. Bostic Coal Company, Inc.

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
October 25, 2016

**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 533.
2. Supplemental Order Executed 05/01/2001, Recorded on 05/25/2001, Deed Book/Instrument No. 524, Page 776.
3. Disbursement Order -01, Recorded on 09/21/2010, Deed Book/Instrument No. 100002566.
4. Disbursement Order -01, Recorded on 09/21/2010, Deed Book/Instrument No. 100002566.

**NOTICE:**

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160002050

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the October 25, 2016 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) 2 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2 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. H.C. Bostic Coal Company, Inc is entitled to 100% of the CBM royalties awarded under Case No. 16-316, Opinion dated May 4, 2016, Said decision allows the Applicant and Designated Operator to pay royalties directly to the person (s) identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be paid.
- b. H.C. Bostic Coal Company, Inc.is the gas claimants in Tract 2. As such, is 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.
- c. 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.
- d. 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.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. 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.
- g. 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 H.C. Bostic Coal Company, Inc and not escrow same. See Exhibit EE annexed hereto.



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.

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

*Bradley C. Lambert*

Chairman, Bradley C. Lambert

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

*Rick Cooper*

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

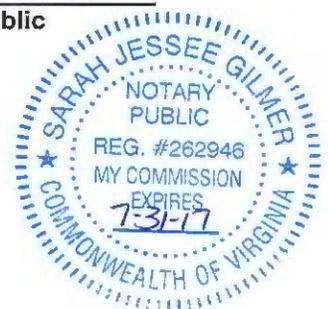
COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 26<sup>th</sup> day of October, 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*

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 01-0116-0853-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2 (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: October 18, 2016

DRILLING UNIT: AV112

BUCHANAN, RUSSELL 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, attributable to Tract 2, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to H.C. Bostic Coal Company, Inc.; (3) Dismissal of coal owner: Buckhorn 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)

