

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)

UNIT/WELL NAME: BA111

TRACT(S): A portion of 2, 3, A portion of 4

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-02-0416-1024-01

APPLICANTS:

CNX Gas Company LLC on behalf of Buckhorn Coal Company, Catherine Caldwell, Janice Workman, Lowie Perkins, Nancy Giotta, Russell H. Dye, Jr.

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia ☐
April 21, 2015

APPEARANCES: Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 07/08/2002, Recorded on 07/15/2002, Deed Book/Instrument No. 558, Page 766.
2. Supplemental Order Executed 02/18/2003, Recorded on 02/25/2003, Deed Book/Instrument No. 575, Page 975.
3. Supplemental Order, Recorded on 04/02/2015, Deed Book/Instrument No. 0787, Page 0798.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the April 21, 2015 hearing and considered whether to:

BOOK 0789 PAGE 0630

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) A portion of 2, 3, A portion of 4 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 2, 3, A portion of 4 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

Applicant has certified and represented to the Board that:

(a) Buckhorn Coal Company and Lowie Perkins, Catherine Caldwell, Nancy Giotta, Janice Workman, and Russell H. Dye Jr. have entered into Royalty Split Agreement. Said 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.

RELIEF GRANTED:

VGOB Disbursement
Unit BA111

VGOB-02-0416-1024-01

Table 1

Tracts: A portion of 2, 3, A portion of 4

VGOB Disbursement Unit BA111 VGOB-02-0416-1024-01							
Table 1 Tracts: A portion of 2, 3, A portion of 4							
Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			in Tract	in Tract	Agreement	Disbursed	Disbursed
		Total acreage in escrow before disbursement				7.92170	
2 Tract 2 (total acreage)			6.38				
1	2	Lowie Perkins\1452 Drill Road, Honaker, VA 24260	13/14	5.9243	50.00%	2.9621	37.3928%
2	2	Lowie Perkins\1452 Drill Road, Honaker, VA 24260	1/28	0.2279	50.00%	0.1139	1.4382%
3	2	Buckhorn Coal Company\P.O. Box 187, Tazewell, VA 24651	27/28	6.1521	50.00%	3.0761	38.8310%
3 Tract 3 (total acreage)			1.31				
1	3	Buckhorn Coal Company\P.O. Box 187, Tazewell, VA 24651	1/2	0.6550	50.00%	0.3275	4.1342%

3		Tract 3 (total acreage)										1.31				
2	3	Catherine Caldwell\915 Switchback Road, Christiansburg, VA 24703										1/2	0.6550	50.00%	0.3275	4.1342%
4		Tract 4 (total acreage)										1.27				
1	4	Nancy Giotta\13580 Brookhaven, Brookpark, OH 44142										1/9	0.1411	50.00%	0.0706	0.8907%
2	4	Janice Workman\7762 State Road, Parma, OH 44134										1/9	0.1411	50.00%	0.0706	0.8907%
3	4	Russell H. Dye, Jr.\1456 Buckingham Gate, Blvd., Unit Fm Cuyahoga Falls OH 44221-5515										1/9	0.1411	50.00%	0.0706	0.8907%
4	4	Buckhorn Coal Company\P.O. Box 187, Tazewell, VA 24651										1/3	0.4233	50.00%	0.2117	2.6720%

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.

DONE AND EXECUTED this 11 day of May, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 11 day of May, 2015 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 11th day of May, 2015, 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 02-0416-1024-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) A portion of 2,
3, A portion of 4
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: April 21, 2015

DRILLING UNIT: BA111

RUSSELL COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 627 Claypool Hill Mall Road, Cedar Bluff, VA 24609, (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 Tracts 2, 3, & 4 to the persons identified in the Table using the percentages set forth in the Table; and (2) dismissal of coal owner(s)/claimant(s) named in the Notice of Hearing and identified in Exhibit B2 who were pooled by the Board as conflicting claimants.

