

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: FF35

TRACT(S): 2B

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-02-0820-1057-04

APPLICANTS:

CNX Gas Company LLC on behalf of Patsy S Smith

HEARING DATE AND LOCATION:

On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

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

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 07/11/2003, Recorded on 07/14/2003, Deed Book/Instrument No. 587, Page 298.
2. Supplemental Order Executed 11/07/2003, Recorded on 11/17/2003, Deed Book/Instrument No. 596, Page 891.
3. Disbursement Order -01 Executed 09/18/2012, Recorded on 10/22/2012, Deed Book/Instrument No. 753, Page 0857.
4. Disbursement Order -02 Executed 03/20/2015, Recorded on 04/02/2015, Deed Book/Instrument No. 0787, Page 0886.

BOOK 0805 PAGE 0033

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 2B identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2B 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. Patsy S. Smith is the gas claimant in Tracts 2B. As such Patsy S. Smith are entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- b. That 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 Patsy S. Smith and not escrow same. See Exhibit EE annexed hereto.

Tracts: 2B

Adjustment Comments:

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.

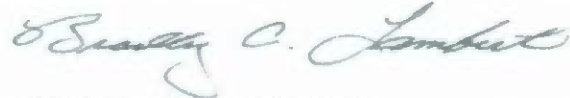
CONCLUSION:

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 27 day of June, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

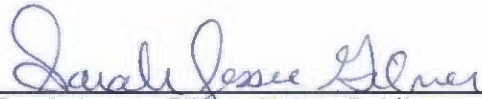
DONE AND PERFORMED this 27 day of June, 2016 by Order of the Virginia Gas and Oil Board.



Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 27th day of June, 2016, 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



1601284

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 7-8 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 9:29 o'clock A M, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to: Sally Ketron

TESTE: ANN S. McREYNOLDS, CLERK
BY: Sheila Ketron D. CLERK

BEFORE THE VIRGINIA GAS AND OIL BOARD**PETITIONER:** CNX Gas Company LLC**DIVISION OF GAS AND OIL****DOCKET NO:** VGOB 02-0820-1057-04

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2B (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: On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

DRILLING UNIT: FF35**RUSSELL COUNTY, VIRGINIA****PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS****1. Petitioner and its counsel**

Petitioner is CNX Gas Company 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) 2B as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Patsy S. Smith; (3) Dismissal of Coal owner(s): Swords Creek Land Partnership

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. Patsy S. Smith is the gas claimant in Tracts 2B. As such Patsy S. Smith are entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- b. That 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 Patsy S. Smith 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.