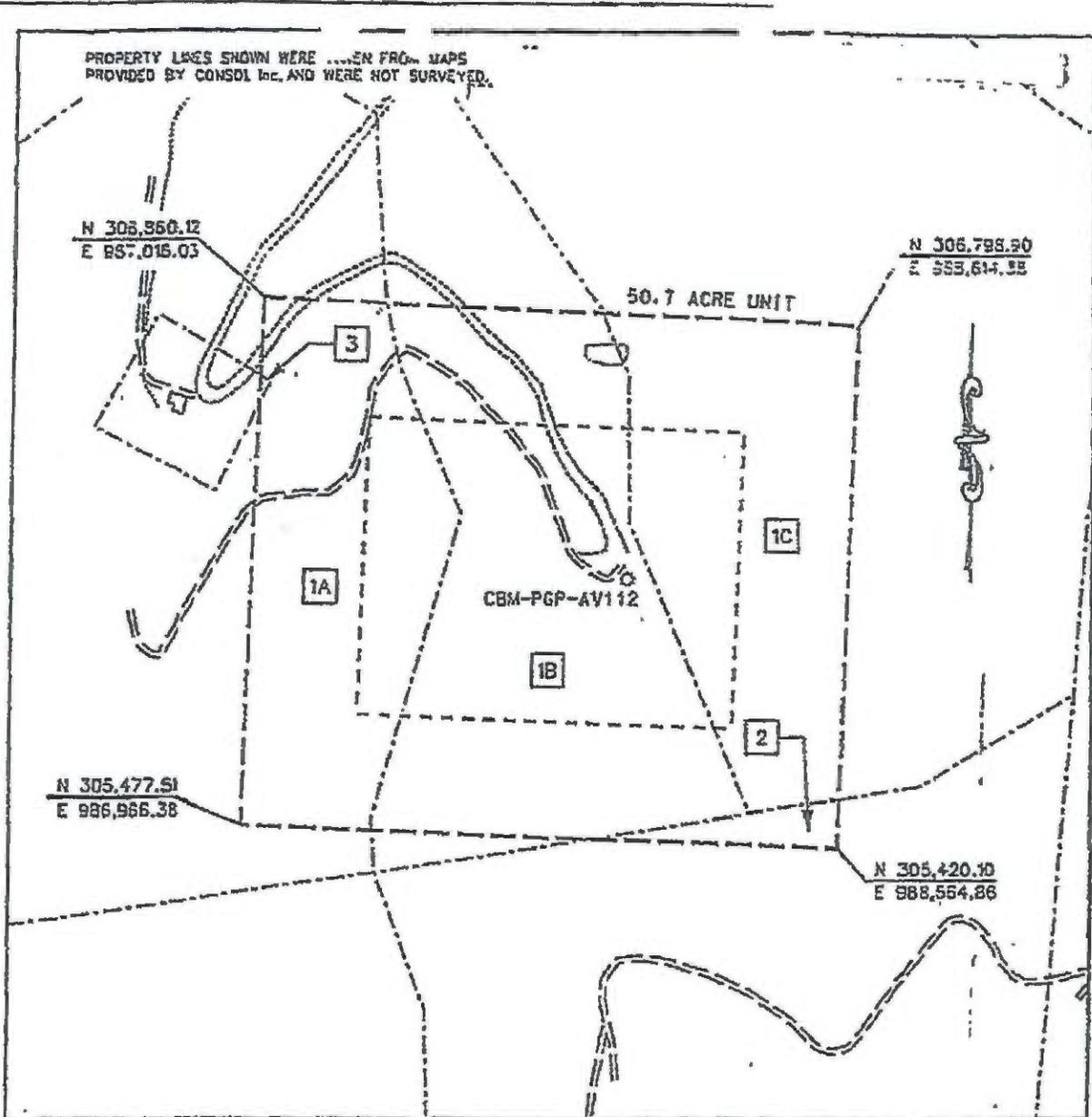
Coalbed Methane

5. Factual basis for relief requested

- a. H.C. Bostic Coal Company, Inc is entitled to 100% of the CBM royalties awarded under Case No. 16-316, Opinion dated May 4, 2016, Said decision allows the Applicant and Designated Operator to pay royalties directly to the person(s) identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be paid.
- b. H.C. Bostic Coal Company, Inc. is the gas claimants in Tract 2. As such, is 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.
- c. 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.
- d. 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.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. 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.
- g. 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 H.C. Bostic Coal Company, Inc 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.



*Middle Ridge*  
 EXHIBIT A  
 OAKWOOD FIELD UNIT AV-112  
 FORCE POOLING  
 VGOB-01-0116-0853

Company Peachon Gas Partnership Well Name and Number UNIT AV112  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Nonaker  
 County Buchanan/Russell District Hurricane/New Garden Scale: 1" = 400' Date 12/12/10  
 This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form UG-20-1  
 Rev. 9/91  
M. L. O. May  
 Licensed Professional Engineer or Licensed Land Surveyor (Affix Seal)

## POCAHONTAS GAS PARTNERSHIP

Unit AV-112  
 Tract Identifications  
 (50.7 Acre Unit)

- 1A. 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  
 14.04 acres 27.6923 %
- 1B. Hugh MacRae Land Trust - TR 8 - Coal  
 Consolidation Coal Company - Below Tiller coal Leased  
 Pocahontas Gas Partnership - CBM Lessee  
 Pocahontas Gas Partnership - Surface, Oil & Gas  
 20.82 acres 41.0651 %
- 1C. Hugh MacRae Land Trust - TR 9 - Coal  
 Consolidation Coal Company - Below Tiller coal Leased  
 Pocahontas Gas Partnership - CBM Lessee  
 Arnold S. Hale - Surface, Oil & Gas  
 14.87 acres 29.3294 %
2. Buckhorn Coal Company - Coal  
 Consolidation Coal Company - Below Tiller coal Leased  
 Sandy Ridge Energy Corporation - Tiller and above coal Leased  
 Pocahontas Gas Partnership - CBM Lessee  
 H. C. Bostic Coal Co., Inc. OR Heirs, Devisees, Successors or Assigns  
 or B. W. Stras, et al. - Oil & Gas  
 H. C. Bostic Coal Co., Inc. - Surface  
 0.95 acres 1.8738 %
3. Pocahontas Gas Partnership - Fee  
 0.02 acres 0.0394 %

Exhibit E  
Unit AV-112  
Docket #VGOB-01-0116-0853-02  
List of Owners/Claimants that require escrow

	Acres in Unit	Interest in Unit
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*Escrowing no longer required*

