

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: AV127

TRACT(S): 1A, 2A, 2B

LOCATION: RUSSELL, TAZEWELL County, Virginia

TAX ID NUMBERS:

Tax Map Identification Numbers for all parcels affected by this order are shown on: Tract
Identification Sheet

DOCKET NUMBER:

VGOB-04-1214-1365-03

APPLICANTS:

CNX Gas Company LLC on behalf of CNX Gas Co LLC, Dale & Elizabeth Salyers

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 07/25/2005, Deed Book/Instrument No.
635, Page 540.
2. Supplemental Order, Recorded on 04/02/2008, Deed Book/Instrument No. 1025, Page 396.
3. Modification Order -02 Executed 06/20/2015, Recorded on 07/06/2015, Deed Book/Instrument No.
0791, Page 0094.

BK 2016 PG 03771

BOOK 0799 PAGE 862

746

4. Modification Order -02 Executed 06/20/2015, Recorded on 07/06/2015, Deed Book/Instrument No. 0791, Page 0094.

5. Supplemental Order -02, Recorded on 10/26/2015, Deed Book/Instrument No. 2015, Page 1616.

6. Supplemental Order -02, Recorded on 10/26/2015, Deed Book/Instrument No. 2015, Page 1616.

NOTICE:

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1A, 2A, 2B identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1A, 2A, 2B 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. CNX Gas Company LLC, Dale & Elizabeth Salyers is the gas claimant in Tracts 1A, 2A, 2B As such CNX Gas Company LLC, Dale & Elizabeth Salyers 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 CNX Gas Company LLC, Dale & Elizabeth Salyers and not escrow same. See Exhibit EE annexed hereto

RELIEF GRANTED:

DONE AND EXECUTED this 3 day of March, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

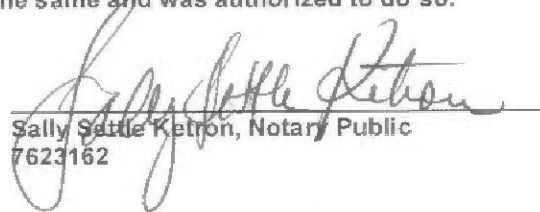
DONE AND PERFORMED this 3 day of March, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 3 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.



Sally Settle Ketron, Notary Public
7623162

My Commission expires: January 31, 2019



BEFORE THE VIRGINIA GAS AND OIL BOARD**PETITIONER:** CNX Gas Company LLC**DIVISION OF GAS AND OIL****DOCKET NO:** VGOB 04-1214-1365-03**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1A, 2A, 2B (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:** AV127**RUSSELL, TAZEWELL 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 of Tracts 1A, 2A, & 2B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to CNX Gas Company LLC, Dale & Elizabeth Salyers

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

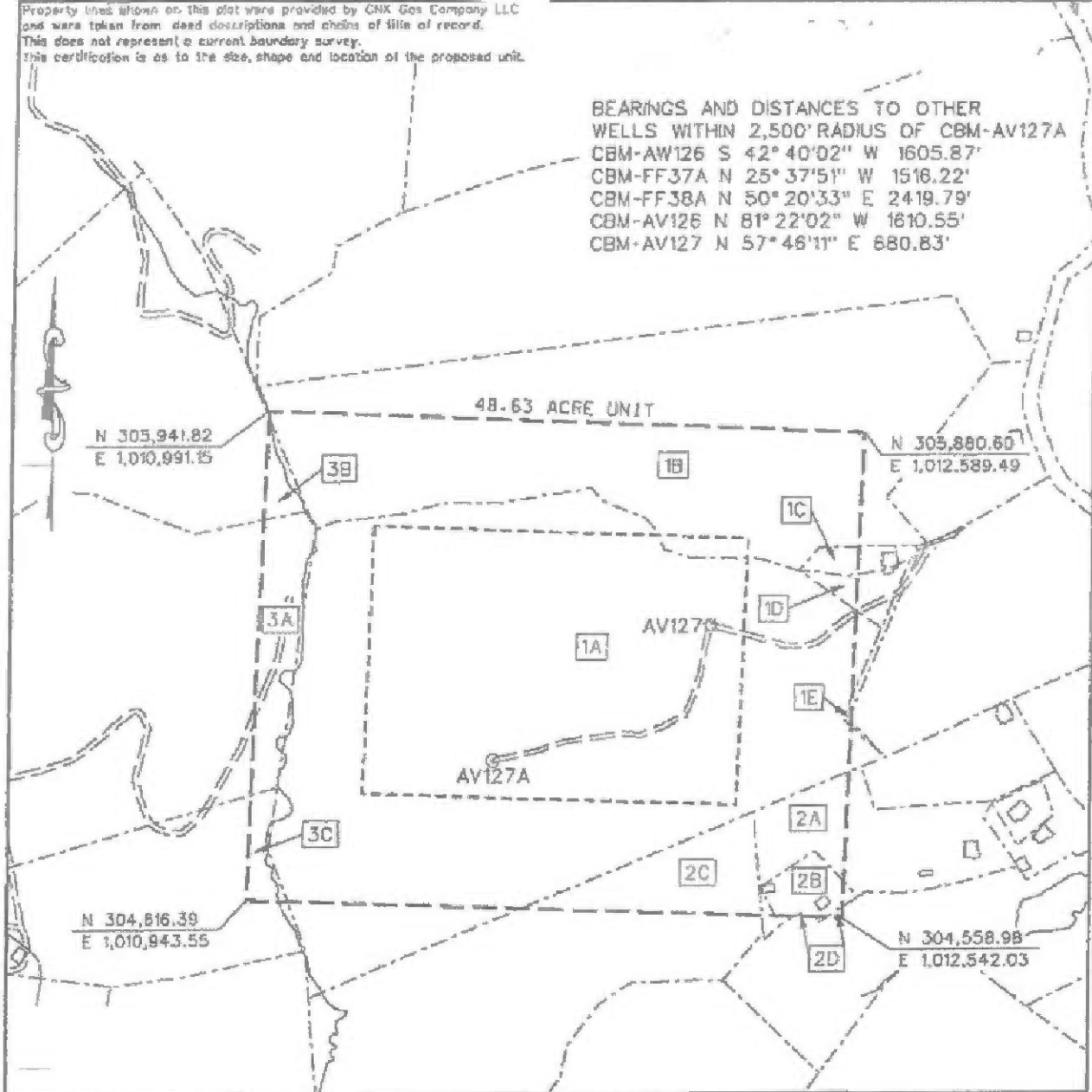
- a. CNX Gas Company LLC, Dale & Elizabeth Salyers is the gas claimant in Tracts 1A, 2A, 2B As such CNX Gas Company LLC, Dale & Elizabeth Salyers are entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- b. That CNX Gas Company LLC 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 CNX Gas Company LLC, Dale & Elizabeth Salyers 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.

Property lines shown on this plat 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-AV127A
CBM-AW126 S 42° 40' 02" W 1605.87'
CBM-FF37A N 25° 37' 51" W 1516.22'
CBM-FF38A N 50° 20' 33" E 2419.79'
CBM-AV126 N 81° 22' 02" W 1610.55'
CBM-AV127 N 57° 46' 11" E 680.83'

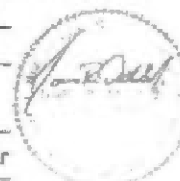


○ CBM WELL
● PROPOSED CBM WELL

EXHIBIT A
MIDDLE RIDGE FIELD
UNIT AV127
FORCE POOLING
VG08-04-1214-1365-02

Company CNX Gas Company LLC Well Name and Number UNIT AV127
Tract No. Elevation Quadrangle HONAKER
County RUSSELL/TAZEWELL District NEW GARDEN/MAIDEN SPRINGS
This plat is a new plat X : an updated plat

Form DGO-CO-7
Rev. 9/91
Licensed Professional Engineer or Licer



1/2006
Signed by James R. Dills, Jr.
DN: cn=US, o=Jorden Trust AGES
Bu: Private Representative, ou=D R.
PREE ENGINEERING AND LAND
SURVEYING INC PC, cn=James R.
Dills Jr., / Affix Seal
0.52342192003001001.1=AB1095
or 90000312001701753000037EA
Date: 2015.03.11 14:30:17 -0500

BK 2016 PG 03778

CNX Gas Company LLC
UNIT AV 127
Tract Identifications

- 1A. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – Surface, Oil and Gas
 Tax Map 84A Parcel 14
 31.56 Acres 64.8982%
- 1B. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Buford Short, et ux – Surface, Oil and Gas
 Tax Map 84A Parcel 10
 9.84 Acres 20.2344%
- 1C. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Paul Osborne – Surface, Oil and Gas
 Tax Map 84A Parcel 11
 0.22 Acres 0.4525%
- 1D. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Paul Osborne – Surface, Oil and Gas
 Tax Map 84A Parcel 12
 0.17 Acres 0.3496%
- 1E. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Carol Sims, et vir – Surface, Oil and Gas
 Tax Map 84A Parcel 18
 0.01 Acres 0.0206%
- 2A. Coal Mountain Mining Company Limited Partnership, LLP Tr. 21 (86.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Dale Salyers, et ux – Surface, Oil and Gas
 Tax Map 84A Parcel 25B
 1.25 Acres 2.5704%

(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.)

**CNX Gas Company LLC
UNIT AV 127
Tract Identifications**

- 2B. Coal Mountain Mining Company Limited Partnership, LLP Tr. 21 (86.00 Acre Tract) – Coal
CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Dale Salyers, et ux – Surface, Oil and Gas
Tax Map 84A Parcel 25B
0.65 Acres 1.3366%

- 2C. Coal Mountain Mining Company Limited Partnership, LLP Tr. 21 (86.00 Acre Tract) – Coal
CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Jackie Davis, et ux – Surface, Oil and Gas
Tax Map 84A Parcel 26
2.15 Acres 4.4211%

- 2D. Coal Mountain Mining Company Limited Partnership, LLP Tr. 21 (86.00 Acre Tract) – Coal
CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Tammy Widener – Surface, Oil and Gas
Tax Map 84A Parcel 24
0.05 Acres 0.1028%

- 3. Coal Mountain Mining Company Limited Partnership, LLP Tr. 41 (158.50 Acre Tract) – Minerals
CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
Knox Creek Coal Corporation – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Tax Map 84A Parcel 15
2.73 Acres 5.6138%

- 3A. Unknown Surface Owner
- 3B. Unknown Surface Owner
- 3C. Unknown Surface Owner

(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.)

K2016 003780

Exhibit E
Unit AV-127
Docket #VGOB 04-1214-1365-03
List of Owners/Claimants In Escrow
(48.63 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #1C, 0.22 acres</u>		

COAL OWNERSHIP

(1)	Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 40 (288.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	0.22 acres	0.4524%
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OIL & GAS OWNERSHIP

The respondent(s) listed below did not respond timely to the W9 request and will continue to be escrowed.

- (1) John McClanahan, et ux.

Conveyed by Deed dated 3/28/2008 and recorded in Tazewell Co under DB1025 / PG297 on 4/1/2008

(a)	Paul Osborne PO Box 60 Richlands, VA 24641	0.22 acres	0.4524%
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Tract #1D, 0.17 acresCOAL OWNERSHIP

(1)	Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 40 (288.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	0.17 acres	0.3496%
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OIL & GAS OWNERSHIP

The respondent(s) listed below did not respond timely to the W9 request and will continue to be escrowed.

- (1) John McClanahan, et ux.

Conveyed by Deed dated 3/28/2008 and recorded in Tazewell Co under DB1025 / PG297 on 4/1/2008

(a)	Paul Osborne PO Box 60 Richlands, VA 24641	0.17 acres	0.3496%
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Tract #1E, 0.01 acresCOAL OWNERSHIP

(1)	Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 40 (288.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	0.01 acres	0.0206%
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OIL & GAS OWNERSHIP

The respondent(s) listed below did not respond timely to the W9 request and will continue to be escrowed.

(1)	Carol & James F. Sims, T/E 511 Pagewood Drive Newport News, VA 23602	0.01 acres	0.0206%
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Exhibit E
Unit AV-127
Docket #VGOB 04-1214-1365-03
List of Owners/Claimants In Escrow
(48.63 Acre Unit)

	Acres in Unit	Interest In Unit
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Tract #2C, 2.15 acres

COAL OWNERSHIP

(1)	Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 21 (86.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	2.15 acres	4.4211%
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OIL & GAS OWNERSHIP

The respondent(s) listed below did not respond timely to the W9 request and will continue to be escrowed.

(1)	Jackie & Christina Sue Davis, T/E 3595 Road Ridge Turnpike Raven, VA 24639	2.15 acres	4.4211%
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Tract #2D, 0.05 acres

COAL OWNERSHIP

(1)	Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 21 (86.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	0.05 acres	0.1028%
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OIL & GAS OWNERSHIP

The respondent(s) listed below did not respond timely to the W9 request and will continue to be escrowed.

(1)	Tammy Widener 243 Valley St Wise, VA 24293	0.05 acres	0.1028%
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TOTALS:

Acres in Unit	2.6000	
Percentage of Unit		5.3465%

Exhibit EE
Unit AV-127
Docket #VGOB 04-1214-1365-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(48.63 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1A, 31.56 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 40 (288.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	31.56 acres	35.3139%	
<u>OIL & GAS OWNERSHIP</u>			
(1) Nena I. Gonet			
Conveyed by Deed dated 7/19/2004 and recorded in Tazewell Co under DB918 / PG566 on 8/11/2004			
(a) CNX Gas Company LLC P.O. Box 643830 Pittsburgh, PA 15264-3830	31.56 acres	35.3139%	87.5208% HB2058
<u>Tract #1B, 9.84 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651			
<u>OIL & GAS OWNERSHIP</u>			
(1) Buford E. Short, et ux, 3929 Road Ridge Turnpike Raven, VA 24639	9.84 acres	20.2344%	n/a
Note: CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 11-301 executed in the order dated March 30, 2011 they were awarded 100% of the Coalbed Methane Gas underlying this tract. Royalties will be paid 100% to the prevailing plaintiffs.			
<u>Tract #2A, 1.25 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 21 (86.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	1.25 acres	1.3987%	
<u>OIL & GAS OWNERSHIP</u>			
(1) Gladys Salyers			
Conveyed by Deed of Gift dated 4/30/1999 and recorded in Tazewell Co at DB773 / PG107 on 4/30/1999			
(a) Dale & Elizabeth Salyers, T/E 484 Stella Lane Raven, VA 24639	1.25 acres	1.3987%	3.4664% HB2058
<u>Tract #2B, 0.65 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 21 (86.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	0.65 acres	0.7273%	

Exhibit EE
Unit AV-127
Docket #VGOB 04-1214-1365-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(48.63 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>OIL & GAS OWNERSHIP</u>			
(1) Dale & Elizabeth Safyers, T/E 484 Stella Lane Raven, VA 24639	0.65 acres	0.7273%	1.8026% HB2058

INSTRUMENT #160000746
RECORDED IN THE CLERK'S OFFICE OF
TAEWELL COUNTY ON
MARCH 24, 2016 AT 02:34PM
Angelica Ray
TAMMY B. ALLISON, CLERK
RECORDED BY: ADR

1600501

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 1:24 o'clock P. M, after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to: Sarah Gilmer

TESTE: ANN S. McREYNOLDS, CLERK
BY: Ann S. McReynolds CLERK