

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: BD116

TRACT(S): A portion of 1C

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-02-1015-1082-03

APPLICANTS:

CNX Gas Company LLC on behalf of Alvie Hess, Goldie Dye

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 07/11/2003, Deed Book/Instrument No. 587, Page 265.
2. Supplemental Order, Recorded on 08/16/2006, Deed Book/Instrument No. 657, Page 888.
3. Disbursement Order -01, Recorded on 07/23/2010, Deed Book/Instrument No. 722, Page 1032.
4. Disbursement Order -02 Executed 05/03/2011, Recorded on 05/19/2011, Deed Book/Instrument No. 734, Page 0636.

NOTICE:

- (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 1C identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 1C 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. Goldie Dye and Alvie Hess is the gas claimant in Tracts 1C. As such Goldie Dye and Alvie Hess 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 Goldie Dye and Alvie Hess and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit BD116

VGOB-02-1015-1082-03

Table 1

Tracts: A portion of 1C

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage	Royalty Split	Escrowed Acres	Percent of Escrowed Funds	Adjustment Amount
						0.29280		
1C Tract 1C (total acreage)			0.6200					
1	1C	Goldie Dye\726 Long Branch Rd Swords Creek, VA 24649	1/12	0.0517	100.00%	0.0517	17.6457%	
2	1C	Alvie Hess\670 Truel Brown Rd Swords Creek, VA 24649	1/48	0.0129	100.00%	0.0129	4.4114%	

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 19 day of May, 2016 by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert

Chairman, Bradley C. Lambert

DONE AND PERFORMED this 19 day of May, 2016 by Order of the Virginia Gas and Oil Board.

Rick Cooper

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

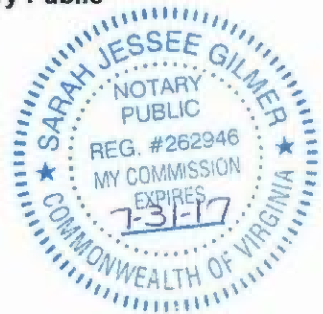
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 19th 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

Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2017



1600983

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 5-31 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 2:49 o'clock P. M, after payment of \$ tax imposed by Sec. 58.1-802.

TESTE: ANN.S. McREYNOLDS, CLERK

Original returned this date to: Gas & Oil Board

BY: Victoria Colley D. CLERK

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 02-1015-1082-03

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 1C (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: BD116

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) DISBURSEMENT FROM
ESCROW REGARDING OF TRACT(S) 1C
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

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. Goldie Dye and Alvie Hess is the gas claimant in Tracts 1C. As such Goldie Dye and Alvie Hess 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 Goldie Dye and Alvie Hess 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.

