

BEFORE THE VIRGINIA GAS AND OIL BOARD

**RELIEF
SUGHT:**

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)

UNIT/WELL NAME: BA99

TRACT(S): 1D, 1F

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-04-0120-1252-02

APPLICANTS:

CNX Gas Company LLC on behalf of Clara Dollie Austin, Harrison-Wyatt LLC, Jimmy Lee Harris

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia ☐
April 21, 2015

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. 603, Page 160.
2. Supplemental Order Executed 03/08/2005, Recorded on 03/14/2005, Deed Book/Instrument No. 613, Page 806.
3. Modification Order -01 Executed 09/18/2012, Recorded on 10/26/2012, Deed Book/Instrument No. 120002459.
4. Supplemental Order -01, Recorded on 04/23/2013, Deed Book/Instrument No. 130000675.

NOTICE:

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The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the April 21, 2015 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) 1D, 1F identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1D, 1F 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

Applicant has certified and represented to the Board that:

(a) Jimmy Lee Harris is entitled to 100% of the CBM royalties awarded under Case No. 335-11, Opinion dated February 5, 2015. Said decision allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1 specifies how said royalties are to be paid. □

Harrison-Wyatt, L.L.C. and Clara Dollie Austin have entered into a CBM Deed. Said deed allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be divided and paid

RELIEF GRANTED:

VGOB Disbursement
Unit BA99

VGOB-04-0120-1252-02

Table 1
Tracts: 1D, 1F

Item	Tract	Disbursement Table
		Total acreage in escrow before disbursement
		29.35000

1D		Tract 1D (total acreage)	10.78			
1	1D	Jimmy Lee Harris\1700 Township Rd. 11, Brickhaven, OH 43006		10.7800	100.00%	36.7291%

1F Tract 1F (total acreage)

12.38

1	1F	Harrison-Wyatt LLC PO Box 11000, Danville, VA 24543			12.3800	50.00%	6.1900	21.0903%
2	1F	Clara Dollie Austin\1064 Snoopy Lane Honaker, VA 24260			12.3800	50.00%	6.1900	21.0903%

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.

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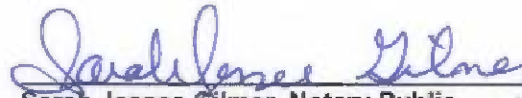
DONE AND EXECUTED this 4 day of May, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 4th day of May, 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

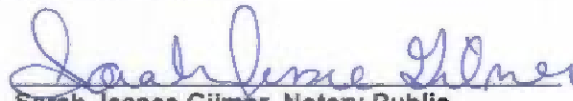
DONE AND PERFORMED this 5 day of May, 2015 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 5th day of May, 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

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 04-0120-1252-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM
 ESCROW REGARDING TRACT(S) 1D, 1F
 (2) AND AUTHORIZATION FOR DIRECT
 PAYMENT OF ROYALTIES

HEARING DATE: April 21, 2015

DRILLING UNIT: BA99

BUCHANAN 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 Tracts 1D & 1F to the persons identified in the Table using the percentages set forth in the Table; and (2) dismissal of coal owner(s)/claimant(s) named in the Notice of Hearing and identified in Exhibit B2 who were pooled by the Board as conflicting claimants.

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) Jimmy Lee Harris is entitled to 100% of the CBM royalties awarded under Case No. 335-11, Opinion dated February 5, 2015. Said decision allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1 specifies how said royalties are to be paid. □

Harrison-Wyatt, L.L.C. and Clara Dollie Austin have entered into a CBM Deed. Said deed allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be divided and paid

6. Attestation

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

Property lines shown on this plat were provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.

