

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: AW135

TRACT(S): 3B

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-04-0120-1248-03

APPLICANTS:

CNX Gas Company LLC on behalf of CNX Gas Company LLC, Coal Creek Coal Company,
Don Morris Smith

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia
June 21, 2016

APPEARANCES: Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 09/21/2004, Recorded on 09/23/2004, Deed Book/Instrument No.
922, Page 489.
2. Supplemental Order, Recorded on 03/14/2005, Deed Book/Instrument No. 935, Page 46.
3. Disbursement Order -01 Executed 10/18/2007, Recorded on 10/29/2007, Deed Book/Instrument
No. 1014, Page 117.
4. Disbursement Order -02. Recorded on 03/17/2009, Deed Book/Instrument No. 1049, Page 0444.

OK 2016 PG 10150

1813

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the June 21, 2016 hearing and considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 3B identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3B relative to the interests of the Applicants identified in the attached petition.
- (3) Close 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. Coal Creek Coal Company and Morris Don Smith have entered into royalty split agreement(s). Said royalty split agreement(s) allow the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE.
- b. CNX Gas Company LLC is the gas claimants in Tract 3B As such, 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.
- c. 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.
- d. 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.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. 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.
- g. 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 and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit AW135

VGOB-04-0120-1248-03

Table 1

Tracts: 3B

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				2.78000		
3B Tract 3B (total acreage)			2.7800					
1	3B	Coal Creek Coal Company\P.O. Box 323, Tazewell, VA 24651	3/4	2.0850	50.00%	1.0425	37.5000%	
2	3B	Don Morris Smith\PO Box 386, Richlands, VA 24641	3/4	2.0850	50.00%	1.0425	37.5000%	
3	3B	CNX Gas Company LLC\PO Box 643830, Canonsburg, PA 15264-3830	1/4	0.6950	100.00%	0.6950	25.0000%	

Adjustment Comments:

BK 2016 PD 10152

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



Chairman, Bradley C. Lambert

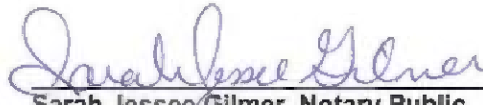
DONE AND PERFORMED this 24 day of June, 2016 by Order of the Virginia Gas and Oil Board.



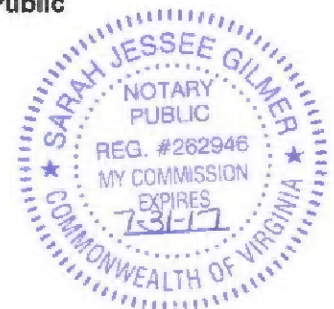
Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 24th 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



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 04-0120-1248-03

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 3B (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: June 21, 2016

DRILLING UNIT: AW135

TAZEWELL 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, attributable to Tract 3B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Coal Creek Coal Company, Morris Don Smith, & CNX Gas Company LLC; (3) Dismissal of Coal Owner: Coal Creek Coal Company.

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. Coal Creek Coal Company and Morris Don Smith have entered into royalty split agreement(s). Said royalty split agreement(s) allow the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE.
- b. CNX Gas Company LLC is the gas claimants in Tract 3B As such, 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.
- c. 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.
- d. 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.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. 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.
- g. 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 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.

