



**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:** AZ98

**TRACT(S):** A portion of 2A

**LOCATION:** BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-04-0316-1261-04

**APPLICANTS:** CNX Gas Company LLC on behalf of Lena Sutorka

**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 07/21/2005, Recorded on 07/26/2005, Deed Book/Instrument No. 621, Page 724.
2. Supplemental Order, Recorded on 01/23/2008, Deed Book/Instrument No. 80000282.
3. Disbursement Order -01 Executed 01/21/2016, Recorded on 02/02/2016, Deed Book/Instrument No. 160000145.
4. Disbursement Order -02 Executed 06/22/2016, Recorded on 07/07/2016, Deed Book/Instrument No. 110001185.

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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) A portion of 2A identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 2A 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. Lena Sutorka is the gas claimant(s) in a portion of Tr. 2A. As such Lena Sutorka is entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 04-0316-1261-02, it dismissed the coal claimant(s) H-W Financial, LLC as a Respondent to these proceedings. Accordingly, H-W Financial, LLC was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 Lena Sutorka and shall not escrow same. See Exhibit EE annexed hereto



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:**

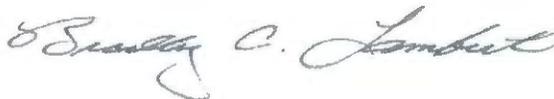
Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

**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 28 day of September, 2017 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

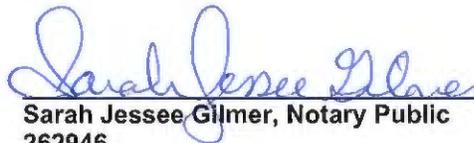
DONE AND PERFORMED this 28 day of September, 2017 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 28<sup>th</sup> day of September, 2017 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, 2021



## BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 04-0316-1261-04

**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 2A (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: AZ98

BUCHANAN 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 a portion of Tract 2A, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Lena Sutorka.

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. Lena Sutorka is the gas claimant(s) in a portion of Tr. 2A. As such Lena Sutorka is entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 04-0316-1261-02, it dismissed the coal claimant(s) H-W Financial, LLC as a Respondent to these proceedings. Accordingly, H-W Financial, LLC was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 Lena Sutorka and shall 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.

