

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: BA114

TRACT(S): 1B

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-03-1216-1243-02

APPLICANTS:

CNX Gas Company LLC on behalf of Daily Strouth Jr

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 03/29/2004, Recorded on 04/02/2004, Deed Book/Instrument No. 605, Page 845.
2. Modification Order -01 Executed 12/14/2004, Recorded on 12/15/2004, Deed Book/Instrument No. 622, Page 382.
3. Supplemental Order -01, Recorded on 03/14/2005, Deed Book/Instrument No. 627, Page 1.

NOTICE:

BOOK 0805 PAGE 0047

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

RELIEF GRANTED:

VGOB Disbursement
Unit BA114

VGOB-03-1216-1243-02

Table 1

Tracts: 1B

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				1.48270		
1B Tract 1B (total acreage)			0.8000					
1	1B	Daily Strouth Jr/48 Timber Lane Dr Honaker, VA 24260		0.8000	100.00%	0.8000	53.9556%	

Adjustment Comments:

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



Chairman, Bradley C. Lambert

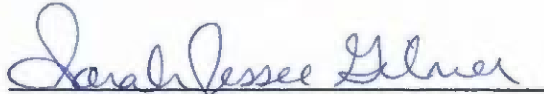
DONE AND PERFORMED this 23 day of June, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 23rd 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

1601285



VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 7-8, 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 9:33 o'clock A M, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to: Sally Ketron

TESTE: ANN S. McREYNOLDS, CLERK
BY: Sheila Ketron D. CLERK

BEFORE THE VIRGINIA GAS AND OIL BOARD**PETITIONER:** CNX Gas Company LLC**DIVISION OF GAS AND OIL****DOCKET NO:** VGOB 03-1216-1243-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1B (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: BA114**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) 1B as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Daily Howard Strouth, Jr.; (3) Dismissal of Coal Owner(s): CNX Gas Company LLC

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. Daily Howard Strouth, Jr is the gas claimant in Tracts 1B. As such Daily Howard Strouth, Jr 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 Daily Howard Strouth, Jr 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 MAPS
PROVIDED BY CONSOL INC. AND WERE NOT SURVEYED.

