



**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-04-0316-1261-07

**APPLICANTS:** Pocahontas Gas LLC on behalf of Wainoke Sanders

**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 Pocahontas Gas LLC

**PRIOR PROCEEDINGS:**

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

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5. Disbursement Order -03 Executed 08/04/2017, Recorded on 08/14/2017, Deed Book/Instrument No. 170001697, County BUCHANAN.
6. Disbursement Order -04 Executed 09/28/2017, Recorded on 10/10/2017, Deed Book/Instrument No. 170002149, County BUCHANAN.
7. Disbursement Order -05 Executed 07/31/2018, Recorded on 08/09/2018, Deed Book/Instrument No. 180001323, County BUCHANAN.
8. Disbursement Order -06 Executed 09/19/2019, Recorded on 09/30/2019, Deed Book/Instrument No. 190001404, County BUCHANAN.

**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. Wainoke Sanders is the gas claimant(s) in a portion of Tr. 2A. As such Wainoke Sanders 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 Pocahontas Gas LLC (formerly 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 Wainoke Sanders and shall not escrow same. See Exhibit EE annexed hereto.

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**RELIEF GRANTED:**

VGOB Disbursement  
Unit AZ98

VGOB-04-0316-1261-07

Table 1

Tracts: A portion of 2A

Item	Tract	Disbursement Table	Fractional Ownership		Net Acreage		Royalty		Escrowed		Percent of		Adjustment
			in Tract	Ownership	in Tract	Ownership	Split	Acres	Escrowed	Escrowed	Funds	Amount	
		Total acreage in escrow before disbursement							0.00214				
		2A Tract 2A (total acreage)	0.0600										
1	2A	Wainoke Sanders\309 East Harmon Midwest City OK 73110	1/84		0.0007		100.00%	0.0007	0.0007		33.3778%		

**Adjustment Comments:**

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:**

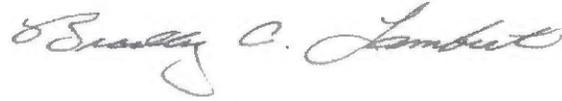
Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

**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 9 day of January, 2020 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

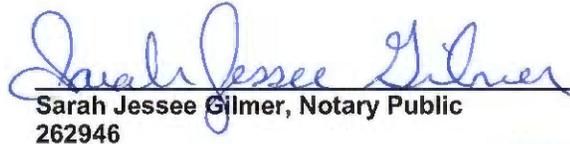
DONE AND PERFORMED this 9 day of January, 2020 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 9<sup>th</sup> day of January, 2020 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: Pocahontas Gas LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 04-0316-1261-07

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 Pocahontas Gas 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 of Tract(s) portion of Tr. 2A as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Wainoke Sanders.

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. Wainoke Sanders is the gas claimant(s) in a portion of Tr. 2A. As such Wainoke Sanders 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 Pocahontas Gas LLC (formerly 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 Wainoke Sanders 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.

