

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: AW119

TRACT(S): 3

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-03-0513-1148-01

APPLICANTS: Pocahontas Gas LLC on behalf of Unknown Heirs of Earnest J. Hensley c/o Department of Treasury

HEARING DATE AND LOCATION: On November 19, 2019, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process previously identified unknown/unlocatable royalty owner(s) disbursements that have no pending deficiencies or issues. All future royalty payments will be paid directly from the operator to the Department of Treasury and/or the rightful identified owner. Effective date: November 19, 2019.

FUTURE INQUIRIES/CLAIMS: Funds for unknown/unlocatable owners in this order are being sent to the Department of Treasury under the provisions of Title 55.1, Section 55.1-2500-2545 of the Virginia Disposition of Unclaimed Property Act. To make a claim regarding these funds, please contact the Department of Treasury, Unclaimed Property Division, P. O. Box 2485, Richmond, Virginia 23218-2478. Phone: 1-800-468-1088. E-Mail: UCPmail@trs.virginia.gov

APPEARANCES: Mark A. Swartz on behalf of Pocahontas Gas LLC

PRIOR PROCEEDINGS:

- 1. Original Pooling Order Executed 04/19/2005, Recorded on 04/20/2005, Deed Book/Instrument No. 629, Page 856, County RUSSELL.

2. Supplemental Order, Recorded on 12/13/2007, Deed Book/Instrument No. 682, Page 902, County RUSSELL.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 3 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3 relative to the interests of the Applicants identified in the attached petition.
- (3) Close 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. Demand of the Department of the Treasury, Unclaimed Property Division made by letter dated October 3, 2019, as amended.
- b. Notice of the Disbursement Petition was provided by publication on March 12, 2020 in the Virginia Mountaineer.
- c. See Exhibit T annexed hereto and incorporated herein by reference.

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 close 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 20 day of April, 2020 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

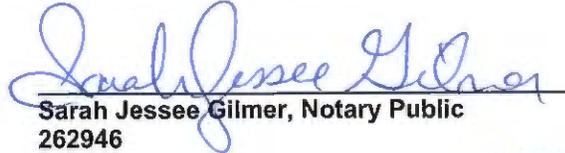
DONE AND PERFORMED this 20 day of April, 2020 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 20th day of April, 2020, 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, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: Pocahontas Gas LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 03-0513-1148-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 3 (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 November 19, 2019, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process previously identified unknown/unlocatable royalty owner(s) disbursements that have no pending deficiencies or issues. All future royalty payments will be paid directly from the operator to the Department of Treasury and/or the rightful identified owner. Effective date: November 19, 2019.

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DRILLING UNIT: AW119

RUSSELL COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is Pocahontas Gas 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) Disbursement to the Commonwealth of Virginia, Department of the Treasury, Unclaimed Property Division, of funds held in escrow pursuant to Virginia Gas and Oil Board Pooling Orders heretofore entered to protect the correlative rights of unknown coalbed methane owners and unlocatable coalbed methane owners. These disbursements are requested under the provisions of Title 55.1, §§55.1-2500-2545 of the Virginia Disposition of Unclaimed Property Act, and in response to the demand of the Department of the Treasury, Unclaimed Property Division made by letter dated October 3, 2019, as amended. (2) Amendment of prior Virginia Gas and Oil board Orders requiring escrow of the funds attributable to unknown owners and unlocatable owners to order the Operator to pay future royalties directly to the Department of the Treasury for Tract 3.

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. Demand of the Department of the Treasury, Unclaimed Property Division made by letter dated October 3, 2019, as amended.
- b. Notice of the Disbursement Petition was provided by publication on March 12, 2020 in the Virginia Mountaineer.
- c. See Exhibit T annexed hereto and incorporated herein by reference.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

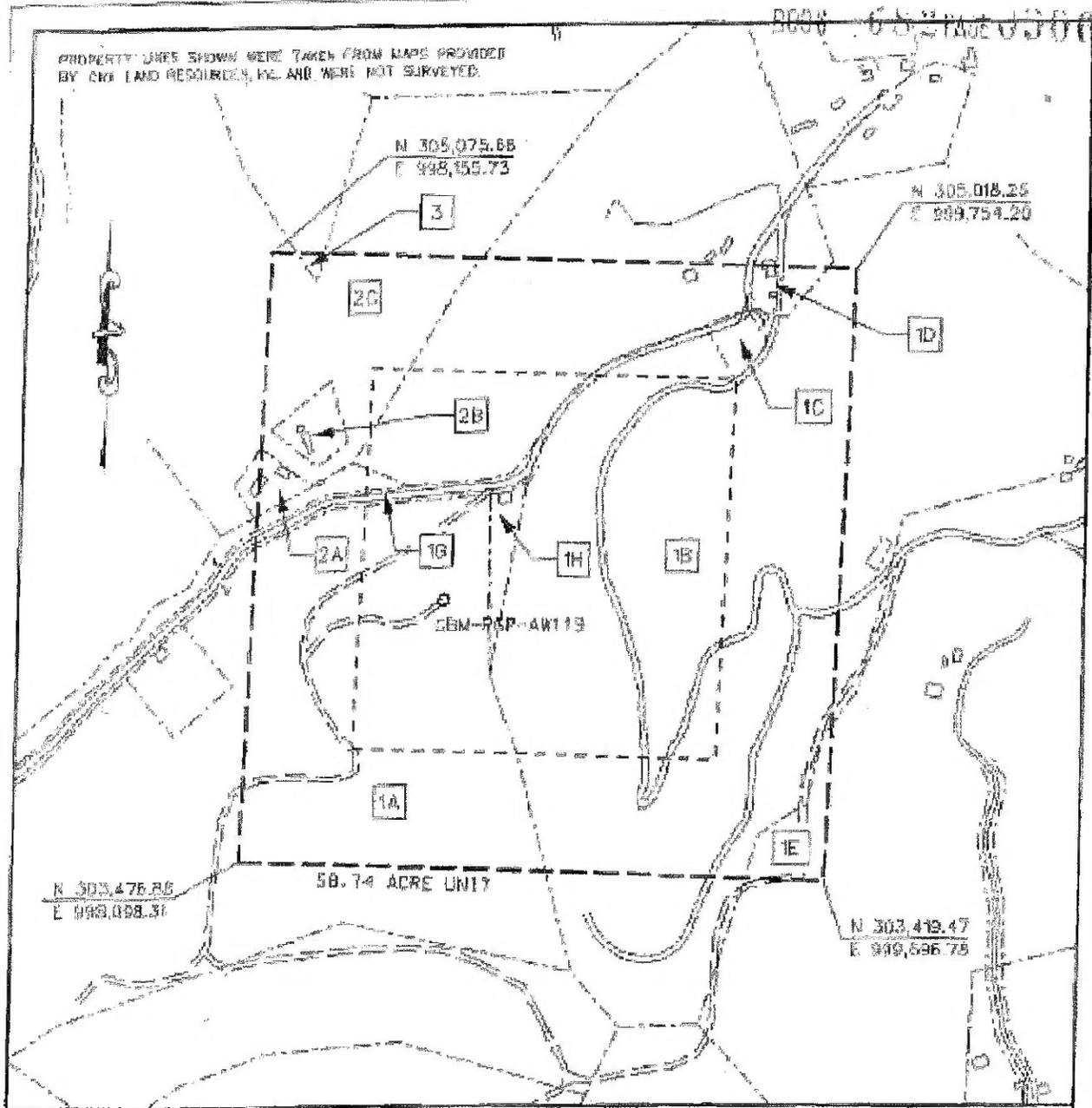


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT AW-119
FORCE POOLING
VGOB-03-0513-1148

Company DNX Gas Company LLC Well Name and Number UNIT AW-119

Treat No. _____ Elevation _____ Quadrangle HARRIS D. SAUNDERS

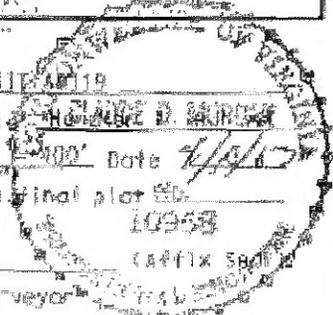
County Russell District New Garden Scale: 1" = 100' Date 7/4/17

This plot is a new plot X ; an updated plot _____ ; or a final plat NO

Form DGO-60-7
Rev. 9/91

Shanda D. Meyer
Licensed Professional Engineer or Licensed Land Surveyor

10958
(Affix Seal)



**CNX Gas Company LLC
Unit AW 119
Tract Identifications
(58.74 Acre Unit)**

- 1. Swords Creek Land Partnership Tr. 20 (278.77 Acre Tract) – All Minerals
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
53.08 Acres 90.3643%

- 1A. Cecil E. Dye, et ux – Surface
- 1B. Jean J. Dye – Surface
- 1C. Unknown Surface Owner
- 1D. Unknown Surface Owner
- 1E. Rex A. Dye, et al – Surface
- 1F. George J. Sparks, Jr. – Surface
- 1G. Commonwealth of Virginia – Surface
- 1H. Unknown Surface Owner

- 2. Martin E. McGee – All Minerals except Coal in Red Ash Seam
Knox Creek Coal Corporation – Coal in Red Ash Seam
CNX Gas Company LLC – Oil, Gas and CBM Leased
5.59 Acres 9.5165%

- 2A. Unknown Surface Owner
- 2B. Unknown Surface Owner
- 2C. Emmanuel Hubbard, et al – Surface

- 3. Earnest J. Hensley (4.00 Acre Tract) – Fee
0.07 Acres 0.1192%

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

Exhibit E
Unit AW-119
Docket #VGOB 03-0513-1148-01
List of Owners/Claimants that require escrow
(58.74 Acre Unit)

BOOK 367 PAGE 0959

Net Acres
in Unit

Interest
in Unit

Escrowing no longer required

Exhibit EE
Unit AW-119
Docket #VGOB 03-0513-1148-01
List of Respondents with Royalty Split Agreements/Court Order/HB2058
(58.74 Acre Unit)

	Net Acres in Unit	Interest In Unit	Percent of Escrow
Tract #3, 0.07 acres			
COAL OWNERSHIP			
(1) Unknown Heirs of Earnest J. Hensley c/o Department of Treasury - Unclaimed Property Division PO Box 2478 Richmond, VA 23218	0.07 acres	0.1192%	n/a
OIL & GAS OWNERSHIP			
(1) Unknown Heirs of Earnest J. Hensley c/o Department of Treasury - Unclaimed Property Division PO Box 2478 Richmond, VA 23218	0.07 acres	0.1192%	100.00% HB2058

2020786

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 5-7, 2020. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 10:55 o'clock A M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: DMME

TESTE: ANN S. McREYNOLDS, CLERK
BY: Kathy Huff D. CLERK