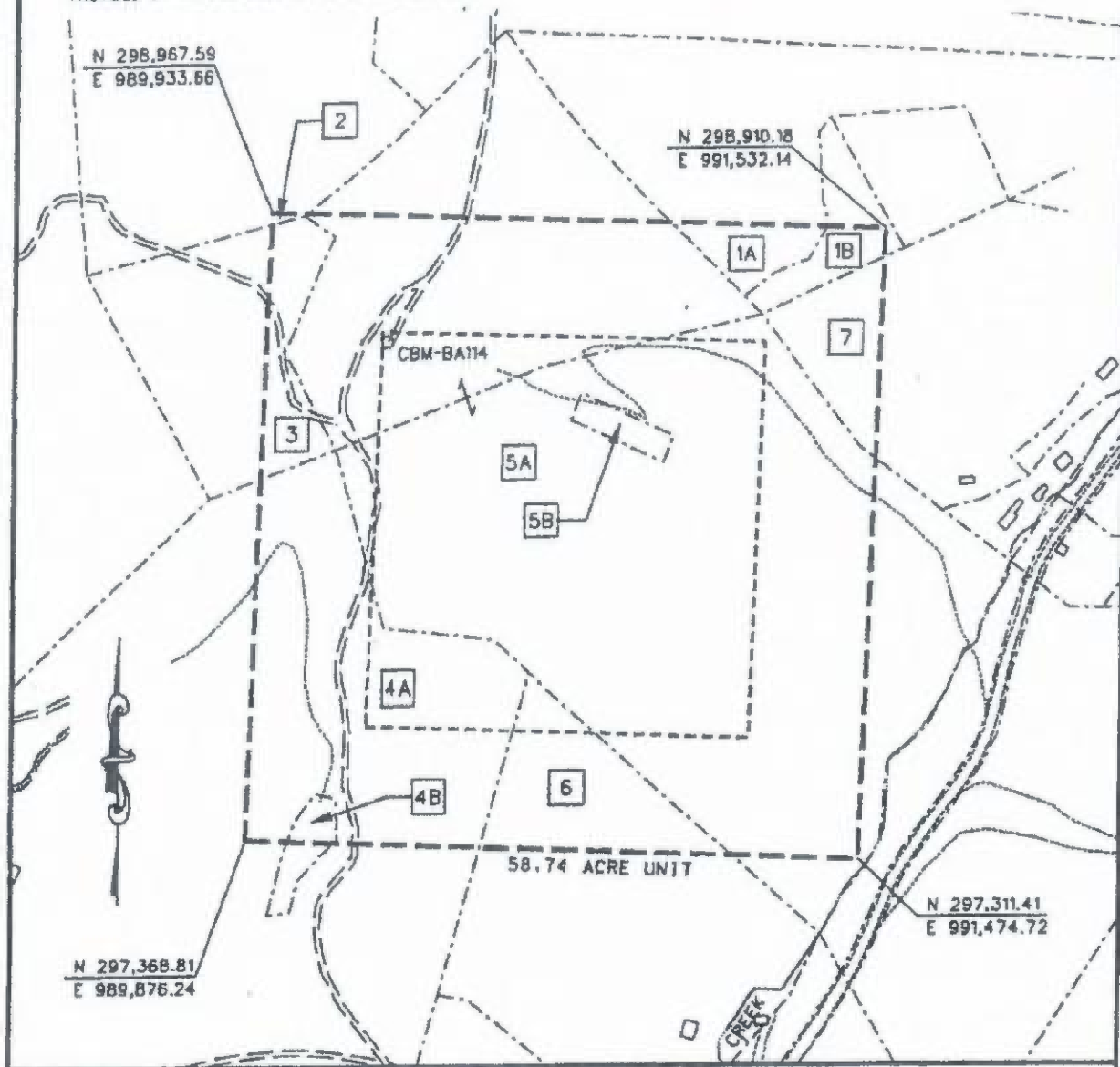
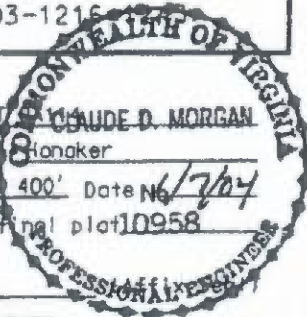


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT BA-114
FORCE POOLING
VGOB-03-1215

Company CNX Gas Company LLC Well Name and Number UNIT BA-114
 Tract No. _____ Elevation _____ Quadrangle Monaker
 County Russell District New Garden Scale: 1" = 400' Date 6/7/04
 This plat is a new plat X ; an updated plat _____ ; or a final plat 10958

