

1057

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 02-1015-1082

ELECTIONS: UNIT BD-116  
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on July 11, 2003 which was recorded at Deed Book 587, Page 265 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on July 14, 2003, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates whether or not the escrow of funds is required with regard to Unit BD-116;

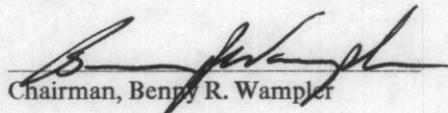
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

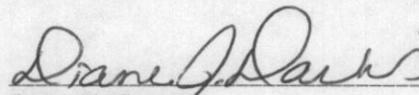
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 8<sup>th</sup> day of August, 2006, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

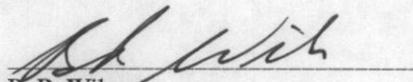
STATE OF VIRGINIA  
COUNTY OF ~~WISE~~  
Washington

Acknowledged on this 8<sup>th</sup> day of August, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
~~Susan G. Garrett~~  
Notary

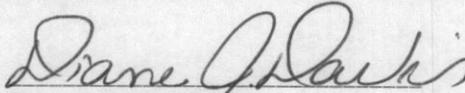
My commission expires: 9/30/09.

DONE AND PERFORMED THIS 8<sup>th</sup> day of August, 2006, by Order of the Board.

  
B. R. Wilson,  
Principal Executive to the Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 8<sup>th</sup> day of August, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.

  
Diane J. Davis, Notary

My commission expires: 9/30/09.

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit BD-116  
VGOB 02-1015-1082 in the New Garden District of Russell County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING ELECTIONS,  
ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Gas Company LLC, as a Manager - Environmental Permitting and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on July 11, 2003, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the counties identified above; that said Order was recorded on July 14, 2003;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of July 11, 2003;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have entered into a voluntary agreement with the Designated Operator:

See attached Exhibit B-2

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

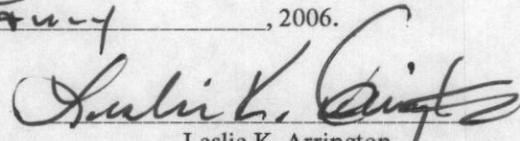
Doretha Dye

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

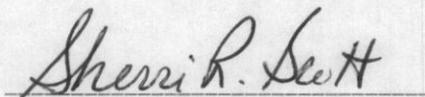
See attached Exhibit EE

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 6<sup>th</sup> day of July, 2006.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as a Manager - Environmental Permitting for CNX Gas Company LLC, on behalf of the corporate Designated Operator, this 6<sup>th</sup> day of July, 2006.

  
Notary

My commission expires: 11-30-09.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED  
CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED

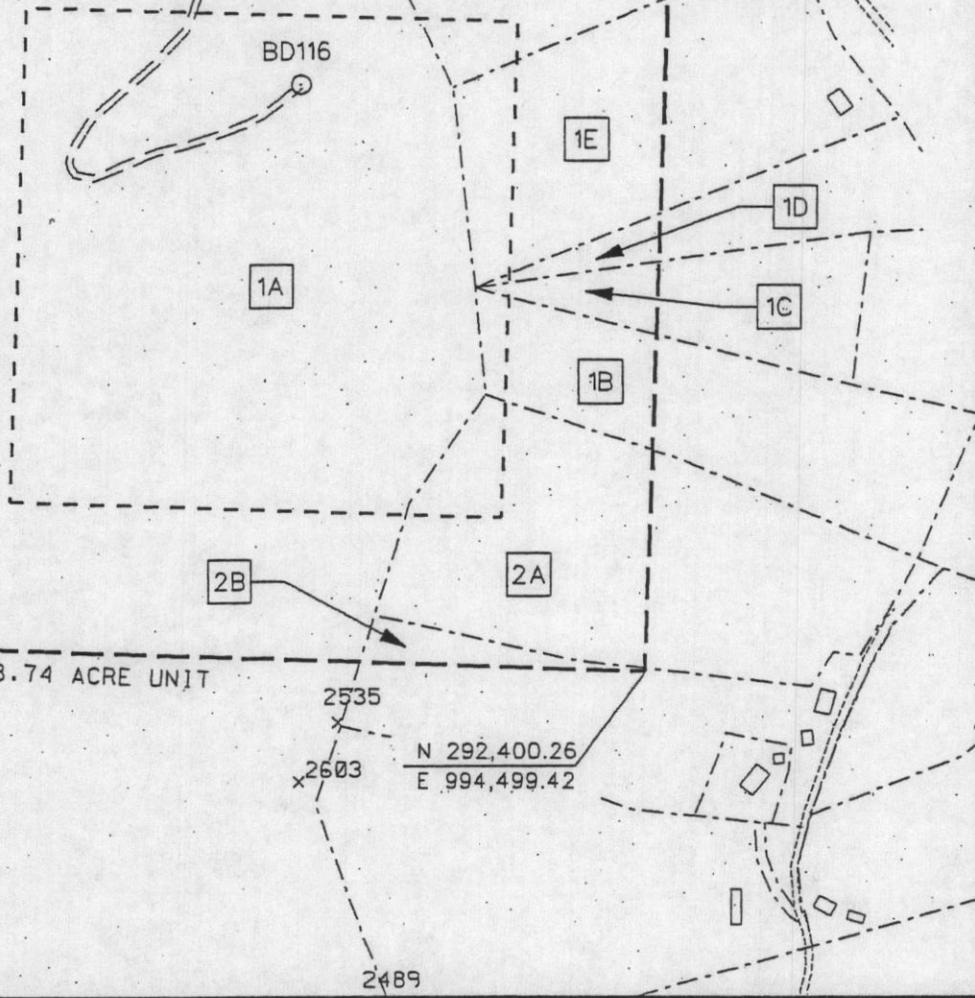
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N 294,056.45  
E 992,958.36

