

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: BC118

TRACT(S): 1C

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-03-1118-1228-01

APPLICANTS:

CNX Gas Company LLC on behalf of Luther E. Whited

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 589.
2. Supplemental Order, Recorded on 03/11/2005, Deed Book/Instrument No. 627, Page 31.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1C identified in the attached petition.

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(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1C 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. Luther E. Whited is the gas claimant in Tracts 1C As such Luther E. Whited is 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 Luther E. Whited and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit BC118

VGOB-03-1118-1228-01

Table 1
Tracts: 1C

Item	Tract	Disbursement Table	Fractional Ownership		Net Acreage		Royalty		Escrowed		Percent of	
			in Tract	Ownership	in Tract	Ownership	Split	Agreement	Acres	Disbursed	Escrowed Funds	Disbursed
		Total acreage in escrow before disbursement							10.09000			
1C Tract 1C (total acreage)			1.00		1.0000		100.00%		1.0000		9.9108%	
1	1C	Luther E. Whitfield P.O. Box 266, Swords Creek, VA 24649										

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.

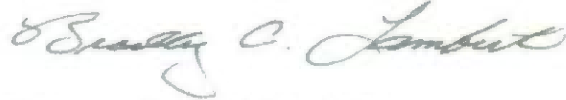
CONCLUSION:

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 2 day of November, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

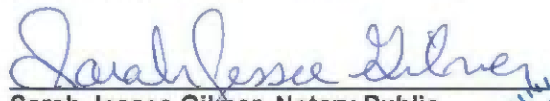
DONE AND PERFORMED this 2 day of November, 2015 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 2nd day of November, 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 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 03-1118-1228-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1C (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: BC118**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 1C, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Luther E. Whited.

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. Luther E. Whited is the gas claimant in Tracts 1C As such Luther E. Whited is 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 Luther E. Whited 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.

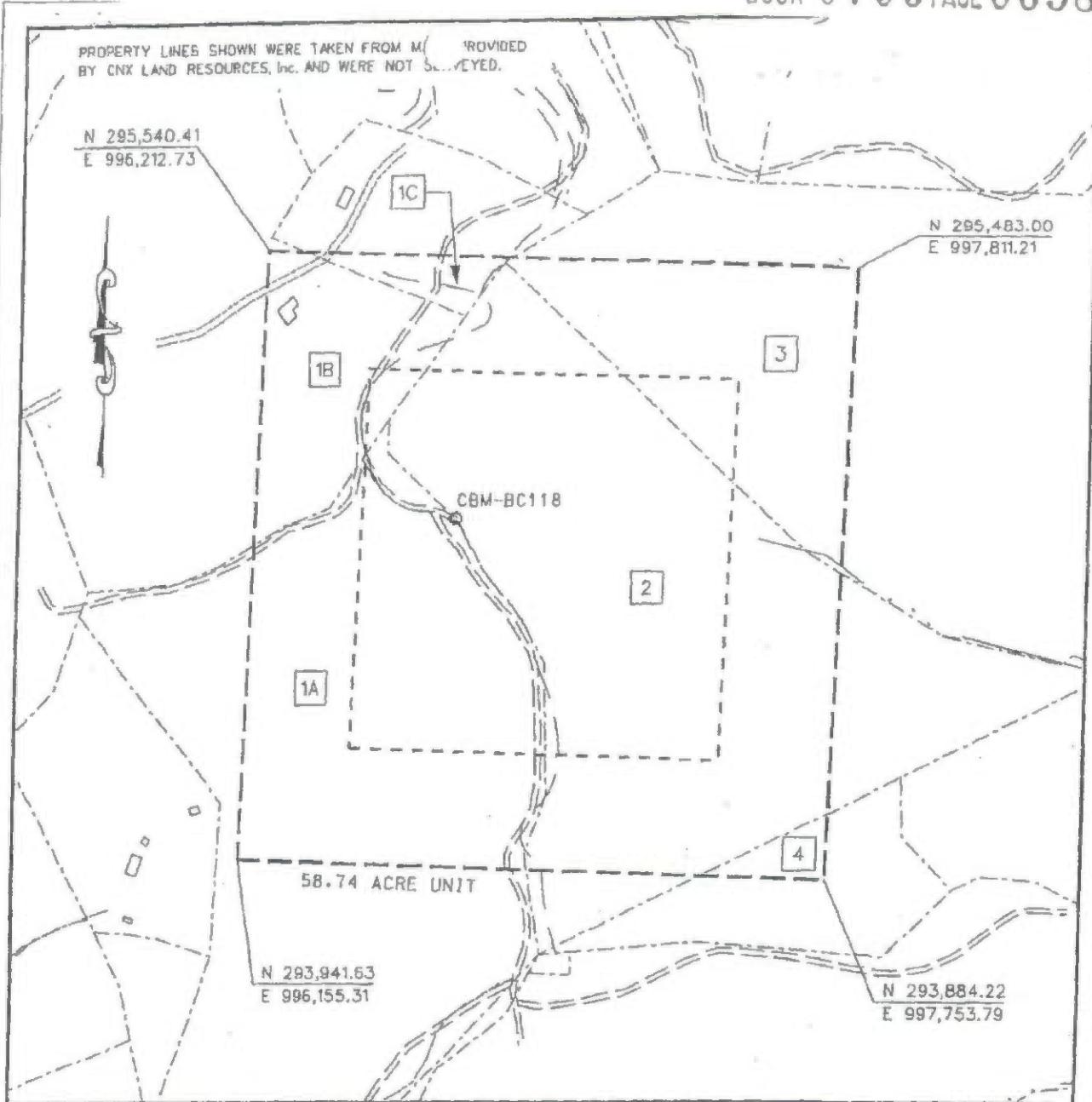


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT BC-118
FORCE POOLING
VGOB-03-1118-1228

Company CNX Gas Company LLC Well Name and Number UNIT BC-118
 Tract No. _____ Elevation _____ Quadrangle Hanaker
 County Russell District New Garden Scale: 1" = 400' Date: 12/13/03
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form D60-GO-7
Rev. 9/91

Charles D. Noyes
 Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

CNX Gas Company LLC

Unit BC-118

Tract Identifications

(58.74 Acre Unit)

- 1A. Swords Creek Land Partnership Tr. 1 - All Minerals
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Dallas Whited - Surface
16.73 acres 28.4815 %
- 1B. Swords Creek Land Partnership Tr. 1 - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Dallas Whited - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
5.81 acres 9.8910%
- 1C. Swords Creek Land Partnership Tr. 1 - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Luther E. Whited - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.00 acres 1.7024%
2. E. P. Whited Heirs, Successors or Assigns - All Minerals except Coal in Red Ash Seam
Swords Creek Land Partnership Tr. 53 - Coal in Red Ash Seam
Knox Creek Coal Corporation - Tiller and Above Coal Leased (73%)
CNX Gas Company, LLC - Oil, Gas and CBM Leased (99.24%)
Thomas Dean Keen, et al. - Surface
25.45 acres 43.3265%
3. Swords Creek Land Partnership Tr. 57 OR A. Wayne Bostic, et al. (1/2)
and Creola Blake Heirs, Successors or Assigns (1/2) OR
Wayne Bostic, et al. (7/16), Creola Blake Heirs, Successors
or Assigns (7/16), and Swords Creek Land Partnership Tr. 57 (1/8) - Fee
Reserve Coal Properties Company - Coal Below Tiller Seam Leased (100% Leased
If Owned by Swords Creek Land Partnership)
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased (100% leased if Bostic
and/or Swords Creek are the only owners. Blake Heirs interest is not leased.)
9.09 acres 15.4750%

CNX Gas Company LLC

Unit BC-118

Tract identifications

(58.74 Acre Unit)

4. E. P. Whited Heirs, Successors or Assigns - All Minerals except Coal in Red Ash Seam
Swords Creek Land Partnership Tr. 53 - Coal in Red Ash Seam
Knox Creek Coal Corporation - Tiller and Above Coal Leased (73%)
CNX Gas Company, LLC - Oil, Gas and CBM Leased (99.24%)
Unknown Surface Owner
0.66 acres 1.1236%