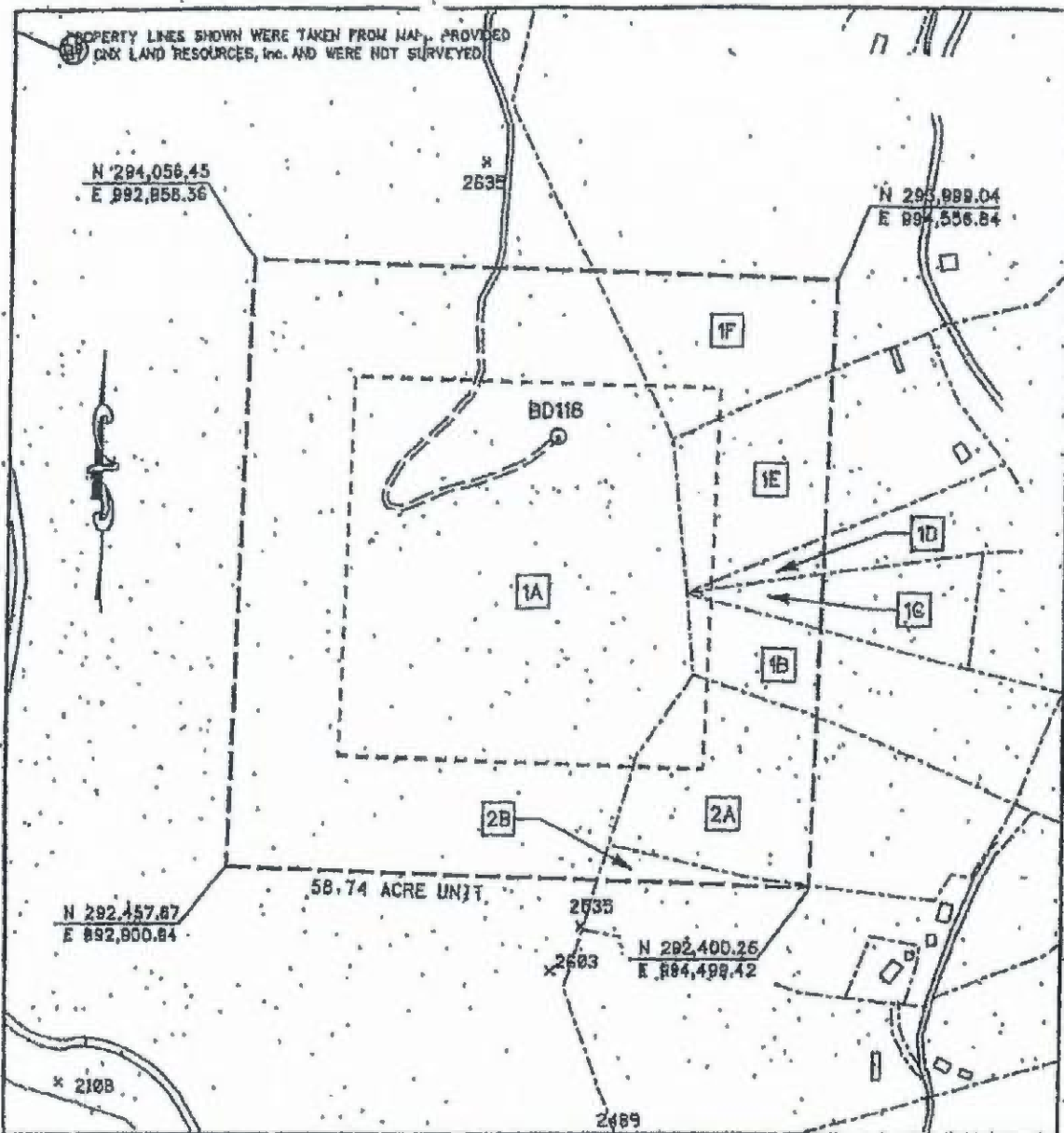


EXHIBIT A
 MIDDLE RIDGE 1 FIELD
 UNIT, BD116
 FORCE POOLING
 VG0B-02-1015-1092

Company: Pocahontas Gas Partnerships Well Name and Number UNIT 88416
 Tract No. _____ Elevation _____ Quadrangle Richard
 County Russell District New Garden Scale: 1" = 200' Date 9/11/02
 This plot is a new plot X ; an updated plot _____ ; or a final plot _____
 Form DDQ-6Q-7, _____ (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

POCAHONTAS GAS PARTNERSHIP

CBM-PGP-BD-116

Tract Identifications

(58.74 Acre Unit)

- 1A. Swords Creek Land partnership Tr. 1 - Fee
Reserve Coal Properties Company - Coal Below Drainage Leased
Sandy Ridge Energy Corporation - Coal Above Drainage Leased
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
41.72 acres 71.0249%
- 1B. Swords Creek Land Partnership Tr. 1 - Coal
Reserve Coal Properties Company - Coal Below Drainage Leased
Sandy Ridge Energy Corporation - Coal Above Drainage Leased
Pocahontas Gas Partnership - CBM Leased
Otis L. Hess - Surface and All Minerals except Coal
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
1.78 acres 3.0303%
- 1C. Swords Creek Land Partnership Tr. 1 - Coal
Reserve Coal Properties Company - Coal Below Drainage Leased
Sandy Ridge Energy Corporation - Coal Above Drainage Leased
Pocahontas Gas Partnership - CBM Leased
Otis & Ida Hess Heirs - Surface and All Minerals except Coal
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
0.62 acres 1.0555%
- 1D. Swords Creek Land Partnership Tr. 1 - Coal
Reserve Coal Properties Company - Coal Below Drainage Leased
Sandy Ridge Energy Corporation - Coal Above Drainage Leased
Pocahontas Gas Partnership - CBM Leased
Swain Perkins, et ux - Surface and All Minerals except Coal
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
0.42 acres 0.7150%
- 1E. Swords Creek Land Partnership Tr. 1 - Coal
Reserve Coal Properties Company - Coal Below Drainage Leased
Sandy Ridge Energy Corporation - Coal Above Drainage Leased
Pocahontas Gas Partnership - CBM Leased
Swain Perkins, et ux - Surface and All Minerals except Coal
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
3.98 acres 6.7756%
- 1F. Swords Creek Land Partnership Tr. 1 - Coal
Reserve Coal Properties Company - Coal Below Drainage Leased
Sandy Ridge Energy Corporation - Coal Above Drainage Leased
Pocahontas Gas Partnership - CBM Leased
Shirley Dye, et al - Surface and All Minerals except Coal
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
4.52 acres 7.6949%