N 293,999.04  
E 994,556.84



x 2635



N 292,457.67  
E 992,900.94

58.74 ACRE UNIT

N 292,400.26  
E 994,499.42

x 2108

2489

EXHIBIT A  
MIDDLE RIDGE 1 FIELD  
UNIT BD116  
FORCE POOLING  
VGOB-02-1015-1082

Company Pocahontas Gas Partnership Well Name and Number UNIT BD116  
Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Honaker  
County Russell District New Garden Scale: 1" = 400' Date 9/11/02  
This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_  
Form DGO-GO-7 \_\_\_\_\_ (Affix Seal)  
Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor Claude D. May

## 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 B-2  
Unit BD-116  
Docket #VGOB 02-1015-1082  
List of Respondents to be Dismissed  
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Reason for Dismissal
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>			
<b><u>Tract #1C, 0.62 acres</u></b>			
(1) Otis & Ida Hess Heirs, Devisees, Successors or Assigns	0.62 acres	1.0555%	
(a) Doretha Dye P.O. Box 1462 Lebanon, VA 24266	0.009 acres 1/72 of 0.62 acres	0.0147%	Leased

Exhibit B-3  
Unit BD-116  
Docket #VGOB 02-1015-1082  
List of Unleased Owners/Claimants  
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>		
<b><u>Tract #1C, 0.62 acres</u></b>		
(1) Otis & Ida Hess Heirs, Devisees, Successors or Assigns	0.62 acres	1.0555%
(d) Kenneth Dye 204 Rockford Cedar Street Rockford, TN 37853	0.004 acres 1/144 of 0.62 acres	0.0073%
(e) Lisa Dye Hembree 2052 Bittle Road Maryville, TN 37804	0.004 acres 1/144 of 0.62 acres	0.0073%
(g) Buford Hess <i>Address Unknown</i>	0.013 acres 1/48 of 0.62 acres	0.0220%
(h) Carl Adair Hess 320 Clarendone Street Newark, OH 43055	0.052 acres 1/12 of 0.62 acres	0.0880%
(x) Della Gay Street P.O. Box 729 Nokeville, VA 20182	0.009 acres 1/72 of 0.62 acres	0.0147%

Exhibit E  
Unit BD-116

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Docket #VGOB 02-1015-1082

List of Conflicting Owners/Claimants that require escrow  
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<b><u>Tract #1C, 0.62 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 187 Tazewell, VA 24651	0.62 acres	1.0555%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Otis & Ida Hess Heirs, Devisees, Successors or Assigns	0.62 acres	1.0555%
(a) Doretha Dye P.O. Box 1462 Lebanon, VA 24266	0.009 acres 1/72 of 0.62 acres	0.0147%
(b) Goldie Didiana Dye Rt.1 Box 134 Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%
(c) Jimmy Dallen Dye P.O. Box 728 Rosedale, VA 24280	0.009 acres 1/72 of 0.62 acres	0.0147%
(f) Alvie Hess Rt.1 Box 22H Swords Creek, VA 24649	0.013 acres 1/48 of 0.62 acres	0.0220%
(g) Buford Hess Address Unknown	0.013 acres 1/48 of 0.62 acres	0.0220%
(h) Carl Adair Hess 320 Clarendone Street Newark, OH 43055	0.052 acres 1/12 of 0.62 acres	0.0880%
(i) Daniel Kyle Hess Rt.1 Box 15 Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%
(j) Dollie Emily Hess P.O. Box 516 Rosedale, VA 24280	0.052 acres 1/12 of 0.62 acres	0.0880%
(k) Dorothy Hess P.O. Box 87 Swords Creek, VA 24649	<i>Life Estate</i>	
(l) Elden Hess HC04 Box 818 Council, VA 24260	0.013 acres 1/48 of 0.62 acres	0.0220%
(n) Liza Ruth Hubbard Rt.1 Box 283 Cedar Bluff, VA 24609	0.052 acres 1/12 of 0.62 acres	0.0880%