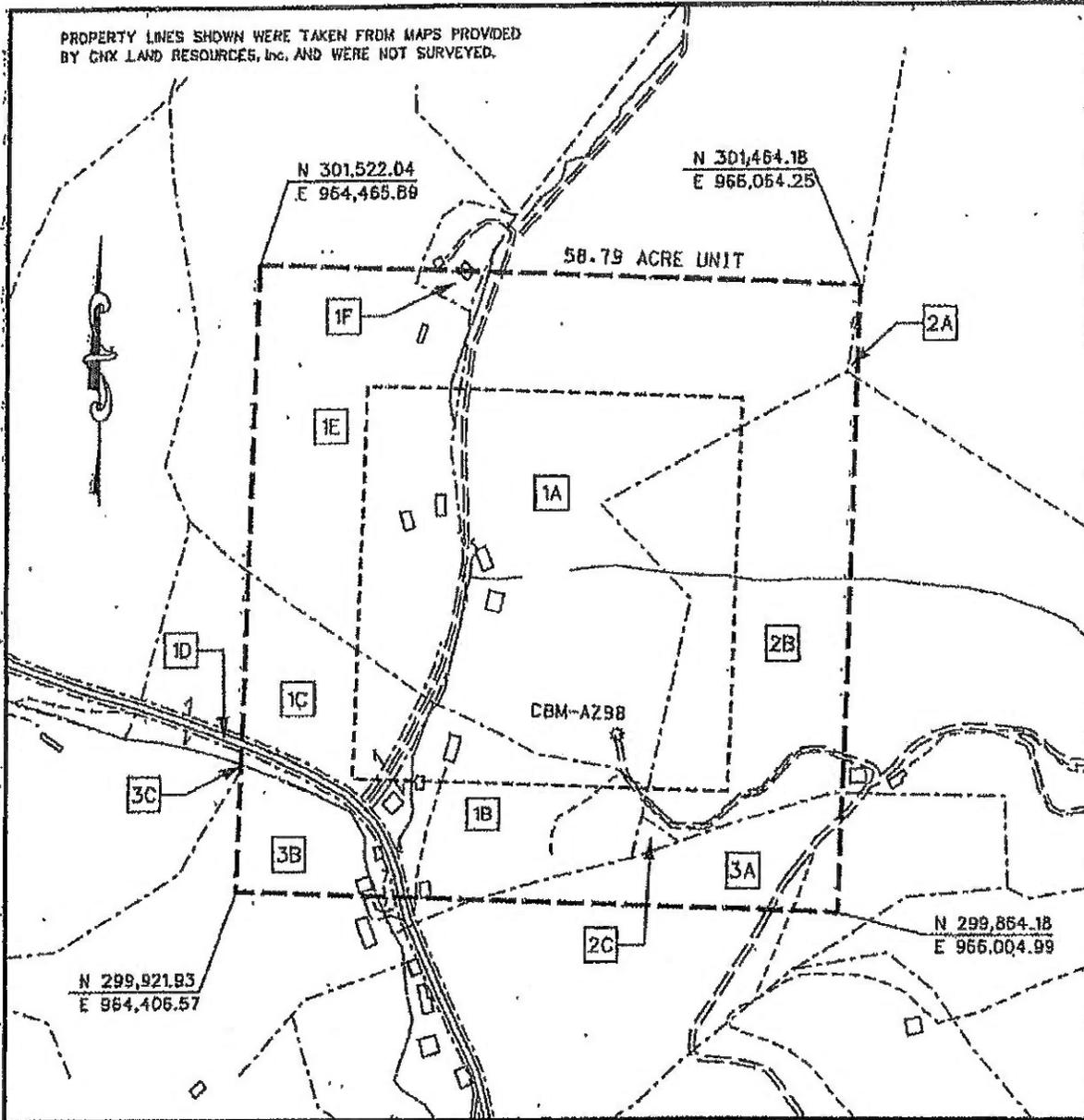


EXHIBIT A  
 NORA FIELD  
 UNIT AZ-98  
 FORCE POOLING  
 VGDB-04-0316-1261

Company CNX Gas Company LLC Well Name and Number UNIT AZ98

Traot No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Big A Mountain

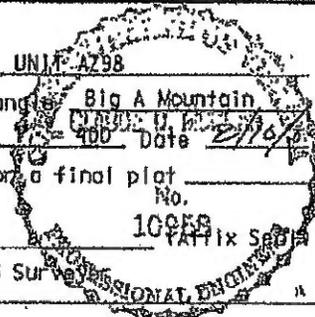
County Buchanan District Hurricane Scale: 1" = 400' Date 2/16/04

This plat is a new plat  ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-GD-7  
 Rev. 9/91

*Charles D. Mays*

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 (95%)  
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 04-0316-1261-07  
 List of Respondents requiring escrow  
 (58.79 Acre Unit)

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	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>		
(g) Walter Sanders Heirs, Devisees, Successors or Assigns		
(g.2) Adrine Vandyke Horn P. O. Box 324 Richland, VA 24641	0.0007 acres 1/84 of 0.06 acres	0.0012%
(g.4) Terry Sanders 271 Pleasant Ridge Road Franklinville, NC 27248	0.0007 acres 1/84 of 0.06 acres	0.0012%
<b>Total Acres Remaining in Escrow</b>	0.0014	
<b>Total Percentage Remaining in Escrow</b>		0.0024%

Exhibit EE  
Unit AZ-98  
Docket #VGOB 04-0316-1261-07  
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 #2A - 0.06 acres</u>			
<b>COAL OWNERSHIP</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>OIL &amp; GAS OWNERSHIP</b>			
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			
(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) Loella Austin 74 Hillcrest Court Lebanon, VA 24266	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%	<i>n/a</i>
(d) Daniel E. Sanders Heirs, Devisees, Successors or Assigns			
(d.1) Orië Wangler 105418 S 3310 Road Mcloud, OK 74851	0.0007 acres 1/84 of 0.06 acres	0.0012%	<i>n/a</i>
(d.2) Wainoke Sanders 309 East Harmon Midwest City, OK 73110	0.0007 acres 1/84 of 0.06 acres	0.0012%	33.3333% HB2058
(d.3) La'Trenda Sanders 105230 S 3310 Road Mcloud, OK 74851	0.0007 acres 1/84 of 0.06 acres	0.0012%	<i>n/a</i>
(d.4) La'Mona Sanders Roach 8220 NW 112th Street Oklahoma City, OK 73162	0.0007 acres 1/84 of 0.06 acres	0.0012%	<i>n/a</i>
(e) Julla 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>
(f) Ellis Sanders Heirs, Devisees, Successors or Assigns			
(f.1) Beatrice Jane MacCormac 102 Lance Street Ranson, WV 25438	0.0014 acres 1/42 of 0.06 acres	0.0024%	<i>n/a</i>

