

0854-02

Instrument Control Number

[Empty box for Instrument Control Number]

BOOK 0810 PAGE 0688

Commonwealth of Virginia  
Land Record Instruments  
Cover Sheet - Form A

[ILS VLR Cover Sheet Agent 1.0.66]

T  
A  
X  
  
E  
X  
E  
M  
P  
T  
  
C  
O  
R  
P

Date of Instrument: [10/28/16 ]

Instrument Type: [ODAR ]

Number of Parcels [ 1]

Number of Pages [ 11]

City  County  [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
<input checked="" type="checkbox"/> [Rockport Oil & Gas, LLC ]	[	]	]
<input checked="" type="checkbox"/> [Chisos, LTD ]	[	]	]

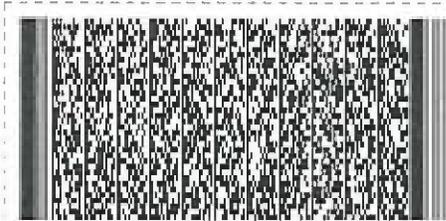
Grantee Address (Name) [CNX Gas Company, LLC ]  
 (Address 1) [1000 Consol Energy Drive ]  
 (Address 2) [ ]  
 (City, State, Zip) [Cannonsburg ] [PA ] [15317 ]

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

Prior Instr. Recorded at: City  County  [Russell County ] Percent. in this Juris. [ 100 ]  
 Book [ ] Page [ ] Instr. No [100002567 ]

Parcel Identification No (PIN) [ ]  
 Tax Map Num. (if different than PIN) [ ]  
 Short Property Description [Report of the Board ]  
 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

[Empty box for Instrument Control Number]

BOOK 0810 PAGE 0689

Commonwealth of Virginia  
Land Record Instruments  
Continuation Cover Sheet  
Form B

[ILS VLR Cover Sheet Agent 1.0.66]

T  
A  
X  
  
E  
X  
E  
M  
P  
T

G  
R  
A  
N  
T  
O  
R

G  
R  
A  
N  
T  
E  
E

C  
O  
R  
P

Date of Instrument: [10/28/16 ]

Instrument Type: [ODAR ]

Number of Parcels [ 1]

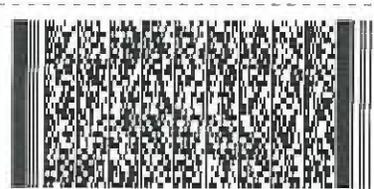
Number of Pages [ 11]

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"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	[Hale	][Jane	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	[Dye	][Linda	][Kay	][
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	[Hale	][Tony	][R.	][
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	[Buckhorn Coal Company]	[	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	[H. C. Bostic Coal Com	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	[Hugh MacRae Land Trust]	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	[Torch Oil & Gas Comp	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[	][	][	][

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

**UNIT/WELL NAME:** AV113

**TRACT(S):** 3

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

**DOCKET NUMBER:** VGOB-01-0116-0854-02

**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.
2. Supplemental Order Executed 05/01/2001, Recorded on 05/25/2001, Deed Book/Instrument No. 526, Page 734.
3. Supplemental Order Executed 05/01/2001, Recorded on 05/25/2001, Deed Book/Instrument No. 526, Page 734.
4. Disbursement Order -01, Recorded on 09/21/2010, Deed Book/Instrument No. 100002567.
5. Disbursement Order -01, Recorded on 09/21/2010, Deed Book/Instrument No. 100002567.

**NOTICE:**

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) 3 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3 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 3. 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.

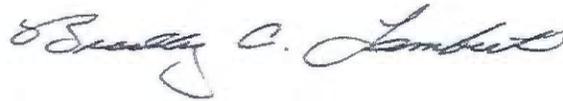
**CONCLUSION:**

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.



