

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: BB31

TRACT(S): 3A

LOCATION: BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-04-0817-1317-01

**APPLICANTS:**

CNX Gas Company LLC on behalf of Lida J Holzgreffe

**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 12/14/2004, Recorded on 12/15/2004, Deed Book/Instrument No. 608, Page 708.
2. Supplemental Order, Recorded on 03/14/2005, Deed Book/Instrument No. 614, Page 44.

**NOTICE:**

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 3A identified in the attached petition.

1600001187

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3A 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. Lida J. Holzgreffe is the gas claimant in Tracts 3A. As such Lida J. Holzgreffe are 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.
- b. 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.
- c. 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.
- 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 Lida J. Holzgreffe and not escrow same. See Exhibit EE annexed hereto.

**RELIEF GRANTED:**

VGOB Disbursement  
Unit BB31

VGOB-04-0817-1317-01

Table 1

Tracts: 3A

| Item                        | Tract | Disbursement Table                                       | Fractional<br>Ownership | Net Acreage<br>Ownership | Royalty<br>Split | Escrowed<br>Acres | Percent of<br>Escrowed<br>Funds | Adjustment<br>Amount |
|-----------------------------|-------|----------------------------------------------------------|-------------------------|--------------------------|------------------|-------------------|---------------------------------|----------------------|
|                             |       |                                                          | in Tract                | inTract                  | Agreement        | Disbursed         | Disbursed                       |                      |
|                             |       |                                                          |                         |                          |                  |                   |                                 |                      |
|                             |       |                                                          |                         |                          |                  |                   |                                 |                      |
|                             |       |                                                          |                         |                          |                  |                   |                                 |                      |
|                             |       |                                                          |                         |                          |                  |                   |                                 |                      |
|                             |       | Total acreage in escrow before disbursement              |                         |                          |                  | 23.24230          |                                 |                      |
|                             |       |                                                          |                         |                          |                  |                   |                                 |                      |
| 3A Tract 3A (total acreage) |       |                                                          | 23.1600                 |                          |                  |                   |                                 |                      |
| 1                           | 3A    | Lida J Holzgreffe\13765 Seabiscuit Dr Reno NV 89521-8349 |                         | 23.1600                  | 100.00%          | 23.1600           | 99.6459%                        |                      |

**Adjustment Comments:**

160001187

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.

160001187

DONE AND EXECUTED this 1 day of July, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

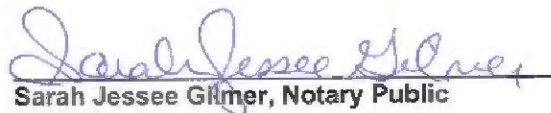
DONE AND PERFORMED this 1 day of July, 2016 by Order of the Virginia Gas and Oil Board.



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

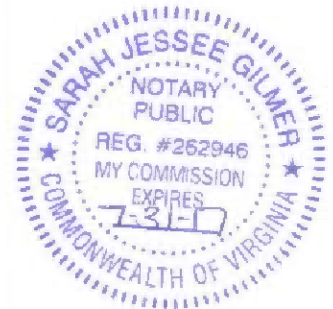
COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 1<sup>st</sup> day of July, 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 04-0817-1317-01

**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 3A (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: BB31

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(s) attributable to Tract(s) 3A as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Lida J. Holzgreffe; (3) Dismissal of Coal Owner(s): Coal Mountain Mining 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. Lida J. Holzgreffe is the gas claimant in Tracts 3A. As such Lida J. Holzgreffe are 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.
- b. 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.
- c. 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.
- 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 Lida J. Holzgreffe 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.

