

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: FF30

TRACT(S): 1G

LOCATION: BUCHANAN, RUSSELL County, Virginia

DOCKET NUMBER: VGOB-02-0917-1074-03

APPLICANTS: CNX Gas Company LLC on behalf of Ellen Kay Vance

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 07/14/2004, Deed Book/Instrument No. 573, Page 321.
2. Supplemental Order Executed 11/25/2003, Recorded on 12/05/2003, Deed Book/Instrument No. 597, Page 967.
3. Original Pooling Order Executed 07/11/2003, Recorded on 07/14/2004, Deed Book/Instrument No. 573, Page 321.
4. Modification Order -01 Executed 01/13/2005, Recorded on 01/20/2005, Deed Book/Instrument No. 623, Page 970.

5. Modification Order -01 Executed 01/13/2005, Recorded on 01/20/2005, Deed Book/Instrument No. 623, Page 970.
6. Supplemental Order -01, Recorded on 02/07/2008, Deed Book/Instrument No. 80000444.
7. Disbursement Order -02 Executed 08/31/2009, Recorded on 09/04/2009, Deed Book/Instrument No. 710, Page 0883.
8. Disbursement Order -02 Executed 08/31/2009, Recorded on 09/04/2009, Deed Book/Instrument No. 710, Page 0883.
9. Supplemental Order -02, Recorded on 10/03/2011, Deed Book/Instrument No. 739, Page 910.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1G identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1G 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. Ellen Kay Vance is the gas claimant in Tracts 1G. As such, Ellen Kay Vance 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 Ellen Kay Vance and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

160000875

VGOB Disbursement
Unit FF30

VGOB-02-0917-1074-03

Table 1
Tracts: 1G

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds	Adjustment Amount
			in Tract	in Tract	Agreement	Disbursed	Disbursed	
		Total acreage in escrow before disbursement				2.47000		
1G Tract 1G (total acreage)			0.1200					
1	1G	Ellen Kay Vancel295 Ridgecrest Rd Jonesborough TN 37659		0.1200	100.00%	0.1200	4.8583%	

Adjustment Comments:

BOOK 0502 PAGE 0753

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.

160000875

DONE AND EXECUTED this 6 day of May, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

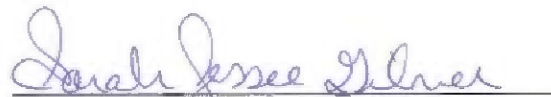
DONE AND PERFORMED this 6 day of May, 2016 by Order of the Virginia Gas and Oil Board.



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

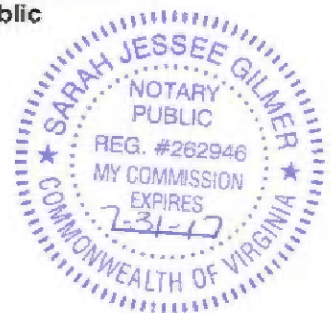
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 6th day of May, 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



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 02-0917-1074-03

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1G (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: FF30

BUCHANAN, RUSSELL COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, P. O. 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 of Tract(s) 1G as depicted upon the annexed Table; (2) authorization to begin paying royalties directly to Ellen Kay Vance; (3) Dismissal of Coal Owner(s): Coal Mountain Mining 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. Ellen Kay Vance is the gas claimant in Tracts 1G. As such Ellen Kay Vance 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 Ellen Kay Vance 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.