POCAHONTAS GAS PARTNERSHIP

CBM-PGP-BD-116

Tract Identifications

(58.74 Acre Unit)

- 2A. Swords Creek Land Partnership Tr. 7 - All Minerals
Reserve Coal Properties Company - Coal In and Above the Tiller Seam
Leased
Sandy Ridge Energy Corporation - Coal Above Drainage Leased
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
Unknown Surface Owner
5.10 acres 8.6823%
- 2B. Swords Creek Land Partnership Tr. 7 - All Minerals
Reserve Coal Properties Company - Coal In and Above the Tiller Seam
Leased
Sandy Ridge Energy Corporation - Coal Above Drainage Leased
Pocahontas Gas Partnership - Oil, Gas and CBM Leased
Mavis Hubbard - Surface
0.60 acres 1.0215%

Exhibit E
Unit BD116
Docket #VGOB 02-1015-1082-03
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

BOOK 0803 PAGE 0244

	Acres in Unit	Interest in Unit
<u>Tract #1C, 0.62 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 29 Tazewell, VA 24651	0.62 acres	1.0555%
<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) Otis & Ida Hess Heirs, Devisees, Successors or Assigns	0.62 acres	1.0555%
(d) Carl Adair Hess 320 Clarendone Street Newark, OH 43055	0.052 acres 1/12 of 0.62 acres	0.0880%
(f) Venia Hubbard Heirs, Devisees, Successors or Assigns	0.052 acres 1/12 of 0.62 acres	0.0880%
(f.1) Clarence Hubbard PO Box 184 Swords Creek, VA 24649		
(i) Charlie Albert Hess Heirs, Devisees, Successors or Assigns		
(i.1) Dollie Emily Hess Heirs, Devisees, Successors or Assigns	0.052 acres 1/12 of 0.62 acres	0.0880%
(i.1.1) Sheldon Hess		<i>Life Estate Remainder 1/12 to the living children of Dollie Hess at Sheldon's death</i>
(i.1.1.1) Barbara Evaleen McFarlane 26 Wood Briar St Lebanon, VA 24266		
(i.1.1.2) Ruby Fogleman 84 Altamont Dr Lebanon, VA 24266		
(j) Dingus Lee Hess Heirs, Devisees, Successors or Assigns		
(j.1) Dorothy Hess 1052 Dandelion Rd. Grundy, VA 24614		<i>Life Estate (Receives rentals, no royalties)</i>
(j.3) Verdie Hubbard 1037 Call Valley Rd Swords Creek, VA 24649	0.009 acres 1/72 of 0.62 acres	0.0147%
(j.4) Della Gay Street P.O. Box 729 Nokesville, VA 20182	0.009 acres 1/72 of 0.62 acres	0.0147%
(k) Mary Jettie Dye Heirs, Devisees, Successors or Assigns		
(k.5) Robert Dye Heirs, Devisees, Successors or Assigns		

Exhibit E
Unit BD116
Docket #VGOB 02-1015-1082-03
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
(k.5.1) Deretha A. Dye, widow P.O. Box 1462 Lebanon, VA 24266	0.009 acres 1/72 of 0.62 acres	0.0147%
(k.6) Jimmy Dallen Dye P.O. Box 728 Rosedale, VA 24280	0.009 acres 1/72 of 0.62 acres	0.0147%
(l) James Andrew Hess Heirs, Devisees, Successors or Assigns		
(l.1) Buford Hess PO Box 627 Abingdon, VA 24212	0.013 acres 1/48 of 0.62 acres	0.0220%
(l.2) Elden Hess 2006 Combs Bridge Rd Honaker, VA 24260	0.013 acres 1/48 of 0.62 acres	0.0220%
(l.4) Gaylene Reynolds Heirs, Devisees, Successors or Assigns	0.013 acres 1/48 of 0.62 acres	0.0220%
(l.4.1) Keith Stevens PO Box 412 Honaker, VA 24260		
(l.4.2) Joyce Calderon 144 Chrysler Dr Lebanon, VA 24266		
<u>Total remaining in Escrow:</u>		
	Acreage in Unit	0.2282
	Percentage of Unit	0.3885%

Exhibit EE
Unit BD116

Docket #VGOB 02-1015-1082-03

List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1B, 1.78 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 29 Tazewell, VA 24651	1.78 acres	3.0303%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Otis L. Hess Rt. 1 Box 135 Swords Creek, VA 24649	1.78 acres	3.0303%	n/a
<u>Tract #1C, 0.62 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 29 Tazewell, VA 24651	0.62 acres	1.0555%	
<u>OIL & GAS OWNERSHIP</u>			
(1) Otis & Ida Hess Heirs, Devisees, Successors or Assigns	0.62 acres	1.0555%	
(a) Samuel Clarence Hess 664 Long Branch Rd. Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%	n/a
(b) Eliza Ruth Hubbard 1071 Lick Branch Rd. Cedar Bluff, VA 24609	0.052 acres 1/12 of 0.62 acres	0.0880%	n/a
(c) Goldie Didiana Dye 726 Long branch Rd Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%	17.6337%
(e) Daniel Kyle Hess PO Box 22 Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%	n/a
(g) Renia Perkins 801 Long Branch Rd. Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%	n/a
(h) Mavis Maxine Hubbard 589 Long Branch Road Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%	n/a
(j) Dingus Lee Hess Heirs, Devisees, Successors or Assigns			
(j.2) Stella Hess Ray P.O. Box 262 Swords Creek, VA 24649	0.034 acres 1/18 of 0.62 acres	0.0587%	n/a
(k) Mary Jettie Dye Heirs, Devisees, Successors or Assigns			
(k.1) Waynard Dye Heirs, Devisees, Successors or Assigns			

Exhibit EE
Unit BD116

BOOK 0803 PAGE 0247

Docket #VGOB 02-1015-1082-03

List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
(k.1.1) Kenneth Dye 204 Rockford Cedar Street Rockford, TN 37853	0.004 acres 1/144 of 0.62 acres	0.0073%	n/a
(k.1.2) Lesa Dye Hembree 2052 Bittle Road Maryville, TN 37804	0.004 acres 1/144 of 0.62 acres	0.0073%	n/a
(k.2) Vangeline Perkins 658 Brandon Lane Honaker, VA 24260	0.009 acres 1/72 of 0.62 acres	0.0147%	n/a
(k.3) Sylvia Hubbard 1031 Long Branch Rd. Swords Creek, VA 24649	0.009 acres 1/72 of 0.62 acres	0.0147%	n/a
(k.4) Boneda Keen Rt. 1 Box 198 Swords Creek, VA 24649	0.009 acres 1/72 of 0.62 acres	0.0147%	n/a
(l) James Andrew Hess Heirs, Devisees, Successors or Assigns			
(l.3) Alvie Hess 670 Truell Brown Road Swords Creek, VA 24649	0.013 acres 1/48 of 0.62 acres	0.0220%	2.2042%

Tract #1D, 0.42 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.1 P.O. Box 29 Tazewell, VA 24651	0.42 acres	0.7150%	n/a
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OIL & GAS OWNERSHIP

(1) Swain Perkins, et ux. 801 Long Branch Rd. Swords Creek, VA 24649	0.42 acres	0.7150%	n/a
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Tract #1E, 3.98 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.1 P.O. Box 29 Tazewell, VA 24651	3.98 acres	6.7756%	n/a
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OIL & GAS OWNERSHIP

(1) Swain Perkins, et ux. 801 Long Branch Rd. Swords Creek, VA 24649	3.98 acres	6.7756%	n/a
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Tract #1F, 4.52 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.1 P.O. Box 29 Tazewell, VA 24651	4.52 acres	7.6949%	n/a
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Exhibit EE
 Unit BD116
 Docket #VGOB 02-1015-1082-03
 List of Respondents with Royalty Split Agreements/Court Orders/HB2058
 (58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>OIL & GAS OWNERSHIP</u>			
(1) Kenneth W. Dye, et al <i>(previously Shirley Dye Reagan, et al)</i>	4.52 acres	7.6949%	<i>n/a</i>
(a) Kenneth W. Dye 204 Rockford Cedar Street Rockford, TN 37853	2.26 acres 1/2 of 4.52 acres	3.8475%	<i>n/a</i>
(b) Lesa Hembree 2052 Bittle Road Maryville, TN 37800	2.26 acres 1/2 of 4.52 acres	3.8475%	<i>n/a</i>
<u>Total conflicts resolved:</u>			
	Acreege in Unit	11.0918	
	Percentage of Unit	18.8829%	