



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: AW112

TRACT(S): 2

LOCATION: BUCHANAN, RUSSELL County, Virginia

DOCKET NUMBER: VGOB-01-0116-0856-03

APPLICANTS: Pocahontas Gas LLC on behalf of Catherine D. O'Brien, CNX Gas Company LLC, John Keene, John Stanley, Katherine Patton, Stephen W. Gooch

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
September 17, 2019

APPEARANCES: Mark A. Swartz on behalf of Pocahontas Gas LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 03/02/2001, Recorded on 03/07/2001, Deed Book/Instrument No. 520, Page 234, County BUCHANAN.
2. Original Pooling Order Executed 03/02/2001, Recorded on 03/07/2001, Deed Book/Instrument No. 521, Page 548, County RUSSELL.
3. Supplemental Order Executed 07/26/2001, Recorded on 08/08/2001, Deed Book/Instrument No. 532, Page 254, County BUCHANAN.
4. Supplemental Order Executed 08/02/2001, Recorded on 08/08/2001, Deed Book/Instrument No. 532, Page 254, County RUSSELL.

5. Supplemental Order Executed 08/02/2001, Recorded on 08/17/2001, Deed Book/Instrument No. 529, Page 143, County BUCHANAN.
6. Disbursement Order -01 Executed 05/28/2014, Recorded on 06/12/2014, Deed Book/Instrument No. 0776, Page 0624, County RUSSELL.
7. Disbursement Order -01 Executed 05/28/2014, Recorded on 06/13/2014, Deed Book/Instrument No. 140000999, County BUCHANAN.
8. Disbursement Order -02 Executed 10/26/2016, Recorded on 11/08/2016, Deed Book/Instrument No. 160002052, County BUCHANAN.
9. Disbursement Order -02 Executed 10/26/2016, Recorded on 11/15/2016, Deed Book/Instrument No. 0810, Page 0701, County RUSSELL.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the September 17, 2019 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) 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. CNX Gas Company LLC is entitled to 100% of the CBM royalties awarded under Case No. 16-1165, Opinion dated July 3, 2019. Said decision allows the Applicant and Designated Operator to pay royalties directly to the person(s) identified in Exhibit EE annexed hereto, as well as making a payment to each Guardian ad Litem (Paragraph B, Items 1 thru 5 of referenced order); Stephen Gooch (Item 1; \$4,514.53), Katherine Patton (Item 2; \$2,184.00), John Stanley (Item 3; \$1,687.50), Catherine D. O'Brien (Item 4; \$5,829.96), and John Keene (Item 5; \$5,215.00), with the remaining balance in escrow to be paid to CNX Gas Company LLC pursuant to Item 10 of referenced order, remaining Items 6 thru 10 to be paid from additional escrow accounts, and the annexed Table 1, further, specifies how said royalties are to be paid.
- b. That Pochontas Gas LLC (formerly 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 CNX Gas Company LLC and not escrow same. See Exhibit EE annexed hereto.

190001399

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.

190001399

DONE AND EXECUTED this 18 day of September, 2019 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 18 day of September, 2019 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 September, 2019, 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, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: Pocahontas Gas LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 01-0116-0856-03

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: September 17, 2019

DRILLING UNIT: AW112

BUCHANAN, RUSSELL COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is Pocahontas Gas 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: Stephen Gooch, Katherine Patton, John Stanley, Catherine D. O'Brien, John Keene, and CNX Gas Company LLC; (3) Dismissal of coal owner(s): 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. CNX Gas Company LLC is entitled to 100% of the CBM royalties awarded under Case No. 16-1165, Opinion dated July 3, 2019. Said decision allows the Applicant and Designated Operator to pay royalties directly to the person(s) identified in Exhibit EE annexed hereto, as well as making a payment to each Guardian ad Litem (Paragraph B, Items 1 thru 5 of referenced order); Stephen Gooch (Item 1; \$4,514.53), Katherine Patton (Item 2; \$2,184.00), John Stanley (Item 3; \$1,687.50), Catherine D. O'Brien (Item 4; \$5,829.96), and John Keene (Item 5; \$5,215.00), with the remaining balance in escrow to be paid to CNX Gas Company LLC pursuant to Item 10 of referenced order; remaining Items 6 thru 10 to be paid from additional escrow accounts, and the annexed Table 1, further, specifies how said royalties are to be paid.
- b. That Pocahontas Gas LLC (formerly 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 CNX Gas Company LLC 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.