Form DGD-GD-7
Rev. 9/91

Claude D. Morgan
Licensed Professional Engineer or Licensed Land Surveyor



CNX Gas Company LLC**Unit BA-114****Tract Identifications
(58.74 Acre Unit)**

1. **CNX Gas Company LLC - All Minerals**
1.75 acres 2.9792 %
- 1A. **CNX Gas Company LLC - Surface**
- 1B. **Dally Strouth - Surface**
2. **J. T. Helton Successors, et al. (70 Acre Tract) - All Coal Except for Pocahontas Coal**
J. T. Helton Successors, et al. - Pocahontas Coal
Arch Holland Dye or Successors, et al. - All Minerals except Coal
Margaret Lucille McGlothlin, et al. - Surface
0.04 acres 0.0681 %
3. **Barbara Foote, et al. (10 Acre Tract) - Fee**
Knox Creek Coal Company - Tiller Seam and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased (60%)
1.69 acres 2.8771 %
4. **David O. Kaylor, et al. - Coal**
Knox Creek Coal Company - Above Drainage Coal Leased
David O. Kaylor, et al. - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
10.88 acres 18.5223 %
- 4A. **David O. Kaylor, et al. - Surface**
- 4B. **Unknown Surface Owner (Cemetery)**
5. **David O. Kaylor, et al. - All Minerals**
Knox Creek Coal Company - Tiller Seam and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
39.15 acres 66.6496 %
- 5A. **Allen-D. Kestner, et ux. - Surface**
- 5B. **Unknown Surface Owner (Cemetery)**
6. **David O. Kaylor, et al. - Coal**
Knox Creek Coal Company - Above Drainage Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Lucy S. Dye - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
3.34 acres 5.6861 %

CNX Gas Company LLC
Unit BA-114
Tract Identifications
(58.74 Acre Unit)

7. **Swords Creek Land Partnership Tr. 16 - All Minerals**
Consolidation Coal Company - Below Tiller Coal Leased
Knox Creek Coal Company - Tiller Seam and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Daily Strouth - Surface
1.89 acres 3.2176 %

Exhibit E
Unit BA-114
Docket #VGOB 03-1216-1243-02
List of Respondents that require escrow
(58.74 Acre Unit)

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	Acres in Unit	Interest in Unit
<u>Tract #2, 0.04 acres</u>		
<i>Escrow due to Unknown/Unlocatable</i>		
<u>COAL OWNERSHIP</u>		
(1) J.T. Helton Heirs, Devisees, Successors or Assigns, et al. (70 Acre Tract)	0.04 acres	0.0681%
(a) J.T. Helton Heirs, Devisees, Successors or Assigns Address Unknown	0.0022 acres 5.56% of 0.04 acres	0.0038%
(b) Arch Holland Dye Heirs, Devisees, Successors or Assigns Address Unknown	0.0044 acres 11.11% of 0.04 acres	0.0076%
<u>OIL & GAS OWNERSHIP</u>		
(1) J.T. Helton Heirs, Devisees, Successors or Assigns, et al. (70 Acre Tract)	0.04 acres	0.0681%
(a) J.T. Helton Heirs, Devisees, Successors or Assigns Address Unknown	0.0022 acres 5.56% of 0.04 acres	0.0038%
(b) Arch Holland Dye Heirs, Devisees, Successors or Assigns Address Unknown	0.0044 acres 11.11% of 0.04 acres	0.0076%
<u>Tract #3, 1.69 acres</u>		
<i>Escrow due to Unknown/Unlocatable</i>		
<u>COAL OWNERSHIP</u>		
(1) Barbara Foote, et al. (10 Acre Tract)	1.69 acres	2.8771%
(d) E.P. Ferrell Address Unknown	0.68 acres 40.00% of 1.69 acres	1.1508%
<u>OIL & GAS OWNERSHIP</u>		
(1) Barbara Foote, et al. (10 Acre Tract)	1.69 acres	2.8771%
(d) E.P. Ferrell Address Unknown	0.68 acres 40.00% of 0.04 acres	1.1508%
Total Acres Remaining in Escrow:	0.6827	
Total Percentage Remaining in Escrow:		1.1622%

Exhibit EE
Unit BA-114
Docket #VGOB 03-1216-1243-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