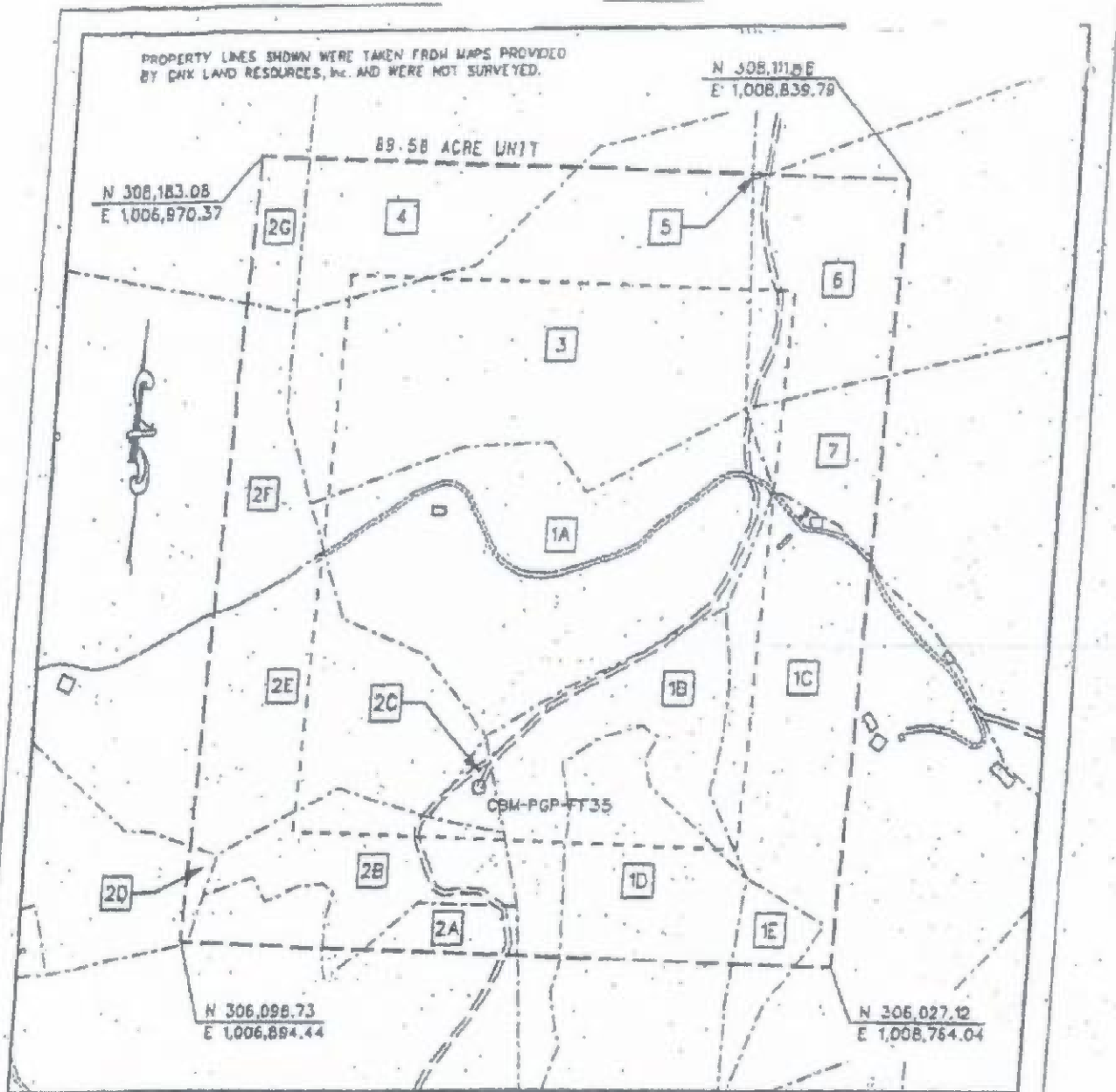


EXHIBIT A
OAKWOOD FIELD UNIT FF-35
FORCE POOLING
VGOB-02-0820-0057

Company Pocahontas Gas Partnership Well Name and Number UNIT FF-35 type D MCH-12
 Tract No. _____ Elevation _____ Quadrangle Keen Mountain
 County Russell District New Garden Scale: 1" = 400' Date 7/7/01
 This plot is a new plot X : an updated plot _____ : or a final plot 0057

Form DGD-GD-7
Rev. 9/91

Charles D. May
Licensed Professional Engineer or Licensed Land Surveyor

POCAHONTAS GAS PARTNERSHIP

UNIT FF-35

Tract Identifications
(89.58 Acre Unit)

1. William R. McCall, et al (McCall-Horton Tract) - Coal, Oil and Gas
Pocahontas Gas Partnership - CBM Leased
35.80 acres 39.9643%
- 1A. Nellie J. Stillwell - Surface
- 1B. John A. Richardson, et ux - Surface
- 1C. William H. Byrd, et al - Surface
- 1D. Melvin J. Stillwell - Surface
- 1E. Melvin J. Stillwell - Surface
- 2A. Swords Creek Land Partnership Tr. 21 - Coal
Reserve Coal Properties Company - Below Tiller Seam Leased
Sandy Ridge Energy Company - Tiller and Above Coal Leased
Pocahontas Gas Partnership - CBM Gas Leased
Mary Richardson, et al - Surface, Oil and Gas
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
2.37 acres 2.6457%
- 2B. Swords Creek Land Partnership Tr. 21 - Coal
Reserve Coal Properties Company - Below Tiller Seam Leased
Sandy Ridge Energy Company - Tiller and Above Coal Leased
Pocahontas Gas Partnership - CBM Gas Leased
Albert Richardson, et ux - Surface, Oil and Gas
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
4.81 acres 5.3695%
- 2C. Swords Creek Land Partnership Tr. 21 - Coal
Reserve Coal Properties Company - Below Tiller Seam Leased
Sandy Ridge Energy Company - Tiller and Above Coal Leased
Pocahontas Gas Partnership - CBM Gas Leased
Pocahontas Gas Partnership - Surface, Oil and Gas
0.64 acres 0.7144%
- 2D. Swords Creek Land Partnership Tr. 21 - Coal
Reserve Coal Properties Company - Below Tiller Seam Leased
Sandy Ridge Energy Company - Tiller and Above Coal Leased
Pocahontas Gas Partnership - CBM Gas Leased
Harold Wilson, et ux - Surface, Oil and Gas
0.28 acres 0.3126%

POCAHONTAS GAS PARTNERSHIP

UNIT FF-35

Tract Identifications
(89.58 Acre Unit)

- 2E. Swords Creek Land Partnership Tr. 21 - Coal
Reserve Coal Properties Company - Below Tiller Seam Leased
Sandy Ridge Energy Company - Tiller and Above Coal Leased
Pocahontas Gas Partnership - CBM Gas Leased
Nellie J. Stillwell- Surface, Oil and Gas
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
9.29 acres 10.3706%
- 2F. Swords Creek Land Partnership Tr. 21 - Coal
Reserve Coal Properties Company - Below Tiller Seam Leased
Sandy Ridge Energy Company - Tiller and Above Coal Leased
Pocahontas Gas Partnership - CBM Gas Leased
Ruby B. Lawson - Surface, Oil and Gas
3.58 acres 3.9964%
- 2G. Swords Creek Land Partnership Tr. 21 - Coal
Reserve Coal Properties Company - Below Tiller Seam Leased
Sandy Ridge Energy Company - Tiller and Above Coal Leased
Pocahontas Gas Partnership - CBM Gas Leased
Paul E. Richardson, et al - Surface, Oil and Gas
1.31 acres 1.4624%
3. Lida J. Holzgrefe - Fee
18.36 acres 20.4956%
4. Beulah Hale, et al - Coal, Oil and Gas
Reserve Coal Properties Company - Coal In and Below Tiller Seam Leased
Pocahontas Gas Partnership - CBM Leased
Paul E. Richardson, et al - Surface
4.81 acres 5.3695%
5. Avis Belle Plaster, et al - Fee
Pocahontas Gas Partnership - CBM Leased (100%)
0.01 acres 0.0112%
6. William R. McCall - Fee
Pocahontas Gas Partnership - CBM Leased
5.58 acres 6.2291%
7. William R. McCall, et al (McCall-Wilson 25 Acre Tract)- Coal, Oil and Gas
Pocahontas Gas Partnership - CBM Leased
William H. Byrd, et al - Surface
2.74 acres 3.0587%

Exhibit E
Unit FF-35
Docket #VGOB 02-0820-1057-04
List of Owners in escrow
(89.58 Acre Unit)

BOOK 0805 PAGE 0043

Acres in Unit	Interest in Unit
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No longer requires escrow

Exhibit EE
Unit FF-35
Docket #VGOB 02-0820-1057-04
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(89.58 Acre Unit)

BOOK 0805 PAGE 0044

	Acres in Unit	Interest in Unit	Percent of Escrow
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Tract #2A, 2.37 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	2.37 acres	2.6457%	n/a
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OIL & GAS OWNERSHIP

(1) Mary Richardson, et al. <i>Jamie Lester and Jennie Sparks conveyed interest to Mary Richardson in re-recorded deed, DB512/PG0027</i>			
(a) Mary Richardson 3921 Mill Creek Road Raven, VA 24639	2.37 acres	2.6457%	n/a

Tract #2B, 4.81 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	4.81 acres	5.3695%	n/a
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OIL & GAS OWNERSHIP

(1) Patsy S. Smith, et al <i>(6.00 acre tract)</i>	4.81 acres	5.3695%	
(a) John Albert Richardson Heirs, Devisees, Successors or Assigns			
(b) Ida Richardson Richardson Heirs, Devisees, Successors or Assigns			
(b.1) Patsy S. Smith 420 Mill Creek Road Raven, VA 24639	2.41 acres 1/2 of 4.81 acres	2.6848%	99.7925% HB2058
(b.2) Alvin Wayne Shelton 2438 Hopkins Drive McGaheysville, VA 23608	0.80 acres 1/6 of 4.81 acres	0.8949%	n/a
(b.3) Melinda Suzanne S. Cordle 433 Manor Road, Apt 11 Newport News, VA 23608	0.80 acres 1/6 of 4.81 acres	0.8949%	n/a
(b.4) Amanda Gail Horton 474 Mill Creek Rd Raven, VA 24639	0.80 acres 1/6 of 4.81 acres	0.8949%	n/a