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 Lowie Perkins, Catherine Caldwell, Nancy Giotta, Janice Workman, and Russell H. Dye Jr. have entered into Royalty Split Agreement. Said 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 MAPS PROVIDED BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

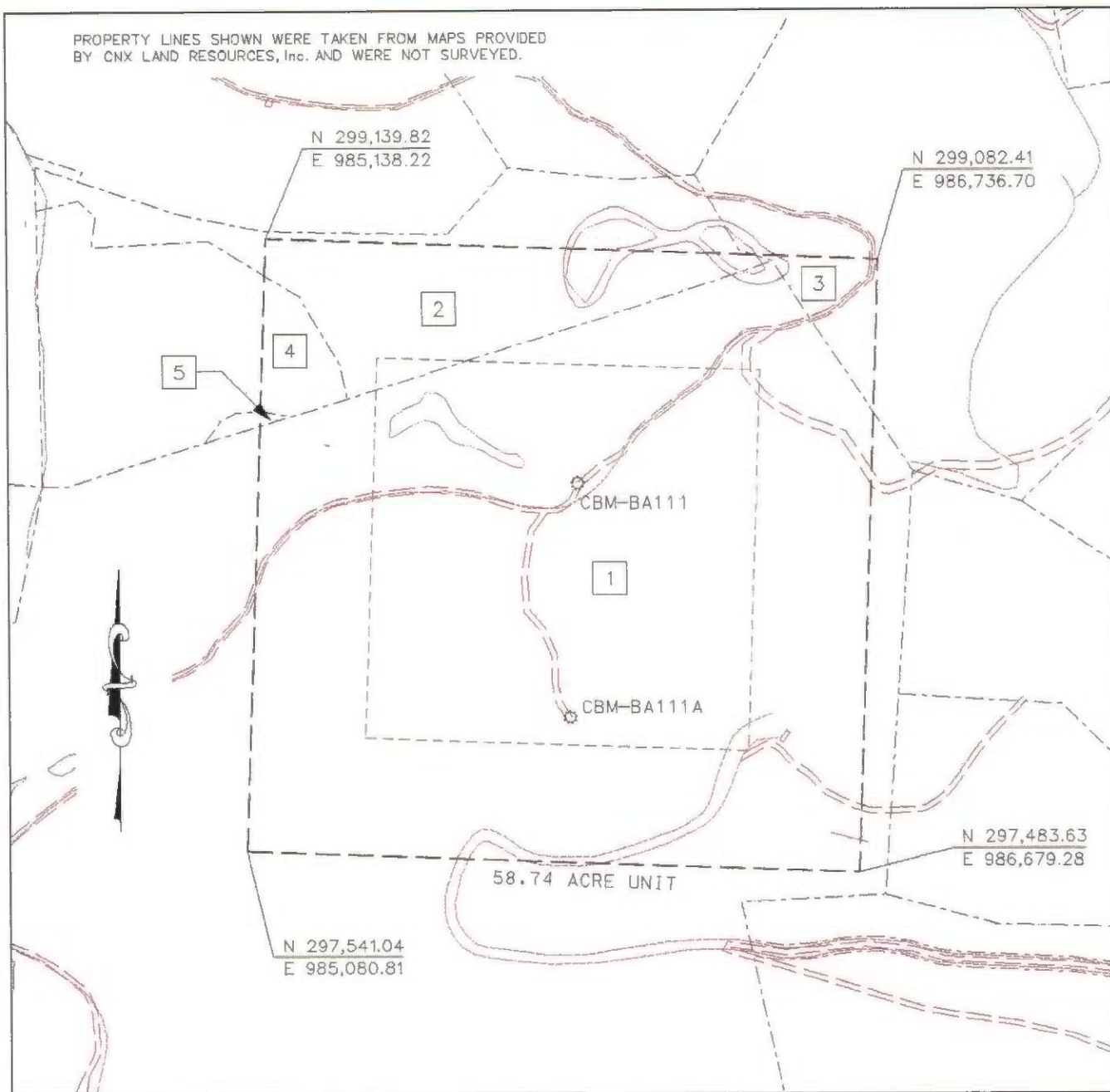


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT BA-111
FORCE POOLING
VGOB-02-0416-1024-01

Company CNX GAS COMPANY LLC Well Name and Number UNIT BA111

Tract No. _____ Elevation _____

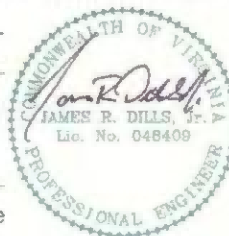
County Russell District New Garden

This plat is a new plat X ; an updated p

Form DGO-GO-7

Rev. 9/91

Licensed Professional Engine



Digitally signed by James R Dills Jr.
DN: c=US, o=Golden Trust ACES Business
Representative, ou=D. R. PRICE
or ENGINEERING AND LAND SURVEYING
INC PC, cn=James R Dills Jr.,
0.9.2342.19200300.100.1.1=A010969
0000012E01701153000027EA
Date: 2015.05.07 14:14:45 -04'00'

