

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

An Order for Disbursement of Escrowed Funds
(and Authorization for Direct Payment of Royalties)

SOUGHT:

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: BF118

TRACT(S): 4

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-04-1019-1348-01

APPLICANTS:

CNX Gas Company LLC on behalf of Buckhorn Coal Company, Swords Creek Land Partnership

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia
March 15, 2016

APPEARANCES:

Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 04/19/2005, Recorded on 04/20/2005, Deed Book/Instrument No. 629, Page 552.
2. Supplemental Order, Recorded on 04/02/2008, Deed Book/Instrument No. 688, Page 458.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the March 15, 2016 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) 4 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 4 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:

Swords Creek Land Partnership and Buckhorn Coal Company have entered into royalty split agreement(s). Said royalty split agreement 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 divided and paid.

RELIEF GRANTED:

VGOB Disbursement

Unit BF118

VGOB-04-1019-1348-01

Table 1

Tracts: 4

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			in Tract	in Tract	Agreement	Disbursed	Disbursed
		Total acreage in escrow before disbursement				7.75000	
4 Tract 4 (total acreage)			4.5200				
1	4	Swords Creek Land Partnership\PO Box 29, Tazewell, VA 24651		4.5200	50.00%	2.2600	29.1613%
2	4	Buckhorn Coal Company\PO Box 187, Tazewell, VA 24651		4.5200	50.00%	2.2600	29.1613%

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.

DONE AND EXECUTED this 16 day of March, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

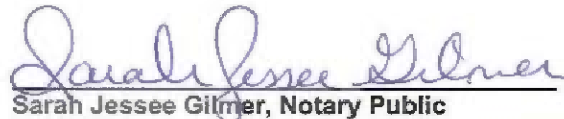
DONE AND PERFORMED this 16 day of March, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 16th day of March, 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 04-1019-1348-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 4 (2) AND
AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES

HEARING DATE: March 15, 2016

DRILLING UNIT: BF118

RUSSELL 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, attributable to Tract 4, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Swords Creek Land Partnership and Buckhorn Coal 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

Swords Creek Land Partnership and Buckhorn Coal Company have entered into royalty split agreement(s). Said royalty split agreement 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 divided and paid.

6. Attestation

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

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED
BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

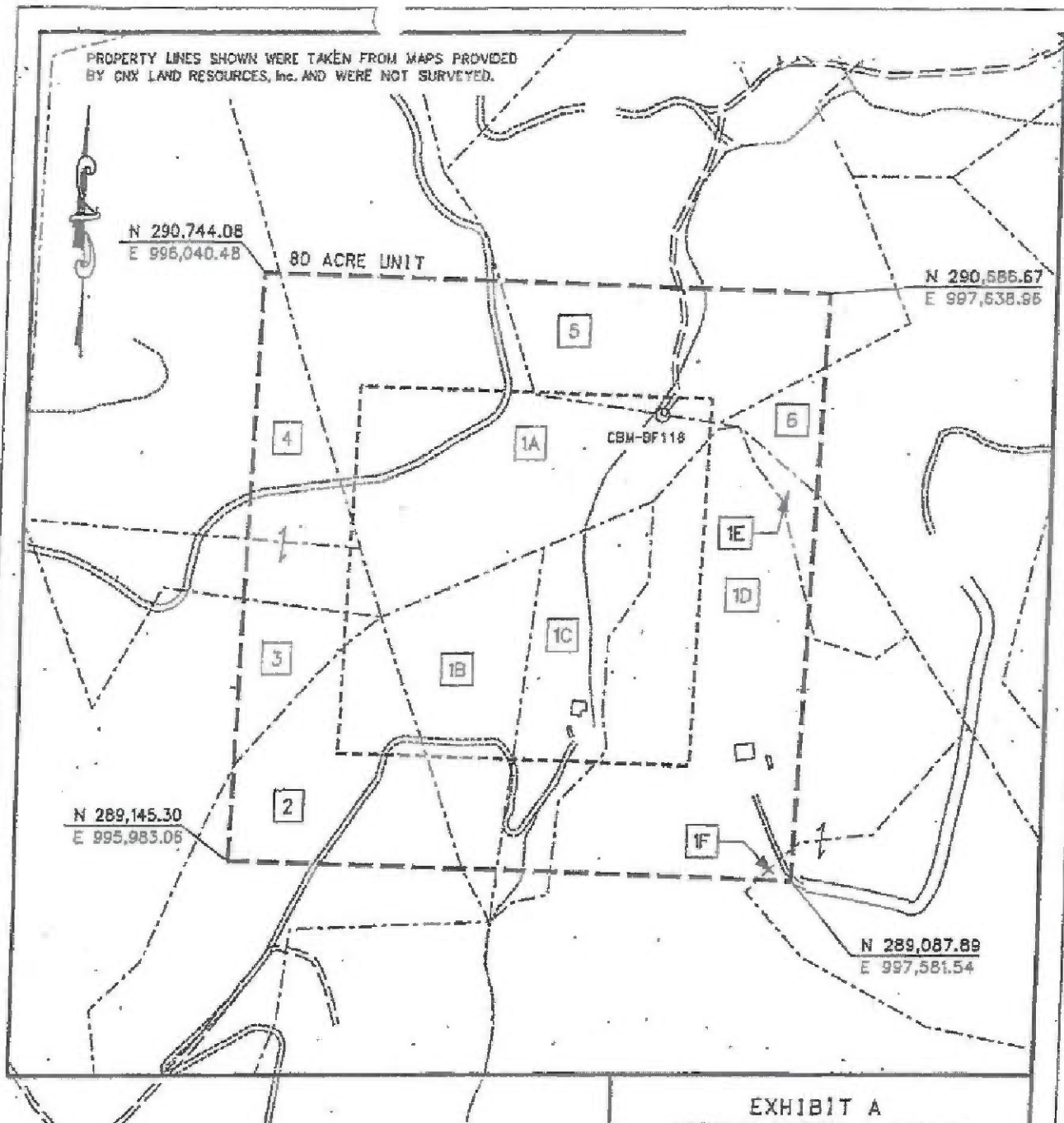


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT BF-118
FORCE POOLING
VGDB-04-1019-1248

Company CNX Gas Company LLC Well Name and Number UNIT BF-118

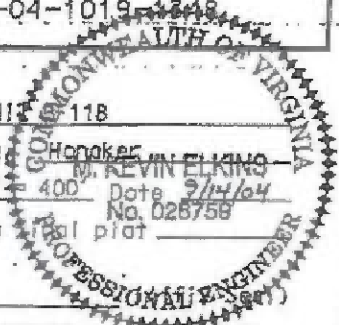
Tract No. Elevation Quadrangle

County Russell District New Garden Scale: 1" = 400' Date 2/14/04

This plat is a new plat X ; on updated plat ; or a plat

Form DGO-CD-7
Rev. 9/91

M. Kevin Elkins
Licensed Professional Engineer or Licensed Land Surveyor



CNX Gas Company LLC**UNIT BF 118****Tract Identifications****(58.74 Acre Unit)**

1. Swords Creek Land Partnership Tr. 9 - Fee
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
38.45 acres 65.4580%
- 1A. Swords Creek Land Partnership - Surface
- 1B. Unknown Surface Owner
- 1C. Unknown Surface Owner
- 1D. Unknown Surface Owner
- 1E. Unknown Surface Owner
- 1F. Swords Creek Land Partnership - Surface
2. Swords Creek Land Partnership (14 Acre Tract) - All Minerals (1/2 undivided interest)
E. G. Hunter, et al OR Garnett Herman Buckles - All Minerals (1/2 undivided interest)
CNX Gas Company LLC - (1/2) CBM Leased (Swords Creek Land Partnership Interest)
Swords Creek Land Partnership - Surface
6.45 acres 10.9976%
3. Swords Creek Land Partnership Tr. 1 (880.51 Acre Tract) - Fee
Reserve Coal Properties Company - Coal Below Drainage Leased
Knox Creek Coal Corporation - Coal Above Drainage Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.99 acres 3.3878%
4. Swords Creek Land Partnership Tr. 8 (22.40 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
Buckhorn Coal Company - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
Delmer S. Vencill, et al (Directors as Trustees in Liquidation of Kelsa Corporation) - Surface
4.52 acres 7.6949%
5. Swords Creek Land Partnership Tr. 47 - Fee
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
6.32 acres 10.7593%
6. Curtis Ready, et al - Fee
Consolidation Coal Company - Coal Below Tiller Seam Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased (%)
1.00 acres 1.7024%

Exhibit E
Unit BF-118
Docket #VGOB 04-1019-1348-01
List of Respondents that require escrow
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #2, 6.46 acres</u>		
<i>Escrow due to title conflict</i>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, et al.	6.46 acres	10.9976%
(b) E.G. Hunter, et al. Estate of E.G. Hunter and The First National Bank of Sullivan Co. TN c/o AmSouth Trust Department P.O. Box 1981 Kingsport, TN 37662	3.2300 acres 1/2 of 6.46 acres	5.4988%
- OR -		
(b) Gamett Herman Buckles Rt.1 Box 512 Lebanon, VA 24266	3.2300 acres 1/2 of 6.46 acres	5.4988%
<u>OIL & GAS OWNERSHIP</u>		
(1) Swords Creek Land Partnership, et al.	6.46 acres	10.9976%
(b) E.G. Hunter, et al. Estate of E.G. Hunter and The First National Bank of Sullivan Co. TN c/o AmSouth Trust Department P.O. Box 1981 Kingsport, TN 37662	3.2300 acres 1/2 of 6.46 acres	5.4988%
- OR -		
(b) Gamett Herman Buckles Rt.1 Box 512 Lebanon, VA 24266	3.2300 acres 1/2 of 6.46 acres	5.4988%

Exhibit EE
Unit BF-118

Docket #VGOB 04-1019-1348-01

List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #4, 4.52 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.8 P.O. Box 29 Tazewell, VA 24651	4.52 acres	7.6949%	29.1613% Royalty Split
<u>OIL & GAS OWNERSHIP</u>			
(1) Buckhorn Coal Company P.O. Box 187 Tazewell, VA 24651	4.52 acres	7.6949%	29.1613% Royalty Split

1600317

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 3-21, 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:42 o'clock P. M, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to:

S Gilmer

TESTE: ANN S. McREYNOLDS, CLERK

BY:

Vickie Colley D. CLERK