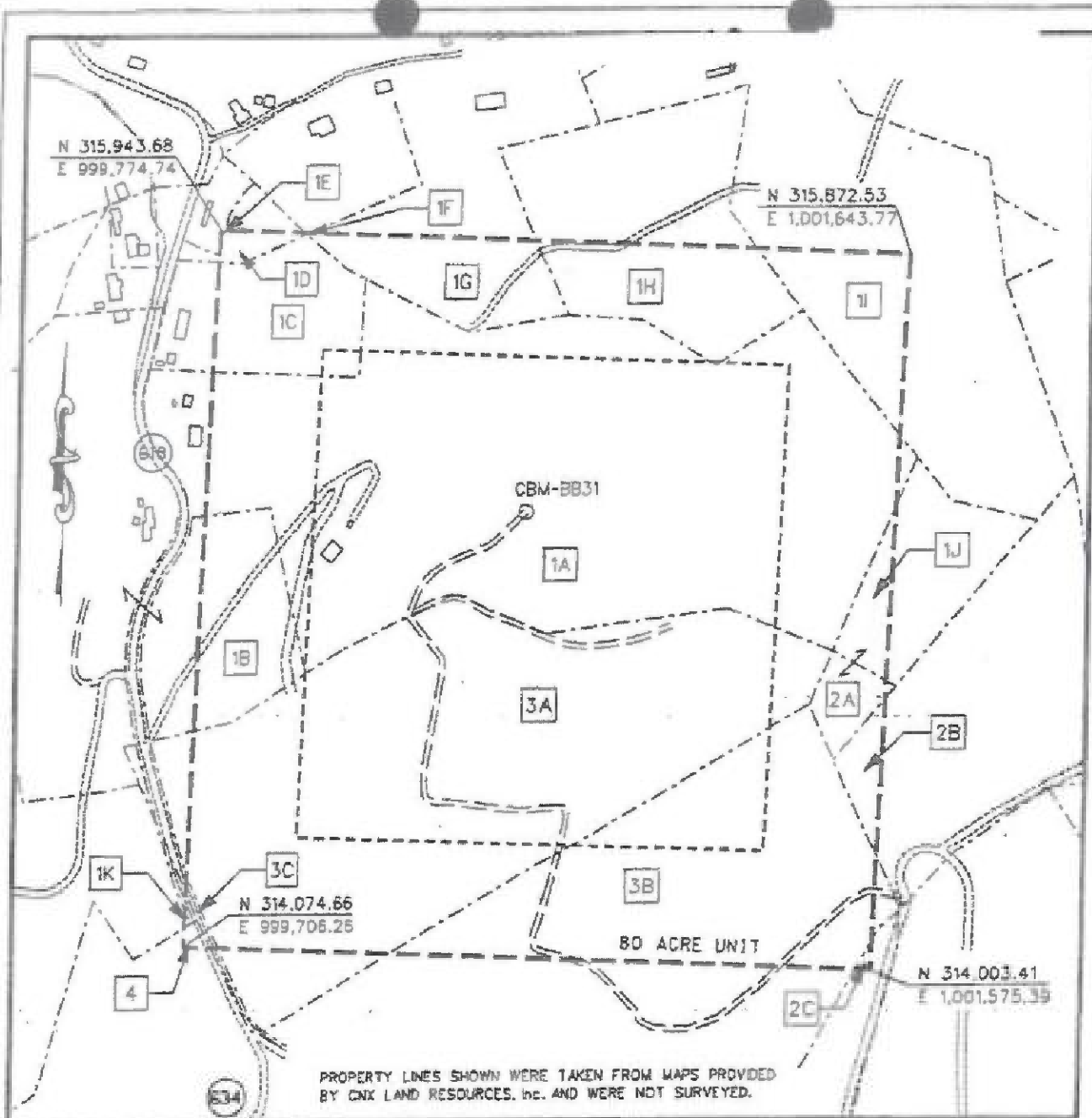


EXHIBIT A  
OAKWOOD FIELD  
UNIT BB-31  
FORCE POOLING  
VGOB-04-0817-1317

Company CNX Gas Company LLC Well Name and Number UNIT BB31  
Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Green Mountain  
County Buchanan District Garden Scale: 1" = 400' Date 2/28/09  
This plot is a new plot X : on updated plot \_\_\_\_\_ : or a final plot \_\_\_\_\_

Form DGO-SU-7  
Rev. 9/91

Charles D. Myers  
Licensed Professional Engineer or Licensed Land Surveyor

SEAL

**CNX GAS COMPANY LLC****UNIT BB-31****Tract Identifications**

1. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 9 – All Minerals  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
CNX Gas Company LLC - Oil, Gas and CBM Leased  
43.07 acres 53.8375%
- 1A. Charlie Monk – Surface
- 1B. Unknown Surface Owner
- 1C. Unknown Surface Owner
- 1D. Consolidation Coal Company – Surface
- 1E. Consolidation Coal Company – Surface
- 1F. Unknown Surface Owner
- 1G. Unknown Surface Owner
- 1H. Consolidation Coal Company – Surface
- 1I. Consolidation Coal Company – Surface
- 1J. Consolidation Coal Company – Surface
- 1K. Unknown Surface Owner
2. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 29 – All Minerals  
Consolidation Coal Company - Below Drainage Coal Leased  
New Garden Coal Corporation - Above Drainage Coal Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
2.69 acres 3.3625%
- 2A. Consolidation Coal Company – Surface
- 2B. Consolidation Coal Company – Surface
- 3A. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
CNX Gas Company LLC - CBM Leased  
Lida J. Holzgreffe – Surface and All Minerals except Coal  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
23.16 acres 28.9500%
- 3B. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
CNX Gas Company LLC - CBM Leased  
New Garden Coal Corp. – All Minerals except Coal  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
Amos Short – Surface  
10.91 acres 13.6375%