CNX Gas Company LLC
Unit BA-111
Tract Identifications
(58.74 Acre Unit)

BOOK 0789 PAGE 0636

1. Buckhorn Coal Company, Tract 10 (J. T. Stinson 170 Acre Tract) – Fee
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Company – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
49.74 acres 84.6782%
2. Buckhorn Coal Company, Tract 9 (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
Lowie Perkins, et al. – Surface, Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
6.38 acres 10.8614%
3. Buckhorn Coal Company Tr. 9 (H.C. Stuart 405.06 Acre Tract) - Coal
Reserve Coal Properties Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
James Rasnake, et al (51.25 Acre Tract) – Oil and Gas (50%)
Catherine Caldwell (51.25 Acre Tract) – Oil and Gas (50%)
Buckhorn Coal Company (50%) / James Rasnake, et al (50%) – CBM (50%)
CNX Gas Company LLC – Oil, Gas and CBM Leased (25/48)
Wanda L. Ray, et al – Surface
1.31 acres 2.2302%
4. Buckhorn Coal Company, Tract 9 (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
Mary Dye, et al – Surface, Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased (8/9)
1.27 acres 2.1621%
5. Buckhorn Coal Company, Tract 9 (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
Donald Whited – Surface, Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.04 acres 0.0681%

1500940

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 5-22, 2015. This deed was this day
presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at _____ o'clock _____ M., after
payment of \$ _____ tax imposed by Sec. 58.1-802.

TESTE: ANN S. McREYNOLDS, CLERK
BY: Bailey Huff D. CLERK
Original returned this date to: Sarah Gilmer

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

Exhibit E
Unit BA111
Docket #VGOB 02-0416-1024-01
(58.74 Acre Unit)

BOOK 0789 PAGE 0637

	Acres in Unit	Interest in Unit
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SECTION I. - Owners in escrow

Tract #2, 6.38 acres

COAL OWNERSHIP

(1) Buckhorn Coal Company, Tr.9 (H.C. Stuart 405.06 acre tract) P. O. Box 187 Tazewell, VA 24651	6.38 acres	10.8614%
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OIL & GAS OWNERSHIP

(1) Lowie Perkins, et al. (11.00 acre tract)	6.38 acres	10.8614%
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(b) Wayne Perkins Heirs, Devisees, Successors or Assigns

(b.2) Deirdra P & Johnny F. Rickman *Conveyed by DB 705/283 to Earnest & Nancy L. Perkins 5/8/21*

(b.2.1) Earnest L. & Nancy L. Perkins 1450 Drill Road Honaker, VA 24260	0.23 acres 1/28 of 6.38 acres	0.3879%
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Tract #4, 1.27 acres

COAL OWNERSHIP

(1) Buckhorn Coal Company, Tr.9 (H.C. Stuart 405.06 acre tract) P. O. Box 187 Tazewell, VA 24651	1.27 acres	2.1621%
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OIL & GAS OWNERSHIP

(1) Mary Dye, et al.	1.27 acres	2.1621%
(b) Howard Dye 5760 Highway 107 Marksville, LA 71351	0.141 acres 1/9 of 1.27 acres	0.2402%

Tract #5, 0.04 acres

COAL OWNERSHIP

(1) Buckhorn Coal Company, Tr.9 (H.C. Stuart 405.06 acre tract) P. O. Box 187 Tazewell, VA 24651	0.04 acres	0.0681%
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OIL & GAS OWNERSHIP

(1) Donald Whited P.O. Box 417 Swords Creek, VA 24649	0.04 acres	0.0681%
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Exhibit E
Unit BA111
Docket #VGOB 02-0416-1024-01
(58.74 Acre Unit)

BOOK 0789 PAGE 0638

	Acres in Unit	Interest in Unit
<u>SECTION I TOTALS:</u>		
Acreage in Unit	0.4090	
Percentage of Unit		0.6962%

SECTION II. - Owners currently in Escrow with Split Agreements

Tract #4, 1.27 acres 1.27 acres 2.1621%

COAL OWNERSHIP

(1) Buckhorn Coal Company, Tr.9 0.282 acres 0.4805%
(H.C. Stuart 405.06 acre tract)
P. O. Box 187
Tazewell, VA 24651
2/9 of 1.27 acres

