

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB-05/09/20-1502

ELECTIONS, UNIT: HRVAE #12

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on January 17th, 2006, and recorded in Instrument # 06-0000783 at the Office of the Clerk of Circuit Court, Buchanan County, Virginia on March 13, 2006, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
 - (a) The Board Order directed Hard Rock Exploration, Inc., (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
 - (b) The designated operator filed its affidavit of mailing dated April 27, 2006, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
 - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated June 12, 2019, in accordance

with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
 - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN 37664, (423) 245-6971, Attn: Debbie Davis, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN 37664, (423) 245-6971, Attn: Debbie Davis, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
 4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
 5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
 6. Effective Date: This Order shall be effective on the date of its execution.

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Hard Rock Exploration Inc., for Forced Pooling of Interests in Unit Number HRVAE #12 VGOB Docket No. VGOB-05/09/20-1502 in the Garden Magisterial District of Buchanan County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on January 17, 2006 by the Virginia Gas and Oil Board regarding the captioned Conventional Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on March 13, 2006.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, as unknown or/unlocatable.

NONE

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.

SEE EXHIBIT B-3

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

NONE

DONE AND EXECUTED this 24 day of June, 2019 by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert

Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 24th day of June, 2019, 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, that he executed the same and was authorized to do so.

Sarah Jessee Gilmer
Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2021

DONE AND PERFORMED this 1 day of July, 2019 by Order of the Virginia Gas and Oil Board.

Rick Cooper

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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 1st day of July, 2019, personally before me a notary public in and for the Commonwealth of Virginia, 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 he executed the same and was authorized to do so.

Sarah Jessee Gilmer
Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2021

190000898

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 12th day of June, 2019.

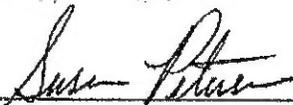


Affiant

State of Tennessee)
County of Sullivan)

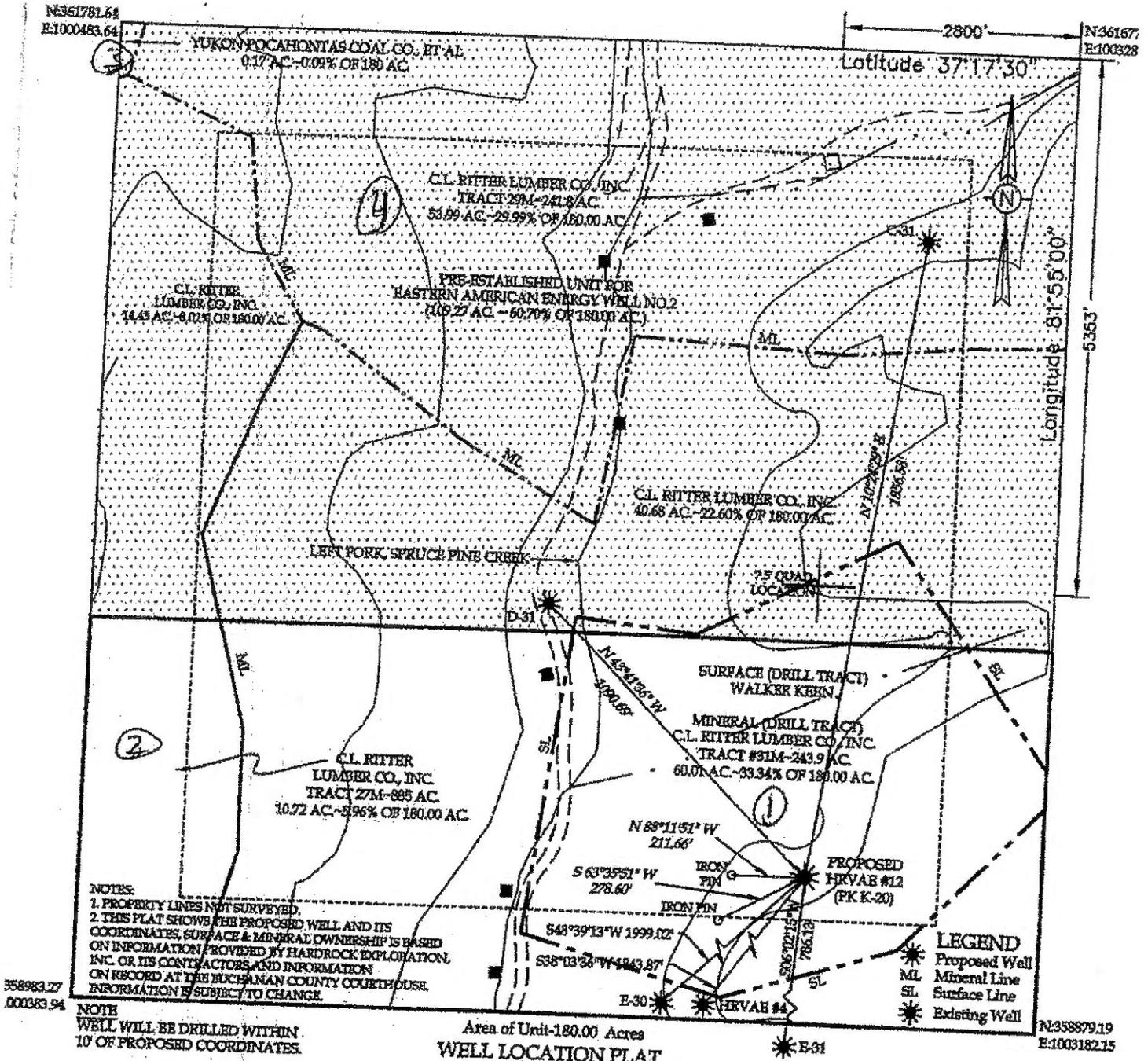
Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Hard Rock Exploration Inc., a corporation, on behalf of the corporation, this 12th day of June, 2019.





