

Instrument prepared by  
**VIRGINIA GAS AND OIL BOARD**

Order recorded under  
**CODE OF VIRGINIA**  
**§ 45.1-361.26**

**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:** AX113

**TRACT(S):** 1, 2A

**LOCATION:** RUSSELL County, Virginia

**DOCKET NUMBER:** VGOB-01-0320-0874-02

**APPLICANTS:** Pocahontas Gas LLC on behalf of Buckhorn Coal Company, Catherine D. O'Brien, CNX Gas Company LLC, John Keene, T. Shea Cook

**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 04/26/2001, Recorded on 05/02/2001, Deed Book/Instrument No. 525, Page 84, County RUSSELL.
2. Supplemental Order Executed 07/26/2001, Recorded on 08/08/2001, Deed Book/Instrument No. 532, Page 336, County RUSSELL.
3. Disbursement Order -01 Executed 12/07/2015, Recorded on 12/28/2015, Deed Book/Instrument No. 0796, Page 970, 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) 1, 2A identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1, 2A 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. Buckhorn Coal Company and CNX Gas Company LLC have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be divided and paid.
- b. 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 attorney on behalf of their clients (Paragraph B, Items 6 thru 9 of referenced order); T. Shea Cook (Item 6; \$100,000.00 and Item 7; \$50,000.00), Catherine D. O'Brien (Item 8; \$180,000.00), and John Keene (Item 9; \$100,000.00 (paying \$85,000.00 of Item 9 with this docket and the remaining \$15,000 will be paid out of docket 0915-04), with the remaining balance in escrow to be paid to CNX Gas Company LLC pursuant to Item 10 of referenced order; remainder of Item 9 to be paid from additional escrow accounts, and the annexed Table 1, further, specifies how said royalties are to be paid.
- c. 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.
- 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 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.

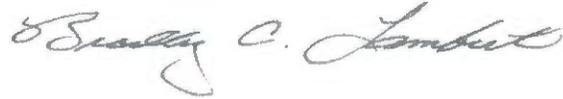
**CONCLUSION:**

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 18<sup>th</sup> 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 01-0320-0874-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1, 2A (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: AX113

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 Tracts 1 and 2A, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Buckhorn Coal Company and CNX Gas Company LLC, T Shea Cook, Catherine D. O'Brien, and John Keene (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. Buckhorn Coal Company and CNX Gas Company LLC have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be divided and paid.
- b. 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 attorney on behalf of their clients (Paragraph B, Items 6 thru 9 of referenced order); T. Shea Cook (Item 6; \$100,000.00 and Item 7; \$50,000.00), Catherine D. O'Brien (Item 8; \$180,000.00), and John Keene (Item 9; \$100,000.00 (paying \$85,000.00 of Item 9 with this docket and the remaining \$15,000 will be paid out of docket 0915-04), with the remaining balance in escrow to be paid to CNX Gas Company LLC pursuant to Item 10 of referenced order; remainder of Item 9 to be paid from additional escrow accounts, and the annexed Table 1, further, specifies how said royalties are to be paid.
- c. 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.
- 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 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.

