



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: AW113

TRACT(S): 2

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-01-0116-0857-02

APPLICANTS: Pocahontas Gas LLC on behalf of CNX Gas Company LLC

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. 521, Page 503, County RUSSELL.
- 2. Supplemental Order Executed 07/26/2001, Recorded on 08/08/2001, Deed Book/Instrument No. 532, Page 325, County RUSSELL.
- 3. Disbursement Order -01 Executed 10/27/2016, Recorded on 11/15/2016, Deed Book/Instrument No. 0810, Page 0716, 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) 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. 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 and the annexed Table, 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.

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.

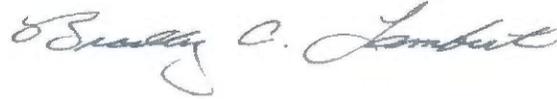
CONCLUSION:

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



Chairman, Bradley C. Lambert

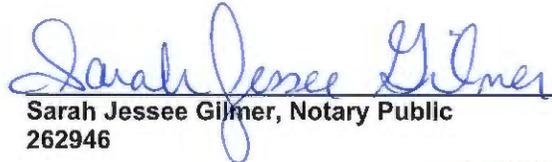
DONE AND PERFORMED this 18 day of September, 2019 by Order of the Virginia Gas and Oil Board.



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 01-0116-0857-02

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: September 17, 2019

DRILLING UNIT: AW113

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

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: 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 and the annexed Table, 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.