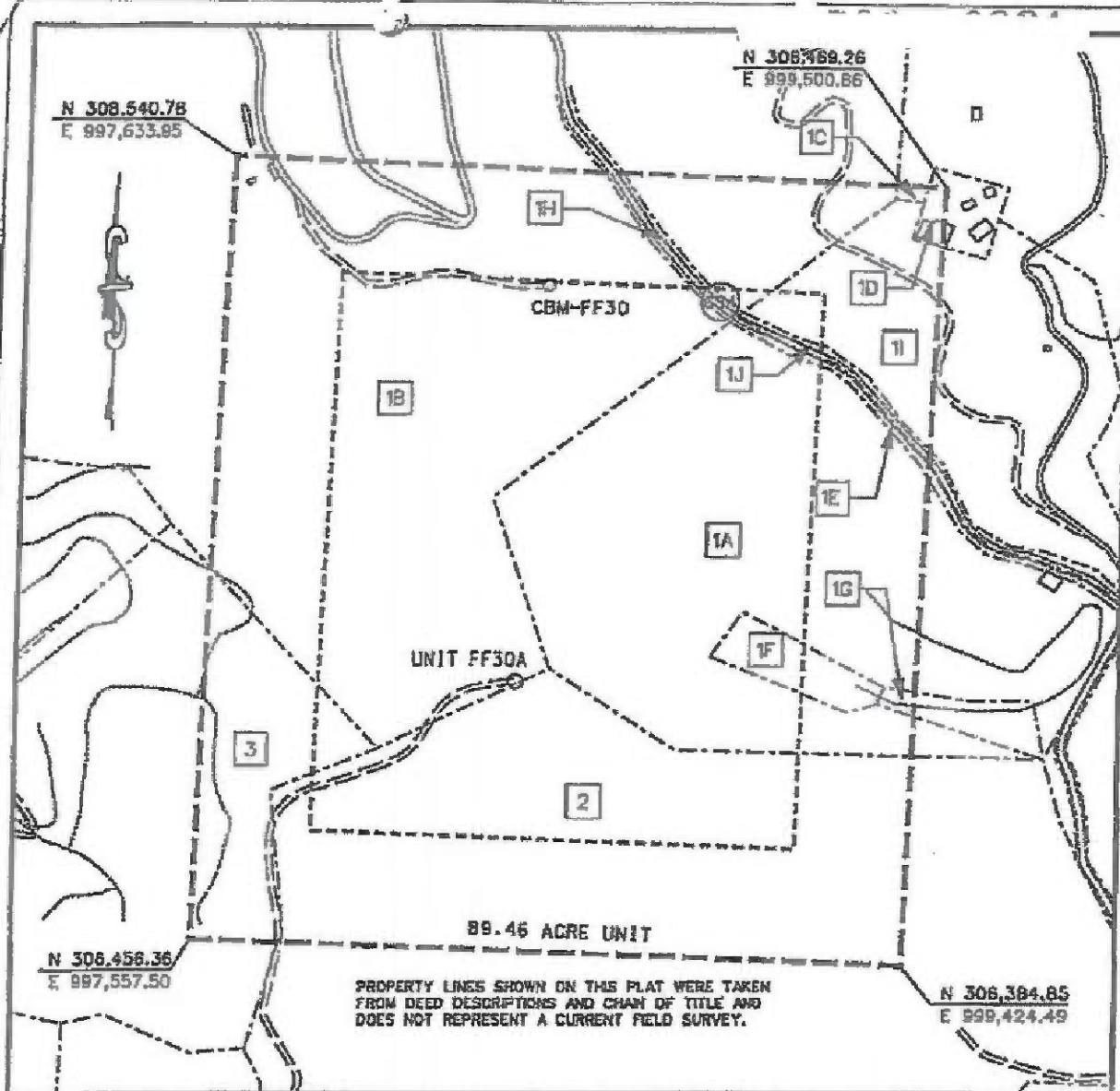


EXHIBIT A
OAKWOOD FIELD UNIT FF-30
FORCE POOLING
VG08-02-0917-1074-02

Company CNX Gas Company, LLC. Well Name and Number UNIT FF30
 Tract No. _____ Elevation _____ Duodrigle Keen Mountain
 County Buchanan/Russell District Garden/New Garden Scale 1" = 100'
 This plot is a new plot X ; on an updated plot _____ ; for a final plat _____
 Form DGO-CG-7 _____
 Rev. 9/91 _____
 Licensed Professional Engineer or Licensed Land Surveyor [Signature]
 (Affiliated Seal)

