

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: BE121

TRACT(S): 1E

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER:

VGOB-05-0419-1427-02

APPLICANTS:

CNX Gas Company LLC on behalf of Terry & Kathy Casey

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 684.
2. Supplemental Order, Recorded on 01/28/2008, Deed Book/Instrument No. 684, Page 734.
3. Disbursement Order -01 Executed 02/20/2016, Recorded on 02/29/2016, Deed Book/Instrument No. 799, Page 091.

NOTICE:

BOOK 0805 PAGE 0077

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

RELIEF GRANTED:

VGOB Disbursement
Unit BE121

VGOB-05-0419-1427-02

Table 1
Tracts: 1E

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				4.18800		
1E Tract 1E (total acreage)			4.1500					
1	1E	Terry & Kathy Casey\1746 Lynn Springs Rd Swords Creek VA 24649		4.1500	100.00%	4.1500	99.0926%	

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.

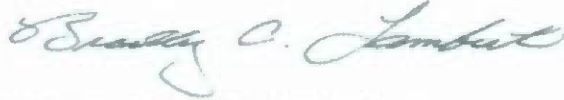
CONCLUSION:

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 27 day of June, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

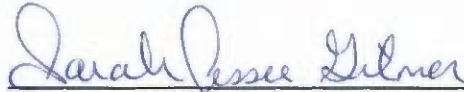
DONE AND PERFORMED this 27 day of June, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 27th day of June, 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

1601287



VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 7-8, 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 9:31 o'clock A M, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to: Sally Ketron

TESTE: ANN S. McREYNOLDS, CLERK
BY: Sheila Ketron D. CLERK

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 05-0419-1427-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1E (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: BE121

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(s) attributable to Tract(s) 1E as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to the parties per House Bill 2058; Terry & Kathy Casey; (3) Dismissal of Coal owner(s): Swords Creek Land Partnership

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. Terry & Kathy Casey is the gas claimant in Tracts 1E. As such Terry & Kathy Casey is 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 Terry & Kathy Casey 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.