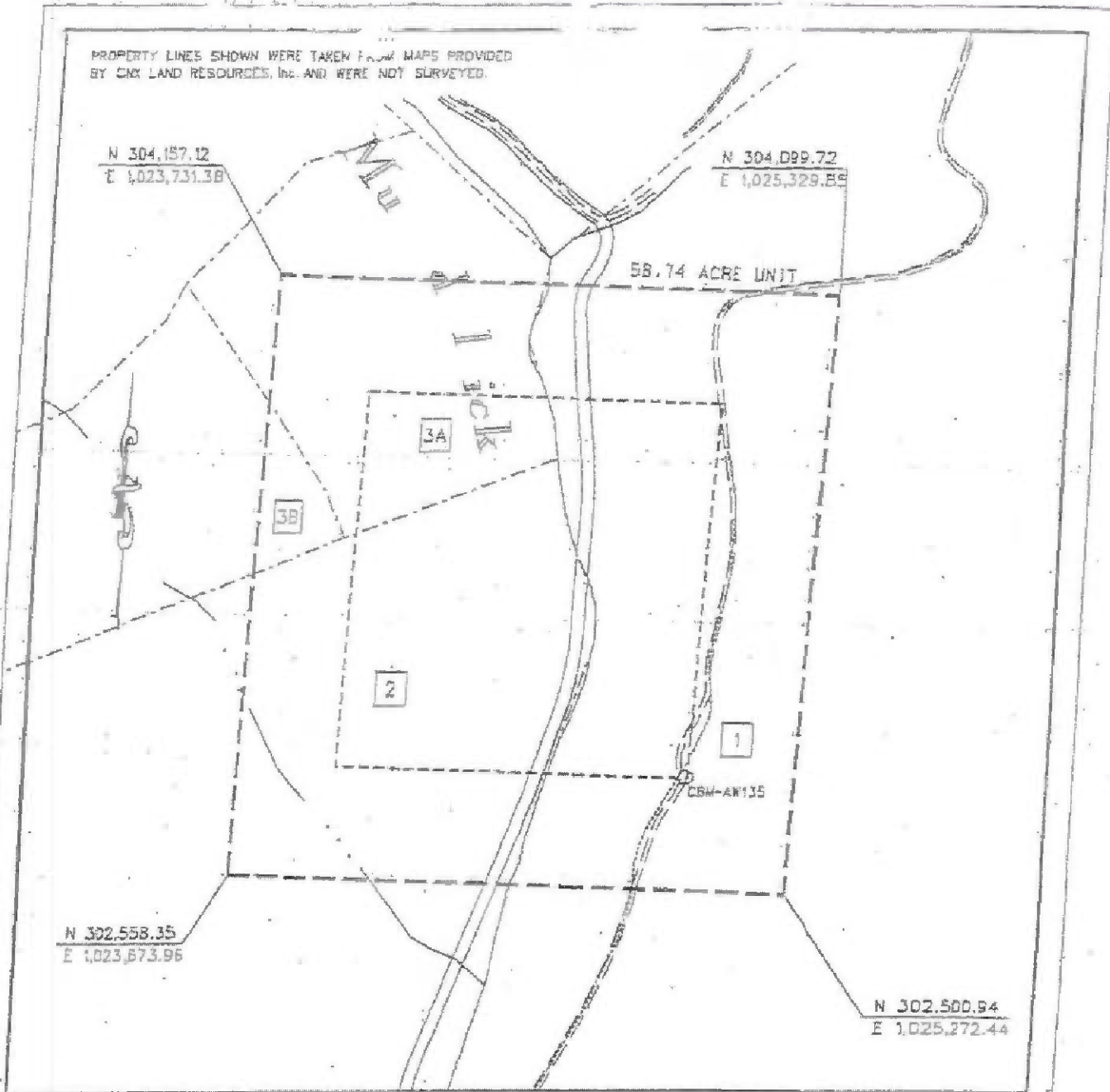


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT AW-135
FORCE POOLING
VCOB-04-0120-1248

Company CNX Gas Company LLC Well Name and Number UNIT AW135
 Tract No. _____ Elevation _____ Quadrangle Richlands
 County Tazewell District Maiden Springs Scale: 1" = 400'
 This plat is a new plat X ; on an updated plat _____ ; or a final plat _____

Form 260-GD-7

Keith A. Franklin

KEITH A. FRANKLIN
Professional Engineer or Licensed Land Surveyor

No. 028780

CNX Gas Company LLC

Unit AW-135

Tract Identifications

(58.74 Acre Unit)

1. Reserve Coal Properties Company (Harman-Huffman 1,031.53 Acre Tract) -
Tiller and Above Coal Seams
Mary A. Huffman, et al (13/60), Reserve Coal Properties Company (47/60) (Harman-
Huffman 1,031.53 Acre Tract) - Coal Below Tiller Seam Except P-3 Seam
CNX Gas Company LLC - CBM Leased
Mary A Huffman, et al (13/60), James W. Harman, Jr., et al. (47/60) (Harman-Huffman
1,031.53-Acre-Tract) -P-3-Seam
CNX Gas Company LLC - All Minerals except Coal
Reserve Coal Properties Company - Surface
(Tax Map 85 Parcel 18)
26.42 acres 44.9779%
2. Coal Creek Coal Company Tr. 3 (Robert D. Smith 620 Acre Tract) - Coal
Reserve Coal Properties Company - All Coal Leased
Knox Creek Coal Company - Tiller Seam Sublessee
CNX Gas Company LLC - Oil, Gas and CBM Leased
Emma Jean Vance - Surface and All Minerals except Coal
(Tax Map 85 Parcel 39)
17.12 acres 29.1454%
- 3A. Coal Creek Coal Company Tr. 1 (Alex P. McGlothlin 180 Acre Tract) - Coal
Reserve Coal Properties Company - All Coal Leased
Knox Creek Coal Company - Tiller Seam Sublessee
CNX Gas Company LLC - CBM Leased
Mary A. Huffman, et al - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
(Tax Map 85 Parcel 39)
12.42 acres 21.1440%
- 3B. Coal Creek Coal Company Tr. 1 (Alex P. McGlothlin 180 Acre Tract) - Coal
Reserve Coal Properties Company - All Coal Leased
Knox Creek Coal Company - Tiller Seam Sublessee
CNX Gas Company LLC - CBM Leased
Goldie M. Smith Miller, et al - Surface and All Minerals except Coal
(Tax Map 85 Parcel 19)
2.78 acres 4.7327%