CNX Gas Company LLC

Unit FF 30

Tract Identifications

- ✓
- 1A. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
Trevert Vance, et ux - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
20.85 Acres 23.3065%
 - 1B. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
New Garden Coal Corporation - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
34.55 Acres 38.8206%
 - 1C. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
Lacy Horton, et al - Surface and All Minerals except Coal
0.07 Acres 0.0782%
 - 1D. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
Lacy Horton, et ux - Surface and All Minerals except Coal
0.22 Acres 0.2459%
 - 1E. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
Trevert Vance, et ux or Commonwealth of Virginia - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased (Trevert Vance, et ux interest)
Commonwealth of Virginia - Surface
0.31 Acres 0.3465%
 - 1F. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
Barbara Ann (Vance) Lester - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.20 Acres 1.3414%

160000875

- 1G. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
Ellen K. Vance - Surface and All Minerals except Coal
0.12 Acres 0.1341%
- 1H. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
Commonwealth of Virginia - Surface and All Minerals except Coal
0.47 Acres 0.5254%
- 1I. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
Lacy Horton, et al - Surface and All Minerals except Coal
3.78 Acres 4.2254%
- 1J. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 (905 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
Lacy Horton, et al or Commonwealth of Virginia - All Minerals except Coal
Commonwealth of Virginia - Surface
0.37 Acres 0.4136%
2. Swords Creek Land Partnership Tr. 58 (69.00 Acre Tract) Fee
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Company - Coal in Tiller Seam and Above Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
22.10 Acres 24.7036%
3. Jerry Roger Kirk, Jr., et al - Fee (Except Gas, Red Ash and Jawbone Seams)
Knox Creek Coal Corporation - Red Ash & Jawbone Seams
Marlin E. McGee, et ux - Gas
CNX Gas Company LLC - Gas and CBM Leased
5.42 Acres 6.0586%

Exhibit E
Unit FF-30
Docket #VGOB 02-0917-1074-03
List of Respondents that require escrow
(89.46 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #1E, 0.68 acres</u>		
<i>Escrow due to title conflict</i>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	0.31 acres	0.3465%
<u>OIL & GAS OWNERSHIP</u>		
(1) Trevert Vance, et ux Rt.1 Box 376 Swords Creek, VA 24649	0.31 acres	0.3465%
- OR -		
(1) Commonwealth of Virginia Dept. of Transportation 670 Bonham Road Bristol, VA 24201	0.31 acres	0.3465%
Acreage in Unit		0.3100
Percentage in Unit		0.3465%

Tract #1F, 1.20 acres

<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	1.20 acres	1.3414%
<u>OIL & GAS OWNERSHIP</u>		
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed</i>		
(1) Barbara Ann Vance Lester P.O. Box 80 Raven, VA 24639	1.20 acres	1.3414%
Acreage in Unit		1.2000
Percentage in Unit		1.3414%

Tract #1H, 0.47 acres

<i>Escrow due to title conflict</i>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	0.47 acres	0.5254%
<u>OIL & GAS OWNERSHIP</u>		
(1) New Garden Coal Corporation c/o Edward Vandyke P.O. Box 29 Tazewell, VA 24651	0.47 acres	0.5254%
- OR -		

Exhibit E
Unit FF-30
Docket #VGOB 02-0917-1074-03
List of Respondents that require escrow
(89.46 Acre Unit)

	Acres in Unit	Interest in Unit
(1) Commonwealth of Virginia Dept. of Transportation 870 Bonham Road Bristol, VA 24201	0.47 acres	0.5254%
	Acreage in Unit 0.4700 Percentage in Unit 0.5254%	

Tract #1J, 0.37 acres

Escrow due to title conflict

COAL OWNERSHIP

(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	0.37 acres	0.4136%
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OIL & GAS OWNERSHIP

