

**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:** AY98

**TRACT(S):** A portion of 3

**LOCATION:** BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-05-1213-1542-07

**APPLICANTS:** CNX Gas Company LLC on behalf of La'Mona Sanders Roach

**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 02/02/2006, Recorded on 02/07/2006, Deed Book/Instrument No. 399.
2. Supplemental Order, Recorded on 01/23/2008, Deed Book/Instrument No. 80000285.
3. Disbursement Order -01 Executed 03/24/2011, Recorded on 03/30/2011, Deed Book/Instrument No. 110000747.
4. Disbursement Order -02 Executed 05/31/2012, Recorded on 06/25/2012, Deed Book/Instrument No. 120001257.

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5. Disbursement Order -03 Executed 03/03/2016, Recorded on 03/22/2016, Deed Book/Instrument No. 160000466.
6. Disbursement Order -04 Executed 08/30/2016, Recorded on 10/05/2016, Deed Book/Instrument No. 160001823.
7. Disbursement Order -05 Executed 08/07/2017, Recorded on 08/14/2017, Deed Book/Instrument No. 170001704.
8. Disbursement Order -06 Executed 09/28/2017, Recorded on 10/10/2017, Deed Book/Instrument No. 170002150.

**NOTICE:**

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) A portion of 3 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 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. La'Mona Sanders Roach is the gas claimant(s) in a portion of Tr. 3. As such La'Mona Sanders Roach is entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 05-1213-1542-03, it dismissed the coal claimant(s) H-W Financial, LLC as a Respondent to these proceedings. Accordingly, H-W Financial, LLC was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 La'Mona Sanders Roach and shall not escrow same. See Exhibit EE annexed hereto.



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.

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DONE AND EXECUTED this 31 day of July, 2018 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

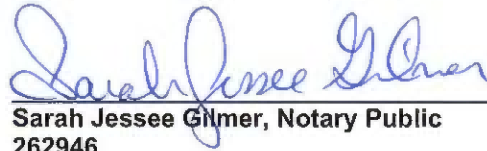
DONE AND PERFORMED this 31 day of July, 2018 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 31<sup>st</sup> day of July, 2018, 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.



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Sarah Jessee Gilmer, Notary Public  
262946

My Commission expires: July 31, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

180001324

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 05-1213-1542-07

**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 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:** AY98

**BUCHANAN 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 a portion of Tract 3, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to La'Mona Sanders Roach.

**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. La'Mona Sanders Roach is the gas claimant(s) in a portion of Tr. 3. As such La'Mona Sanders Roach is entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 05-1213-1542-03, it dismissed the coal claimant(s) H-W Financial, LLC as a Respondent to these proceedings. Accordingly, H-W Financial, LLC was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 La'Mona Sanders Roach and shall 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 WERE TAKEN FROM MAPS PROVIDED BY CNX LAND RESOURCES, INC. AND WERE NOT SURVEYED

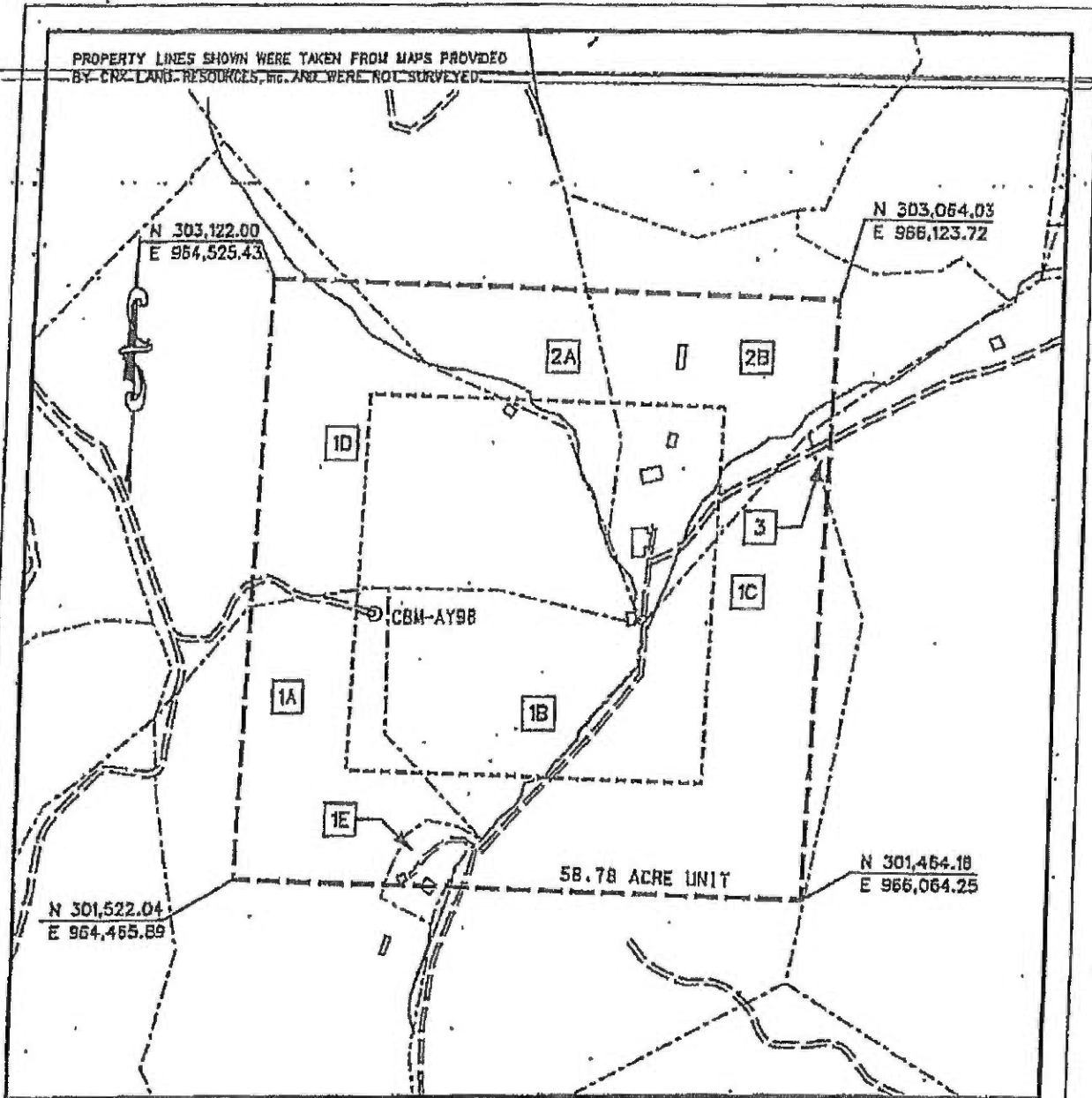
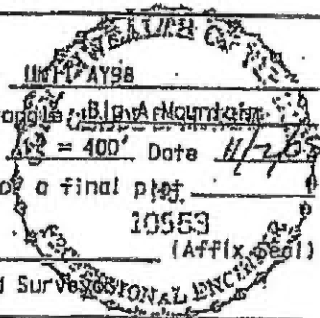


EXHIBIT A  
 NORA FIELD  
 UNIT AY-98  
 FORCE PDDLING  
 VGOR-05-1213-1542

Company CNX Gas Company LLC Well Name and Number Unit AY98  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Big A Mountain  
 County Buchanan District Hurricane Scale: 1" = 400' Date 11/2/05  
 This plot is a new plot  ; an updated plot \_\_\_\_\_ ; of a final plot \_\_\_\_\_

Form DGD-GO-7  
 Rev. 9/91

*Charles D. Moore*  
 Licensed Professional Engineer or Licensed Land Surveyor  
 10553 (Affix Seal)



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**CNX Gas Company LLC**

UNIT AY-98

Tract Identifications

(58.78 Acres)

1. Harrison-Wyatt, LLC Big Axe Tr. 2 (176.25 Acre Tract) - Coal (50%)  
 Buchanan Realty Limited Partnership - Coal (50%)  
 Harrison-Wyatt, LLC (Big Axe Tr. 2) -- All Minerals except Coal  
 Jewell Smokeless Coal Corporation - Coal Above Jawbone Seam Leased  
 CNX Gas Company LLC -- Oil, Gas and CBM Leased  
 45.05 acres                      76.6417%
- 1A. Teresa Harris, et al - Surface
- 1B. Gregory Austin et ux - Surface
- 1C. Emma Jane Harris - Surface
- 1D. Diane Howard Austin, et al - Surface
- 1E. Brian Hess, et al - Surface
2. Harrison-Wyatt, LLC. (Big Axe Tr. 12) - All Minerals  
 Jewell Smokeless Coal Corporation - Coal Above Jawbone Seam Leased  
 CNX Gas Company LLC - Oil, Gas and CBM Leased  
 13.57 acres                      23.0861
- 2A. Wesley Carl Hess, et al. - Surface
- 2B. Diane Howard Austin, et al - Surface
3. Harrison-Wyatt, L.L.C. (Big Axe Tr. 4) - Coal  
 Jewell Smokeless Coal Corp. - Coal Above Jawbone Seam Leased  
 CNX Gas Company LLC - CBM Leased  
 Fielden Sanders Helrs, et al. - Surface and All Minerals except Coal  
 CNX Gas Company LLC - Oil, Gas and CBM Leased (85%)  
 0.16 acres                      0.2722%

Exhibit E  
Unit AY-98  
Docket #VGOB 05-1213-1542-07  
Listing of Respondents that require Escrow  
(58.78 Acre Unit)

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	Acres in Unit	Percent of Unit
<u>Tract #3 - 0.16 acres</u>		
<b>COAL OWNERSHIP</b>		
(1) H-W Financial LLC <i>Big Axe Tr #4 (1575.50 acre tract)</i> P.O. Box 11000 Danville, VA 24543-5017	0.16 acres	0.2722% <i>Dismissed under -03 petition</i>
<b>OIL &amp; GAS OWNERSHIP</b>		
<i>Outstanding W9/Affidavit's</i>		
Fielden Sanders Heirs, Devisees, Successors or Assigns, et al.	0.16 acres	0.2722%
(1) Ora Sanders Heirs, Devisees, Successors or Assigns		
(d) Daniel E. Sanders Heirs, Devisees, Successors or Assigns		
(d.1) Orle Wangler (Gerard) Rt 2 Box 466 McLoud, OK 74851	0.0019 acres 1/84 of 0.16 acres	0.0032%
(d.2) Wainoke Lynn Kummell 16826 Topeka Ln Choctaw, OK 74020	0.0019 acres 1/84 of 0.16 acres	0.0032%
(d.3) Latrenda Sanders Rt 2 Box 466 McLoud, OK 74851	0.0019 acres 1/84 of 0.16 acres	0.0032%
(g) Walter Sanders Heirs, Devisees, Successors or Assigns		
(g.4) Terry Sanders 271 Pleasant Ridge Road Franklinville, NC 27248	0.0019 acres 1/84 of 0.16 acres	0.0032%
<b>Total Acres Remaining</b>	0.0076	
<b>Total Percentage Remaining</b>		0.0130%



Exhibit EE  
Unit AY-98  
Docket #VGOB 05-1213-1542-07  
List of Respondents with Royalty Split Agreements/Court Orders/HB2052  
(58.78 Acre Unit)

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	Acres in Unit	Percent of Unit	Percent of Escrow
(a.2) Loeita Austin Lambert 7509 Red Bud Highway Honaker, VA 24260	0.0038 acres 1/42 of 0.16 acres	0.0065%	<i>n/a</i>
(b) Lethia (Leafy) Sanders Tiller Heirs, Devisees, Successors or Assigns			
(b.1) Christa Dawn Hess 3319 Wayfield Dr. Johnson City, TN 37601	0.0038 acres 1/42 of 0.16 acres	0.0065%	<i>n/a</i>
(b.2) Ronnie Wayne Tiller 7918 Gold Leaf Circle Spotsylvania, VA 22551	0.0038 acres 1/42 of 0.16 acres	0.0065%	<i>n/a</i>
(c) Lena Sanders Sutorka 751 Forest Hill Road Gordonsville, VA 22942	0.0076 acres 1/21 of 0.16 acres	0.0130%	<i>n/a</i>
(d) Daniel E. Sanders Heirs, Devisees, Successors or Assigns			
(d.4) La'Mona Sanders Roach 8220 NW 112th Street Okiahoma City, OK 73162	0.0019 acres 1/84 of 0.16 acres	0.0032%	20.0501% HB205B
(e) Julia Sanders O'Quinn 1232 Green-Cook Road Sunbury, OH 43074	0.0076 acres 1/21 of 0.16 acres	0.0130%	<i>n/a</i>
(f) Ellis Sanders Heirs, Devisees, Successors or Assigns			
(f.1) Beatrice Jane MacCormac 8732 Phipps Farm Way Manassas, VA 20109	0.0038 acres 1/42 of 0.16 acres	0.0065%	<i>n/a</i>
(f.2) Betty Sue Fletcher P.O. Box 691 Marion, VA 24354	0.0038 acres 1/42 of 0.16 acres	0.0065%	<i>n/a</i>
(g) Walter Sanders Heirs, Devisees, Successors or Assigns			
(g.1) Nadine Sanders Hurley 631 Belfast School Rd Cedar Bluff, VA 24609	0.0019 acres 1/84 of 0.16 acres	0.0032%	<i>n/a</i>
(g.2) Adrinne Sanders Horn RR4 Box 503A North Tazewell, VA 24630	0.0019 acres 1/84 of 0.16 acres	0.0032%	<i>n/a</i>
(g.3) Roger Sanders P.O. Box 82 Pilgrims Knob, VA 24634	0.0019 acres 1/84 of 0.16 acres	0.0032%	<i>n/a</i>
(2) Fielden Sanders Heirs, Devisees, Successors or Assigns			
(a) Chester Sanders 408W Dartmouth Avenue Melbourne, FL 32901	0.0267 acres 1/6 of 0.16 acres	0.0454%	<i>n/a</i>
(b) Dave Sanders Rt.2 Box 546 Bluefield, VA 24605	0.0267 acres 1/6 of 0.16 acres	0.0454%	<i>n/a</i>
(c) Norman Sanders Heirs, Devisees, Successors, or Assigns			

Exhibit EE  
Unit AY-98  
Docket #VGOB 05-1213-1542-07  
List of Respondents with Royalty Split Agreements/Court Orders/HB2052  
(58.78 Acre Unit)

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	Acres in Unit	Percent of Unit	Percent of Escrow
(c.1) Shirley Sanders 2013 Otterdale Road Midlothian, VA 23112	0.0267 acres 1/6 of 0.16 acres	0.0454%	n/a
(d) Estil Sanders Heirs, Devisees, Successors or Assigns			
(d.1) Goldie Sanders Heirs, Devisees, Successors or Assigns (1/18)			
<i>*Note: 1/18 interest divided among heirs listed below - Heir will be paid for Goldie's portion because she had a Royalty Split agreement, but their original 1/63 interest will remain escrowed. Unless an individual agreement has been signed</i>			
(d.1.1) James Sanders 96 1st Street Cleveland, VA 24225	0.0013 acres 1/126 of 0.16 acres	0.0022%	n/a
(d.1.2) Judy Sanders Israel 5136 Drill Road Honaker, VA 24260	0.0013 acres 1/126 of 0.16 acres	0.0022%	n/a
(d.1.3) Harley Sanders 172 Vantage Drive Tazewell, VA 24651	0.0013 acres 1/126 of 0.16 acres	0.0022%	n/a
(d.1.4) Jerry Sanders Heirs, Devisees, Successors, or Assigns			
(d.1.4.1) Joyce R. Wallace PO Box 789 Honaker, VA 24260	0.0003 acres 1/504 of 0.16 acres	0.0005%	n/a
(d.1.4.2) Evelyn Calhoun 101 Briarwood Hills Drive Lebanon, VA 24266	0.0003 acres 1/504 of 0.16 acres	0.0005%	n/a
(d.1.4.3) Jerri Vance PO Box 839 Honaker, VA 24260	0.0003 acres 1/504 of 0.16 acres	0.0005%	n/a
(d.1.4.4) Timothy Sanders PO Box 839 Honaker, VA 24260	0.0003 acres 1/504 of 0.16 acres	0.0005%	n/a
(d.1.5) Larry Sanders P.O. Box 996 Honaker, VA 24260	0.0013 acres 1/126 of 0.16 acres	0.0022%	n/a
(d.1.6) Allen Sanders P.O. Box 2254 Lebanon, VA 24266	0.0013 acres 1/126 of 0.16 acres	0.0022%	n/a
(d.1.7) Evelyn Sanders Nash 19 Heritage Drive Honaker, VA 24260	0.0013 acres 1/126 of 0.16 acres	0.0022%	n/a
(d.2) James Sanders 96 1st Street Cleveland, VA 24225	0.0025 acres 1/63 of 0.16 acres	0.0043%	n/a
(d.3) Judy Sanders Israel 5136 Drill Road Honaker, VA 24260	0.0025 acres 1/63 of 0.16 acres	0.0043%	n/a
(d.4) Harley Sanders 172 Vanlage Drive Tazewell, VA 24651	0.0025 acres 1/63 of 0.16 acres	0.0043%	n/a
(d.5) Jerry Sanders Heirs, Devisees, Successors, or Assigns			

Exhibit EE  
Unit AY-98  
Docket #VGOB 05-1213-1542-07  
List of Respondents with Royalty Split Agreements/Court Orders/HB2052  
(58.78 Acre Unit)

180001324

	Acres in Unit	Percent of Unit	Percent of Escrow
(d.5.1) Joyce R. Wallace PO Box 789 Honaker, VA 24260	0.0006 acres 1/252 of 0.16 acres	0.0011%	n/a
(d.5.2) Evelyn Calhoun 101 Briarwood Hills Drive Lebanon, VA 24266	0.0006 acres 1/252 of 0.16 acres	0.0011%	n/a
(d.5.3) Jerri Vance PO Box 839 Honaker, VA 24260	0.0006 acres 1/252 of 0.16 acres	0.0011%	n/a
(d.5.4) Timothy Sanders PO Box 839 Honaker, VA 24260	0.0006 acres 1/252 of 0.16 acres	0.0011%	n/a
(d.6) Larry Sanders P.O. Box 996 Honaker, VA 24260	0.0025 acres 1/63 of 0.16 acres	0.0043%	n/a
(d.7) Allen Sanders 924 Creekside Drive Lebanon, VA 24266	0.0025 acres 1/63 of 0.16 acres	0.0043%	n/a
(d.8) Evelyn Sanders Nash 19 Heritage Drive Honaker, VA 24260	0.0025 acres 1/63 of 0.16 acres	0.0043%	n/a
<b>Total Acres Resolved</b>	<b>45.2024</b>		
<b>Total Percentage Resolved</b>		<b>76.9010%</b>	

INSTRUMENT 180001324  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY CIRCUIT COURT ON  
August 9, 2018 AT 11:32 AM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: CXE