Total Acreage in Unit 4.8100
Total Percentage of Unit 5.3695%

Tract #2C, 0.64 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	0.64 acres	0.7144%	n/a
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OIL & GAS OWNERSHIP

(1) Pocahontas Gas Partnership			
(a) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	0.64 acres	0.7144%	n/a

Exhibit EE
Unit FF-35

BOOK 0805 PAGE 0045

Docket #VGOB 02-0820-1057-04
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(89.58 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
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Tract #2D, 0.28 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	0.28 acres	0.3126%	n/a
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OIL & GAS OWNERSHIP

(1) Harold Wilson, et ux.	Conveyed to CNX on 6/27/03 under DB586 / PG026		
(a) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	0.28 acres	0.3126%	n/a

Tract #2E, 9.29 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	9.29 acres	10.3706%	n/a
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OIL & GAS OWNERSHIP

(1) Nellie J. Stillwell 4200 Mill Creek Road Raven, VA 24639	9.29 acres	10.3706%	n/a
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Tract #2F, 3.58 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	3.58 acres	3.9964%	n/a
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OIL & GAS OWNERSHIP

Ruby Ball Lawson Heirs, Devisees, Successors or Assigns

The heirs of Ruby Ball Lawson conveyed by Deed of Gift to Lesia R. Lawson on 11/4/2014, recorded in Russell County on 11/13/2014 under DB782/PG907.

(1) Lesia Robin Lawson 879 Mill Creek Road Raven, VA 24639	3.58 acres	3.9964%	
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The heirs will receive a one time payout from escrow of the royalties that have accumulated prior to the date of the Deed of Gift, per Virginia intestate succession. Lesia Lawson will be paid 100% of the royalty after disbursement.

Royalties to be paid as follows:

Patricia C. Steele P.O. Box 877 Raven, VA 24639	0.51 acres 1/7 of 3.58 acres	0.5709%	n/a
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Exhibit EE
Unit FF-35

BOOK 0805 PAGE 0046

Docket #VGOB 02-0820-1057-04
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(89.58 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
Brenda C. Taylor 153 Little Acres Rd. North Tazewell, VA 24630	0.51 acres 1/7 of 3.58 acres	0.5709%	n/a
Hubert L. Lawson 897 Mill Creek Rd. Raven, VA 24639	0.51 acres 1/7 of 3.58 acres	0.5709%	n/a
Brian K. Lawson 879 Mill Creek Rd. Raven, VA 24639	0.51 acres 1/7 of 3.58 acres	0.5709%	n/a
Rita D. Griffith 2478 Mill Creek Rd. Raven, VA 24639	0.51 acres 1/7 of 3.58 acres	0.5709%	n/a
Samuel D. Lawson 10179 Swords Creek Rd. Swords Creek, VA 24649	0.51 acres 1/7 of 3.58 acres	0.5709%	n/a
Lesia Robin Lawson 879 Mill Creek Road Raven, VA 24639	0.51 acres 1/7 of 3.58 acres	0.5709%	n/a

Prevailing plaintiff under Case No. 11000283-00 and Appeal Record No. 131590.
Awarded 100% of the CBM royalty.

Tract #2G, 1.31 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	1.31 acres	1.4624%	n/a
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OIL & GAS OWNERSHIP

(1) Paul E. Richardson, et al. (24.50 acre tract)	1.31 acres	1.4624%	
(a) Paul Eugene Richardson 8444 S. County Rd. 350W Stilesville, IN 46180	0.44 acres 1/3 of 1.31 acres	0.4875%	n/a
(b) Laudy Richardson Heirs, Devisees, Successors or Assigns			
(b.1) Shelby Ruth Richardson, widow 6169 Turner Street Clayton, IN 46118	0.44 acres 1/3 of 1.31 acres	0.4875%	n/a
(c) Leonard Richardson Heirs, Devisees, Successors or Assigns			
(c.1) Loretta Mae Richardson P.O. Box 1282 Honaker, VA 24260-1282	0.44 acres 1/3 of 1.31 acres	0.4875%	n/a

Prevailing plaintiff under Case No. 11000321-00. Awarded 100% of the CBM royalty.

Total Acreage in Unit	1.3100	
Total Percentage of Unit		0.9749%
Total Acreage Resolved	22.2800	
Total Percentage Resolved	24.8716%	