Susan Peterson, Notary

My commission expires: 8-17-2020



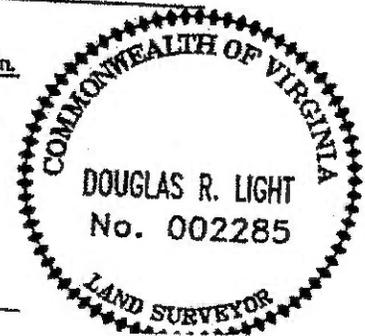
NOTES:
 1. PROPERTY LINES NOT SURVEYED.
 2. THIS PLAT SHOWS THE PROPOSED WELL AND ITS COORDINATES, SURFACE & MINERAL OWNERSHIP IS BASED ON INFORMATION PROVIDED BY HARDROCK EXPLORATION, INC. OR ITS CONTRACTORS AND INFORMATION ON RECORD AT THE BUCHANAN COUNTY COURTHOUSE. INFORMATION IS SUBJECT TO CHANGE.

NOTE
 WELL WILL BE DRILLED WITHIN
 10' OF PROPOSED COORDINATES.

Area of Unit-180.00 Acres
WELL LOCATION PLAT

Company HARDROCK EXPLORATION, INC. Well Name or Number HRVAE #12 (FK K-20)
 Tract No. C.L. RITTER LUMBER CO., INC. Quadrangle PATTERSON
 District GARDEN
 Well Coordinates (Virginia State Plane) N: 359,327.27 E: 1,002,512.46
 Elevation: 2087.45 Method Used to Determine Elevation: Trig. Levels from GPS derived elevation.
 County BUCHANAN Scale: 1" = 400' Date 8-17-05

This Plat is a new plat X; an updated plat _____; or a final location plat _____;
 + Denotes the location of a well on United States topographic maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.



Douglas R. Light

Exhibit B-3
HRVAE #12

<u>Tract</u>	<u>Lessor</u>	<u>Lease Status</u>	<u>Interest Within Unit</u>	<u>Gross Acreage In Unit</u>
1	C.L. Ritter Lumber Co., Inc. Box 700 Huntington, WV 25711	*Leased	22.60	40.68
	Eastern American Energy (Sub-Lessee)* 501 51th Street Charleston, WV 25304			
	CNX Gas Company (Lessee)* P.O. Box 947 Bluefield, VA 24605 Overriding Royalty Interest of 5.50% of Wellhead price without deductions or set off.			
2	C.L. Ritter Lumber Co., Inc. Box 700 Huntington, WV 25711	*Leased	8.02	14.43
	Eastern American Energy (Sub-Lessee)* 501 51th Street Charleston, WV 25304			
	CNX Gas Company (Lessee)* P.O. Box 947 Bluefield, VA 24605 Overriding Royalty Interest of 5.50% of Wellhead price without deductions or set off.			
3	Yukon Pocahontas Coal Co., et al. 330 Harper Park Dr., Suite A Beckley, WV 25801	*Leased	0.046	0.086
	Plum Creek Timber Company 999 3 rd Avenue, Suite 4300 Seattle, WA 98104 Attn: Russell Hagen	*Leased	0.030	0.057
	Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	*Leased	0.009	0.018

Exhibit B-3
HRVAE #12

<u>Tract</u>	<u>Lessor</u>	<u>Lease Status</u>	<u>Interest Within Unit</u>	<u>Gross Acreage In Unit</u>
3	Sayers Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	*Leased	0.005	0.009
	Eastern American Energy (Sub-Lessee)* 501 51th Street Charleston, WV 25304			
	CNX Gas Company (Lessee)* P.O. Box 947 Bluefield, VA 24605 Overriding Royalty Interest of 5.50% of Wellhead price without deductions or set off.			
4	C.L. Ritter Lumber Co., Inc. Box 700 Huntington, WV 25711	*Leased	29.99	53.99
	Eastern American Energy (Sub-Lessee)* 501 51th Street Charleston, WV 25304			
	CNX Gas Company (Lessee)* P.O. Box 947 Bluefield, VA 24605 Overriding Royalty Interest of 5.50% of Wellhead price without deductions or set off.			
Total Unleased			60.70%	109.27

INSTRUMENT 190000898
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY CIRCUIT COURT ON
JULY 2, 2019 AT 11:13 AM
BEVERLY S. TILLER, CLERK
RECORDED BY: GBB