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	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #1B, 0.80 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) CNX Gas Company LLC P. O. 643830 Pittsburgh, PA 15264-3830	0.80 acres	1.3619%	
<u>OIL & GAS OWNERSHIP</u>			
(1) Daily Strouth, Jr. 48 Timber Lane Drive Honaker, VA 24260	0.80 acres	1.3619%	53.8105% HB2058
<u>Tract #4, 10.88 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) David O. Kaylor, et al. (60 Acre Tract - 100% Coal - 6/9 O&G)	10.88 acres	18.5223%	
(a) W. Owen & Oreda Kaylor P.O. Box 1135 Bluefield, WV 24701 (Bad Address)	2.176 acres 1/5 of 10.88 acres	3.7045%	
(b) Charles W. & Margaret Kaylor 1 Eden Elm Place Woodland, TX 77381	2.176 acres 1/5 of 10.88 acres	3.7045%	n/a
(c) David O. & Karen Kaylor 1280 River Walk Ct. Charleston, SC 29492-2704	2.176 acres 1/5 of 10.88 acres	3.7045%	n/a
(d) Charles W. Kaylor, Trustee for Lewis H. Kaylor & Oreda Neel Kaylor 1 Eden Elm Place Woodland, TX 77381	2.176 acres 1/5 of 10.88 acres	3.7045%	n/a
(e) David O. Kaylor, Trustee for Lewis H. Kaylor & Oreda Neel Kaylor 1280 River Walk Ct. Charleston, SC 29492-2704	2.176 acres 1/5 of 10.88 acres	3.7045%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) David O. Kaylor, et al. (60 Acre Tract - 100% Coal - 6/9 O&G)	10.88 acres	18.5223%	
(a) W. Owen & Oreda Kaylor P.O. Box 1135 Bluefield, WV 24701 (Bad Address)	1.451 acres 2/15 of 10.88 acres	2.4696%	
(b) Charles W. & Margaret Kaylor 1 Eden Elm Place Woodland, TX 77381	1.451 acres 2/15 of 10.88 acres	2.4696%	n/a
(c) David O. & Karen Kaylor 1280 River Walk Ct. Charleston, SC 29492-2704	1.451 acres 2/15 of 10.88 acres	2.4696%	n/a

Exhibit EE
Unit BA-114
Docket #VGOB 03-1216-1243-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
(d) Charles W. Kaylor, Trustee for Lewis H. Kaylor & Oreda Neel Kaylor 1 Eden Elm Place Woodland, TX 77381	1.451 acres 2/15 of 10.88 acres	2.4696%	n/a
(e) David O. Kaylor, Trustee for Lewis H. Kaylor & Oreda Neel Kaylor 1280 River Walk Ct. Charleston, SC 29492-2704	1.451 acres 2/15 of 10.88 acres	2.4696%	n/a
(2) Cindy K Ball PO Box 1803 Honaker, VA 24260-1803	3.627 acres 1/3 of 10.88 acres	6.1741%	n/a

Tract #6, 3.34 acres

COAL OWNERSHIP

(1) David O. Kaylor, et al. (5.50 Acre Tract - Coal Only)	3.34 acres	5.6861%	
(a) W. Owen & Oreda Kaylor P.O. Box 1135 Bluefield, WV 24701 (Bad Address)	0.668 acres 1/5 of 3.34 acres	1.1372%	
(b) Charles W. & Margaret Kaylor 1 Eden Elm Place Woodland, TX 77381	0.668 acres 1/5 of 3.34 acres	1.1372%	n/a
(c) David O. & Karen Kaylor 1280 River Walk Ct. Charleston, SC 29492-2704	0.668 acres 1/5 of 3.34 acres	1.1372%	n/a
(d) Charles W. Kaylor, Trustee for Lewis H. Kaylor & Oreda Neel Kaylor 1 Eden Elm Place Woodland, TX 77381	0.668 acres 1/5 of 3.34 acres	1.1372%	n/a
(e) David O. Kaylor, Trustee for Lewis H. Kaylor & Oreda Neel Kaylor 1280 River Walk Ct. Charleston, SC 29492-2704	0.668 acres 1/5 of 3.34 acres	1.1372%	n/a

OIL & GAS OWNERSHIP

(1) Lucy Spencer Dye 149 Strouth Creek Swords Creek, VA 24649	3.34 acres	5.6861%	n/a
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Total Acres Resolved in Unit: 15.0200
Total Percentage Resolved in Unit: 25.5703%