Chairman, Bradley C. Lambert

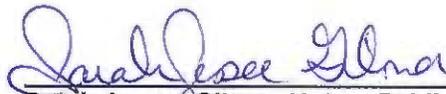
DONE AND PERFORMED this 26 day of October, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 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, 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 01-0116-0854-02

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

DRILLING UNIT: AV113

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 3, 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

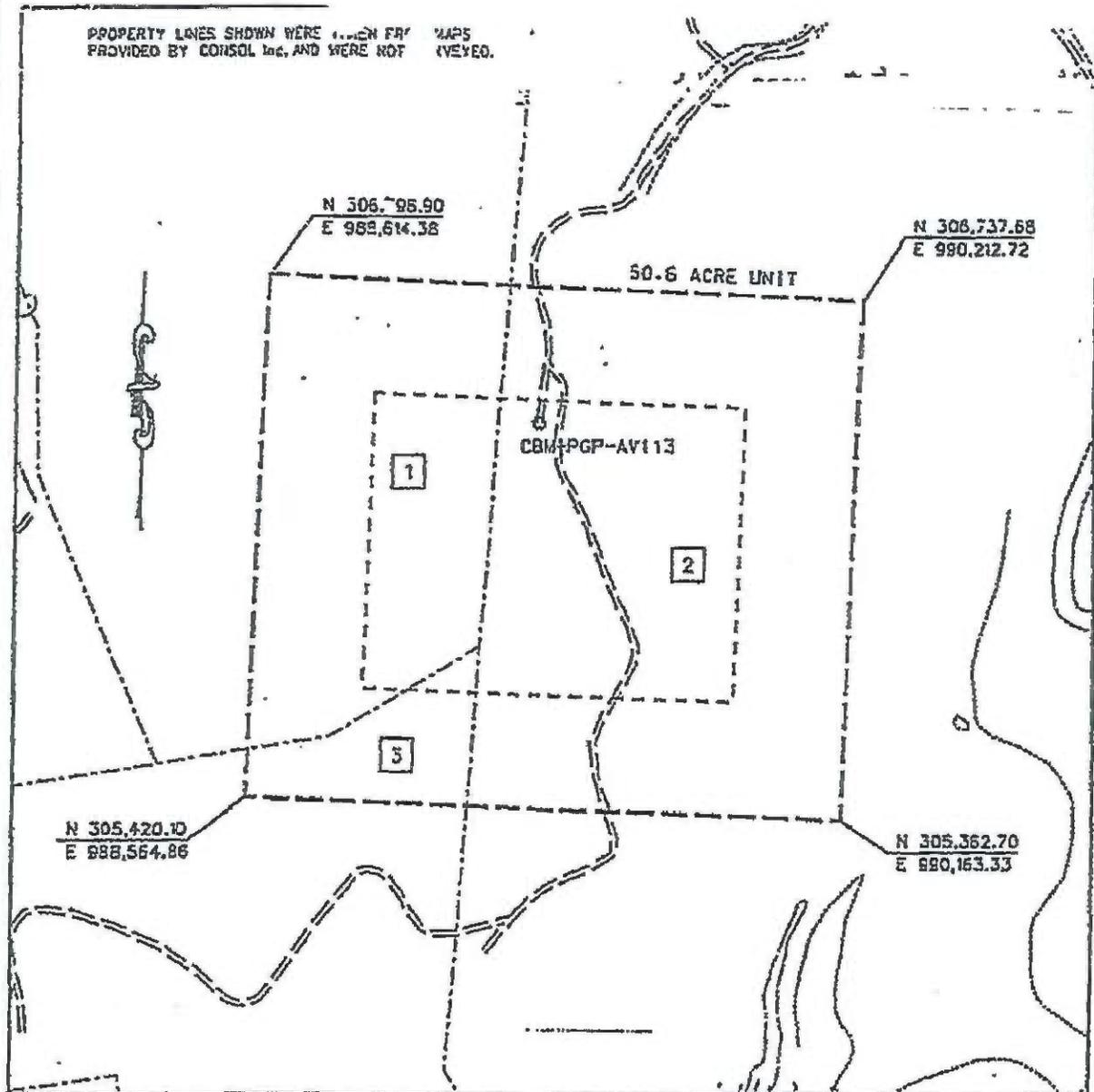
5. Factual basis for relief requested

- 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 3. 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.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CONSOL INC. AND WERE NOT RECHECKED.