List of Respondents with Royalty Split Agreements/Court Orders/HB2058

(58.79 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
(f.2) Betty Sue Fletcher P.O. Box 691 Marlon, VA 24354	0.0014 acres 1/42 of 0.06 acres	0.0024%	n/a
(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%	n/a
(g.3) Roger Sanders P.O. Box 82 Pilgrims Knob, VA 24634	0.0007 acres 1/84 of 0.06 acres	0.0012%	n/a
(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%	n/a
(b) Dave Sanders 590 Bailey Switch Rd Bluefield, VA 24605	0.0100 acres 1/6 of 0.06 acres	0.0170%	n/a
(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.1) Goldie Sanders Heirs, Devisees, Successors or Assigns			
(d.1.1) James Sanders Heirs, Devisees, Successors, or Assigns <i>(documentation pending)</i>	0.0005 acres 1/126 of 0.06 acres	0.0008%	n/a
(d.1.1.1) David Sanders 324 Pruner Street Lebanon, VA 24266			
(d.1.2) Judy Sanders Israel 5136 Drill Road Honaker, VA 24260	0.0005 acres 1/126 of 0.06 acres	0.0008%	n/a
(d.1.3) Harley Sanders 172 Vantage Drive Tazewell, VA 24651	0.0005 acres 1/126 of 0.06 acres	0.0008%	n/a
(d.1.4) Jerry Sanders Heirs, Devisees, Successors, or Assigns			
(d.1.4.1) Joyce R. Wallace PO Box 789 Honaker, VA 24260	0.0001 acres 1/504 of 0.06 acres	0.0002%	n/a
(d.1.4.2) Evelyn Calhoun 101 Briarwood Hills Drive Lebanon, VA 24266	0.0001 acres 1/504 of 0.06 acres	0.0002%	n/a
(d.1.4.3) Jerri Vance PO Box 839 Honaker, VA 24260	0.0001 acres 1/504 of 0.06 acres	0.0002%	n/a

Exhibit EE  
Unit AZ-98  
Docket #VGOB 04-0316-1261-07  
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
(d.1.4.4) Timothy Sanders PO Box 839 Honaker, VA 24260	0.0001 acres 1/504 of 0.06 acres	0.0002%	<i>n/a</i>
(d.1.5) Larry Sanders P.O. Box 996 Honaker, VA 24260	0.0005 acres 1/126 of 0.06 acres	0.0008%	<i>n/a</i>
(d.1.6) Allen Sanders P.O. Box 2254 Lebanon, VA 24266	0.0005 acres 1/126 of 0.06 acres	0.0008%	<i>n/a</i>
(d.1.7) Evelyn Sanders Nash 19 Heritage Drive Honaker, VA 24260	0.0005 acres 1/126 of 0.06 acres	0.0008%	<i>n/a</i>
(d.2) James Sanders Heirs, Devisees, Successors, or Assigns <i>(documentation pending)</i>	0.0010 acres 1/63 of 0.06 acres	0.0016%	<i>n/a</i>
(d.2.1) David Sanders 324 Pruner Street Lebanon, VA 24266			
(d.3) Judy Sanders Israel 5136 Drill Road Honaker, VA 24260	0.0010 acres 1/63 of 0.06 acres	0.0016%	<i>n/a</i>
(d.4) Harley Sanders 172 Vantage Drive Tazewell, VA 24651	0.0010 acres 1/63 of 0.06 acres	0.0016%	<i>n/a</i>
(d.5) Jerry Sanders Heirs, Devisees, Successors, or Assigns			
(d.5.1) Joyce R. Wallace PO Box 789 Honaker, VA 24260	0.0002 acres 1/252 of 0.06 acres	0.0004%	<i>n/a</i>
(d.5.2) Evelyn Calhoun 101 Briarwood Hills Drive Lebanon, VA 24266	0.0002 acres 1/252 of 0.06 acres	0.0004%	<i>n/a</i>
(d.5.3) Jerri Vance PO Box 839 Honaker, VA 24260	0.0002 acres 1/252 of 0.06 acres	0.0004%	<i>n/a</i>
(d.5.4) Timothy Sanders PO Box 839 Honaker, VA 24260	0.0002 acres 1/252 of 0.06 acres	0.0004%	<i>n/a</i>
(d.7) Allen Sanders P.O. Box 2254 Lebanon, VA 24266	0.0010 acres 1/63 of 0.06 acres	0.0016%	<i>n/a</i>
(d.8) Evelyn Sanders Nash 19 Heritage Drive Honaker, VA 24260	0.0010 acres 1/63 of 0.06 acres	0.0016%	<i>n/a</i>
<b>Total Tract Acres</b>	0.0576		
<b>Total Tract Percentage</b>	0.0980%		

**Tract #2B - 11.76 acres**

**COAL OWNERSHIP**

(1) H-W Financial, LLC (Blg Axe Tr.4) P.O. Box 11000 Danville, VA 24543	11.76 acres	20.0034%	<i>n/a</i>
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Exhibit EE  
Unit AZ-98  
Docket #VGOB 04-0316-1261-07  
List of Respondents with Royalty Split Agreements/Court Orders/HB2058  
(58.78 Acre Unit)

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	Acres in Unit	Percent of Unit	Percent of Escrow
<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%	<i>n/a</i>
<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%	<i>n/a</i>
<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%	<i>n/a</i>
<b>Total Acres Resolved</b>	11.9576		
<b>Total Percentage Resolved</b>		20.3395%	

INSTRUMENT 200000055  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY CIRCUIT COURT ON  
JANUARY 16, 2020 AT 09:35 AM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB