



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: AY111

TRACT(S): 1

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-01-0320-0876-03

APPLICANTS: Pocahontas Gas LLC on behalf of Alan F. Stacy, Buckhorn Coal Company, Fayne E. Stacy, Jr., Gerald K. Stacy, Karen L. Cole

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia July 20, 2021

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 67, County RUSSELL.
2. Supplemental Order Executed 07/26/2001, Recorded on 08/08/2001, Deed Book/Instrument No. 532, Page 221, County RUSSELL.
3. Disbursement Order -01 Executed 08/05/2009, Recorded on 08/13/2009, Deed Book/Instrument No. 709, Page 0919, County RUSSELL.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the July 20, 2021 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 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1 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:

Fayne E. Stacy, Jr., Gerald K. Stacy, Karen Cole, and Alan Stacy are entitled to 100% of the CBM royalties awarded under Case No. CL20-1116, Opinion dated May 27, 2021. Said decision allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be paid. Buckhorn Coal Co & Karen Cole (interest inherited from Janice Shortridge) 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, further, specifies how said royalties are to be divided and paid.

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 21 day of July, 2021 by a majority of the Virginia Gas and Oil Board.



Interim Chairman, Donald L. Ratliff

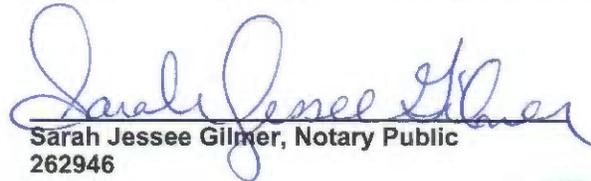
DONE AND PERFORMED this 21 day of July, 2021 by Order of the Virginia Gas and Oil Board.



James P. Skorupa
Principal Executive to the staff,
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 21st day of July, 2021, personally before me a notary public in and for the Commonwealth of Virginia, appeared Donald L. Ratliff, being duly sworn did depose and say that he is the Interim Chairman of the Virginia Gas and Oil Board and appeared James P. Skorupa, 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, 2025



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: Pocahontas Gas LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 01-0320-0876-03

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1 (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: July 20, 2021

DRILLING UNIT: AY111

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(s) attributable to Tract(s) 1 as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the parties to the prevailing plaintiffs: Fayne E. Stacy, Jr., Gerald K. Stacy, Karen Cole, and Alan Stacy; authorization to begin paying royalties directly to the parties to the royalty split between Buckhorn Coal Co & Karen Cole (executed by Janice Shortridge).

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

Fayne E. Stacy, Jr., Gerald K. Stacy, Karen Cole, and Alan Stacy are entitled to 100% of the CBM royalties awarded under Case No. CL20-1116, Opinion dated May 27, 2021. Said decision allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be paid.

Buckhorn Coal Co & Karen Cole (interest inherited from Janice Shortridge) 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, further, specifies how said royalties are to be divided and paid.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

PROPERTY LINES SHOWN WERE TAKEN FROM PLATS PROVIDED BY CONSOL Inc. AND WERE NOT SURVEYED.

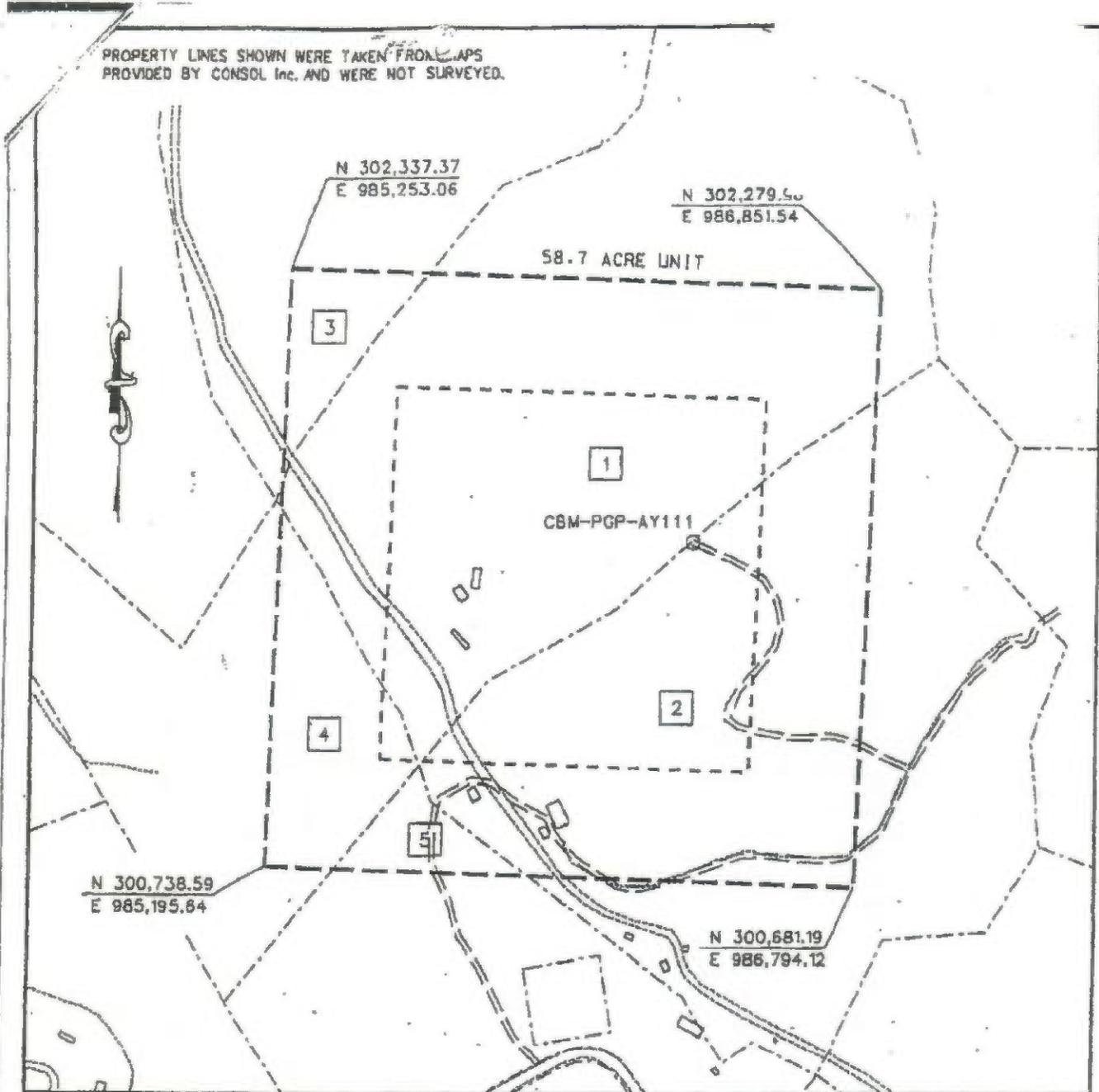


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT AY-111
FORCE POOLING
VGOB-01-0320-0876

Company Pocahontas Gas Partnership Well Name and Number UNIT AY111
Tract No. _____ Elevation _____ Quadrangle Rehoker
County Russell District New Garden Scale: 1" = 400' Date 4/3/01
This plat is a new plat X; an updated plat _____; or a final plat _____

Farm DGO-GO-7
Rev. 9/91
Charles D. Morgan (Affix Seal)
Licensed Professional Engineer or Licensed Land Surveyor

CNX Gas Company LLC
UNIT AY111
Tract Identifications
(58.70 Acre Unit)

1. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Michael Whited, et al OR Elijah Stacy Heirs –Oil and Gas
CNX Gas Company LLC - Oil, Gas and CBM Leased
Michael Whited OR Elijah Stacy Heirs –Surface
27.93 Acres 47.5809%

2. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Michael Whited, et al – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
Michael Whited – Surface
21.77 Acres 37.0869%

3. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Gent Enterprises, LLC –Oil and Gas
CNX Gas Company LLC - Oil, Gas and CBM Leased
Michael Whited OR Gent Enterprises, LLC – Surface
2.18 Acres 3.7138%

4. Buckhorn Coal Company (H. C. Stuart 405.06 Acre Tract) – Coal
Reserve Coal Properties Company - Below Drainage Coal Leased
Knox Creek Coal Company – Above Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Michael Whited, et al – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
Michael Whited – Surface
5.31 Acres 9.0460%

5. Buckhorn Coal Company (H. C. Stuart 405.06 Acre Tract) – Coal
Reserve Coal Properties Company - Below Drainage Coal Leased
Knox Creek Coal Company – Above Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Michael Whited, et al – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
Michael Whited – Surface
1.51 Acres 2.5724%

"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."