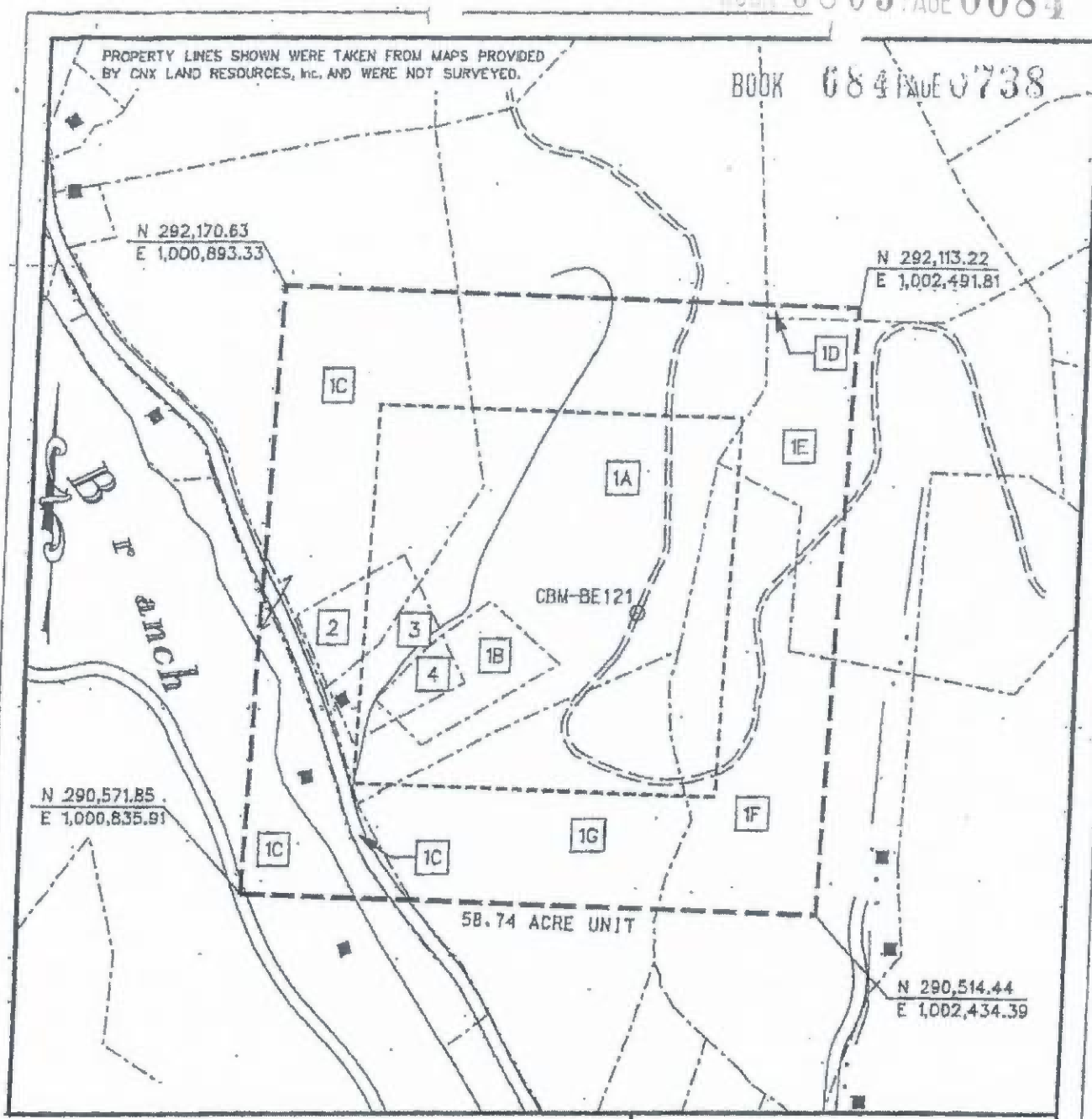


EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT BE-121
FORCE POOLING
VGOB-05-0419-1427

Company CNX Gas Company LLC Well Name and Number UNIT BE 121
 Tract No. _____ Elevation _____
 County Russell District New Garden Scale: 1" = 400' Date 8/1/03
 This plat is a new plat X an updated plat _____ or a final plat _____
 Form DGO-GO-7 _____
 Rev. 9/91 _____
 Licensed Professional Engineer or Licensed Land Surveyor Charles D. Morgan
 (Seal)

CNX Gas Company LLC**Unit BE-121****Tract Identifications****(58.74 Acre Unit)**

- 1A. Swords Creek Land Partnership Tr. 13 (574.58 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Robert Hale, II - Surface and All Minerals except Coal
CNX Gas Company, LLC - Oil, Gas and CBM Leased
17.18 acres 29.2475%
- 1B. Swords Creek Land Partnership Tr. 13 (574.58 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
David M. Saunders, et ux - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.53 acres 2.6047%
- 1C. Swords Creek Land Partnership Tr. 13 (574.58 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Samuel L. Breedlove, et al. - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
14.38 acres 24.4808%
- 1D. Swords Creek Land Partnership Tr. 13 (574.58 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Ruth Byrd, et al. - Surface and All Minerals except Coal
CNX Gas Company, LLC - Oil, Gas and CBM Leased
0.19 acres 0.3235%
- 1E. Swords Creek Land Partnership Tr. 13 (574.58 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Ruby Barton - Surface and All Minerals except Coal
4.15 acres 7.0650%

CNX Gas Company LLC**Unit BE-121****Tract Identifications****(58.74 Acre Unit)**

- 1F. Swords Creek Land Partnership Tr. 13 (574.58 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Betty Dye, et al - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
9.33 acres 15.8838%
- 1G. Swords Creek Land Partnership Tr. 13 (574.58 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Sam D. Ray, et al - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
9.01 acres 15.3386%
- 2. Samuel L. Breedlove, et al - Fee
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.28 acres 2.1961%
- 3. Robert E. Hale, II - Fee
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.11 acres 1.8897%
- 4. David M. Saunders, et ux - Fee
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.57 acres 0.9704%

Exhibit E
Unit BE-121
Docket #VGOB 05-0419-1427-02
List of Respondents that require escrow
(58.74 Acre Unit)

BOOK 0805 PAGE 0087

	Acres in Unit	Interest in Unit
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Tract #1D, 0.19 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.13 P.O. Box 187 Tazewell, VA 24651	0.19 acres	0.3235%
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The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.

OIL & GAS OWNERSHIP

(1) Ruth Byrd, et al. (62.30 acre tract)	0.19 acres	0.3235%
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(c) Alice Albert	Conveyed 12/21/98 DB 485/728	
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(c.1) Daniel Ray & Rebecca Tucker Rt 1 Box 314 Swords Creek, VA 24649	0.038 acres 1/5 of 0.19 acres	0.0647%
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Exhibit EE
Unit BE-121
Docket #VGOB 05-0419-1427-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