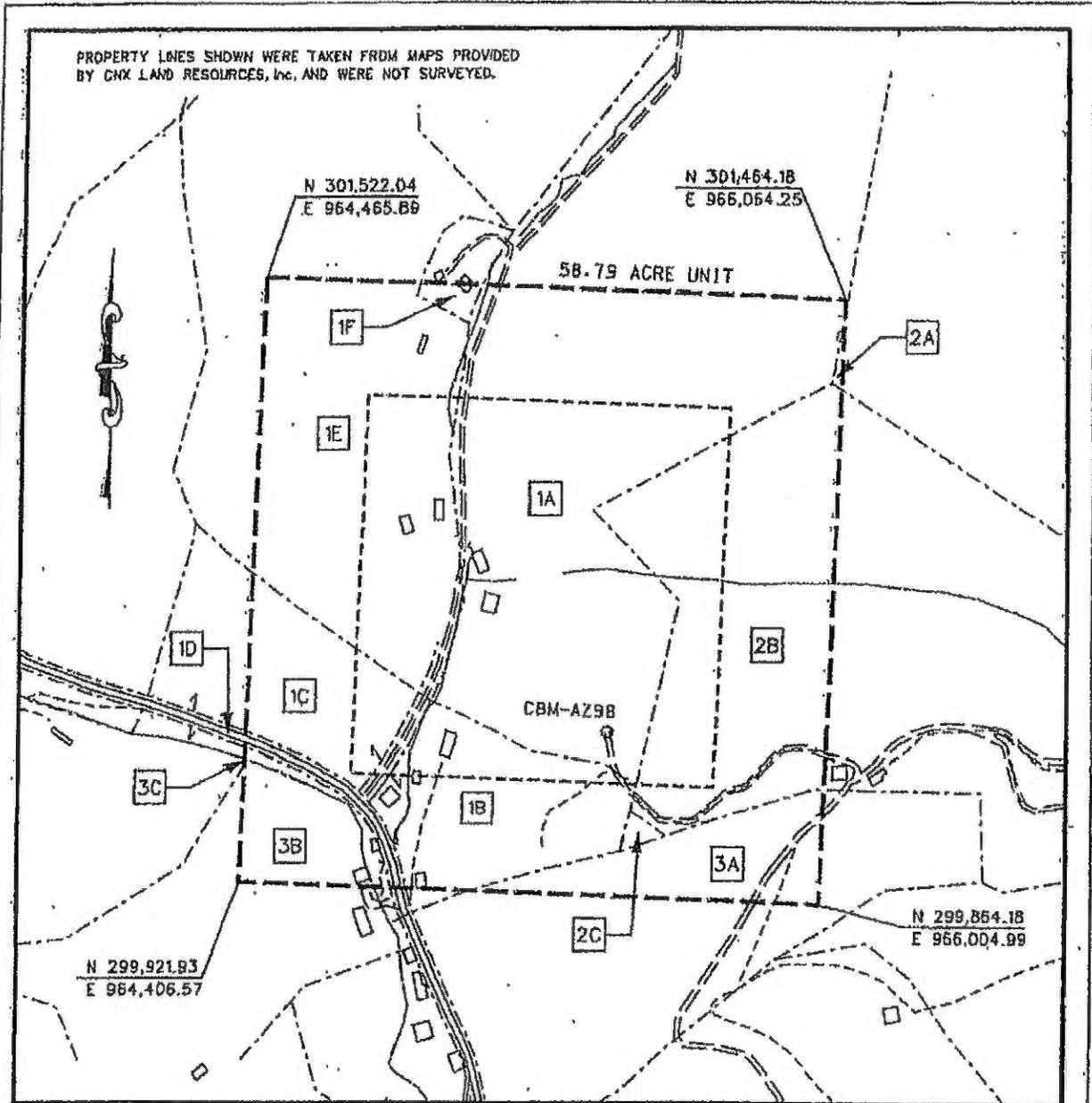
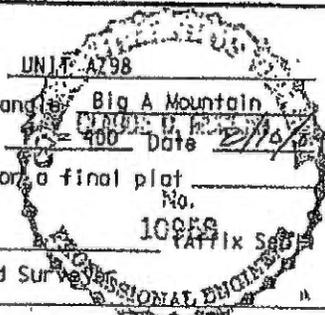


EXHIBIT A  
 NORA FIELD  
 UNIT AZ-98  
 FORCE POOLING  
 VGOB-04-0316-1261

Company CNX Gas Company LLC Well Name and Number UNIT AZ98  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Big A Mountain  
 County Buchanan District Hurricane Scale: 1" = 400' Date 2/15/12  
 This plat is a new plat  ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_  
 Form DGO-GD-7 \_\_\_\_\_  
 Rev. 9/91 Charles D. May  
 Licensed Professional Engineer or Licensed Land Surveyor



**CNX Gas Company LLC****UNIT AZ-98**

Tract Identifications  
(58.79 Acre Unit)