OIL & GAS OWNERSHIP

(1) Mary Dye, et al. 1.27 acres 2.1621%

(d) Allen Dye 0.141 acres 0.2402%
19433 Avon-Belden Road
Grafton, OH 44044
1/9 of 1.27 acres

(f) Mack Dye Heirs, Devisees,
Successors, or Assigns

(f.1) Linda Dye 0.141 acres 0.2402%
2956 East 65th Street
Cleveland, OH 11427
1/9 of 1.27 acres

SECTION II TOTALS:

Acreage in Unit 0.2822
Percentage of Unit 0.4805%

Exhibit EE
Unit-BA111
Docket #VGOB 02-0416-1024-01
List of Respondents with Royalty Split Agreements and/or Court Orders
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
Tract #2, 6.38 acres			
COAL OWNERSHIP			
(1) Buckhorn Coal Company, Tr.9 (H.C. Stuart 405.06 acre tract) P. O. Box 187 Tazewell, VA 24651	6.38 acres	10.8614%	38.8310%
OIL & GAS OWNERSHIP			
(1) Lowie Perkins, et al. (11.00 acre tract)	6.38 acres	10.8614%	
(a) Lowie Perkins 1452 Drill Road Honaker, VA 24260	5.92 acres 13/14 of 6.38 acres	10.0856%	37.3928%
(b) Wayne Perkins Heirs, Devisees, Successors or Assigns			
(b.1) Debbie P. & Keith Boyd	Conveyed by DB 711/280 to Lowie Perkins 6/17/2009		
(b.1.1) Lowie Perkins 1452 Drill Road Honaker, VA 24260	0.23 acres 1/28 of 6.38 acres	0.3879%	1.4382%
	Total tract acres	6.152	
	Total tract percent	10.4735%	
Tract #3, 1.31 acres			
COAL OWNERSHIP			
(1) Buckhorn Coal Company, Tr.9 (H.C. Stuart 405.06 acre tract) P. O. Box 187 Tazewell, VA 24651	1.31 acres	2.2302%	4.1342%
OIL & GAS OWNERSHIP			
James Rasnake, et al. (aka Mike Rasnake) (aka Jacob Fuller Heirs, Devisees, Successors or Assigns - 51.25 acre tract)	1.31 acres	2.2302%	
(1) James Rasnake, et al.			
By Deed of Indenture each dated 09/17/10, James Rasnake (DB 725/632), Mike Rasnake, Dec. (DB 725/638) and Lucy Blankenship (DB 725/625) conveyed an undivided one-half (1/2) interest in their claim to the CBM Estate to Buckhorn Coal Company. In turn, Buckhorn Coal Company conveyed the same.			
(a) Mike O. Rasnake (23/96)	By Deed of Indenture dated 09/17/10 (DB 725/638), Mike Rasnake conveyed an undivided one-half (1/2) interest in his claim to the CBM Estate to Buckhorn Coal Com In turn, Buckhorn Coal Company conveyed the same.		
(a.1) Buckhorn Coal Company *** P. O. Box 187 Tazewell, VA 24651	0.1569 acres CBM 23/192 of 1.31 acres of CBM	0.2672%	n/a
*** NOTE: This ownership is for the CBM Estate Only.			
(a.2) Mike O. Rasnake Heirs, Devisees, Successors or Assigns (23/96 th in Oil & Gas and 23/192 nd in CBM)			
Peggy Rasnake Bobby Lee Rasnake Donna Jean Whitt	By Deed of Gift dated April 25, 2012, Peggy Rasnake conveyed her interest to Bobby Rasnake, Donna Whitt, Harold Dye & Deborah Carlock DB 747/285 (RC) & Inst.# 120000804 (BC)		
(a.2.1) Bobby Lee Rasnake 1233 Miller Creek Road Honaker, VA 24260	0.0392 acres CBM 23/768 of 1.31 acres of CBM 23/384 of 1.31 acres of O&G	0.0668%	n/a

Exhibit EE
Unit-BA111
Docket #VGOB 02-0416-1024-01
List of Respondents with Royalty Split Agreements and/or Court Orders
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
(a.2.2) Donna Jean Whitt 6980 Drill Road Honaker, VA 24260	0.0392 acres CBM 23/768 of 1.31 acres of CBM 23/384 of 1.31 acres of O&G	0.0668%	n/a
(a.2.3) Harold David Dye 1162 Fescue Road Rowe, VA 24646	0.0392 acres CBM 23/768 of 1.31 acres of CBM 23/384 of 1.31 acres of O&G	0.0668%	n/a
(a.2.4.4) Deborah Cook Carlock 1394 Elk Garden Road Lebanon, VA 24266	0.0392 acres CBM 23/768 of 1.31 acres of CBM 23/384 of 1.31 acres of O&G	0.0668%	n/a
(b) James D. Rasnake (23/96)	By Deed of Indenture dated 09/17/10 (DB 725/632), James D. Rasnake conveyed an undivided one-half (1/2) interest in his claim to the CBM Estate to Buckhorn Coal Company in turn, Buckhorn Coal Company conveyed the same.		
(b.1) James D. Rasnake PO Box 1914 Honaker, VA 24260	0.1569 acres CBM 23/192 of 1.31 acres of CBM 23/96 of 1.31 acres of O&G	0.2672%	n/a
(b.2) Buckhorn Coal Company *** P. O. Box 187 Tazewell, VA 24651	0.1569 acres CBM 23/192 of 1.31 acres of CBM	0.2672%	n/a
*** NOTE: This ownership is for the CBM Estate Only.			
(c) Lucy Blankenship (1/48)	By Deed of Indenture dated 09/17/10 (DB 725/625), Lucy (Hess) Blankenship conveyed undivided one-half (1/2) interest in her claim to the CBM Estate to Buckhorn Coal Company in turn, Buckhorn Coal Company conveyed the same.		
(c.1) Lucy Blankenship 182 Romia Road Rowe, VA 24646	0.0136 acres CBM 1/96 of 1.31 acres of CBM 1/48 of 1.31 acres of O&G	0.0232%	n/a
(c.2) Buckhorn Coal Company *** P. O. Box 187 Tazewell, VA 24651	0.0136 acres CBM 1/96 of 1.31 acres of CBM	0.0232%	n/a
*** NOTE: This ownership is for the CBM Estate Only.			
(2) Marvin Fuller Heirs, Devisees, Successors or Assigns (1/2)			
(a) Catherine Caldwell 915 Switchback Road Christiansburg, VA 24703	0.6550 acres 1/2 of 1.31 acres	1.1151%	4.1342%
Total tract acres		1.310	
Total tract percent		2.2302%	

Tract #4, 1.27 acres

COAL OWNERSHIP

(1) Buckhorn Coal Company, Tr.9 (H.C. Stuart 405.06 acre tract) P. O. Box 187 Tazewell, VA 24651	1.27 acres	2.1621%	2.6720%
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OIL & GAS OWNERSHIP

(1) Mary Dye, et al.	1.27 acres	2.1621%	
(a) Mary A. Dye Heirs, Devisees, Successors or Assigns			
(a.1) Dena Foster P.O. Box 391 Damascus, VA 24236	0.106 acres 1/12 of 1.27 acres	0.1802%	n/a

Exhibit EE
Unit-BA111
Docket #VGOB 02-0416-1024-01
List of Respondents with Royalty Split Agreements and/or Court Orders
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
(a.2) Patricia Pridemore 6591 Grayson Turnpike Road Speedwell, VA 24374	0.106 acres 1/12 of 1.27 acres	0.1802%	n/a
(a.3) Leva Settoon 1032 Pin Oak Dr. Montgomery, LA 71454-4247	0.106 acres 1/12 of 1.27 acres	0.1802%	n/a
(a.4) Howard Russell Dye 109 Park Street, Apt. 10 Canton, NC 28716	0.106 acres 1/12 of 1.27 acres	0.1802%	n/a
(c) Nancy Gioitta 13580 Brookhaven Brookpark, OH 44142	0.141 acres 1/9 of 1.27 acres	0.2402%	0.8907%
(e) Janice Workman 7762 State Road Parma, OH 44134	0.141 acres 1/9 of 1.27 acres	0.2402%	0.8907%
(g) Russell H. Dye, Jr. 1456 Buckingham Gate Blvd., Unit F Cuyahoga Falls, OH 44221-5515	0.141 acres 1/9 of 1.27 acres	0.2402%	0.8907%
Total tract acres	0.847		
Total tract percent	1.4414%		
Total Acreage Resolved		8.3088	
Total Percentage Resolved			14.1451%