*Michael R. Reddy*  
**EXHIBIT A**  
**GAKWOOD FIELD UNIT AV-113**  
**FORCE POOLING**  
**VG08-01-0116-0854**

Company Poahontas Gas Partnership Well Name and Number UNIT AV113  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Honaker  
 County Buchanan/Russell District Hurricane/New Garden Scale: 1" = 400' Date 7/2/13/00  
 This plot is a new plot  an updated plot \_\_\_\_\_ or a final plot \_\_\_\_\_

Form 060-G0-7  
 Rev. 9/97

*Charles D. Moy*  
 Licensed Professional Engineer or Licensed Land Surveyor (Affix Seal)

December 14, 2000

## POCAHONTAS GAS PARTNERSHIP

CBM-PGP-AV-113

Tract Identifications

(50.8 Acre Unit)

1. Hugh MacRae Land Tr. - Tr. 9 - Coal  
Consolidation Coal Company - Below Tiller coal Leased  
Pocahontas Gas Partnership - CBM Leased  
Arnold Hale - Surface, Oil & Gas  
16.41 acres                      32.4308 %
2. Buckhorn Coal Company - Tr. 7 - Fee  
Consolidation Coal Company - Below Tiller coal Leased  
Pocahontas Gas Partnership - CBM Leased  
Pocahontas Gas Partnership - Oil & Gas Leased  
30.79 acres                      60.8498 %
3. Buckhorn Coal Company (Corns & Fletcher Tract) - Coal  
Sandy Ridge Energy Company - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
H. C. Bostic Coal Co., Inc. or Heirs, Devisees, Successors or Assigns  
    Of B. W. Stras, et al. - Oil & Gas  
H. C. Bostic Coal Co., Inc. - Surface  
3.40 acres                      6.7194 %

Exhibit E  
Unit AV113  
Docket #VGOB 01-0116-0854-02  
List of Owners/Claimants that require escrow

---

Acres in Unit	Interest in Unit
---------------	------------------

*Escrowing no longer required*

Exhibit EE  
Unit AV113

160002051

Docket #VGOB 01-0116-0854-02

List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Acres in Unit	Interest in Unit	Percent of Escrow
--	---------------	------------------	-------------------

Tract #1, 16.41 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	16.41 acres	32.4308%	n/a
--	-------------	----------	-----

By Assignment and Bill of Sale (Gas lease royalty), 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

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 Rockport Oil & Gas, L.L.C. In addition, Torch Oil & Gas Company, et al. assigned and conveyed the remaining 90% of its right, title and interest to Chisos, Ltd.

Rockport Oil & Gas L.L.C. PO Box 847 Houston, TX 77001	1.64 acres 1/10 of 16.41 acres	3.2431%	n/a
--	-----------------------------------	---------	-----

Chisos, LTD 670 Dona Ana Road SW Deming, New Mexico 88030	14.77 acres 9/10 of 16.41 acres	29.1877%	n/a
---	------------------------------------	----------	-----

OIL & GAS OWNERSHIP

(1) Arnold S. Hale Heirs, Devises, Successors or Assigns	16.41 acres	32.4308%	
(a) Jane Hale (widow) 1017 Runaway Lane Oakwood, VA 24631 (Deed of Gift to Linda Dye and Tony R. Hale August 9, 2010)	5.47 1/3 of 16.41 acres	10.8103%	n/a
(b) Linda Kay Dye 6282 Swords Creek Road Swords Creek, VA 24649	5.47 1/3 of 16.41 acres	10.8103%	n/a
(c) Tony R. Hale 1074 Runway Lane Oakwood, VA 24631	5.47 1/3 of 16.41 acres	10.8103%	n/a

Tract #3, 3.40 acres

COAL OWNERSHIP

(1) Buckhorn Coal Company P. O. Box 187 Tazewell, VA 24651	3.40 acres	6.7194%	n/a
--	------------	---------	-----

OIL & GAS OWNERSHIP

(1) H.C. Bostic Coal Co., Inc. P.O. Box 220 Swords Creek, VA 24649	3.40 acres	6.7194%	100.00% Court Order
--	------------	---------	------------------------

Prevailing plaintiff under Case No. CL16-316  
Determined to be fee owner, 100% of CBM  
Royalty due to owner.

1602207

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 a M, after payment of \$ \_\_\_\_\_ tax imposed by Sec. 58.1-802.

Original returned this date to:

Sally Ketum

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

#21  
ACV 552

160002051

INSTRUMENT #160002051  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
NOVEMBER 8, 2016 AT 01:34PM

BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB

160002051