Exhibit E
Unit AY111
Docket #VGOB-01-0320-0876-03
List of Owners/Claimants that require escrow

Acres in Unit	Interest in Unit
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Escrowing no longer required

Exhibit EE
Unit AY111
Docket #VGOB-01-0320-0876-03
List of Respondents with Royalty Split Agreements/Court Order/HB2058

	Acres in Unit	Interest in Unit	Percent of Escrow
Tract #1, 27.93 acres			
COAL OWNERSHIP			
(1) Buckhorn Coal Company <i>(Jacob Fuller 453 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	27.93 acres	47.5809%	16.6667% Royalty Division Agreement
OIL & GAS OWNERSHIP			
<i>Final Order entered in Case No. CL20-1116 entered May 27, 2021, adjudged, ordered, and decreed that the Plaintiffs listed below are the owners of the mineral estate, including the gas estate, relative to the subject tract. Plaintiffs are due 100% of escrowed funds, subject to Royalty Division Agreements previously signed. Plaintiffs listed below are represented by T. Shea Cook</i>			
(1) Elijah & Zella Stacy Heirs, Devisees, Successors or Assigns <i>(Previously listed as a title conflict between Michael Whited, or Elijah Stacy Heirs)</i>	27.93 acres	47.5809%	
(a) Fayne E. Stacy Heirs, Devisees, Successors, or Assigns			
(a.1) Gladys Madeline Crouse Stacy Heirs, Devisees, Successors, or Assigns			
(a.1.1) Fayne E. Stacy, Jr. 1 Clarks Court Johnson City, TN 37604	4.66 acres 1/6 of 27.93 acres	7.9302%	16.6667% Court Order
(a.1.2) Gerald K. Stacy 3540 Pauls Path Road LaGrange, NC 28551	4.66 acres 1/6 of 27.93 acres	7.9302%	16.6667% Court Order
(b) Neednam Edis Stacy <i>Pre-Deceased (DOD 3/15/1975)</i>			
(b.1) Janice Shortridge Heirs, Devisees, Successors, or Assigns			
(b.1.1) Karen Cole 8404 Gatwick Terrace Glen Allen, VA 22030	2.33 acres 1/12 of 27.93 acres	3.9651%	4.1667% Court Order/ Royalty Division Agreement
(b.1.2) Deborah L. Shortridge Heirs, Devisees, Successors, or Assigns			
(b.1.2.1) Karen Cole 8404 Gatwick Terrace Glen Allen, VA 22030	2.33 acres 1/12 of 27.93 acres	3.9651%	4.1667% Court Order/ Royalty Division Agreement
(b.2) Nancy C. Stacy Heirs, Devisees, Successors, or Assigns			
(b.2.1) Janice Shortridge Heirs, Devisees, Successors, or Assigns			
(b.2.1.1) Karen Cole 8404 Gatwick Terrace Glen Allen, VA 22030	2.33 acres 1/12 of 27.93 acres	3.9651%	4.1667% Court Order/ Royalty Division Agreement
(b.2.1.2) Deborah L. Shortridge Heirs, Devisees, Successors, or Assigns			
(b.2.1.2.1) Karen Cole 8404 Gatwick Terrace Glen Allen, VA 22030	2.33 acres 1/12 of 27.93 acres	3.9651%	4.1667% Court Order/ Royalty Division Agreement
(c) Fearl Whitt Stacy <i>Pre-Deceased (DOD 9/20/1976)</i>			

Exhibit EE
Unit AY111
Docket #VGOB-01-0320-0876-03
List of Respondents with Royalty Split Agreements/Court Order/HB2058

	Acres In Unit	Interest in Unit	Percent of Escrow
(c.1) Alan Stacy 818 Lamp Post Circle S.E. Albuquerque, NM 87123	9.31 acres 1/3 of 27.93 acres	15.8603%	33.3333% Court Order
Total Tract Acres		27.93	
Total Tract Percentage		47.5809%	

Tract #2, 21.77 acres

COAL OWNERSHIP

(f) Buckhorn Coal Company <i>(Jacob Fuller 453 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	21.77 acres	37.0869%	<i>n/a</i>
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OIL & GAS OWNERSHIP

(f) Michael Whited, et al <i>(Previously Columbus Earl Whited)</i>	21.77 acres	37.0869%	
(a) Michael Whited PO Box 297 Swords Creek, VA 24696	2.177 acres 1/10 of 21.77 acres	3.7087%	<i>n/a</i>
(b) Ferrell Whited Heirs, Devises, Successors, or Assigns			
(b.1) Tyler Blake Whited 106 Winegar St Church Hill, TN 37642-8136	3.919 acres 9/50 of 21.77 acres	6.6756%	<i>n/a</i>
(c) Herald Whited PO Box 518 Honaker, VA 24260	3.919 acres 9/50 of 21.77 acres	6.6756%	<i>n/a</i>
(d) Marty Whited PO Box 881 Lebanon, VA 24266-0881	3.919 acres 9/50 of 21.77 acres	6.6756%	<i>n/a</i>
(e) Cathy Darlene Ward 16136 Moccasin Circle Abingdon, VA 24210-4344	3.919 acres 9/50 of 21.77 acres	6.6756%	<i>n/a</i>
(f) Melissa Skeens PO Box 518 Honaker, VA 24260	3.919 acres 9/50 of 21.77 acres	6.6756%	<i>n/a</i>