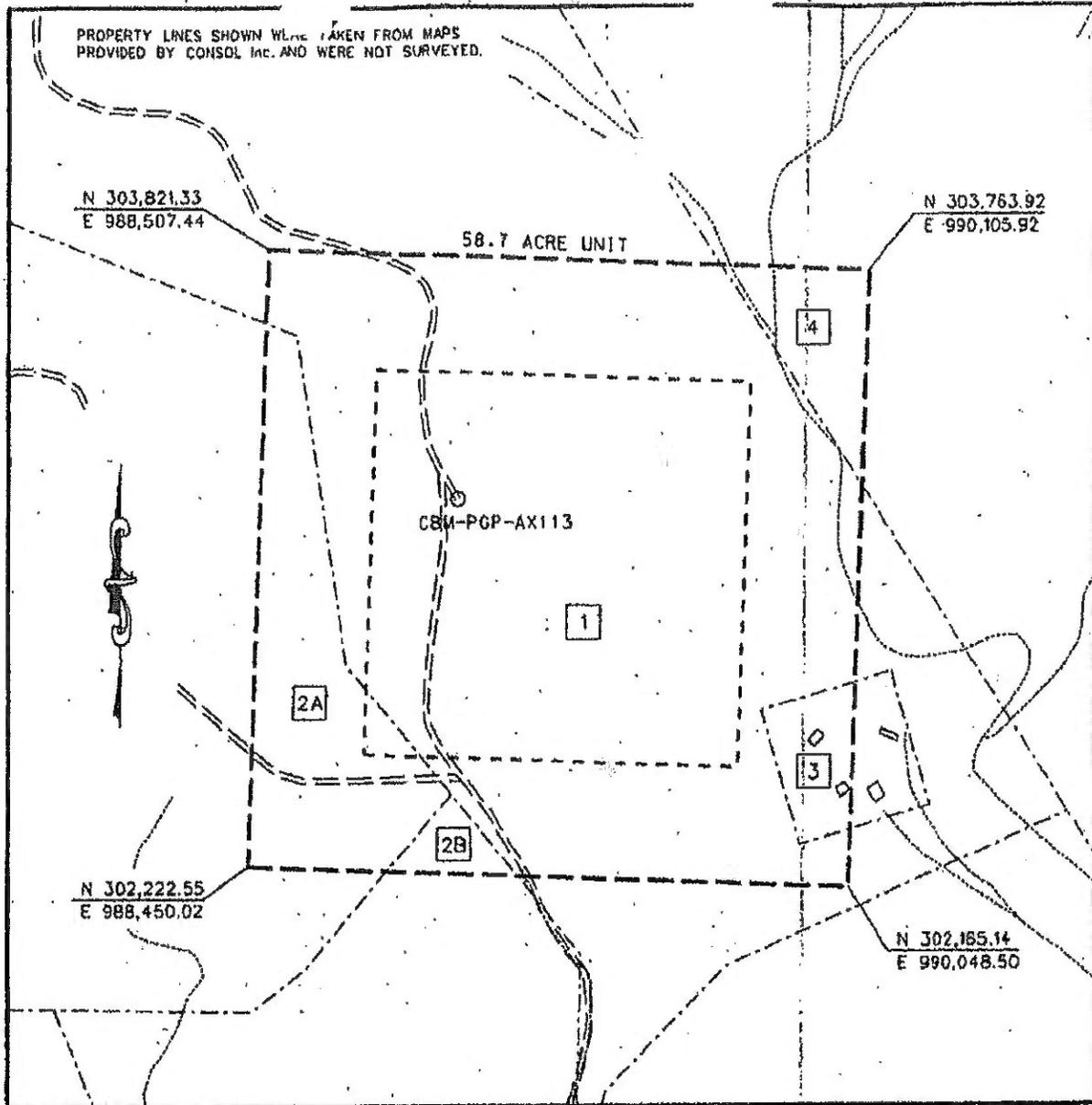


EXHIBIT A  
MIDDLE RIDGE 1 FIELD  
UNIT AX-113  
FORCE POOLING  
VGOB-01-0320-0874

Company Pocahontas Gas Partnership Well Name and Number UNIT AX113  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Honaker  
 County Russell District New Garden Scale: 1" = 400' Date 4/3/01  
 This plot is a new plot  ; an updated plot \_\_\_\_\_ ; or a final plot \_\_\_\_\_

Form DGO-60-7  
 Rev. 9/91  
  
 Licensed Professional Engineer or Licensed Land Surveyor (Affix Seal)

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## POCAHONTAS GAS PARTNERSHIP

## Unit AX-113

Tract identifications  
(58.7 Acre Tract)

