

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: BJ115

TRACT(S): 3

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-04-1214-1371-02

APPLICANTS:

CNX Gas Company LLC on behalf of Claude A. & Nancy Ray

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 06/15/2005, Recorded on 06/22/2005, Deed Book/Instrument No. 633, Page 702.
2. Supplemental Order, Recorded on 08/16/2006, Deed Book/Instrument No. 658, Page 240.
3. Modification Order -01 Executed 11/06/2013, Recorded on 11/18/2013, Deed Book/Instrument No. 0769, Page 0752.
4. Supplemental Order -01, Recorded on 04/30/2014, Deed Book/Instrument No. 0774, Page 0954.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 3 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3 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. Claude A. & Nancy Ray, Jr. is the gas claimant in Tracts 3. As such Claude A. & Nancy Ray, Jr. 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 Claude A. & Nancy Ray, Jr. and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit BJ115

VGOB-04-1214-1371-02

Table 1

Tracts: 3

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds	Adjustment Amount
			In Tract	In Tract	Agreement	Disbursed	Disbursed	
		Total acreage in escrow before disbursement				7.55000		
3 Tract 3 (total acreage)			7.4300					
1	3	Claude A. & Nancy Ray\PO Box 413 Swords Creek VA 24649		7.4300	100.00%	7.4300	98.4106%	

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.

DONE AND EXECUTED this 31 day of May, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

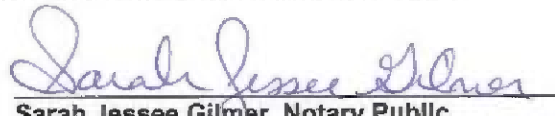
DONE AND PERFORMED this 31 day of May, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

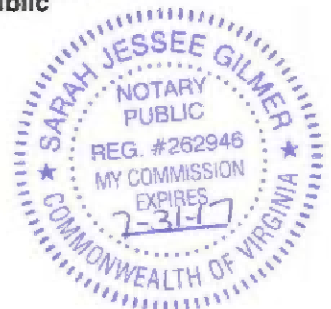
Acknowledged on this 31st day of May, 2016, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and 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

1601157



VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 6-22 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:00 o'clock P. M., after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: Sally Ketner

TESTE: ANN S. McREYNOLDS, CLERK
BY: Kathy Huff D. CLERK

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 04-1214-1371-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 3 (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: BJ115

RUSSELL 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 of Tract 3, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Claude A. & Nancy Ray, Jr.

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)

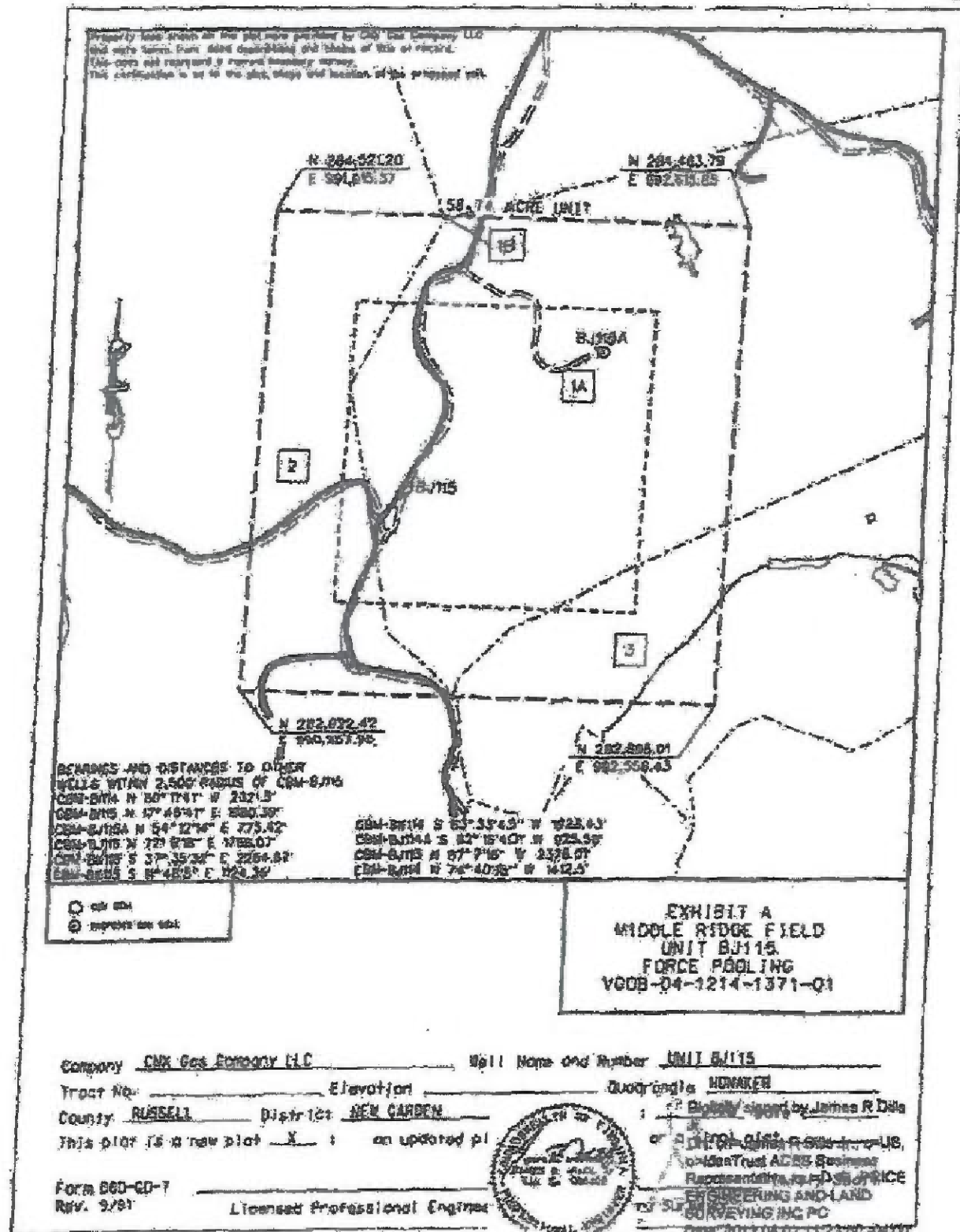
Coalbed Methane

5. Factual basis for relief requested

- a. Claude A. & Nancy Ray, Jr. is the gas claimant in Tracts 3. As such Claude A. & Nancy Ray, Jr. 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 Claude A. & Nancy Ray, Jr. 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.



CNX Gas Company LLC
 UNIT B115
 Tract Identifications
 (58.74 Acre Unit)

1. Letha F. Vandyke, et al (199.00 Acre Tract)- All Minerals
 Harold Keen Coal Company - All Coal Leased
 CNX Gas Company LLC- Oil, Gas and CBM Leased (97.5694%)
 95.26 acres 60.0272%
- 1A. G. F. Hurt Heirs-Surface
- 1B. Unknown Surface Owner
2. Reserve Coal Properties Company-coal
 CNX Gas Company LLC-Oil and Gas
 Reserve Coal Properties Company-Surface
 16.05 acres 27.3238%
3. Swords Creek Coal and Coke Corporation (156.79 Acre Tract) - Coal
 CNX Gas Company LLC - CBM Leased
 Claude A. Ray, Jr. - Surface, Oil and Gas
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 7.43 acres 12.6490%

"This title block is for general information purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purposes."

Exhibit E
Unit BJ-115
Docket #VG0B 04-1214-1371-02
List of Owners/Claimants that require Internal Suspense
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #1, 35.26 acres</u>		
<i>Internal suspense due to Unknown/Unlocatable</i>		
<u>COAL OWNERSHIP</u>		
(1) Letha F. Vandyke, et al. (199.00 Acre Tract)	35.26 acres	60.0272%
(e) Elizabeth Worley Heirs, Devisees, Successors or Assigns		
(e.1) Patricia Ann Thomas Address Unknown	0.06 acres 1/576 of 35.26 acres	0.1042%
(e.2) Connie Thomas Address Unknown	0.06 acres 1/576 of 35.26 acres	0.1042%
<u>OIL & GAS OWNERSHIP</u>		
(1) Letha F. Vandyke, et al. (199.00 Acre Tract)	35.26 acres	60.0272%
(e) Elizabeth Worley Heirs, Devisees, Successors or Assigns		
(e.1) Patricia Ann Thomas Address Unknown	0.06 acres 1/576 of 35.26 acres	0.1042%
(e.2) Connie Thomas Address Unknown	0.06 acres 1/576 of 35.26 acres	0.1042%
<u>TOTALS:</u>		
Total Acreage in Unit	0.12	
Total Percentage of Unit		0.2084%

Exhibit EE
Unit BJ-115
Docket #VGOB 04-1214-1371-02
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 #3, 7.43 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Coal & Coke Corporation P.O. Box 146 Rosedale, VA 24280	7.43 acres	12.6490%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Claude A. Ray, Jr. and Nancy Ray P.O. Box 413 Swords Creek, VA 24649	7.43 acres	12.6490%	98.41% HB2058