1. Harrison-Wyatt, L.L.C. (Big Axe Tr. 2) - All Minerals  
Jewell Smokeless Coal Corp. - Coal Above Jawbone Seam Leased  
CNX Gas Company LLC - Oil, Gas and CBM Leased  
41.44 acres 70.4882%
- 1A. Emma Jane Harris - Surface  
1B. Gregory D. Austin, et ux - Surface  
1C. Myra K. Austin - Surface  
1D. Commonwealth of Virginia - Surface  
1E. Teresa Harris, et al - Surface  
1F. Brian Hess, et ux - Surface
- 2A. Harrison-Wyatt, L.L.C. (Big Axe Tr. 4) - Coal  
Jewell Smokeless Coal Corp. - Coal Above Jawbone Seam Leased  
CNX Gas Company LLC - CBM Leased  
Fielden Sanders Heirs, et al. - Surface and All Minerals except Coal  
CNX Gas Company LLC - Oil, Gas and CBM Leased (85%)  
0.06 acres 0.1021%
- 2B. Harrison-Wyatt, L.L.C. (Big Axe Tr. 4) - Coal  
Jewell Smokeless Coal Corp. - Coal Above Jawbone Seam Leased  
CNX Gas Company LLC - CBM Leased  
Gregory D. Austin, et ux - Surface and All Minerals except Coal  
CNX Gas Company LLC - Oil, Gas and CBM Leased  
11.76 acres 20.0034%
- 2C. Harrison-Wyatt, L.L.C. (Big Axe Tr. 4) - Coal  
Jewell Smokeless Coal Corp. - Coal Above Jawbone Seam Leased  
CNX Gas Company LLC - CBM Leased  
Gregory D. Austin, et ux - Surface and All Minerals except Coal (Cemetery)  
CNX Gas Company LLC - Oil, Gas and CBM Leased  
0.14 acres 0.2381%
3. Harrison-Wyatt, L.L.C. (Big Axe Tr. 8) - All Minerals  
Jewell Smokeless Coal Corp. - Coal in Tiller and Above Leased  
CNX Gas Company LLC - Oil, Gas and CBM Leased  
5.39 acres 9.1682%
- 3A. Chester McGlothlin, et ux - Surface  
3B. Unknown Surface Owner  
3C. Unknown Surface Owner

Exhibit E  
Unit AZ-98  
Docket #VGOB 04-0316-1261-04  
List of Respondents requiring escrow  
(58.79 Acre Unit)

	Acres in Unit	Percent of Unit
<b><u>Tract #2A - 0.06 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) H-W Financial, LLC (Big Axe Tr.4) P.O. Box 11000 Danville, VA 24543	0.06 acres	0.1021% <i>Dismissed under -02 petition</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) Fielden Sanders Heirs, Devisees, Successors or Assigns, et al.	0.06 acres	0.1021%
<b><u>Outstanding W9/Affidavits</u></b>		
(d) Daniel E. Sanders Heirs, Devisees, Successors or Assigns		
(d.1) Orié Wangler (Gerard) Rt 2 Box 466 McLoud, OK 74851	0.0007 1/84 of 0.06 acres	0.0012%
(d.2) Wainoke Lynn Kummell 16826 Topeka Ln Choctaw, OK 74020	0.0007 1/84 of 0.06 acres	0.0012%
(d.3) Latrenda Sanders Rt 2 Box 466 McLoud, OK 74851	0.0007 1/84 of 0.06 acres	0.0012%
(d.4) Lamona Heck PO Box 1407 Bedford, VA 24523	0.0007 1/84 of 0.06 acres	0.0012%
(f) Ellis Sanders Heirs, Devisees, Successors or Assigns		
(f.1) Beatrice Jane MacCormac 8732 Phipps Farm Way Manassas, VA 20109	0.0014 1/42 of 0.06 acres	0.0024%
(g) Walter Sanders Heirs, Devisees, Successors or Assigns		
(g.2) Adrinne Sanders Horn Box 652 Burnett Street Richlands, VA 24641	0.0007 1/84 of 0.06 acres	0.0012%
(g.4) Terry Sanders 271 Pleasant Ridge Road Franklinville, NC 27248	0.0007 1/84 of 0.06 acres	0.0012%
<b>Total Acres Remaining in Escrow</b>	0.0057	
<b>Total Percentage Remaining in Escrow</b>		0.0097%