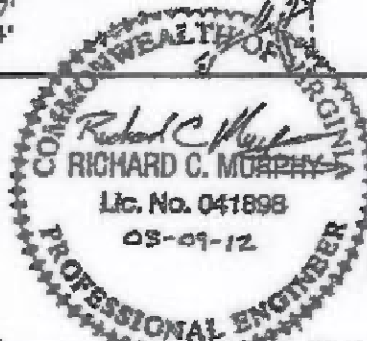
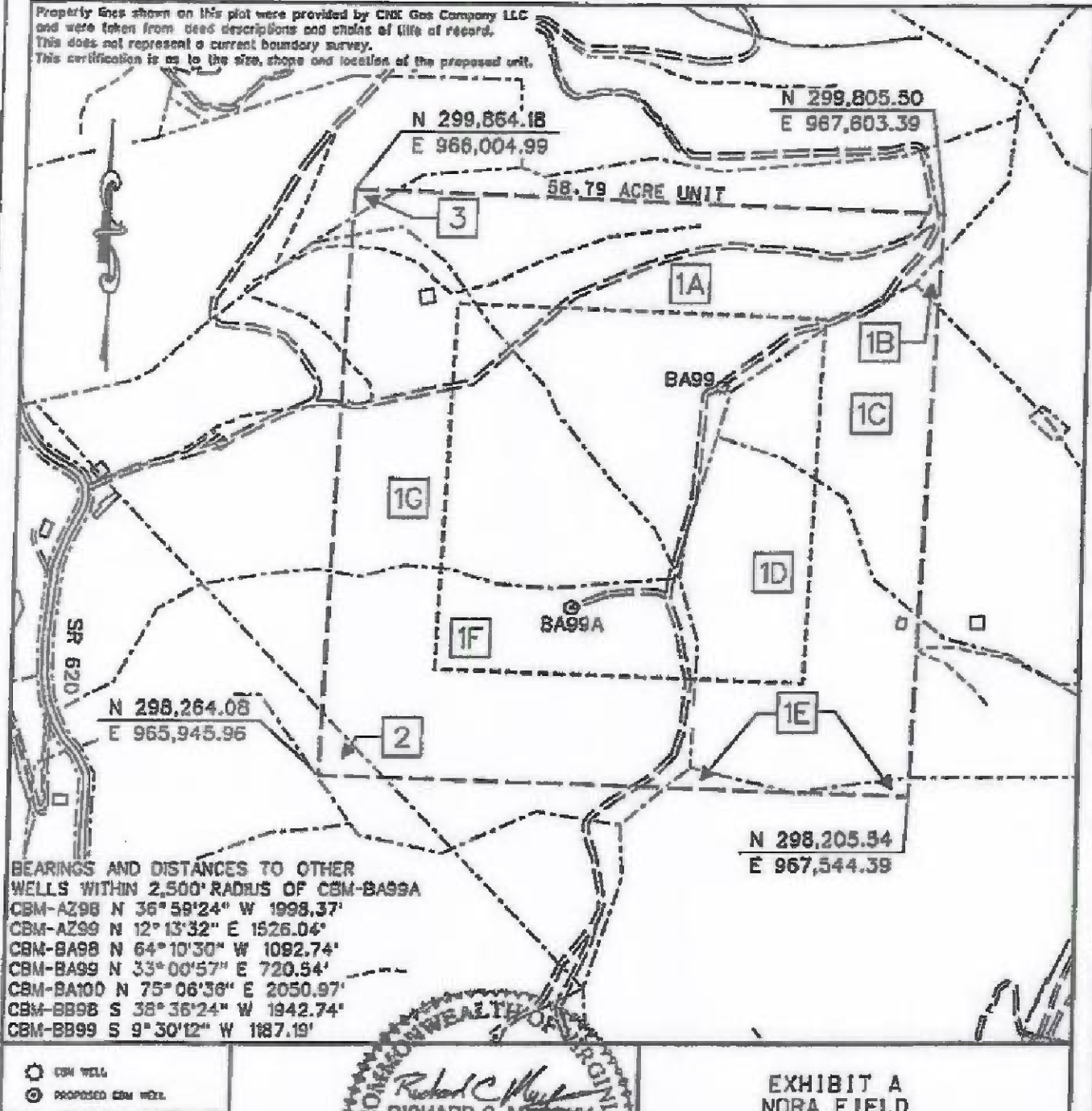


EXHIBIT A
NORA FIELD
UNIT BA99
FORCE POOLING
VGOB-04-0120-1252-01

Company CNX Gas Company LLC Well Name and Number UNIT BA99

Tract No. _____ Elevation _____ Quadrangle BIG A MOUNTAIN

County BUCHANAN District HURRICANE Scale: 1" = 400' Date _____

This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91

Richard C. Murphy
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

REVISION

CNX Gas Company LLC

Unit BA 99

Tract Identification

(58.79 Acre Unit)