**CNX GAS COMPANY LLC****UNIT BB-31****Tract identifications**

- 3C. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
CNX Gas Company LLC - CBM Leased  
Lida J. Holzgreffe OR Commonwealth of Virginia - All Minerals except Coal  
CNX Gas Company LLC - Oil Gas and CBM Leased (If owned by Lida J. Holzgreffe)  
Commonwealth of Virginia - Surface  
0.08 acres 0.1000%
4. Mae Wells, et al - Fee  
0.09 acres 0.1125%

Exhibit E  
Unit BB-31  
Docket #VGOB 04-0817-1317-01  
List of Conflicting Owners/Claimants that require escrow

|                                                                                                             | Net Acres<br>in Unit               | Interest in<br>Unit |
|-------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------|
| <u>Tract #3C - 0.08 acres</u>                                                                               |                                    |                     |
| <i>Escrow due to Title Conflict</i>                                                                         |                                    |                     |
| <u>COAL OWNERSHIP</u>                                                                                       |                                    |                     |
| (1) Coal Mountain Mining Company, Tr.1<br>Limited Partnership, L.L.P.<br>P.O. Box 875<br>Tazewell, VA 24651 | 0.08 acres                         | 0.1000%             |
| <u>OIL &amp; GAS OWNERSHIP</u>                                                                              |                                    |                     |
| (1) Lida J. Holzgrefe<br>13765 Seabiscuit Dr<br>Reno, NV 89521                                              | 0.08 acres                         | 0.1000%             |
| - OR -                                                                                                      |                                    |                     |
| (1) Commonwealth of Virginia<br>Dept. of Transportation<br>P. O. Box 1768<br>Bristol, VA 24203              | 0.08 acres                         | 0.1000%             |
| <u>Tract #4 - 0.09 acres</u>                                                                                |                                    |                     |
| <i>Escrow due to unknown / unlocatable</i>                                                                  |                                    |                     |
| <u>COAL OWNERSHIP</u>                                                                                       |                                    |                     |
| (1) Mae Wells, et al.                                                                                       | 0.09 acres                         | 0.1125%             |
| (d) Marjorie H. Lewis Heirs, Devisees,<br>Successors or Assigns<br>Heirs / Addresses Unknown                | 0.0023 acres<br>1/40 of 0.09 acres | 0.0028%             |
| <u>OIL &amp; GAS OWNERSHIP</u>                                                                              |                                    |                     |
| (1) Mae Wells, et al.                                                                                       | 0.09 acres                         | 0.1125%             |
| (d) Marjorie H. Lewis Heirs, Devisees,<br>Successors or Assigns<br>Heirs / Addresses Unknown                | 0.0023 acres<br>1/40 of 0.09 acres | 0.0028%             |
| Total tract acres                                                                                           |                                    | 0.0823              |
| Total tract percent                                                                                         |                                    | 0.1028%             |

Exhibit EE  
Unit BB-31  
Docket #VGOB 04-0817-1317-01  
List of Conflicting Owners/Claimants with Royalty Split Agreements/HB2058

160001187

|                                                                                                             | Net Acres<br>in Unit | Interest in<br>Unit | Percent of<br>Escrow |
|-------------------------------------------------------------------------------------------------------------|----------------------|---------------------|----------------------|
| <u>Tract #3A - 23.16 acres</u>                                                                              |                      |                     |                      |
| <u>COAL OWNERSHIP</u>                                                                                       |                      |                     |                      |
| (1) Coal Mountain Mining Company, Tr.1<br>Limited Partnership, L.L.P.<br>P.O. Box 675<br>Tazewell, VA 24651 | 23.16 acres          | 28.9500%            | n/a                  |
| <u>OIL &amp; GAS OWNERSHIP</u>                                                                              |                      |                     |                      |
| (1) Lida J. Holzgrete<br>13765 Seabiscuit Dr<br>Reno, NV 89521                                              | 23.16 acres          | 28.9500%            | 99.6459%<br>HB2058   |
| <u>Tract #3B - 10.91 acres</u>                                                                              |                      |                     |                      |
| <u>COAL OWNERSHIP</u>                                                                                       |                      |                     |                      |
| (1) Coal Mountain Mining Company, Tr.1<br>Limited Partnership, L.L.P.<br>P.O. Box 675<br>Tazewell, VA 24651 | 10.91 acres          | 13.6375%            | n/a                  |
| <u>OIL &amp; GAS OWNERSHIP</u>                                                                              |                      |                     |                      |
| (1) New Garden Coal Corporation<br>c/o Edward Vandyke<br>P.O. Box 29<br>Tazewell, VA 24651                  | 10.91 acres          | 13.6375%            | n/a                  |
| Total tract acres                                                                                           |                      | 34.0700             |                      |
| Total tract percent                                                                                         |                      | 42.5875%            |                      |

INSTRUMENT #160001187  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
JULY 7, 2016 AT 09:21AM

BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB