

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: AX117

TRACT(S): 2B

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-03-0715-1159-02

APPLICANTS:

CNX Gas Company LLC on behalf of James A & Norma J Hale

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 08/01/2003, Recorded on 08/15/2003, Deed Book/Instrument No. 590, Page 159.
2. Supplemental Order Executed 06/30/2004, Recorded on 08/20/2004, Deed Book/Instrument No. 315, Page 245.
3. Disbursement Order -01 Executed 06/24/2012, Recorded on 07/19/2012, Deed Book/Instrument No. 750, Page 217.

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. James A. & Norma J. Hale is the gas claimant in Tracts 2B. As such James A. & Norma J. Hale 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 James A. & Norma J. Hale Looney and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit AX117

VGOB-03-0715-1159-02

Table 1

Tracts: 2B

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				0.12200		
2B Tract 2B (total acreage)			0.0100					
1	2B	James A & Norma J Hale 4997 Lynn Springs Rd Swords Creek VA 24649		0.0100	100.00%	0.0100	8.1967%	

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



Chairman, Bradley C. Lambert

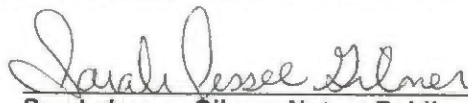
DONE AND PERFORMED this 9 day of June, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 9th 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



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 03-0715-1159-02

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: AX117**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 James A. & Norma J. Hale; (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. James A. & Norma J. Hale is the gas claimant in Tracts 2B. As such James A. & Norma J. Hale 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 James A. & Norma J. Hale Looney 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.

PROPERTY LINES SHOWN WERE TAKEN FROM PLATS PROVIDED BY CNX LAND RESOURCES, INC. AND WERE NOT SURVEYED.

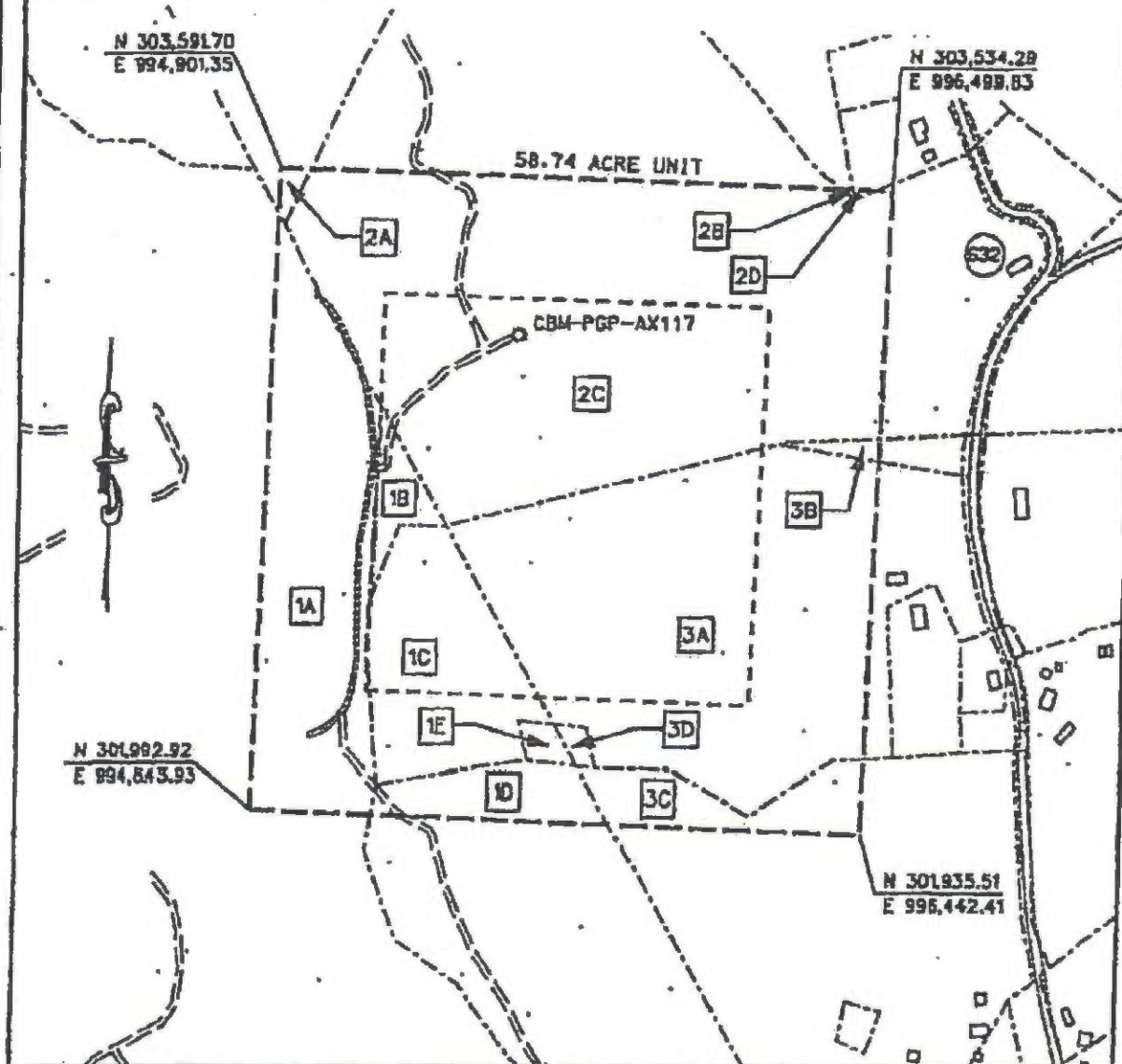


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT AX-117
FORCE POOLING
VGOB-03-0715-1159

Company CNX Gas Company LLC Well Name and Number UNIT AX-117
Tract No. _____ Elevation _____ Quadrangle Shenandoah
County Russell District New Garden Scale: 1" = 100' Date 5/25/13
This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form D60-GO-7
Rev. 9/91

Charles D. May
Licensed Professional Engineer or Licensed Land Surveyor

Force Pooling AX117 POOL.dwg 05/28/2013 11:52:44 AM

CNX GAS COMPANY LLC

Unit AX-117

Tract Identifications
(58.74 Acre Unit)

1. Buckhorn Coal Company - Tr. 7 - All Minerals
Consolidation Coal Company - Below Drainage Coal Leased
CNX Gas Company LLC - Above Drainage Coal Leased Except Kennedy Seam
H. C. Bostle Coal Company - Kennedy Seam Leased
CNX Gas Company LLC - CBM Leased
Reserve Coal Properties Company - Oil and Gas Leased
16.27 acres . 27.6883 %
- 1A. Buckhorn Coal Company - Tr. 7 - Surface
- 1B. Jearidine Whited - Surface
- 1C. Beulah Brown - Surface
- 1D. Raffy Dye - Surface
- 1E. Cemetery - Unknown Surface Owner
- 2A. Swords Creek Land Partnership - Tr. 17 - Coal
Reserve Coal Properties Company - Below Tiller Coal Leased
CNX Gas Company LLC - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
M. P. Whited Heirs, Devisees, Successors or Assigns -- Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.15 acres . 0.2554 %
- 2B. Swords Creek Land Partnership - Tr. 17 - Coal
Reserve Coal Properties Company - Below Tiller Coal Leased
CNX Gas Company LLC - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
James A. Hale, et ux. - Surface and All Minerals except Coal
0.01 acres . 0.0170 %
- 2C. Swords Creek Land Partnership - Tr. 17 - Coal
Reserve Coal Properties Company - Below Tiller Coal Leased
CNX Gas Company LLC - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Jearidine Whited -- Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
23.96 acres . 40.7899 %
- 2D. Swords Creek Land Partnership - Tr. 17 - Coal
Reserve Coal Properties Company - Below Tiller Coal Leased
CNX Gas Company LLC - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Tivis P. Brown, et ux. or James A. Hale, et ux. - Surface and All Minerals except Coal
0.02 acres . 0.0341 %

CNX GAS COMPANY LLC

Unit AX-117

**Tract Identifications
(58.74 Acre Unit)**

- 3. Swords Creek Land Partnership - Tr. 1B - All Minerals
Reserve Coal Properties Company - Below Tiller Coal Leased
CNX Gas Company LLC - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
18.33 acres 31.2053 %
- 3A. Baulah Brown - Surface
- 3B. Jearldine Whitad - Surface
- 3C. Rafty Dye - Surface
- 3D. Cemetery - Unknown Surface Owner

Exhibit E
Unit AX117
Docket #VGOB 03-0715-1159-02
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

BOOK 0804 PAGE 213

	Acres in Unit	Interest in Unit
--	---------------	------------------

Tract #2A, 0.15 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership (Tr. 17 - M. P. Whited 72.53 Acre Tract) P.O. Box 29 Tazewell, VA 24651	0.15 acres	0.2554%
--	------------	---------

OIL & GAS OWNERSHIP

The ownership listed below is currently being reviewed and documentation is being requested to verify title.

(1) Jeraldine Whited, et al. (formerly - M.P. Whited et ux. Heirs, Devisees, Successors or Assigns)	0.15 acres	0.2554%
(b) Pauline & Manuel McPherson Heirs, Devisees, Successors or Assigns		
(b.1) Roger McPherson P.O. Box 1222 Wise, VA 24293	0.003 acres 1/52 of 0.15 acres	0.0049%
(c) Audrey Franklin 146 Johnson Street Weber City, VA 24290	0.003 acres 1/52 of 0.15 acres	0.0049%
(d) Evaline Whited & John Franklin Heirs, Devisees, Successors or Assigns		
(d.1) John Glen Franklin 250 Click Town Road Church Hill, TN 37642	0.003 acres 1/52 of 0.15 acres	0.0049%
(e) Roby & Naomi Whited Heirs, Devisees, Successors or Assigns		
(e.1) Linkous Whited Rt.2 Box 100 Honaker, VA	0.012 acres 1/13 of 0.15 acres	0.0196%
(e.2) McKinley Whited P.O. Box 1079 Raven, VA 24639	0.012 acres 1/13 of 0.15 acres	0.0196%
(e.3) Virginia Phipps HCR 63 Box 53 Jewell Ridge, VA 24622	0.012 acres 1/13 of 0.15 acres	0.0196%
(e.4) Hubert Whited 3120 St. Rt.98 Bucyrus, OH 44820	0.012 acres 1/13 of 0.15 acres	0.0196%
(f) Thelma Whited Heirs, Devisees, Successors or Assigns <i>Verified verbally that she is deceased without children, confirmation forthcoming.</i>	0.003 acres 1/52 of 0.15 acres	0.0049%
(g) Lucy Whited & W.H. Brown Heirs, Devisees, Successors or Assigns		
(g.1) Kyle Brown Heirs, Devisees, Successors or Assigns		
(g.1.1) Frances O. Brown 39 Jamison Drive Swords Creek, VA 24649	0.006 acres 1/26 of 0.15 acres	0.0098%

Exhibit E
Unit AX117
Docket #VGOB 03-0715-1159-02
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

BOOK 0804 PAGE 214

	Acres in Unit	Interest in Unit
(g.4) Idinia Perkins, Heirs, Devisees Successors or Assigns		
(g.4.1) Joann Squires 652 South Main Street Mansfield, OH 44907	0.001 acres 1/104 of 0.15 acres	0.0025%
(g.4.2) Bonnie Ruth Hoskins 2206 North Bowman Street Mansfield, OH 44903	0.001 acres 1/104 of 0.15 acres	0.0025%
(g.4.3) Ronald Perkins 1003 N. Trimble Rd. Mansfield, OH 44906	0.001 acres 1/104 of 0.15 acres	0.0025%
(g.4.4) Donnie Perkins 1003 N. Trimble Rd Mansfield, OH 44906	0.001 acres 1/104 of 0.15 acres	0.0025%
(h) Charley Whited Address Unknown	0.012 acres 1/13 of 0.15 acres	0.0196%
(i) H.C. Bostic Coal Company P.O. Box 220 Swords Creek, VA 24649	0.012 acres 1/13 of 0.15 acres	0.0196%
	Total tract acres	0.09231
	Total tract percent	0.1571%

Tract #2D, 0.02 acres

Escrow due to Title Conflict

COAL OWNERSHIP

(1) Swords Creek Land Partnership (Tr. 17 - M. P. Whited 72.53 Acre Tract) P.O. Box 29 Tazewell, VA 24651	0.02 acres	0.0341%
--	------------	---------

OIL & GAS OWNERSHIP

(1) Tavis P. Brown, et ux. 4991 Lynn Springs Rd. Swords Creek, VA 24649	0.02 acres	0.0341%
---	------------	---------

- OR -

(1) James A. Hale, et ux. 4997 Lynn Springs Rd. Swords Creek, VA 24649	0.02 acres	0.0341%
--	------------	---------

Total tract acres 0.02433
Total tract percent 0.0341%

Total acres 0.11663
Total percent 0.1912%

Exhibit EE
Unit AX117
Docket #VGOB 03-0715-1159-02
List of Conflicting Owners/Claimants with Royalty Split Agreements/HB2058
(58.74 Acre Unit)

BOOK 0804 PAGE 215

	Acres in Unit	Interest in Unit	Percent of Escrow
--	---------------	------------------	-------------------

Tract #2A, 0.15 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership (Tr. 17 - M. P. Whited 72.53 Acre Tract) P.O. Box 29 Tazewell, VA 24651	0.15 acres	0.2554%	n/a
--	------------	---------	-----

OIL & GAS OWNERSHIP

(1) Jeraldine Whited, et al. (formerly - M.P. Whited et ux. Heirs, Devisees, Successors or Assigns)	0.15 acres	0.2554%	
(a) Jeraldine Whited 4881 Lynn Springs Road Swords Creek, VA 24649	0.046 acres 4/13 of 0.15 acres	0.0768%	n/a
(g) Lucy Whited & W.H. Brown Heirs, Devisees, Successors or Assigns			
(g.2) Baulah Brown 4723 Lynn Springs Road Swords Creek, VA 24649	0.006 acres 1/28 of 0.15 acres	0.0098%	n/a
(g.3) Ada Reedy Heirs, Devisees, Successors or Assigns			
(g.3.1) Ralph Reedy PO Box 330 Davin, WV 25617	0.003 acres 1/52 of 0.15 acres	0.0049%	n/a
(g.3.2) Ella Ruth Cook PO Box 71 Cyclone, WV 24827	0.003 acres 1/52 of 0.15 acres	0.0049%	n/a

Total tract acres 0.05789
Total tract percent 0.0982%

Tract #2B, 0.01 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership (Tr. 17 - M. P. Whited 72.53 Acre Tract) P.O. Box 29 Tazewell, VA 24651	0.01 acres	0.0170%	n/a
--	------------	---------	-----

OIL & GAS OWNERSHIP

(1) James A. & Norma J. Hale, TE 4697 Lynn Springs Rd. Swords Creek, VA 24649	0.01 acres	0.0170%	8.1766% HB 2058
---	------------	---------	--------------------

Tract #2C, 23.96 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership (Tr. 17 - M. P. Whited 72.53 Acre Tract) P.O. Box 29 Tazewell, VA 24651	23.96 acres	40.7899%	n/a
--	-------------	----------	-----

OIL & GAS OWNERSHIP

(1) Jeraldine Whited 4881 Lynn Springs Road Swords Creek, VA 24649	23.96 acres	40.7899%	n/a
--	-------------	----------	-----

Total acres 24.02769
Total percent 40.9052%

1601154

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 6-22, 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:55 o'clock a M, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to: Sally Ketum TESTE: ANN S. McREYNOLDS, CLERK
BY: Kathy Huff D. CLERK

5/9/2016