

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: BA99

TRACT(S): 1C

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-04-0120-1252-03

APPLICANTS:

CNX Gas Company LLC on behalf of Shirley J. 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 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.

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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.
- (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) 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:

Shirley J. Hess (aka Shirley H. Hess) 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.

RELIEF GRANTED:

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DONE AND EXECUTED this 17 day of September, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 17 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 17th 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 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 04-0120-1252-03**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:** 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 of Tract(s) 1C as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to the parties per House Bill 2058; Shirley Hess

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

Shirley J. Hess (aka Shirley H. Hess) 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.

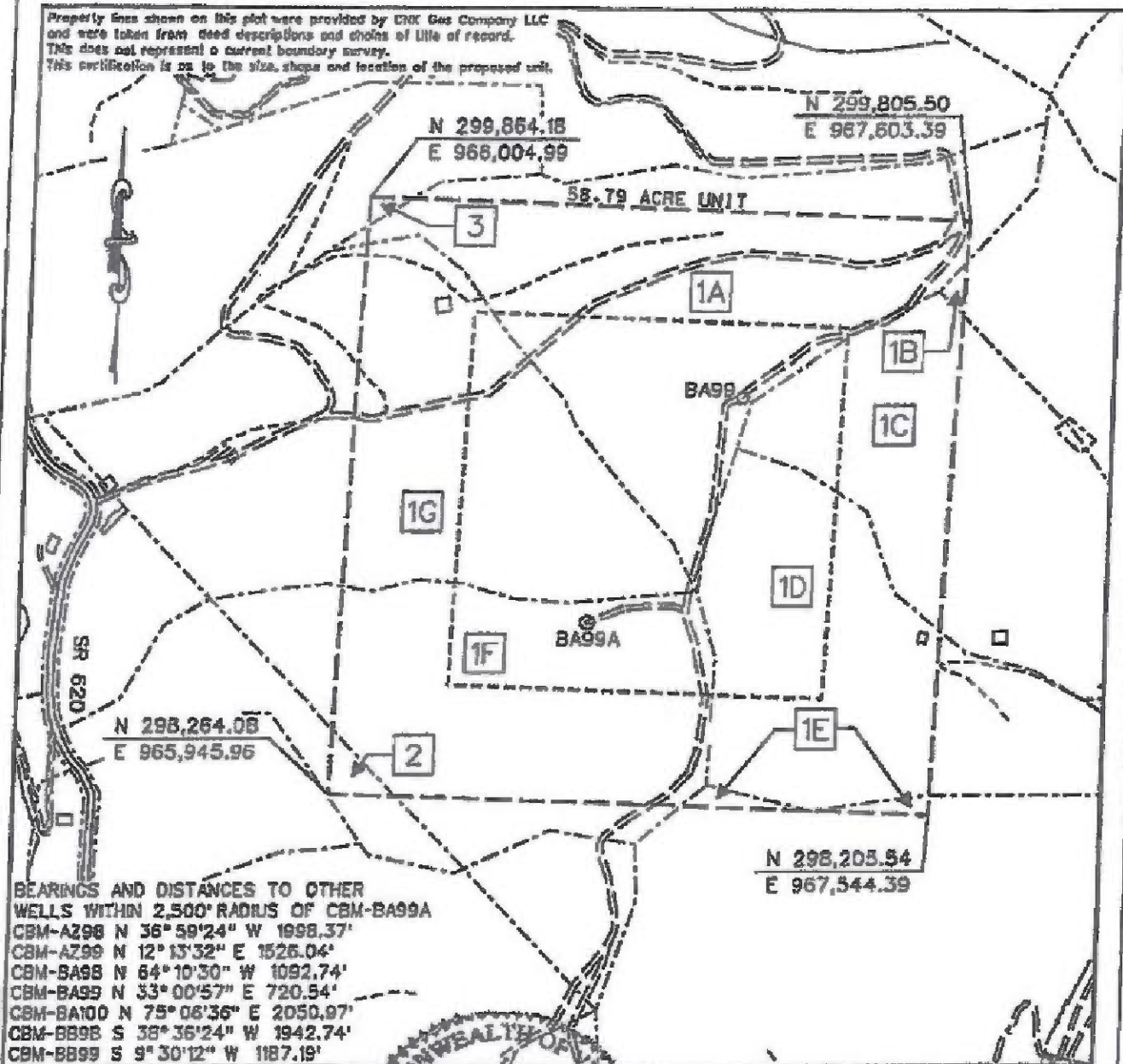
There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

6. Attestation

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

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Property lines shown on this plot 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.



BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CBM-BA99A
 CBM-AZ98 N 36° 59' 24" W 1998.37'
 CBM-AZ99 N 12° 13' 32" E 1526.04'
 CBM-SA98 N 64° 10' 30" W 1092.74'
 CBM-BA99 N 33° 00' 57" E 720.54'
 CBM-BA100 N 75° 06' 36" E 2050.97'
 CBM-BB98 S 38° 36' 24" W 1942.74'
 CBM-BB99 S 9° 30' 12" W 1187.19'

- CBM WELL
- ⊙ PROPOSED CBM WELL

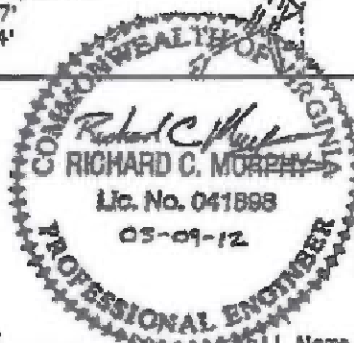


EXHIBIT A
 NORA FIELD
 UNIT BA99
 FORCE POOLING
 VGOB-04-0120-1252-01

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 plot is a new plot X ; an updated plot _____ ; or a final plot _____

Form D60-GD-7
 Rev. 9/91

Richard C. Murphy

(Affix Seal)

Licensed Professional Engineer or Licensed Land Surveyor

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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 10.5280%
- 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 18.3265%
- 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 21.0680%

(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.)

REVISION

CNX Gas Company LLC**Unit BA 99****Tract Identification****(98.79 Acre Unit)**

- 1G. Harrison - Wyatt, LLC Oxy Tr. 4; ICCO Tr. 816 (1576.5 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
 12.62 Acres 21.4662%
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 0.5953%
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 04-0120-1252-03
List of Owners In escrow
(58.79 Acre Unit)

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Percent
of Unit

Acres in Unit

Escrowing not required

Exhibit EE
Unit BA-99
Docket# VGOB 04-0120-1252-03
List of Respondents with Royalty Split Agreements / Court Orders / HB2058
(58.79 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) Valma 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 4/18/2012 to Roger and Melissa Baldwin (Instrument # 120		
(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 #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%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Shirley J. Hess (aka Shirley H. Hess) 71 Ash St. Honaker, VA 24260	6.19 acres	10.5290%	100.0000% HB2058
<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	18.3385%	n/a

Exhibit EE
Unit BA-99
Docket# VGOB 04-0120-1252-03
List of Respondents with Royalty Split Agreements / Court Orders / HB2058
(58.79 Acre Unit)

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	Acres in Unit	Percent of Unit	Percent of Escrow
<u>OIL & GAS OWNERSHIP</u>			
(1) Jimmy L. Harris 1700 Township Rd 11 Brinkhaven, OH 43006	10.78 acres	18.3365%	n/a
<i>Prevailing plaintiff under Case No. 335-11 Awarded 100% of the CBM royalty.</i>			
<u>Tract #1E - 0.42 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)	0.42 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) ICCC Tr. 816 P.O. Box 11000 Danville, VA 24543 (1575.5 Acre Tract)	12.38 acres	21.0580%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Curtis Austin Heirs, devisees, Successors or Assigns			
(a) Clare Dollie Austin 1064 Snoopy Lane Honaker, VA 24260	12.38 acres	21.0580%	n/a
<u>Tract #1G - 12.62 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)	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		58.3400	
Total Percentage Resolved		99.2346%	

noted
per order

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INSTRUMENT #150001568
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
SEPTEMBER 28, 2015 AT 03:26PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB