

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: EE39

TRACT(S): 3A

LOCATION: TAZEWELL County, Virginia

TAX ID NUMBERS:

Tax Map Identification Numbers for all parcels affected by this order are shown on: Tract
Identification Sheet

DOCKET NUMBER:

VGOB-03-1021-1203-04

APPLICANTS:

CNX Gas Company LLC on behalf of Harold & Shirley Deskins

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 12/15/2003, Recorded on 12/22/2003, Deed Book/Instrument No.
898, Page 166.
2. Supplemental Order Executed 10/08/2004, Recorded on 10/19/2004, Deed Book/Instrument No.
924, Page 871.
3. Supplemental Order, Recorded on 12/12/2007, Deed Book/Instrument No. 70004646.

DK 2016 PG 06729

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4. Disbursement Order -02 Executed 05/31/2012, Recorded on 06/25/2012, Deed Book/Instrument No. 1115, Page 0407.
5. Disbursement Order -03 Executed 01/12/2016, Recorded on 02/04/2016, Deed Book/Instrument No. 2016, Page 0142.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 3A identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3A 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. Harold & Shirley Deskins is the gas claimant in Tracts 3A. As such Harold & Shirley Deskins 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 Harold & Shirley Deskins and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit EE39

VGOB-03-1021-1203-04

Table 1

Tracts: 3A

Item	Tract	Disbursement Table	Fractional Ownership		Net Acreage		Royalty Split		Escrowed Acres		Percent of Escrowed Funds	
			in Tract		in Tract		Agreement		Disbursed		Disbursed	
		Total acreage in escrow before disbursement							0.64200			
3A Tract 3A (total acreage)			0.5600									
1	3A	Harold & Shirley Deskins\111 Woodland Dr Raven, VA 24639			0.5600		100.00%		0.5600		87.2274%	

2016 PG06731

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 11 day of April, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

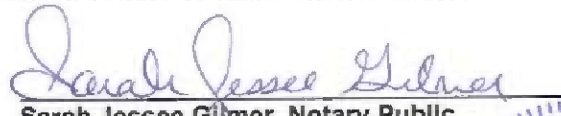
DONE AND PERFORMED this 11 day of April, 2016 by Order of the Virginia Gas and Oil Board.



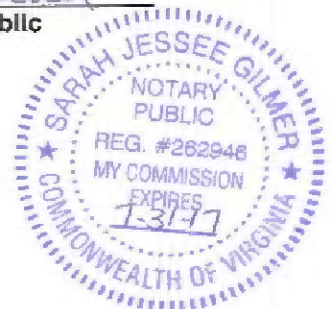
Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 11th day of Apr'l, 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 03-1021-1203-04

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 3A (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: EE39

TAZEWELL 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 3A, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Harold & Shirley Deskins.

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

OK 2016 PG06735

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

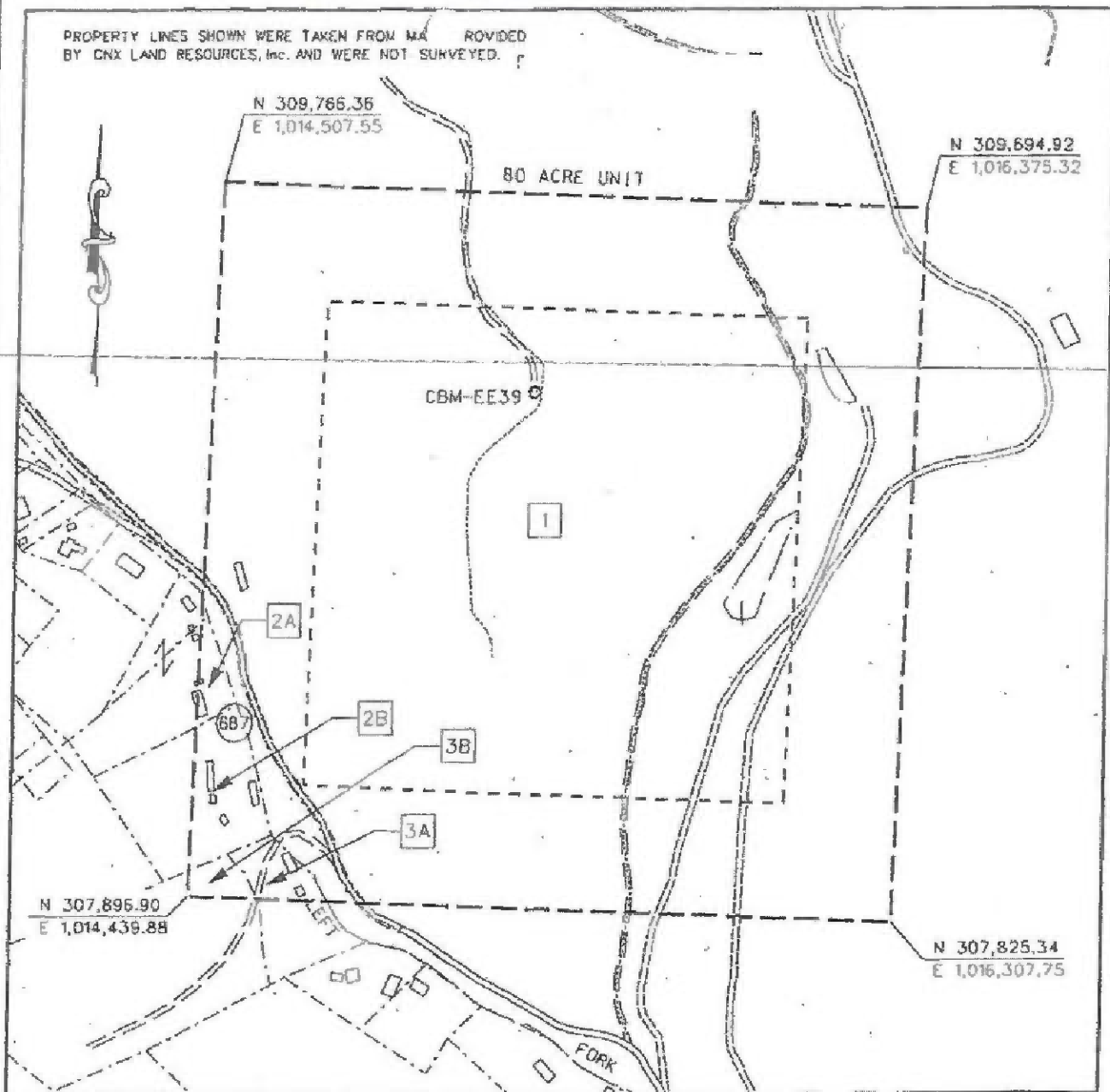


EXHIBIT A
OAKWOOD FIELD UNIT EE-39
FORCE POOLING
VG08-03-1021-1203

Company CNX Gas Company LLC Well Name and Number UNIT EE39
 Tract No. _____ Elevation _____ Quadrangle Keen Mountain
 County Tazewell District Maiden Springs Scale: 1" = 400' Date 9/12/03
 This plat is a new plat X : on an updated plat _____ : or a final plat _____

Form DGO-60-7
Rev. 9/91

Charles D. May
 Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

- a. Harold & Shirley Deskins is the gas claimant in Tracts 3A. As such Harold & Shirley Deskins 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 Harold & Shirley Deskins 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.

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CNX Gas Company LLC

UNIT EE-39

Tract Identifications

1. Commonwealth Coal Company Tr. 9 (1497.62 Acre May-Painter Tract) - Fee
Reserve Coal Properties Company - Below Tiller Coal Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
77.29 acres 96.6125%
- 2A. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 18 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Walter H. Boyd, et al. - Surface and All Minerals except Coal
0.41 acres 0.5125%
- 2B. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 18 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
James T. Absher Tract - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.42 acres 1.7750%
- 3A. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Perry Deskins, et ux - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.56 acres 0.7000%
- 3B. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Betty Short, et al - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.32 acres 0.4000%

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Exhibit E
Unit EE-39

Docket #VGOB 03-1021-1203-04

List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Interest in Unit
<u>Tract #2A, 0.41 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.18 Limited Partnership, L.L.P. P.O. Box 676 Tazewell, VA 24661	0.41 acres	0.5125%
<u>OIL & GAS OWNERSHIP</u>		
<i>Escrow due to Unlocatable / W9 / Affidavit</i>		
(1) Walter H. Boyd, et al.	0.41 acres	0.5125%
(b) Carol Jean Absher P.O. Box 907 Raven, VA 24639 (Bad Address)	0.08 acres 1/5 of 0.41 acres	0.1025%

EX 2016 PG 06738

Exhibit EE
Unit EE-39

Docket #VGOB 03-1021-1203-04

List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2A, 0.41 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.18 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.41 acres	0.5125%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Walter H. Boyd, et al.	0.41 acres	0.5125%	
(c) Charles Walter Boyd 3148 Fork Ridge Road Raven, VA 24639	0.08 acres 1/5 of 0.41 acres	0.1025%	n/a
(d) Linda D. Cordill Dunbar PO Box 424 Doran, VA 24612	0.08 acres 1/5 of 0.41 acres	0.1025%	n/a
(e) Freda Gale Thomas 617 Harry St. Bluefield, WV 24701	0.08 acres 1/5 of 0.41 acres	0.1025%	n/a
(f) James Lee Boyd 2339 Bingham Island Seiveville, TN 37876	0.08 acres 1/5 of 0.41 acres	0.1025%	n/a
Total tract acres		0.3280	
Total tract percent		0.4100%	
<u>Tract #2B, 1.42 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.18 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	1.42 acres	1.7750%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317 (Previously owned by James T. Absher)	1.42 acres	1.7750%	n/a
Note: CBM ownership was adjudicated to the prevailing plaintiffs under Case no. CL 11000906 The Final Order was executed November 9, 2011 and plaintiffs were awarded 100% of the Coalbed Methane Gas underlying this tract.			
* There will be a one time payout of 70% of the escrow to the heirs of James T. Absher and 30% to CNX Gas Company LLC (CNX) for their proportionate share up to March 2007 production. CNX purchased the property on 3/17/07 and will be paid at 100% from April 2007 production forward.			
<u>Tract #3A, 0.56 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.56 acres	0.7000%	n/a

EX 2016 PG 06739

Exhibit EE
Unit EE-39

Docket #VGOB 03-1021-1203-04

List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Acres In Unit	Interest in Unit	Percent of Escrow
<u>OIL & GAS OWNERSHIP</u>			
(1) Perry and Sylvia Naydine Deskins			
<i>Conveyed by Deed of Gift to Harold & Shirley Deskins (TE) on 11/16/2001, recorded in Tazewell Co. on 11/16/2001 in Deed Book 833, Page 630</i>			
(a) Harold and Shirley Deskins 111 Woodland Dr. Raven, VA 24639	0.56 acres	0.7000%	87.2274% HB2058
<u>Tract #3B, 0.32 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.32 acres	0.4000%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Betty J. Short <i>(Previously listed as Betty J. Short, et al)</i>			
(a) Betty J. Short 211 Hunter Ave. Pounding Mill, VA 24637	0.32 acres	0.4000%	
<i>Royalties should be paid as follows:</i>			
Betty J. Short 211 Hunter Ave. Pounding Mill, VA 24637	0.24 acres 3/4 of 0.32 acres	0.3000%	n/a
Russell Bryan Rakes 1716 Green Mountain Road Cedar Bluff, VA 24609	0.06 acres 1/4 of 0.32 acres	0.1000%	n/a
<i>By Deed of Gift dated 4/9/11, Russell Bryan Rakes conveyed his 25% ownership inherited from Charles G. Rakes to Betty J. Short. (DB1092/PG708). In exchange, Betty J. Short assigned Russell Bryan Rakes a 25% royalty interest, executed 5/5/11.</i>			
Note: CBM ownership was adjudicated to the prevailing plaintiff under Case no. CL 11-206. The Order was executed March 11, 2011 and plaintiff was awarded 100% of the Coalbed Methane Gas underlying this tract.			
Total tract acres		0.3200	
Total tract percent		0.4000%	
TOTALS:			
Total Acreage Resolved		2.6280	
Total Percentage Resolved			3.2850%

INSTRUMENT #160001234

RECORDED IN THE CLERK'S OFFICE OF
TAEWELL COUNTY ON

MAY 3, 2016 AT 12:34PM

TAMMY B. ALLISON, CLERK
RECORDED BY: MLT