Exhibit EE  
Unit AZ-98  
Docket #VGOB 04-0316-1261-04  
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
<b><u>Tract #2A - 0.06 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) H-W Financial, LLC (Big Axe Tr.4) P.O. Box 11000 Danville, VA 24543	0.06 acres	0.1021%	<i>n/a</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Fielden Sanders Heirs, Devisees, Successors or Assigns, et al.	0.06 acres	0.1021%	
(1) Ora Sanders Heirs, Devisees, Successors or Assigns			
(a) Oma Sanders Tiller Heirs, Devisees, Successors or Assigns (1/21)			
(a.1) Edward V. Tiller 7491 Red Bud Highway Honaker, VA 24260	0.0014 acres 1/42 of 0.06 acres	0.0024%	<i>n/a</i>
(a.2) Loeita Austin 74 Hillcrest Court Lebanon, VA 24266	0.0014 acres 1/42 of 0.06 acres	0.0024%	<i>n/a</i>
(f.2) Betty Sue Fletcher P.O. Box 691 Marlon, VA 24354	0.0014 acres 1/42 of 0.06 acres	0.0024%	<i>n/a</i>
(b) Lethia (Leafy) Sanders Tiller Heirs, Devisees, Successors or Assigns			
(b.1) Christa Dawn Hess 3319 Wayfield Dr Johnson City, TN 37601	0.0014 acres 1/42 of 0.06 acres	0.0024%	<i>n/a</i>
(b.2) Ronnie Wayne Tiller 7918 Gold Leaf Circle Spotsylvania, VA 22551	0.0014 acres 1/42 of 0.06 acres	0.0024%	<i>n/a</i>
(c) Lena Sanders Sutorka 751 Forest Hill Road Gordonsville, VA 22942	0.0029 acres 1/21 of 0.06 acres	0.0049%	33.2226% HB2058
(e) Julia Sanders O'Quinn 1232 Green Cook Road Sunbury, OH 43074	0.0029 acres 1/21 of 0.06 acres	0.0049%	<i>n/a</i>
(g) Walter Sanders Heirs, Devisees, Successors or Assigns			
(g.1) Nadine Sanders Hurley 631 Belfast School Rd Cedar Bluff, VA 24609	0.0007 acres 1/84 of 0.06 acres	0.0012%	<i>n/a</i>
(g.3) Roger Sanders P.O. Box 82 Pilgrims Knob, VA 24634	0.0007 acres 1/84 of 0.06 acres	0.0012%	<i>n/a</i>
(2) Fielden Sanders Heirs, Devisees, Successors or Assigns			
(a) Chester Sanders 408W Dartmouth Avenue Melbourne, FL 32901	0.0100 acres 1/6 of 0.06 acres	0.0170%	<i>n/a</i>
(b) Dave Sanders 590 Bailey Switch Rd Bluefield, VA 24605	0.0100 1/6 of 0.06 acres	0.0170%	<i>n/a</i>

Exhibit EE  
Unit AZ-98  
Docket #VGOB 04-0316-1261-04  
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
(c) Norman Sanders Heirs, Devisees, Successors, or Assigns			
(c.1) Shirley Sanders 2013 Otterdale Road Midlothian, VA 23112	0.0100 acres 1/6 of 0.06 acres	0.0170%	n/a
(d) Estil Sanders Heirs, Devisees, Successors or Assigns			
(d.4) Harley Sanders 172 Vantage Drive Tazewell, VA 24651	0.0010 acres 1/63 of 0.06 acres	0.0016%	n/a
(d.5) Jerry Sanders PO Box 1931 Honaker, VA 24260	0.0010 acres 1/63 of 0.06 acres	0.0016%	n/a
(d.7) Allen Sanders P.O. Box 2254 Lebanon, VA 24266	0.0010 acres 1/63 of 0.06 acres	0.0016%	n/a
(d.8) Evelyn Sanders Nash 19 Heritage Drive Honaker, VA 24260	0.0010 acres 1/63 of 0.06 acres	0.0016%	n/a
<b><u>Tract #2B - 11.76 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(f) H-W Financial, LLC (Big Axe Tr.4) P.O. Box 11000 Danville, VA 24543	11.76 acres	20.0034%	n/a
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Gregory D. & Diana F Austin, et ux. 4654 Old Grissom Honaker, VA 24260	11.76 acres	20.0034%	n/a
<b><u>Tract #2C - 0.14 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) H-W Financial, LLC (Big Axe Tr.4) P.O. Box 11000 Danville, VA 24543	0.14 acres	0.2381%	n/a
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Gregory D. & Diana F Austin, et ux. 4654 Old Grissom Honaker, VA 24260	0.14 acres	0.2381%	n/a
<b>Total Acres Resolved</b>	11.9481		
<b>Total Percentage Resolved</b>		20.3233%	

INSTRUMENT 170002149  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY CIRCUIT COURT ON  
October 10, 2017 AT 04:34 PM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: CXE