Exhibit E  
Unit BD-116  
Docket #VGOB 02-1015-1082  
List of Conflicting Owners/Claimants that require escrow  
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit
(o) Mavis Maxine Hubbard Rt.1 Box 130 Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%
(q) Venia Hubbard P.O. Box 164 Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%
(r) Verdie Hubbard Rt.1 Box 17 Swords Creek, VA 24649	0.009 acres 1/72 of 0.62 acres	0.0147%
(u) Vangeline Perkins P.O. Box 238 Swords Creek, VA 24649	0.009 acres 1/72 of 0.62 acres	0.0147%
(v) Stella Hess Ray P.O. Box 262 Swords Creek, VA 24649	0.034 acres 1/18 of 0.62 acres	0.0586%
(v) Gaylene Reynolds P.O. Box 2434 Lenoir, NC 28645	0.013 acres 1/48 of 0.62 acres	0.0220%
(x) Della Gay Street P.O. Box 729 Nokeville, VA 20182	0.009 acres 1/72 of 0.62 acres	0.0147%

Exhibit EE  
Unit BD-116  
Docket #VGOB 02-1015-1082  
List of Conflicting Owners/Claimants with Royalty Split Agreements  
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit
<b><u>Tract #1B, 1.78 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 187 Tazewell, VA 24651	1.78 acres	3.0303%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Otis L. Hess Rt.1 Box 135 Swords Creek, VA 24649	1.78 acres	3.0303%
<b><u>Tract #1C, 0.62 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 187 Tazewell, VA 24651	0.62 acres	1.0555%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Otis & Ida Hess Heirs, Devisees, Successors or Assigns	0.62 acres	1.0555%
(d) Kenneth Dye 204 Rockford Cedar Street Rockford, TN 37853	0.004 acres 1/144 of 0.62 acres	0.0073%
(e) Lisa Dye Hembree 2052 Bittle Road Maryville, TN 37804	0.004 acres 1/144 of 0.62 acres	0.0073%
(m) Samuel Clarence Hess Rt.1 Box 132 Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%
(p) Sylvia Hubbard Rt.1 Box 136A Swords Creek, VA 24649	0.009 acres 1/72 of 0.62 acres	0.0147%
(s) Boneda Keen Rt.1 Box 198 Swords Creek, VA 24649	0.009 acres 1/72 of 0.62 acres	0.0147%
(t) Renia Perkins RR1 Box 136E Swords Creek, VA 24649	0.052 acres 1/12 of 0.62 acres	0.0880%

Exhibit EE  
Unit BD-116

Docket #VGOB 02-1015-1082

List of Conflicting Owners/Claimants with Royalty Split Agreements  
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit
<b><u>Tract #1D, 0.42 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 187 Tazewell, VA 24651	0.42 acres	0.7150%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Swain Perkins, et ux. RR1 Box 136E Swords Creek, VA 24649	0.42 acres	0.7150%
<b><u>Tract #1E, 3.98 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 187 Tazewell, VA 24651	3.98 acres	6.7756%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Swain Perkins, et ux. RR1 Box 136E Swords Creek, VA 24649	3.98 acres	6.7756%
<b><u>Tract #1F, 4.52 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 187 Tazewell, VA 24651	4.52 acres	7.6949%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Shirley Dye Reagan, et al.	4.52 acres	7.6949%
(a) Shirley Dye Reagan c/o Lisa Hembree 2052 Bettie Road Maryville, TN 37800	1.507 acres 1/3 of 4.52 acres	2.5650%
(b) Lisa Hembree 2052 Bettie Road Maryville, TN 37800	1.507 acres 1/3 of 4.52 acres	2.5650%
(c) Kenneth Dye 204 Rockford Cedar Street Rockford, TN 37853	1.507 acres 1/3 of 4.52 acres	2.5650%

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 8-16, 2006. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:36 o'clock AM, after payment of \$      tax imposed by Sec. 58.1-802.

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TESTE: DOLLIE M. COMPTON, CLERK  
BY: Garrie Ratliff D. CLERK

0602658

19/29/2004

Original returned this date to: Diane Davis