

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: AX118

TRACT(S): 6B

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-03-0715-1160-02

APPLICANTS:

CNX Gas Company LLC on behalf of Danny & Annis Brown

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 144.
2. Supplemental Order Executed 06/30/2004, Recorded on 07/12/2004, Deed Book/Instrument No. 613, Page 181.
3. Supplemental Order Executed 06/30/2004, Recorded on 08/20/2004, Deed Book/Instrument No. 615, Page 257.
4. Supplemental Order -01, Recorded on 10/16/2013, Deed Book/Instrument No. 0768, Page 0550.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 6B identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 6B 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. Danny & Annis Brown is the gas claimant in Tracts 6B. As such Danny & Annis Brown 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 Danny & Annis Brown and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

DONE AND EXECUTED this 26 day of January, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

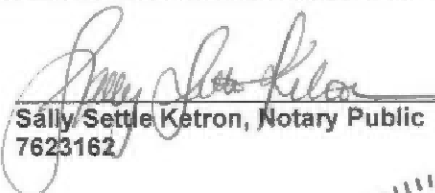
DONE AND PERFORMED this 26 day of January, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 26 day of January, 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.


Sally Settle Ketron, Notary Public
7623162

My Commission expires: January 31, 2019



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 03-0715-1160-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 6B (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES

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: AX118

RUSSELL COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 627 Claypool Hill Mall Road, Cedar Bluff, VA 24609, (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, attributable to Tract 6B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Danny & Annis Brown.

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

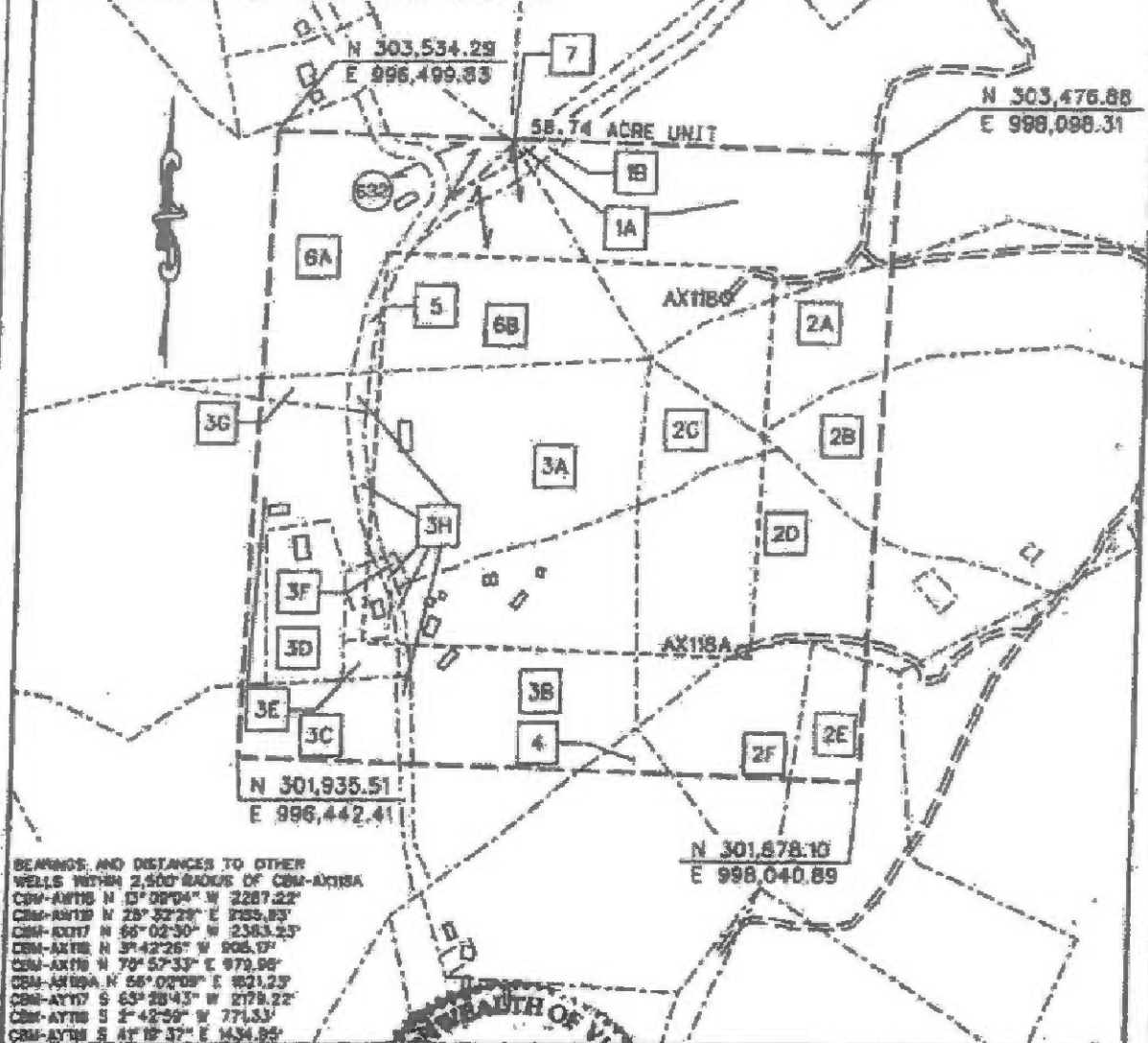
5. Factual basis for relief requested

- a. Danny & Annis Brown is the gas claimant in Tracts 6B. As such Danny & Annis Brown 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 Danny & Annis Brown 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 on this map were provided by the Virginia Department of Transportation and were taken from deed descriptions and plans of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.



- COM WELL
- ⊙ PROPOSED NONWELL
- ⊕ PROPOSED COM WELL



EXHIBIT A
MIDDLE RIDGE FIELD
UNIT AX118
FORCE POOLING
VGOB-03-0715-1160-01

Company _____ Unit Name and Number UNIT AX118
 Tract No. _____ Elevation _____ Quadrangle HONKER
 County RUSSELL District NEW GARDEN Scale: 1" = 400' Date _____
 This plot is a new plot X ; an updated plot _____ ; or a final plot _____

Form DGO-CO-7
Rev. 9/91

Richard C. Murphy
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

CNX GAS COMPANY LLC**Unit AX-118****Tract Identifications****(68.74 Acre Unit)**

1. Swords Creek Land Partnership, Tr. 20 (Joshua Dye 278.77 Acre Tract) – All Minerals
Reserve Coal Properties Company – Below Tiller Coal Leased
Knox Creek Coal Company – Tiller and Above Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
7.79 acres 13.2818%
- 1A. Cecil Dye, et ux – Surface Owner
- 1B. Commonwealth of Virginia – Surface Owner
2. Swords Creek Land Partnership, Tr. 19 (Payton Compton 123.11 Acre Tract) – All Minerals
Reserve Coal Properties Company – Below Tiller Coal Leased
Knox Creek Coal Company – Tiller and Above Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
16.85 acres 28.3453%
- 2A. Roger Brown, et al – Surface Owner
- 2B. Roger Brown, et al – Surface Owner
- 2C. Denny Brown, et ux – Surface Owner
- 2D. Clyde R. Dye – Surface Owner
- 2E. Sylvia I. Price – Surface Owner
- 2F. Emanuel M. Hubbard – Surface Owner
3. Swords Creek Land Partnership, Tr. 18 (James T. Hale 65.27 Acre Tract) – All Minerals
Reserve Coal Properties Company – Below Tiller Coal Leased
Knox Creek Coal Company – Tiller and Above Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
23.10 acres 39.3258%
- 3A. Denny Brown, et ux – Surface Owner
- 3B. Clyde R. Dye – Surface Owner
- 3C. Raffy Dye – Surface Owner
- 3D. Unknown Surface Owner
- 3E. Baulah Brown – Surface Owner
- 3F. Unknown Surface Owner
- 3G. Jerildine Whited – Surface Owner
- 3H. Commonwealth of Virginia – Surface Owner
4. Swords Creek Land Partnership, Tr. 3 (James T. Hale 17.67 Acre Tract) – All Minerals
Reserve Coal Properties Company – Below Tiller Coal Leased
Knox Creek Coal Company – Tiller and Above Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Emanuel M. Hubbard – Surface Owner
0.30 acres 0.5107%
5. Swords Creek Land Partnership, Tr. 17 (M.P. Whited 72.55 Acre Tract) – Coal
Reserve Coal Properties Company – Below Tiller Coal Leased
Knox Creek Coal Company – Tiller and Above Coal Leased
CNX Gas Company LLC – CBM Leased
Commonwealth of Virginia OR Jerildine Whited – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased (Jerildine Whited)
Commonwealth of Virginia – Surface
0.70 acres 1.1917%

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

CNX GAS COMPANY LLC**Unit AX-118****Tract Identifications****(58.74 Acre Unit)**

- 6A. Swords Creek Land Partnership, Tr. 17 (M.P. Whited 72.53 Acre Tract) - Coal
 Reserve Coal Properties Company - Below Tiller Coal Leased
 Knox Creek Coal Company - Tiller and Above Coal Leased
 CNX Gas Company LLC - CBM Leased
 Jearidine Whited - Surface, Oil and Gas
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 4.77 acres 8.1206%
- 6B. Swords Creek Land Partnership, Tr. 17 (M.P. Whited 72.53 Acre Tract) - Coal
 Reserve Coal Properties Company - Below Tiller Coal Leased
 Knox Creek Coal Company - Tiller and Above Coal Leased
 CNX Gas Company LLC - CBM Leased
 Danny Brown, et ux - Surface, Oil and Gas
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 5.42 acres 9.2271%
7. Steve M. Hubbard, et al (32.00 Acre Tract) - Fee
 CNX Gas Company LLC - Oil, Gas and CBM Leased (3/4)
 0.01 acres 0.0170%

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

Exhibit E
Unit AX-118
Docket #VGOB 03-0715-1160-02
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

BOOK 0799 PAGE 089

	Acres in Unit	Interest in Unit
<u>Tract #5, 0.70 acres</u>		
<i>Escrow due to Title Conflict</i>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.17 (M.P. Whited 72.53 Acre Tract) P.O. Box 29 Tazewell, VA 24651	0.70 acres	1.1917%
<u>OIL & GAS OWNERSHIP</u>		
(1) Commonwealth of Virginia 870 Bonham Road Bristol, VA 24201-2002	0.70 acres	1.1917%
- OR -		
(1) Jeardine Whited 4881 Lynn Springs Road Swords Creek, VA 24649	0.70 acres	1.1917%
<u>TOTAL CONFLICTS:</u>		
Acreage in Unit	0.70	
Percentage of Unit		1.1917%

Exhibit EE
Unit AX-118
Docket #VGOB 03-0715-1160-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
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Tract #6A, 4.77 acresCOAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.17 (M.P. Whited 72.53 Acre Tract) P.O. Box 29 Tazewell, VA 24651	4.77 acres	8.1208%	n/a
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OIL & GAS OWNERSHIP

(1) Jearldine Whited 4881 Lynn Springs Road Swords Creek, VA 24649	4.77 acres	8.1208%	n/a
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Tract #6B, 5.42 acresCOAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.17 (M.P. Whited 72.53 Acre Tract) P.O. Box 29 Tazewell, VA 24651	5.42 acres	9.2271%	
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OIL & GAS OWNERSHIP

(1) Danny & Annis M. Brown, TE P.O. Box 65 Swords Creek, VA 24649	5.42 acres	9.2271%	88.5621% HB2058
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TOTAL CONFLICTS RESOLVED:

Acreage in Unit	5.42	
Percentage of Unit		9.2271%

1600348

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 9-29 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:25 o'clock P. M., after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to: Sarah Gilmer

TESTE ANN S. McREYNOLDS, CLERK
BY: Nichelle Colley D. CLERK