(1) Lacy Horton, et al.	0.37 acres	0.4136%
(a) Lacy & Beulah Horton, T/E 1229 Pistol Mountain Rd Swords Creek, VA 24649	0.27 8/11 of 0.37 acres	0.3008%
(b) Beulah Horton 1229 Pistol Mountain Road Swords Creek, VA 24649	0.03 1/11 of 0.37 acres	0.0376%
(b) Clara A. Sisk 1447 Pistol Mountain Rd. Swords Creek, VA 24649	0.07 2/11 of 0.37 acres	0.0752%

- OR -

(1) Commonwealth of Virginia Dept. of Transportation 870 Bonham Road Bristol, VA 24201	0.37 acres	0.4136%
	Acreage in Unit 0.3700 Percentage in Unit 0.4136%	

Total Acreage Escrowed in Unit	2.3500	
Total Percentage Escrowed in Unit		2.6269%

Exhibit EE
Unit FF-30
Docket #VGOB 02-0917-1074-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(89.48 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1A, 20.85 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	20.85 acres	23.3065%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Trevert Vance Rt.1 Box 376 Swords Creek, VA 24649	20.85 acres	23.3065%	n/a
Acreage in Unit 20.8500 Percentage in Unit 23.3065%			
<u>Tract #1B, 34.55 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	34.55 acres	38.6206%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) New Garden Coal Corporation c/o Edward Vandyke P.O. Box 29 Tazewell, VA 24651	34.55 acres	38.6206%	n/a
Acreage in Unit 34.5500 Percentage in Unit 38.6206%			
<u>Tract #1C, 0.07 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	0.07 acres	0.0762%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Lacy Horton, et al.	0.07 acres	0.0762%	
(a) Lacy & Beulah Horton 1229 Pistol Mountain Rd Swords Creek, VA 24649	0.06 19/24 of 0.07 acres	0.0619%	n/a
(b) Clara A. Sisk 1447 Pistol Mountain Rd. Swords Creek, VA 24649	0.01 5/24 of 0.07 acres	0.0163%	n/a
Acreage in Unit 0.0700 Percentage in Unit 0.0762%			
<u>Tract #1D, 0.22 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	0.22 acres	0.2459%	n/a

Exhibit EE
Unit FF-30
Docket #VGOB 02-0917-1074-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(89.46 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>OIL & GAS OWNERSHIP</u>			
(1) Lacy & Beulah Horton 1229 Pistol Mountain Rd Swords Creek, VA 24649	0.22 acres	0.2459%	n/a
	Acreage in Unit 0.2200 Percentage in Unit 0.2459%		

Tract #1G, 0.12 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	0.12 acres	0.1341%	n/a
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OIL & GAS OWNERSHIP

(1) Ellen Kay Vance 295 Ridgecrest Road Jonesborough, TN 37659	0.12 acres	0.1341%	4.8583% HB2058
	Acreage in Unit 0.1200 Percentage in Unit 0.1341%		

Tract #1I, 3.78 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Co. Tr.1 Limited Partnership P.O. Box 675 Tazewell, VA 24651	3.78 acres	4.2254%	n/a
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OIL & GAS OWNERSHIP

(1) Lacy Horton, et al.	3.78 acres	4.2254%	
(a) Lacy & Beulah Horton, T/E 1229 Pistol Mountain Rd Swords Creek, VA 24649	2.75 8/11 of 3.78 acres	3.0730%	n/a
(b) Beulah Horton 1229 Pistol Mountain Road Swords Creek, VA 24649	0.34 1/11 of 3.78 acres	0.3841%	n/a
(b) Clara A. Sisk 1447 Pistol Mountain Rd. Swords Creek, VA 24649	0.69 2/11 of 3.78 acres	0.7662%	n/a

Acreage in Unit 3.7800
Percentage in Unit 4.2254%

Acreage in Unit 59.59
Percentage of Unit

INSTRUMENT #160000875
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MAY 19, 2016 AT 02:29PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLP

1600928

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 5-23, 2016 This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:50 o'clock P M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

1/27/2016

Original returned this date to: Sarah Gilmer

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