Tract #3, 2.18 acres

COAL OWNERSHIP

(f) Buckhorn Coal Company <i>(Jacob Fuller 453 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	2.18 acres	3.7138%	<i>n/a</i>
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OIL & GAS OWNERSHIP

(f) Gent Enterprises, LLC <i>(50 Acre Tract)</i> P.O. Box 330 Honaker, VA 24260 <i>(Previously listed as a title conflict between Michael Whited, or Gent Enterprises, LLC)</i>	2.18 acres	3.7138%	<i>n/a</i>
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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

Exhibit EE
Unit AY111
Docket #VGOB-01-0320-0876-03
List of Respondents with Royalty Split Agreements/Court Order/HB2058

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #4, 5.31 acres</u>			
COAL OWNERSHIP			
(1) Buckhorn Coal Company, Tr.9 <i>(H.C. Stuart 405 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	5.31 acres	9.0460%	<i>n/a</i>
OIL & GAS OWNERSHIP			
(1) Michael Whited, et al <i>(Previously Columbus Earl Whited)</i>	5.31 acres	9.0460%	
(a) Michael Whited PO Box 297 Swords Creek, VA 24696	0.53 acres 1/10 of 5.31 acres	0.9046%	<i>n/a</i>
(b) Ferrell Whited Heirs, Devisees, Successors, or Assigns			
(b.1) Tyler Blake Whited 106 Winegar St Church Hill, TN 37642-8136	0.96 acres 9/50 of 5.31 acres	1.6283%	<i>n/a</i>
(c) Herald Whited PO Box 518 Honaker, VA 24260	0.96 acres 9/50 of 5.31 acres	1.6283%	<i>n/a</i>
(d) Marty Whited PO Box 881 Lebanon, VA 24266-0881	0.96 acres 9/50 of 5.31 acres	1.6283%	<i>n/a</i>
(e) Cathy Darlene Ward 16136 Moccasin Circle Abingdon, VA 24210-4344	0.96 acres 9/50 of 5.31 acres	1.6283%	<i>n/a</i>
(f) Melissa Skeens PO Box 518 Honaker, VA 24260	0.96 acres 9/50 of 5.31 acres	1.6283%	<i>n/a</i>
<u>Tract #5, 1.51 acres</u>			
COAL OWNERSHIP			
(1) Buckhorn Coal Company, Tr.9 <i>(H.C. Stuart 405 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	1.51 acres	2.5724%	<i>n/a</i>
OIL & GAS OWNERSHIP			
(1) Michael Whited, et al <i>(Previously Columbus Earl Whited)</i>	1.51 acres	2.5724%	
(a) Michael Whited PO Box 297 Swords Creek, VA 24696	0.15 acres 1/10 of 1.51 acres	0.2572%	<i>n/a</i>
(b) Ferrell Whited Heirs, Devisees, Successors, or Assigns			
(b.1) Tyler Blake Whited 106 Winegar St Church Hill, TN 37642-8136	0.27 acres 9/50 of 1.51 acres	0.4630%	<i>n/a</i>
(c) Herald Whited PO Box 518 Honaker, VA 24260	0.27 acres 9/50 of 1.51 acres	0.4630%	<i>n/a</i>

Exhibit EE
 Unit AY111
 Docket #VGOB-01-0320-0876-03
 List of Respondents with Royalty Split Agreements/Court Order/HB2058

	Acres In Unit	Interest in Unit	Percent of Escrow
(d) Marty Whited PO Box 881 Lebanon, VA 24266-0881	0.27 acres 9/50 of 1.51 acres	0.4630%	n/a
(e) Cathy Darlene Ward 16136 Moccasin Circle Abingdon, VA 24210-4344	0.27 acres 9/50 of 1.51 acres	0.4630%	n/a
(f) Melissa Skeens PO Box 518 Honaker, VA 24260	0.27 acres 9/50 of 1.51 acres	0.4630%	n/a
	Total Acreage Resolved	58.70	
	Total Percentage Resolved		100.0000%

2101782

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, Aug. 3, 2021. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at _____ o'clock A M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: DMME

TESTE: ANN S. McREYNOLDS, CLERK
 BY: [Signature] D. CLERK