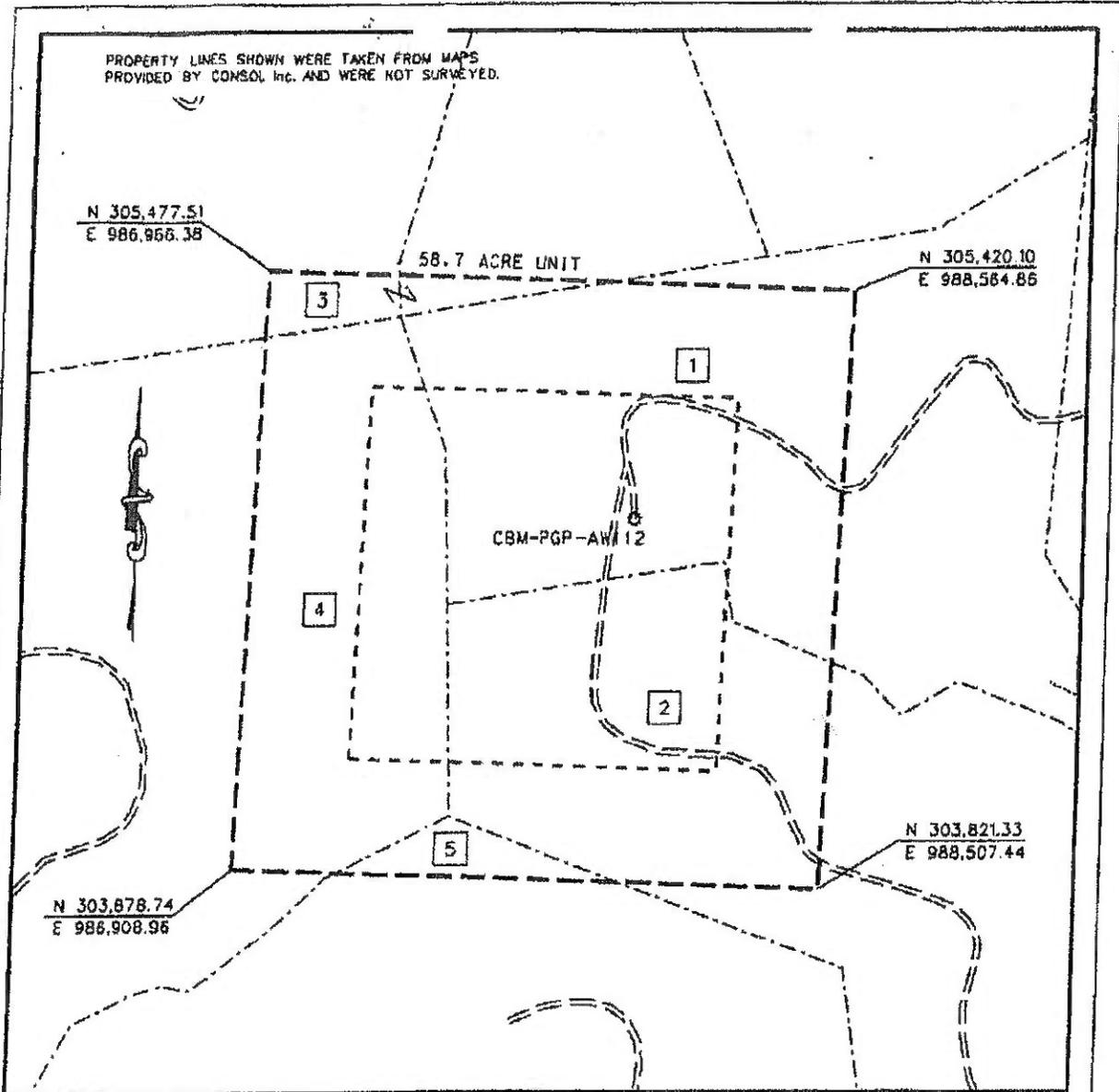
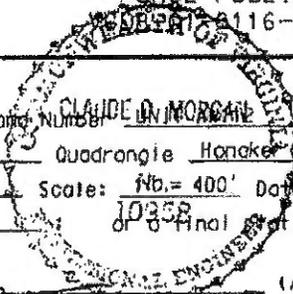


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT AW-112
FORCE POOLING
NO. 116-0856

Company Pochoctas Gas Partnership Well Name and Number _____
 Tract No. _____ Elevation _____ Quadrangle Honaker
 County Buchanan/Russell District Hurricane/New Garden Scale: No. = 400' Date 6/29/01
 This plat is a new plat ; an updated plat _____ of a final _____



Form DGO-GD-7
Rev. 9/91

Claude D. Morgan (Affix Seal)
Licensed Professional Engineer or Licensed Land Surveyor

CNX GAS COMPANY LLC**Unit AW112****Tract Identifications****(58.7 Acre Unit)**

1. Buckhorn Coal Company, Tract 8 (Corn & Fletcher 89.50 Acre Tract) – Coal
Knox Creek Coal Company – Coal in Tiller Seam and Above Leased
CNX Gas Company LLC – CBM Leased
H.C. Bostic Coal Co., Inc. AND/OR Heirs of B.W. Stras, et al – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased (H.C. Bostic Coal Co., Inc.)
H.C. Bostic Coal Co., Inc. – Surface
21.20 acres 36.1158 %

2. Buckhorn Coal Company, Tract 8 (Corn & Fletcher 89.50 Acre Tract) – Coal
Knox Creek Coal Company – Coal in Tiller Seam and Above Leased
CNX Gas Company LLC – CBM Leased
Heirs, Devisees, Successors or Assigns of B.W. Stras, et al – Oil and Gas
OR
Heirs, Devisees, Successors or Assigns of S.J. Corn and Susan E. Corn – Oil and Gas
OR
Heirs, Devisees Successors or Assigns of David Keene – Oil and Gas
OR
Swain Perkins, et al – Oil and Gas (12.50%)
CNX Gas Company LLC – Oil and Gas (87.50%)
CNX Gas Company LLC – Oil, Gas and CBM Leased (10%)
OR
CNX Gas Company LLC (50%)/Dorothy Perkins (50%) - Oil and Gas
Dottie Gay Robinette Miller – Surface
17.03 acres 29.0119 %

3. Hugh MacRae Land Trust, Tract 9 (Sparrell Hale 412 Acre Tract) – Coal
Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
CNX Gas Company LLC – Surface, Oil and Gas
1.92 acres 3.2709 %

4. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) – Coal
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Heirs, Devisees, Successors or Assigns of Dr. L. M. Harrison OR Gent Enterprises, LLC -
Oil and Gas (1/8)
Gent Enterprises, LLC – Oil and Gas (7/8)
CNX Gas Company LLC – Oil, Gas and CBM Leased (7/8)
Michael Whited OR Gent Enterprises, LLC – Surface
17.18 acres 29.2675 %

5. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
CNX Gas Company LLC – Oil and Gas
Consolidation Coal Company - Surface
1.37 acres 2.3338 %

"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."

	Acres in Unit	Interest in Unit
<u>Tract #4, 17.18 acres</u>		
<u>Escrow due to title conflict</u>		
<u>COAL OWNERSHIP</u>		
(1) Buckhorn Coal Company <i>(Jacob Fuller 453 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	17.18 acres	29.2675%
<u>OIL & GAS OWNERSHIP</u>		
(1) Gent Enterprises, et al <i>(54 Acre Tract)</i> <i>(Previously listed as a title conflict between Michael Whited, et al, Dr L.M. Harrison Heirs, or Gent Enterprises, LLC)</i>	17.18 acres	29.2675%
(a) Dr. L.M. Harrison, Heirs, Devisees, Successors or Assigns <i>Heirs / Addresses Unknown</i>	2.15 acres 1/8 of 17.18 acres	3.6584%
-OR-		
(a) Gent Enterprises, LLC. P.O. Box 330 Honaker, VA 24260	2.15 acres 1/8 of 17.18 acres	3.6584%
Total Acreage in Conflict	2.1475	
Total Percentage In Conflict		3.6584%

Exhibit EE
Unit AW112

Docket #VGOB 01-0116-0856-03

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

	Acres in Unit	Interest in Unit	Percent of Escrow
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Tract #1, 21.20 acresCOAL OWNERSHIP

(1) Buckhorn Coal Company, Tr. 8 (Corn & Fletcher 89.50 Acre Tract) P. O. Box 187 Tazewell, VA 24651	21.20 acres	36.1158%	n/a
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OIL & GAS OWNERSHIP

(1) H.C. Bostic Coal Co., Inc. P.O. Box 220 Swords Creek, VA 24649	21.20 acres	36.1158%	n/a
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*Prevailing plaintiff under Case No. CL16-316, awarded 100% CBM ownership*Tract #2, 17.03 acresCOAL OWNERSHIP

