

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: AX120

TRACT(S): 2B

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-03-1118-1224-01

APPLICANTS:

CNX Gas Company LLC on behalf of Tammy Dye, Winston Hess

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 03/22/2004, Recorded on 04/02/2004, Deed Book/Instrument No. 605, Page 7647.
2. Supplemental Order, Recorded on 03/14/2005, Deed Book/Instrument No. 627, Page 134.

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.

BOOK 0794 PAGE 0072

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.

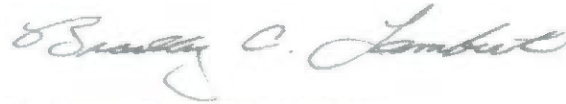
CONCLUSION:

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.

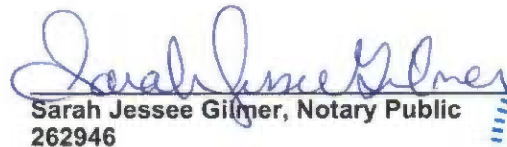
DONE AND EXECUTED this 8 day of September, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 8th day of September, 2015, 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, that he executed the same and was authorized to do so.



Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2017

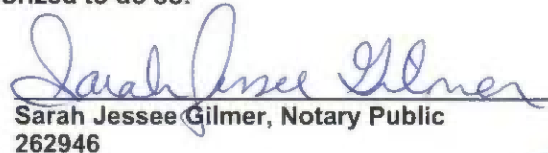
DONE AND PERFORMED this 9 day of September, 2015 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 9th day of September, 2015, personally before me a notary public in and for the Commonwealth of Virginia, appeared Rick Cooper, being duly sworn did depose and say that he is the Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.



Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2017

1501926

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 9-29, 2015. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:49 o'clock P M, after payment of \$ — tax imposed by Sec. 58.1-802.

TESTE: ANN S. McREYNOLDS, CLERK

Original returned this date to: Sally Ketron

BY: Shila Ketron D. CLERK

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 03-1118-1224-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2B (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: AX120**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(s) attributable to of Tract(s) 2B as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to the parties per House Bill 2058; Winston Hess & Tammy Dye

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

Winston Hess & Tammy Dye is entitled to 100% of the CBM royalties per House Bill 2058, Said bill allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be paid.