Exhibit E
Unit BC-118
Docket #VGOB 03-1118-1226-01
List of Respondents that require escrow
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #3, 9.09 acres</u>		
<i>Escrow due to Title Conflict</i>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.57 P.O. Box 29 Tazewell, VA 24651	9.09 acres	15.4750%
(OR)		
(1) A. Wayne Bostic, et al.	4.545 acres 1/2 of 9.09 acres	7.7375%
(a) A. Wayne & Rita C. Bostic P.O. Box 1 Swords Creek, VA 24649	1.515 acres 1/3 of 4.545 acres	2.5792%
(b) Robin Jones P.O. Box 220 Swords Creek, VA 24649	1.515 acres 1/3 of 4.545 acres	2.5792%
(c) Jeffery Bostic P.O. Box 220 Swords Creek, VA 24649	1.515 acres 1/3 of 4.545 acres	2.5792%
(2) Creola Blake Heirs, Devisees, Successors or Assigns Addresses Unknown	4.545 acres 1/2 of 9.09 acres	7.7375%
(OR)		
(1) A. Wayne Bostic, et al.	3.977 acres 7/16 of 9.09 acres	6.7703%
(a) A. Wayne & Rita C. Bostic P.O. Box 1 Swords Creek, VA 24649	1.326 acres 1/3 of 3.977 acres	2.2568%
(b) Robin Jones P.O. Box 220 Swords Creek, VA 24649	1.326 acres 1/3 of 3.977 acres	2.2568%
(c) Jeffery Bostic P.O. Box 220 Swords Creek, VA 24649	1.326 acres 1/3 of 3.977 acres	2.2568%
(2) Creola Blake Heirs, Devisees, Successors or Assigns Addresses Unknown	3.977 acres 7/16 of 9.09 acres	6.7703%
(3) Swords Creek Land Partnership, Tr.57 P.O. Box 29 Tazewell, VA 24651	1.136 acres 1/8 of 9.09 acres	1.9344%
<u>OIL & GAS OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.57 P.O. Box 29 Tazewell, VA 24651	9.09 acres	15.4750%

(OR)

Exhibit E
Unit BC-118
Docket #VGOB 03-1118-1228-01
List of Respondents that require escrow
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit
(1) A. Wayne Bostic, et al.	4.545 acres 1/2 of 9.09 acres	7.7375%
(a) A. Wayne & Rita C. Bostic P.O. Box 1 Swords Creek, VA 24649	1.515 acres 1/3 of 4.545 acres	2.5792%
(b) Robin Jones P.O. Box 220 Swords Creek, VA 24649	1.515 acres 1/3 of 4.545 acres	2.5792%
(c) Jeffery Bostic P.O. Box 220 Swords Creek, VA 24649	1.515 acres 1/3 of 4.545 acres	2.5792%
(2) Creola Blake Heirs, Devisees, Successors or Assigns <i>Addresses Unknown</i>	4.545 acres 1/2 of 9.09 acres	7.7375%
(OR)		
(1) A. Wayne Bostic, et al.	3.977 acres 7/16 of 9.09 acres	6.7703%
(a) A. Wayne & Rita C. Bostic P.O. Box 1 Swords Creek, VA 24649	1.326 acres 1/3 of 3.977 acres	2.2568%
(b) Robin Jones P.O. Box 220 Swords Creek, VA 24649	1.326 acres 1/3 of 3.977 acres	2.2568%
(c) Jeffery Bostic P.O. Box 220 Swords Creek, VA 24649	1.326 acres 1/3 of 3.977 acres	2.2568%
(2) Creola Blake Heirs, Devisees, Successors or Assigns <i>Addresses Unknown</i>	3.977 acres 7/16 of 9.09 acres	6.7703%
(3) Swords Creek Land Partnership, Tr.57 P.O. Box 29 Tazewell, VA 24651	1.136 acres 1/8 of 9.09 acres	1.9344%

Exhibit EE
Unit BC-118
Docket #VGOB 03-1118-1228-01
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1B, 5.81 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 29 Tazewell, VA 24651	5.81 acres	9.8910%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Dallas James Whited 1422 Long Branch Road Swords Creek, VA 24649	5.81 acres	9.8910%	n/a
<u>Tract #1C, 1.00 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.1 P.O. Box 29 Tazewell, VA 24651	1.00 acres	1.7024%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Luther E. Whited P.O. Box 266 Swords Creek, VA 24649	1.00 acres	1.7024%	9.9108% HB2058

1502267

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 11-16 2015. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 2:33 o'clock P M, after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to:

Sara Gilmer

TESTE: ANN S. McREYNOLDS, CLERK
BY: Jennifer Kendrick D. CLERK