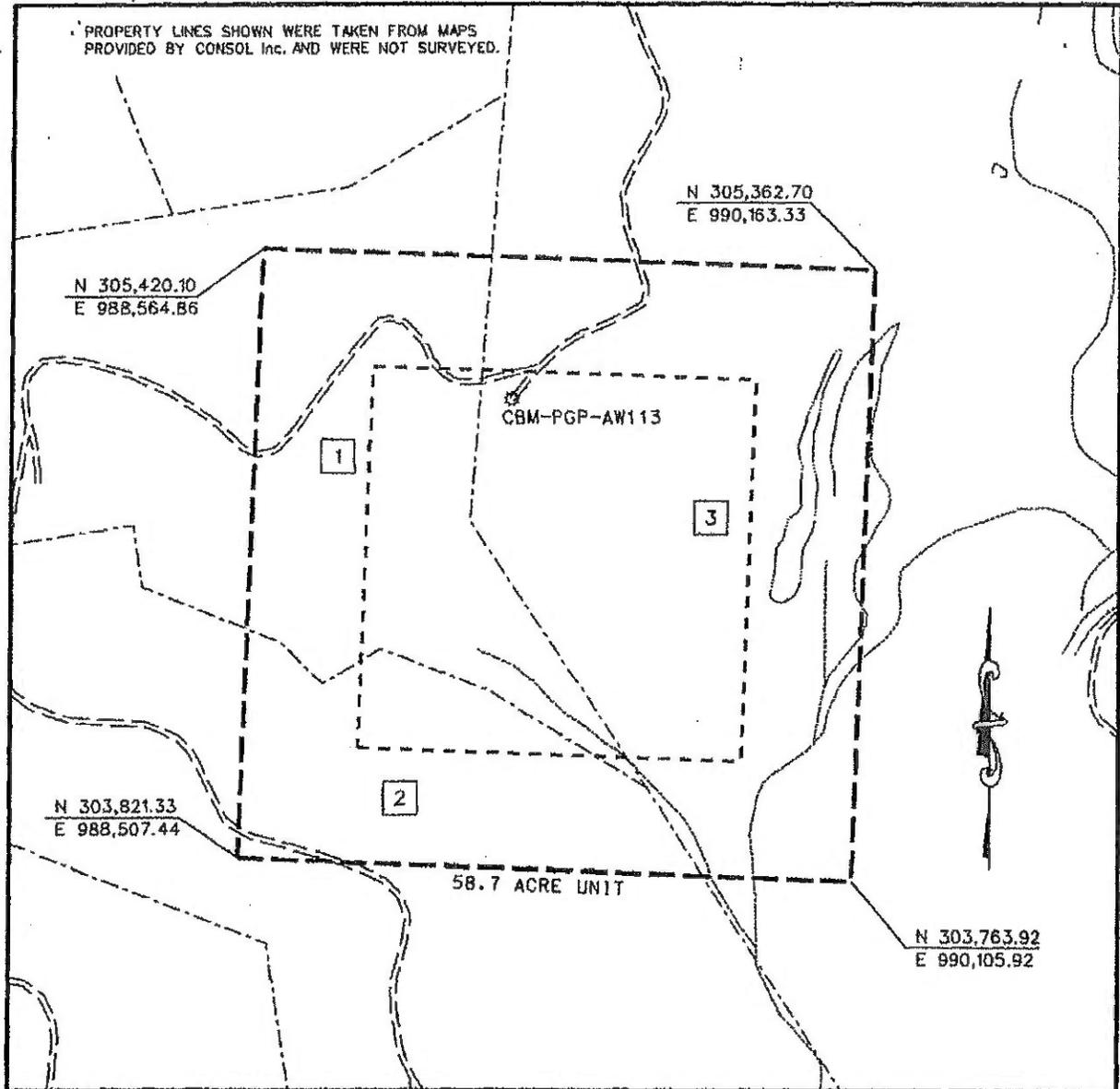


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT AW-113
FORCE POOLING
VOGEL-01-016-0857

Company Pocahontas Gas Partnership Well Name and Number UNIT AW113
 Tract No. _____ Elevation _____ Quadrangle Honaker
 County Russell District New Garden Scale: 1" = 400' Date 6/24/01
 This plat is a new plat ; on updated plat _____ ; or a final plat _____

Form DGD-CO-7 Claude D. Morgan (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

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POCAHONTAS GAS PARTNERSHIP
Unit AW-113
Tract Identifications
(68.7 Acre Unit)

1. 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
 16.50 acres 28.1090 %

2. Buckhorn Coal Company (Corns & Fletcher Tract) - Coal
 Sandy Ridge Energy Company - Above Drainage Coal Leased
 Pocahontas Gas Partnership - CBM Leased
 Heirs, Devisees, Successors or Assigns of B. W. Stras, et al. or Heirs, Devisees,
 Successors or Assigns of S. J. Corn and Susan E. Corn or Heirs, Devisees,
 Successors or Assigns of David Keene or Pocahontas Gas Partnership and Swain & Renia
 Perkins or Pocahontas Gas Partnership and Dorothy Perkins - Oil & Gas
 Dottie Gay Robinette Miller - Surface
 11.26 acres 19.1823 %

3. Buckhorn Coal Company Tr. 7 - Fee
 Consolidation Coal Company - Below Tiller Coal Leased
 Pocahontas Gas Partnership - Oil, Gas & CBM Leased
 30.94 acres 52.7087 %

Exhibit E
Unit AW113
Docket #VGOB-01-D116-0857-02
List of Owners/Claimants that require escrow

BOOK 858 PAGE 0867

	Acres in Unit	Interest in Unit
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Escrowing no longer required

Exhibit EE
 Unit AW113
 Docket #VGOB-01-0116-0857-02
 List of Owners/Claimants with Royalty Split Agreements/Court Orders/HB2058

	Acres in Unit	Interest in Unit	Percent of Escrow
Tract #1, 16.50 acres			
COAL OWNERSHIP			
(1) Buckhorn Coal Company, Tract 8 (Corn & Fletcher 89.50 acre tract) P. O. Box 187 Tazewell, VA 24651	16.50 acres	28.1090%	n/a
OIL & GAS OWNERSHIP			
(1) H.C. Bostic Coal Co., Inc. P.O. Box 220 Swords Creek, VA 24649	16.50 acres	28.1090%	n/a

Prevailing plaintiff under Case No. CL16-316, awarded 100% CBM ownership

Tract #2, 11.26 acres			
COAL OWNERSHIP			
(1) Buckhorn Coal Company, Tract 8 (Corn & Fletcher 89.50 acre tract) P. O. Box 187 Tazewell, VA 24651	11.26 acres	19.1823%	n/a
OIL & GAS OWNERSHIP			
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317-6506	11.26 acres	19.1823%	100.00% Court Order

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.

*** All prior obligations having been paid from Unit(s) AW112, AX113, and AY113, balance in escrow due to CNX Gas Company LLC pursuant to Item 10 of referenced order

Total Acres Resolved 27.76
 Total Percentage Resolved 47.2913%

1901742

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 3:16 o'clock P. M, after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to: Dmme

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