(1) Buckhorn Coal Company, Tr. 8 (Corn & Fletcher 89.50 Acre Tract) P. O. Box 187 Tazewell, VA 24651	17.03 acres	29.0119%	n/a
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OIL & GAS OWNERSHIP

(1) CNX Gas Company LLC** 1000 Consol Energy Drive Canonsburg, PA 15317-6506	17.03 acres	29.0119%	88.8020% Court Order
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Pursuant to Case 16-1165, Order entered July 3, 2019, a settlement has been reached amongst parties with potential ownership and CNX Gas Company LLC. All amounts in escrow are to be delivered to David Grant Altizer for delivery to the attorneys and parties, as set forth in the Order. In exchange, the plaintiffs will execute deeds for all potential interests to CNX Gas Company LLC, with the result being that CNX Gas Company LLC owns 100% of the gas and oil under the 55.5 acre tract.

****See Table 1 for escrow payout directions as outlined in July 3, 2019 Order**

***Items 1 thru 5 of paragraph B to be paid from Unit AW112 escrow account:

1 Stephen Gooch, Guardian ad Litem	\$4,514.53
2 Katherine Patton, Guardian ad Litem	\$2,184.00
3 John Stanley, Guardian ad Litem	\$1,687.50
4 Catherine D. O'Brien, Guardian ad Litem	\$5,829.96
5 John Keene, Guardian ad Litem	\$5,215.00

*** Remaining balance in escrow once payments above are made to be paid to CNX Gas Company LLC per Item 10 of July 3, 2019 order

Tract #3, 1.92 acresCOAL OWNERSHIP

(1) Hugh MacRae Land Trust Tr 9 c/o Gump, Strauss, Akin LLP 1 Bryant Park, Floor 41 New York, NY 10036-6715	1.92 acres	3.2709%	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 "Excluded Asssets") 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.

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

	Acres in Unit	Interest in Unit	Percent of Escrow
Rockport Oil & Gas L.L.C. PO Box 847 Houston, TX 77001	0.19 acres 1/10 of 1.92 acres	0.3271%	n/a
Chisos, LTD 670 Dona Ana Road SW Deming, New Mexico 88030	1.73 acres 9/10 of 1.92 acres	2.9438%	n/a

OIL & GAS OWNERSHIP

(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317-6506 <i>(Previously Pocahontas Gas Partnership)</i>	1.92 acres	3.2709%	n/a
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Tract #4, 17.18 acres

COAL OWNERSHIP

(1) Buckhorn Coal Company <i>(Jacob Fuller 453 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	17.18 acres	29.2675%	n/a
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OIL & GAS OWNERSHIP

(1) Gent Enterprises, et al <i>(54 Acre Tract)</i> <i>(Previously listed as a title conflict between Michael Whited, et al, Dr L.M. Harrison Heirs, or Gent Enterprises, LLC)</i>	17.18 acres	29.2675%	
(2) Gent Enterprises, LLC. P.O. Box 330 Honaker, VA 24260	15.03 acres 7/8 of 17.18 acres	25.6090%	n/a

Under Case #CL10000662-00, executed May 12, 2011, the Court of Russell County clarified the conveyances from the Rasnakes to the Gents in DB 223/ PG 53, dated 10/26/70 included all right, title in and to the oil, gas, (including coalbed methane gas and deep gas), minerals (other than coal), etc.

Royalties can be paid based on the royalty agreement between Buckhorn / Gent Enterprises

Tract #5, 1.37 acres

COAL OWNERSHIP

(1) Buckhorn Coal Company <i>(Jacob Fuller 453 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	1.37 acres	2.3339%	n/a
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OIL & GAS OWNERSHIP

(1) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317-6506 <i>(previously Dr. LM Harrison Heirs or Ellen Brown Heirs)</i>	1.37 acres	2.3339%	n/a
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By decree entered in Russell Co. Chancery File #CH02-88 conveyed oil & gas interest to CNX Gas in its entirety. Deed entered Sept. 18, 2003 and recorded in Russell County under DB 595/PG 103

Total Acreage Resolved 56.5525
Total Percentage Resolved 96.3416%

1901741

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, Sept. 26 2019. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:14 o'clock p M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: Dimme

TESTE: ANN S. McREYNOLDS, CLERK
BY: Courtney Carrell D. CLERK