002016 PG 10159

Exhibit E
Unit AW-135
Docket #VGOB 04-0120-1248-03
List of Respondents that require escrow
(58.74 Acre Unit)

Acres in Unit	Interest In Unit	Percent of Escrow
Escrowing no longer required		

Exhibit EE
Unit AW-135
Docket #VGOB 04-0120-1248-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

BK 2016 PG 10160

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1, 26.42 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Mary Huffman, et al. (Harman-Huffman Heirs 1,031.53 ac. tract)	26.42 acres	44.9779%	
<i>(Coal below Tiller Seam exc. P3)</i>			
(a) Mary A. Huffman P. O. Box 926 Richlands, VA 24641	1.91 acres 13/180 of 26.42 acres	3.2484%	n/a
(b) James W. Huffman c/o Mary A. Huffman P. O. Box 926 Richlands, VA 24641	1.27 acres 13/270 of 26.42 acres	2.1656%	n/a
(c) Jacob H. & Dana Huffman, III P.O. Box 9 McGuady, KY 40153	1.27 acres 13/270 of 26.42 acres	2.1656%	n/a
(d) A&R Holdings, Inc.			
(d.1) Anna Elizabeth Byrd White 1054 Anna Knapp Blvd., Apt. 20D Mt. Pleasant, SC 29464	0.64 acres 13/540 of 26.42 acres	1.0828%	n/a
(d.2) Randal Wayne White, Jr. 547 Tanglewood Dr. Glade Spring, VA 24340	0.64 acres 13/540 of 26.42 acres	1.0828%	n/a
(2) Reserve Coal Properties P. O. Box 947 Bluefield, VA 24605	20.70 acres 47/60 of 26.42 acres	35.2327%	n/a
<i>(P3 Seam Only)</i>			
(1) Mary Huffman & James W. Harman, Jr., et al. (Harman-Huffman Heirs 1,031.53 ac. tract)	26.42 acres	44.9779%	
(a) James W. Harman Jr. Heirs, Devisees, Successors or Assigns (47/420) (Interest devised equally to James W. Harman, III and Jonathan H. Harman)			
(a.1) James W. Harman, III 1206 Medley Valley Rd. Tazewell, VA 24651	1.48 acres 47/840 of 26.42 acres	2.5166%	n/a
(a.2) Jonathan H. Harman 2727 Mountain View Bluefield, VA 24701	1.48 acres 47/840 of 26.42 acres	2.5166%	n/a
(b) S. Laird Harman Heirs, Devisees, Successors or Assigns (47/420)			
(b.1) The Estate of Samuel L. Harman P.O. Box 738 Riner, VA 24149	2.98 acres 47/420 of 26.42 acres	5.0332%	n/a

Exhibit EE
Unit AW-135

Docket #VGOB 04-0120-1248-03

List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

2016 PG 10161

	Acres In Unit	Interest in Unit	Percent of Escrow
(c) Bettie H. St Clair 104 Dial Rock Rd. N. Tazewell, VA 24630	2.96 acres 47/420 of 26.42 acres	5.0332%	n/a
(d) The Estate of Minnie E. Harman, Inc. c/o Bettie H. St Clair P. O. Box 631 Tazewell, VA 24651	2.96 acres 47/420 of 26.42 acres	5.0332%	n/a
(e) Evelyn H. Harman Heirs, Devisees, Successors or Assigns			
(e.1) James W. Harman, III 1206 Medley Valley Rd. Tazewell, VA 24651 <i>(Inherited an additional interest from his father, along with what he already owned.)</i>	1.48 acres 47/840 of 32.50 acres	2.5166%	n/a
(e.2) Jonathan H. & Patricia Harman 2727 Mountain View Bluefield, VA 24701 <i>(Inherited an additional interest from his father, along with what he already owned.)</i>	1.48 acres 47/840 of 32.50 acres	2.5166%	n/a
(f) James W. Harman, III 1206 Medley Valley Rd. Tazewell, VA 24651 <i>(Inherited an additional 47/480 interest from his father, along with what he already owned.)</i>	2.96 acres 47/420 of 26.42 acres	5.0332%	n/a
(g) Jonathan H. & Patricia Harman 2727 Mountain View Bluefield, VA 24701 <i>(Inherited an additional 47/480 interest from his father, along with what he already owned.)</i>	2.96 acres 47/420 of 26.42 acres	5.0332%	n/a
(h) Mary A. Huffman P. O. Box 926 Richlands, VA 24641 <i>(Life Estate)</i>	1.91 acres 13/180 of 26.42 acres	3.2484%	n/a
(i) James W. Huffman c/o Mary A. Huffman P. O. Box 926 Richlands, VA 24641	1.27 acres 13/270 of 26.42 acres	2.1656%	n/a
(j) Jacob H. & Dana Huffman, III P.O. Box 9 McGuady, KY 40153	1.27 acres 13/270 of 26.42 acres	2.1656%	n/a
(d) A&R Holdings, Inc.			
(k) Anna Elizabeth Byrd White 1054 Anna Knapp Blvd., Apt. 20D Mt. Pleasant, SC 29464	0.64 acres 13/540 of 26.42 acres	1.0828%	n/a
(l) Randal Wayne White, Jr. 547 Tanglewood Dr. Glade Spring, VA 24340	0.64 acres 13/540 of 26.42 acres	1.0828%	n/a

Note: Per Agreement effective 7/1/2010 all parties have agreed to divide the royalty into 4 equal shares, with 1 share divided between Randal White, Jr. and Anna Byrd White. The fractional interest listed above reflects ownership.

Exhibit EE
Unit AW-135
Docket #VGOB 04-0120-1248-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

EX 2016 PG 10162

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>OIL & GAS OWNERSHIP</u>			
(1) CNX Gas Company LLC 2481 John Nash Blvd. Bluefield, WV 24701	26.42 acres	44.9779%	n/a
<u>Tract #2, 17.12 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 P.O. Box 323 Tazewell, VA 24651	17.12 acres	29.1454%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Emma Jean Vance Heirs, Devisees, Successors or Assigns			
(a) Kenneth Anders P.O. Box 558 Doran, VA 24612	17.12 acres	29.1454%	n/a
<u>Tract #3A, 12.42 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.1 P.O. Box 323 Tazewell, VA 24651	12.42 acres	21.1440%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Mary Huffman, et al. (30 Acre Tract)	12.42 acres	21.1440%	
(a) Mary Huffman P. O. Box 926 Richlands, VA 24641	4.14 acres 1/3 of 12.42 acres	7.0480%	n/a
(b) James W. Huffman c/o Mary A. Huffman P. O. Box 926 Richlands, VA 24641	2.76 acres 2/9 of 12.42 acres	4.6987%	n/a
(c) Jacob H. & Dana Huffman, III P.O. Box 9 McGuady, KY 40153	2.76 acres 2/9 of 12.42 acres	4.6987%	n/a
(d) A&R Holdings, Inc.			
(d 1) Anna Elizabeth Byrd White 1054 Anna Knapp Blvd., Apt 20D Mt. Pleasant, SC 29464	1.38 acres 1/9 of 12.42 acres	2.3493%	n/a
(d 2) Randal Wayne White, Jr. 547 Tanglewood Dr. Glade Spring, VA 24340	1.38 acres 1/9 of 12.42 acres	2.3493%	n/a

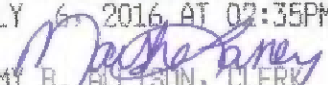
Note: Per Agreement effective 7-1-2010 all parties have agreed to divide the royalty into 4 equal shares, with 1 share divided between Randal White, Jr. and Anna Byrd White. The fractional interest listed above reflects ownership.

OK 2016 PM 10163

Exhibit EE
Unit AW-135
Docket #VGOB 04-0120-1248-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Acres In Unit	Interest in Unit	Percent of Escrow	
<u>Tract #3B, 2.78 acres</u>				
<u>COAL OWNERSHIP</u>				
(1) Coal Creek Coal Company, Tr.1 P.O. Box 323 Tazewell, VA 24651	2.78 acres	4.7327%	37.5000%	-50%
<u>OIL & GAS OWNERSHIP</u>				
Goldie Miller Heirs, Devisees, Successors or Assigns, et al. (27.50 Acre Tract)	2.78 acres	4.7327%		
(1) Don Morris Smith PO Box 386 Richlands, VA 24641	2.09 acres 3/4 of 2.78 acres	3.5495%	37.5000%	-50%
(2) CNX Gas Company, LLC PO Box 643830 Canonsburg, PA 15264-3830	0.70 acres 1/4 of 2.78 acres	1.1832%	25.0000%	HB2058

Title Conflict removed due to recent case law and updated title opinion dated 4/4/2016

INSTRUMENT #1600001873
RECORDED IN THE CLERK'S OFFICE OF
TAEWELL COUNTY ON
JULY 6, 2016 AT 02:35PM

TAMMY B. ALLISON, CLERK
RECORDED BY: MLT