- 1A. Harrison - Wyatt, LLC Oxy Tr. 4; ICCO Tr. 816 (1575.5 Acre Tract) - Coal
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
CNX Gas Company LLC - CBM Leased
Velma Carol James - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
15.84 Acres 26.9434%
- 1B. Harrison - Wyatt, LLC Oxy Tr. 4; ICCO Tr. 816 (1575.5 Acre Tract) - Coal
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
CNX Gas Company LLC - CBM Leased
Harrison - Wyatt, LLC - CBM (50%)
CNX Gas Company LLC - CBM Leased
Elizabeth McGlothlin - Surface, Oil and Gas
Elizabeth McGlothlin - CBM (50%)
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.11 Acres 0.1871%
- 1C. Harrison - Wyatt, LLC Oxy Tr. 4; ICCO Tr. 816 (1575.5 Acre Tract) - Coal
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
CNX Gas Company LLC - CBM Leased
Shirley H. Hess - Surface and All Minerals except Coal
6.19 Acres 10.5290%
- 1D. Harrison - Wyatt, LLC Oxy Tr. 4; ICCO Tr. 816 (1575.5 Acre Tract) - Coal
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
CNX Gas Company LLC - CBM Leased
Jimmy L. Harris - Surface, Oil and Gas
10.78 Acres 18.3365%
- 1E. Harrison - Wyatt, LLC Oxy Tr. 4; ICCO Tr. 816 (1575.5 Acre Tract) - Coal
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
Harrison - Wyatt, LLC - CBM (50%)
CNX Gas Company LLC - CBM Leased
Lowery R. Childress, et al - Oil and Gas
Lowery R. Childress, et al - CBM (50%)
CNX Gas Company LLC - Oil, Gas and CBM Leased
Lowery R. Childress - Surface,
0.42 Acres 0.7144%
- 1F. Harrison - Wyatt, LLC Oxy Tr. 4; ICCO Tr. 816 (1575.5 Acre Tract) - Coal
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
CNX Gas Company LLC - CBM Leased
Curtis Austin, et ux - Surface, Oil and Gas
CNX Gas Company LLC - Oil, Gas and CBM Leased
12.38 Acres 21.0580%

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

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REVISION

CNX Gas Company LLC

Unit BA 99

Tract Identification

(58.79 Acre Unit)

- 1G. Harrison - Wyatt, LLC Oxy Tr. 4; ICCO Tr. 818 (1575.5 Acre Tract) - Coal
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
CNX Gas Company LLC - CBM Leased
Velma Carol James - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
12.52 Acres 21.4652%
2. Harrison - Wyatt, LLC Oxy Tr. 13; ICCO Tr. 818 (154.00 Acre Tract) - All Minerals
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Curtis Austin, et ux - Surface
0.35 Acres 0.6953%
3. Harrison - Wyatt, LLC Oxy Tr. 8; ICCO Tr. 817 (73.00 Acre Tract) - All Minerals
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Edwin McGlothlin, et al - Surface
0.10 Acres 0.1701%

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

Exhibit E
Unit BA-99
Docket# VGOB 04-0120-1252-02
List of Owners In escrow
(58.79 Acre Unit)

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	Acres in Unit	Percent of Unit
<u>Tract #1C - 6.19 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Harrison-Wyatt, L.L.C. (Oxy Tr.4) ICCC Tr. 816 P.O. Box 11000 Danville, VA 24543 (1575.5 Acre Tract)	6.19 acres	10.5290%
<u>OIL & GAS OWNERSHIP</u>		
(1) Shirley H. Hess 71 Ash St. Honaker, VA 24260	6.19 acres	10.5290%

Exhibit EE
Unit BA-99
Docket# VGOB 04-0120-1252-02
List of Respondents with Royalty Split Agreements and/or Court Orders
(59.79 Acre Unit)

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	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #1A - 15.84 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, L.L.C. (Oxy Tr.4) ICCC Tr. 816 P.O. Box 11000 Danville, VA 24543 (1575.5 Acre Tract)	15.84 acres	26.9434%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Velma Carol James 4565 Old Grissom Creek Rd. Honaker, VA 24260	15.84 acres	26.9434%	n/a
<u>Tract #1B - 0.11 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, L.L.C. (Oxy Tr.4) ICCC Tr. 816 P.O. Box 11000 Danville, VA 24543 (1575.5 Acre Tract)	0.11 acres	0.1871%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Elizabeth McGlothlin Heirs, Devisees, Successors or Assigns	0.11 acres	0.1871%	
(1.0) Ruben Harris Heirs, Devisees, Successors or Assigns			
(2.0) Myrtle Ruth Harris Heirs, Devisees, Successors or Assigns			
(2.1) Elizabeth McGlothlin Heirs, Devisees, Successors or Assigns			
(2.1.1) Dallas McGlothlin	Conveyed 4/16/2012 to Roger and Melissa Baldwin (Instrument # 12C)		
(2.1.1.1) Roger Baldwin P.O. Box 1146 Honaker, VA 24260	0.06 acres 1/2 of 0.11 acres	0.0936%	n/a
(2.1.1.2) Melissa Maxfield PO Box 1265 Honaker, VA 24260	0.06 acres 1/2 of 0.11 acres	0.0936%	n/a
<u>Tract #1D - 10.78 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, L.L.C. (Oxy Tr.4) ICCC Tr. 816 P.O. Box 11000 Danville, VA 24543 (1575.5 Acre Tract)	10.78 acres	18.3365%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Jimmy L. Harris 1700 Township Rd 11 Brinkhaven, OH 43006	10.78 acres	18.3365%	36.7291%
Prevailing plaintiff under Case No. 335-11 Awarded 100% of the CBM royalty.			

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Exhibit EE
Unit BA-99
Docket# VGOB 04-0120-1252-02
List of Respondents with Royalty Split Agreements and/or Court Orders
(58.79 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #1E - 0.42 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, L.L.C. (Oxy Tr.4) IOCC Tr. 816 P.O. Box 11000 Danville, VA 24543 (1575.5 Acre Tract)	0.42 acres	0.7144%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Lowery R. Childress, et al	0.42 acres	0.7144%	
(a) Lowery R. Childress 2371 Nance White Branch Rd. Honaker, VA 24260	0.21 acres 1/2 of 0.42 acres	0.3572%	n/a
(b) Velma A. Childress PO Box 2864 Lebanon, VA 24266	0.21 acres 1/2 of 0.42 acres	0.3572%	n/a
<u>Tract #1F - 12.38 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, L.L.C. (Oxy Tr.4) IOCC Tr. 816 P.O. Box 11000 Danville, VA 24543 (1575.5 Acre Tract)	12.38 acres	21.0580%	21.0903%
<u>OIL & GAS OWNERSHIP</u>			
(1) Curtis Austin Heirs, Devisees, Successors or Assigns			
(a) Clara Dollie Austin 1064 Snoopy Lane Honaker, VA 24260	12.38 acres	21.0580%	21.0903%
<u>Tract #1G - 12.62 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, L.L.C. (Oxy Tr.4) IOCC Tr. 816 P.O. Box 11000 Danville, VA 24543 (1575.5 Acre Tract)	12.62 acres	21.4662%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Velma Carol James 4565 Old Grissom Creek Rd. Honaker, VA 24260	12.62 acres	21.4662%	n/a
Total Acreage Resolved		52.1500	
Total Percentage Resolved		88.7056%	

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VIRGINIA: IN THE CIRCUIT COURT OF BUCHANAN COUNTY

JIMMY LEE HARRIS,

Plaintiff

vs.

HARRISON-WYATT, LLC,

Defendant

Case No. 335-11

FINAL ORDER ENTERING JUDGMENT

Upon the motion of Defendant, Harrison-Wyatt, LLC, for entry of judgment, it is; **Adjudged, Ordered and Decreed** that the Defendant, Harrison-Wyatt, LLC, is not the owner of the coal-bed methane gas within the following tracts within the below named and described units permitted pursuant to the Virginia Gas and Oil Act, Va. Code Ann. § 45.1-361.1 et seq.:

- a. From Unit BA-99, Forced Pooling Supplemental Order, Entered March 8, 2005, Regarding Docket No. VGOB-04-120-1252, Tract 1(D) of Exhibit A (BOOK 0613 PAGE 0810) to the order, 10.78 acres; and,

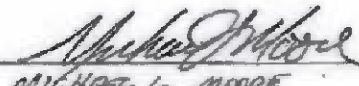
- b. From Unit BA100, Forced Pooling Supplemental Order, Entered March 8, 2005, Regarding Docket No. VGOB-03-0916-1189, Tract 1(G) of Exhibit A (BOOK 0614, pg 0199) to the order, 4.08 acres.

The above described tracts within the named units are referred to in this Order as the ("Subject Properties").

It is further; **Adjudged, Ordered and Decreed** that the Defendant, Harrison-Wyatt, LLC is not entitled to any royalties relating to the extraction of coal-bed methane gas by CNX Gas, LLC from the Subject Properties, and that it is not a conflicting claimant to the ownership of the CBM or the production royalties as identified in submissions made to, and orders entered by, the Virginia Gas and Oil Board with respect to the Subject Properties.

The Defendant's motion for a bill of particulars and demurrer are denied. All other claims asserted by either party against the other are denied, and this action is stricken from the docket of this Court with prejudice to the Plaintiff and Defendant as to any such other claims.

ENTER: This, the 5th day February, 2015.

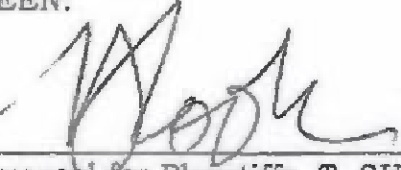

MICHAEL L. MOORE
~~HEARY R. WILLIAMS~~, JUDGE

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REQUESTED:


Counsel for Defendant, HARRISON-WYATT, LLC

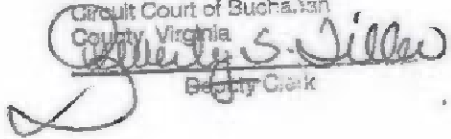
SEEN:


Counsel for Plaintiffs, T. SHEA COOK, ESQ.

INSTRUMENT #150000806
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MAY 18, 2015 AT 03:50PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB

A Copy
Tested: Beverly S. Tiller, Clerk
Circuit Court of Buchanan
County, Virginia


Beverly S. Tiller
Beverly Clerk