Exhibit EE  
 Unit AV-112  
 Docket #VGOB-01-0116-0853-02  
 List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Acres in Unit	Interest in Unit	Percent of Escrow
<b>Tract #1A, 14.04 acres</b>			
<b>COAL OWNERSHIP</b>			
(1) Hugh MacRae Land Trust Tr 9 c/o Gump, Strauss, Akin LLP 1 Bryant Park, Floor 41 New York, NY 10036-6715	14.04 acres	27.6923%	n/a
<p><i>By Assignment and Bill of Sale (Gas lease royalty), HMLT devised all of its right, title and interest (other than "Exclude" Torch Energy Advisors Inc. effective September 4, 1991 and recorded in Buchanan County under DB474 / PG384.</i></p> <p>Torch Oil &amp; Gas Company                      c/o Sue Ann Craddock                      670 Dona Ana Road SW                      Deming, New Mexico 88030</p> <p><i>Effective 2/1/11, Torch Oil &amp; Gas Company assigned a 2% ORRI to SAC Investments, L.P.</i></p> <p><i>Effective 3/31/14, Torch Oil &amp; Gas Company, et al. assigned and conveyed 10% of its right, title and interest to Gas, L.L.C. In addition, Torch Oil &amp; Gas Company, et al. assigned and conveyed the remaining 90% of its right and interest to Chisos, Ltd.</i></p>			
Rockport Oil & Gas L.L.C. PO Box 847 Houston, TX 77001	1.40 acres 1/10 of 14.04 acres	2.7692%	
Chisos, LTD 670 Dona Ana Road SW Deming, New Mexico 88030	12.64 acres 9/10 of 14.04 acres	24.9231%	
<b>OIL &amp; GAS OWNERSHIP</b>			
(1) CNX Gas Company LLC PO Box 643830 Pittsburgh, PA 15264-3830 <i>(Previously Pocahontas Gas Partnership)</i>	14.04 acres	27.6923%	n/a
<b>Tract #1B, 20.82 acres</b>			
<b>COAL OWNERSHIP</b>			
(1) Hugh MacRae Land Trust Tr 9 c/o Gump, Strauss, Akin LLP 1 Bryant Park, Floor 41 New York, NY 10036-6715	20.82 acres	41.0651%	n/a
<p><i>By Assignment and Bill of Sale (Gas lease royalty), HMLT devised all of its right, title and interest (other than "Exclude" Torch Energy Advisors Inc. effective September 4, 1991 and recorded in Buchanan County under DB474 / PG384.</i></p> <p>Torch Oil &amp; Gas Company                      c/o Sue Ann Craddock                      670 Dona Ana Road SW                      Deming, New Mexico 88030</p> <p><i>Effective 2/1/11, Torch Oil &amp; Gas Company assigned a 2% ORRI to SAC Investments, L.P.</i></p> <p><i>Effective 3/31/14, Torch Oil &amp; Gas Company, et al. assigned and conveyed 10% of its right, title and interest to Gas, L.L.C. In addition, Torch Oil &amp; Gas Company, et al. assigned and conveyed the remaining 90% of its right and interest to Chisos, Ltd.</i></p>			
Rockport Oil & Gas L.L.C. PO Box 847 Houston, TX 77001	1.40 acres 1/10 of 20.82 acres	2.7692%	
Chisos, LTD 670 Dona Ana Road SW Deming, New Mexico 88030	12.64 acres 9/10 of 20.82 acres	24.9231%	
<b>OIL &amp; GAS OWNERSHIP</b>			
(1) CNX Gas Company LLC PO Box 643830	20.82 acres	41.0651%	n/a

Exhibit EE  
Unit AV-112  
Docket #VGOB-01-0116-0853-02  
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Acres in Unit	Interest in Unit	Percent of Escrow
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Pittsburgh, PA 15264-3830  
(Previously Pocahontas Gas Partnership)

Tract #1C, 14.87 acres

COAL OWNERSHIP

(1)	Hugh MacRae Land Trust Tr 9 c/o Gump, Strauss, Akin LLP 1 Bryant Park, Floor 41 New York, NY 10036-6715	14.87 acres	29.3294%	n/a
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*By Assignment and Bill of Sale (Gas lease royalty), HMLT devised all of its right, title and interest (other than "Exclude" 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

*Effective 2/1/11, Torch Oil & Gas Company assigned a 2% ORRI to SAC Investments, L.P.*

*Effective 3/31/14, Torch Oil & Gas Company, et al. assigned and conveyed 10% of its right, title and interest to Gas, L.L.C. In addition, Torch Oil & Gas Company, et al. assigned and conveyed the remaining 90% of its right and interest to Chisos, Ltd.*

	Rockport Oil & Gas L.L.C. PO Box 847 Houston, TX 77001	0.01 acres 1/10 of 14.87 acres	0.0197%	
	Chisos, LTD 670 Dona Ana Road SW	0.09 acres 9/10 of 14.87 acres	0.1775%	

OIL & GAS OWNERSHIP

(1)	Jane D. Hale, et al (previously Arnold S. Hale Heirs)	14.87 acres	29.3294%	
(a)	Jane Hale (widow) PO Box 223 Mavisdale, VA 24627 (Deed of Gift to Linda Dye and Tony R. Hale August 9, 2010)	4.96 acres 1/3 of 14.87 acres	9.7765%	n/a
(b)	Linda Kay Dye 6282 Swords Creek Road Swords Creek, VA 24649	4.96 acres 1/3 of 14.87 acres	9.7765%	
(c)	Tony R. Hale PO Box 3 Mavisdale, VA 24627	4.96 acres 1/3 of 14.87 acres	9.7765%	

Tract #2, 0.95 acres

COAL OWNERSHIP

(1)	Buckhorn Coal Company P. O. Box 187 Tazewell, VA 24651	0.95 acres	1.8738%	n/a
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OIL & GAS OWNERSHIP

(1)	H.C. Bostic Coal Co., Inc. P.O. Box 220 Swords Creek, VA 24649	0.95 acres	1.8738%	100.00% Court Order
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*Prevailing plaintiff under Case No. CL16-316  
Determined to be fee owner, 100% of CBM  
Royalty due to owner.*

1602206

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 11-15 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 9:55 o'clock AM, after payment of \$ \_\_\_\_\_ tax imposed by Sec. 58.1-802.

Original returned this date to: Sally Ketun

TESTE: ANN S. McREYNOLDS, CLERK  
BY: Bethy Huff D. CLERK

#2  
R/S

160002050

160002050

INSTRUMENT #160002050  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
NOVEMBER 8, 2016 AT 01:33PM

BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB

9.33.31