1. 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,  
Swain Perkins, Frances Forbes or Harvey Lincous Perkins  
and Dorothy Perkins - Oil & Gas  
Dottie Gay Robinette Miller - Surface  
45.44 acres 77.4105 %
- 2A. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal  
Sandy Ridge Energy Company - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
Earl White or Heirs, Devisees, Successors or Assigns of Dr. L. M. Harrison -  
1/8<sup>th</sup> of Surface, Oil & Gas  
Ellen Brown Heirs - 7/8<sup>th</sup> of Surface, Oil & Gas  
Pocahontas Gas Partnership - Oil, Gas, and CBM Leased  
8.32 acres 14.1738 %
- 2B. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal  
Sandy Ridge Energy Company - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
H. C. Bostic Coal Company, Inc. - Surface, Oil & Gas  
Pocahontas Gas Partnership - Oil, Gas and CBM Leased  
0.83 acres 1.4140 %
3. Dottie Gay Robinette Miller - Fee (Except Red Ash and Jawbone Coal Seams)  
Knox Creek Coal Corp. - Red Ash and Jawbone Coal Seams  
Pocahontas Gas Partnership - Oil, Gas & CBM Leased  
1.64 acres 2.7939 %
4. Buckhorn Coal Company Tr. 7 - Fee  
Consolidation Coal Company - Below Drainage Coal Leased  
Sandy Ridge Energy Company - Above Drainage Coal Leased Except Kennedy Seam  
H. C. Bostic Coal Company, Inc. - Kennedy Seam Leased  
Pocahontas Gas Partnership - CBM Leased  
Reserve Coal Properties Company - Oil & Gas Leased  
2.47 acres 4.2078 %

Exhibit E  
CBM AX113  
Docket # VGOB-01-0320-0874-02  
List of Respondents that require escrow  
(58.70 Acre Unit)

BOOK 858 PAGE 0905

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

Exhibit EE  
 CBM AX113  
 Docket # VGOB-01-0320-0874-02  
 List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Acres in Unit	Interest in Unit	Percent of Escrow
<b>Tract #1, 45.44 acres</b>			
<b>COAL OWNERSHIP</b>			
(1) Buckhorn Coal Company P. O. Box 187 Tazewell, VA 24651	45.44 acres	77.4106%	n/a
<b>OIL &amp; GAS OWNERSHIP</b>			
(1) CNX Gas Company LLC*** 1000 Consol Energy Drive Canonsburg, PA 15317-6506	45.44 acres	77.4106%	84.5238% 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.  
 \*\*See Table 1 for escrow payout directions as outlined in July 3, 2019 Order

\*\*\*Items 6 thru 9 of paragraph B to be paid from Unit AX113 escrow account:  
 6 T. Shea Cook on behalf of the Plaintiffs \$100,000.00  
 7 T. Shea Cook on behalf of Swain Perkins \$50,000.00  
 8 Catherine D. O'Brien on behalf of Strass and White Heirs \$180,000.00  
 9 John Keene on behalf of the previously unknown heirs of Alta Perkins \$85,000.00 (remaining \$15,000.00 to be paid from additional escrow accounts for Item 9)

\*\*\* Remaining balance of escrow account to be paid to CNX Gas Company LLC pursuant to Item 10

**Tract #2A, 8.32 acres**

<b>COAL OWNERSHIP</b>			
(1) Buckhorn Coal Company P. O. Box 187 Tazewell, VA 24651	8.32 acres	14.1738%	7.7381% Royalty Division Agreement
<b>OIL &amp; GAS OWNERSHIP</b>			
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317-6506	8.32 acres	14.1738%	7.7381% Royalty Division Agreement

**Tract #2B, 0.83 acres**

<b>COAL OWNERSHIP</b>			
(1) Buckhorn Coal Company P. O. Box 187 Tazewell, VA 24651	0.83 acres	1.4140%	n/a
<b>OIL &amp; GAS OWNERSHIP</b>			
(1) H.C. Bostic Coal Company, Inc. P.O. Box 220 Swords Creek, VA 24649	0.83 acres	1.4140%	n/a

Total Acres Resolved 54.5900  
 Total Percentage Resolved 92.9983%

1901744

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 9-26 2019 This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:19 o'clock P M, after payment of \$ \_\_\_\_\_ tax imposed by Sec. 58.1-802.

Original returned this date to: Omme

TESTE: ANN S. McREYNOLDS, CLERK  
 BY: Kathy Huff D. CLERK 6/2019