BOOK 0805 PAGE 0088

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1A, 17.18 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.13 P.O. Box 187 Tazewell, VA 24651	17.18 acres	29.2475%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Robert Hale, II, et al.	17.18 acres	29.2475%	
(a) Robert Hale, II Rt.2 Box 180 Honaker, VA 24260	17.18 acres	29.2475%	n/a
<u>Tract #1B, 1.53 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.13 P.O. Box 187 Tazewell, VA 24651	1.53 acres	2.6047%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) David M. Saunders, et ux. P.O. Box 300 Swords Creek, VA 24649	1.53 acres	2.6047%	n/a
<u>Tract #1C, 14.38 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.13 P.O. Box 187 Tazewell, VA 24651	14.38 acres	24.4808%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Samuel L. Breedlove, et al.	14.38 acres	24.4808%	
(a) Samuel L. Breedlove 956 State Rt. 314 Mansfield, OH 44903	12.324 acres 85.70% of 14.38 acres	20.9800%	n/a
(b) Herbert J. Breedlove 3238 North Oketo Street Chicago, IL 60634	2.056 acres 14.30% of 14.38 acres	3.5007%	n/a
<u>Tract #1D, 0.19 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.13 P.O. Box 187 Tazewell, VA 24651	0.19 acres	0.3235%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Ruth Byrd, et al.	0.19 acres	0.3235%	

Exhibit EE
Unit BE-121
Docket #VGOB 05-0419-1427-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
(a) Ruth Byrd P.O. Box 714 Doran, VA 24612	0.038 acres 1/5 of 0.19 acres	0.0647%	n/a
(b) Daniel L. Keen	<i>Conveyed 12/28/11 DB 743/560</i>		
(b.1) Virginia Resources, LLC PO Box 1320 Honaker, VA 24260	0.038 acres 1/5 of 0.19 acres	0.0647%	n/a
(c) Victoria Slate Heirs, Devisees, Successors or Assigns			
(c.1) Raymond P. Slate 1829 Lynn Springs Rd. Swords Creek, VA 24649	0.010 acres 1/20 of 0.19 acres	0.0162%	n/a
(c.2) Jeffery W. Slate RR Box 229A Swords Creek, VA 24649	0.019 acres 1/10 of 0.19 acres	0.0323%	n/a
(c.3) Jackie Dale Slate c/o Keen Mountain Correctional Center, P.O. Box 860 B-138 Oakwood, VA 24631	0.010 acres 1/20 of 0.19 acres	0.0162%	n/a
(c.4) Sheila Slate-Lofton HC 69, Box 1828 White Sulphur Springs, WV 24984	0.010 acres 1/20 of 0.19 acres	0.0162%	n/a
(e) Virginia Spiva 328 Martin Court Marietta, GA 30060	0.038 acres 1/5 of 0.19 acres	0.0647%	n/a

Tract #1E, 4.15 acres

COAL OWNERSHIP

- (1) Swords Creek Land Partnership, Tr.13
P.O. Box 187
Tazewell, VA 24651

4.15 acres 7.0650% n/a

OIL & GAS OWNERSHIP

- (1) Ruby G. Barton

*Kevin D. Tiller, Special Commissioner on behalf of Ruby G. E
by Deed dated April 13, 2005 and recorded in Deed Book 62*

- (a) Terry & Kathy Casey (T/E)
1746 Lynn Springs Road
Swords Creek, VA 24649

4.15 acres 7.0650% 99.0926%
HB2058

Tract #1F, 9.33 acres

COAL OWNERSHIP

- (1) Swords Creek Land Partnership, Tr.13
P.O. Box 187
Tazewell, VA 24651

9.33 acres 15.8836% n/a

Exhibit EE
Unit BE-121
Docket #VGOB 05-0419-1427-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Acres In Unit	Interest in Unit	Percent of Escrow
<u>OIL & GAS OWNERSHIP</u>			
(1) Betty Dye, et al.	9.33 acres	15.8836%	
(a) Betty R. Dye Rt. 1 Box 692 Swords Creek, VA 24649	1.866 acres 1/5 of 9.33 acres	3.1767%	n/a
(b) Harold Dye 309 Bower Avenue Richlands, VA 24641	1.866 acres 1/5 of 9.33 acres	3.1767%	n/a
(c) Betty Monroe 3004 Deans Ridge Road Lot #6 Augusta, GA 30906	1.866 acres 1/5 of 9.33 acres	3.1767%	n/a
(d) Edith Trueblood Box 67 Coinjack, NC 27923	1.866 acres 1/5 of 9.33 acres	3.1767%	n/a
(e) Ershel Dye 1009 Terry Court 238 Lynchburg, VA 22501	1.866 acres 1/5 of 9.33 acres	3.1767%	n/a
<u>Tract #1G, 9.01 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr. 13 P.O. Box 187 Tazewell, VA 24651	9.01 acres	15.3388%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Sam D. Ray, et al. c/o Sam & Anita Ray 505 Brighton Way Castleberry, FL 32707	9.01 acres	15.3388%	n/a
Total Acreage in Unit		55.7415	
Total Percentage of Unit			94.8953%