There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

6. Attestation

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

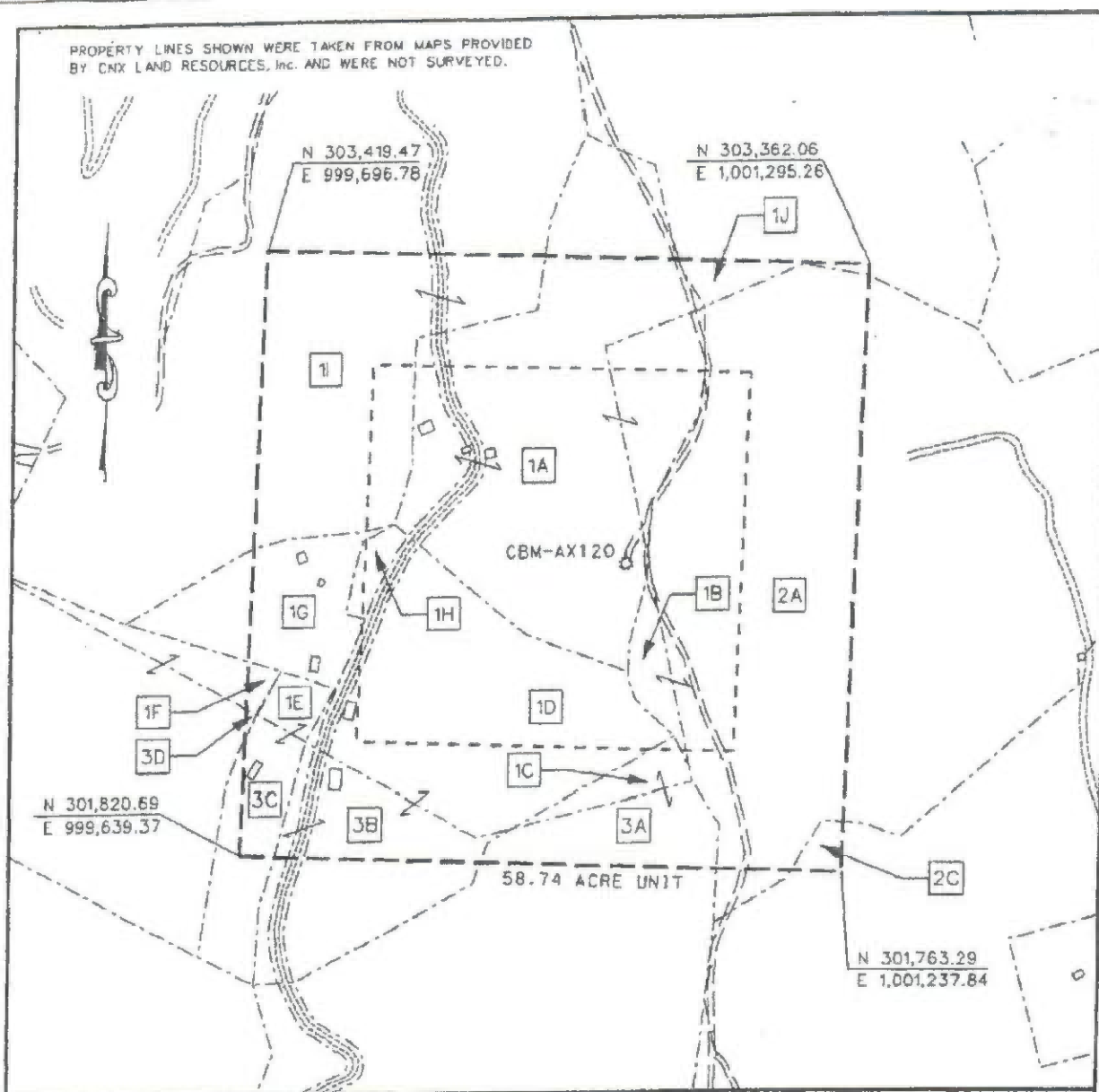


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT AX-120
FORCE POOLING
VGOB-03-1118-1224

Company CNX Gas Company LLC Well Name and Number UNIT AX120
 Tract No. _____ Elevation _____ Quadrangle Honaker
 County Russell District New Garden Scale: 1" = 400' Date: 10/30/03
 This plot is a new plot X ; an updated plot _____ ; or a final plot _____
 Form DGO-GO-7 _____ (Affix Seal)
 Rev. 9/91 Charles D. Noyes
 Licensed Professional Engineer or Licensed Land Surveyor

CNX GAS COMPANY LLC

UNIT AX120

Tract Identifications

(58.74 Acre Unit)

- 1A. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Sherman Harris, et ux – Surface
11.94 acres 20.3268
- 1B. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Stuart Richardson Heirs – Surface
0.78 acres 1.3279%
- 1C. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Kyle Brown, et al – Surface
0.72 acres 1.2257%
- 1D. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Alvie C. Hess, et ux – Surface
9.23 acres 15.7133%
- 1E. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Jeffrey Dye, et ux – Surface
0.51 acres 0.8682%
- 1F. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Jeffrey Dye, et ux – Surface
0.18 acres 0.3064%

CNX GAS COMPANY LLC**UNIT AX120**

Tract Identifications
(58.74 Acre Unit)

- 1G. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Alvie C. Hess – Surface
2.35 acres 4.0007%
- 1H. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Unknown Surface Owner
0.42 acres 0.7150%
- 1I. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Rex A. Dye, et al – Surface
8.35 acres 14.2152%
- 1J. Swords Creek Land Partnership Tr. 20 – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
John W. Caylor, et al, partners 1/4 Crystal Fuels Coal Company – Surface
0.56 acres 0.9534%
- 2A. Swords Creek Land Partnership Tr. 23 – Coal
Reserve Coal Properties Company – Below Tiller Coal Leased
Knox Creek Coal Corporation – Tiller and Above Coal Leased
CNX Gas Company LLC – CBM Leased
Stuart Richardson Heirs – Surface and All Minerals except Coal
CNX Gas Company LLC – Oil, Gas and CBM Leased
16.03 acres 27.2898%
- 2B. Swords Creek Land Partnership Tr. 23 – Coal
Reserve Coal Properties Company – Below Tiller Coal Leased
Knox Creek Coal Corporation – Tiller and Above Coal Leased
CNX Gas Company LLC – CBM Leased
Sherman Harris, et ux – Surface and All Minerals except Coal
2.10 acres 3.5751%

CNX GAS COMPANY LLC**UNIT AX120**

Tract Identifications
(58.74 Acre Unit)

- 2C. Swords Creek Land Partnership Tr. 23 – Coal
Reserve Coal Properties Company – Below Tiller Coal Leased
Knox Creek Coal Corporation – Tiller and Above Coal Leased
CNX Gas Company LLC – CBM Leased
Stuart Richardson Helrs – Surface and All Minerals except Coal
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.28 acres 0.4767%
- 3A. Swords Creek Land Partnership Tr. 19 – All Minerals
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
Kyle Brown, et al – Surface
2.06 acres 3.5070%
- 3B. Swords Creek Land Partnership Tr. 19 – All Minerals
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
Alvie Hess, et ux – Surface
2.21 acres 3.7623%
- 3C. Swords Creek Land Partnership Tr. 19 – All Minerals
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
Jeffrey Dye, et ux – Surface
0.99 acres 1.6854%
- 3D. Swords Creek Land Partnership Tr. 19 – All Minerals
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
Jeffrey Dye, et ux – Surface
0.03 acres 0.0511%

Exhibit E
Unit AX-120
Docket #VGOB 03-1118-1224-01
List of Respondents that require escrow
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
Escrowing not required		

Exhibit EE
Unit AX-120
Docket #VGOB 03-1118-1224-01
List of Conflicting Owners/Claimants with Royalty Split Agreements / HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2A, 16.03 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.23 (E. Steelman 291.37 Acre Tract) P.O. Box 187 Tazewell, VA 24651	16.03 acres	27.2898%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Stuart Richardson Heirs, Devisees, Successors or Assigns	16.03 acres	27.2898%	
(a) Betty Jo Richardson 2479 Pine Creek Rd. Swords Creek, VA 24649	5.34 acres 1/3 of 16.03 acres	9.0966%	n/a
(b) Harold D. Richardson (By documented dated August 5, 2002 requests his royalties be paid to Betty Jo Richardson)			
Betty Jo Richardson 2479 Pine Creek Rd. Swords Creek, VA 24649	1.53 acres 2/21 of 16.03 acres	2.5990%	n/a
(c) Douglas Richardson (By documented dated August 5, 2002 requests his royalties be paid to Rosa Lee Jackson)			
Rosa Lee Jackson 2517 Pine Creek Rd. Swords Creek, VA 24649-7600	1.53 acres 2/21 of 16.03 acres	2.5990%	n/a
(d) Rosa Lee Jackson 2517 Pine Creek Rd. Swords Creek, VA 24649-7600	1.53 acres 2/21 of 16.03 acres	2.5990%	n/a
(e) Michael D. Richardson 119 Edgemont Dr. Princeton, WV 24740	1.53 acres 2/21 of 16.03 acres	2.5990%	n/a
(f) Billy W. Richardson 298 Jackson Street Raven, VA 24639	1.53 acres 2/21 of 16.03 acres	2.5990%	n/a
(g) William W. Richardson PO Box 559 Doran, VA 24612-0559	1.53 acres 2/21 of 16.03 acres	2.5990%	n/a
(h) Alice J. Martin 66 Kents Ridge Road Honaker, VA 24260	1.53 acres 2/21 of 16.03 acres	2.5990%	n/a

Tract #2B, 2.10 acresCOAL OWNERSHIP

- (1) Swords Creek Land Partnership, Tr.23
(E. Steelman 291.37 Acre Tract)
P.O. Box 187
Tazewell, VA 24651

OIL & GAS OWNERSHIP

- (1) Winston Hess, et al
(previously Sherman Harris, et ux.)

Exhibit EE
Unit AX-120
Docket #VGOB 03-1118-1224-01
List of Conflicting Owners/Claimants with Royalty Split Agreements / HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
(a) Winston Hess PO Box 177 Swords Creek, VA 24649	1.05 acres 1/2 of 2.10 acres	1.7875%	50.0000% HB2058
(b) Tammy Dye PO Box 177 Swords Creek, VA 24649	1.05 acres 1/2 of 2.10 acres	1.7875%	50.0000% HB2058

HB2058 Escrow Release

Tract #2C, 0.28 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.23 (E. Steelman 291.37 Acre Tract) P.O. Box 187 Tazewell, VA 24651	0.28 acres	0.4767%	n/a
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OIL & GAS OWNERSHIP

(1) Stuart Richardson Heirs, Devisees, Successors or Assigns	0.28 acres	0.4767%	
(a) Betty Jo Richardson 2479 Pine Creek Rd. Swords Creek, VA 24649	0.09 acres 1/3 of 0.28 acres	0.1589%	n/a
(b) Harold D. Richardson (By documented dated August 5, 2002 requests his royalties be paid to Betty Jo Richardson)			
Betty Jo Richardson 2479 Pine Creek Rd. Swords Creek, VA 24649	0.03 acres 2/21 of 0.28 acres	0.0454%	n/a
(c) Douglas Richardson (By documented dated August 5, 2002 requests his royalties be paid to Rosa Lee Jackson)			
Rosa Lee Jackson 2517 Pine Creek Rd. Swords Creek, VA 24649-7600	0.03 acres 2/21 of 0.28 acres	0.0454%	n/a
(d) Rosa Lee Jackson 2517 Pine Creek Rd. Swords Creek, VA 24649-7600	0.03 acres 2/21 of 0.28 acres	0.0454%	n/a
(e) Michael D. Richardson 119 Edgemont Dr. Princeton, WV 24740	0.03 acres 2/21 of 0.28 acres	0.0454%	n/a
(f) Billy W. Richardson 298 Jackson Street Raven, VA 24639	0.03 acres 2/21 of 0.28 acres	0.0454%	n/a
(g) William W. Richardson PO Box 559 Doran, VA 24612-0559	0.03 acres 2/21 of 0.28 acres	0.0454%	n/a
(h) Alice J. Martin 66 Kents Ridge Road Honaker, VA 24260	0.03 acres 2/21 of 0.28 acres	0.0454%	n/a