

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-05-1213-1542-08

APPLICANTS: Pocahontas Gas LLC on behalf of LaTrenda Sanders, Orié Wangler

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 Pocahontas Gas LLC

PRIOR PROCEEDINGS:

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

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5. Disbursement Order -03 Executed 03/03/2016, Recorded on 03/22/2016, Deed Book/Instrument No. 160000466, County BUCHANAN.
6. Disbursement Order -04 Executed 08/30/2016, Recorded on 10/05/2016, Deed Book/Instrument No. 160001823, County BUCHANAN.
7. Disbursement Order -05 Executed 08/07/2017, Recorded on 08/14/2017, Deed Book/Instrument No. 170001704, County BUCHANAN.
8. Disbursement Order -06 Executed 09/28/2017, Recorded on 10/10/2017, Deed Book/Instrument No. 170002150, County BUCHANAN.
9. Disbursement Order -07 Executed 07/31/2018, Recorded on 08/09/2018, Deed Book/Instrument No. 180001324, County BUCHANAN.

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:

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- a. Orié Wangler and La'Trenda Sanders are the gas claimant(s) in a portion of Tr. 3. As such Orié Wangler and La'Trenda Sanders are 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 Pocahontas Gas LLC (formerly 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 Orié Wangler and La'Trenda Sanders 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 12 day of September, 2019 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

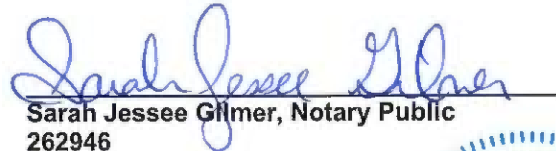
DONE AND PERFORMED this 12 day of September, 2019 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 12th day of September, 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 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, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: Pocahontas Gas LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 05-1213-1542-08

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 Pocahontas Gas 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 Orié Wangler and La'Trenda Sanders.

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. Orië Wangler and La'Trenda Sanders are the gas claimant(s) in a portion of Tr. 3. As such Orië Wangler and La'Trenda Sanders are 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 Pocahontas Gas LLC (formerly 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 Orië Wangler and La'Trenda Sanders 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.

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PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CNX LAND RESOURCES, FE. AND WERE NOT SURVEYED

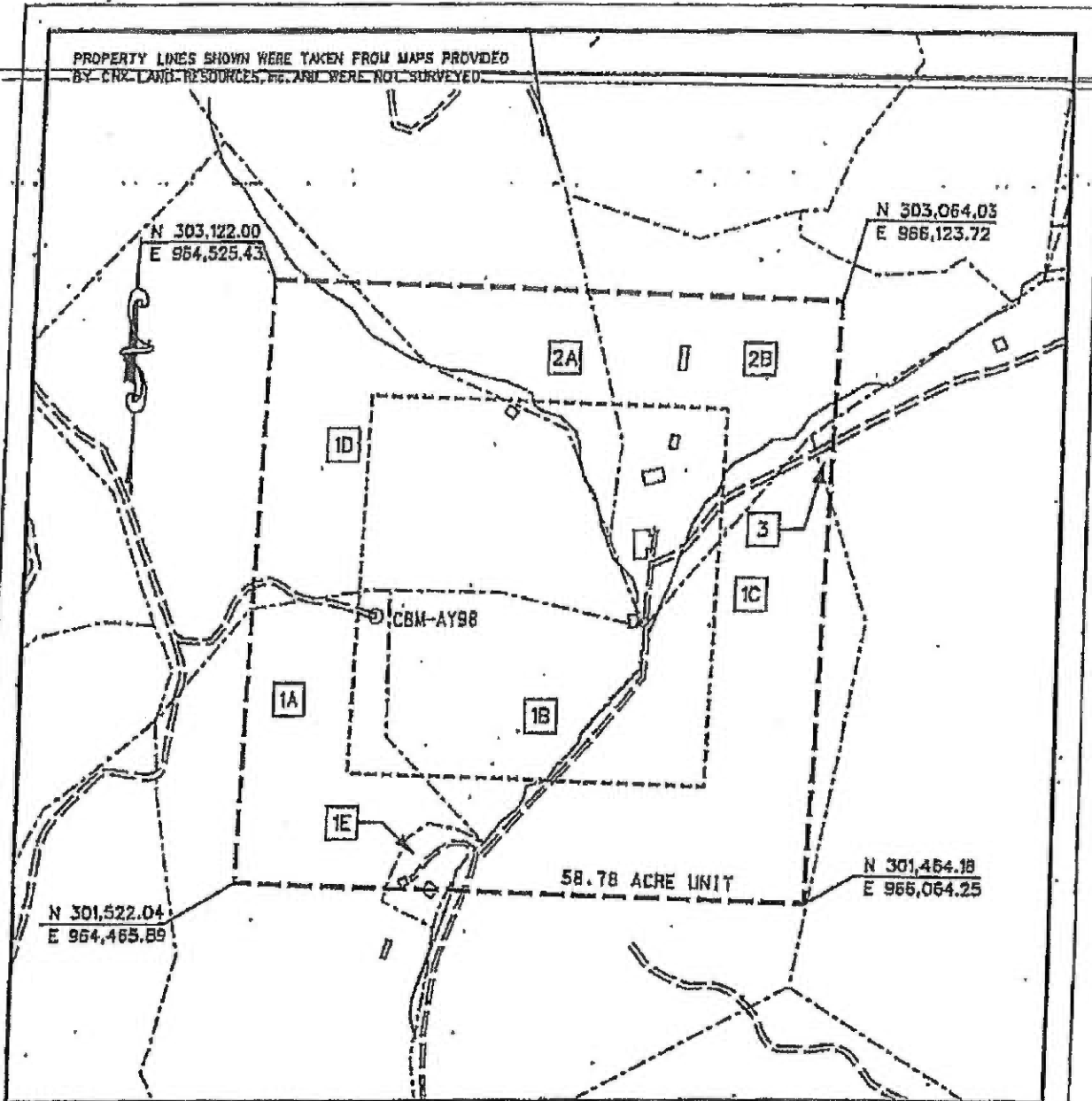
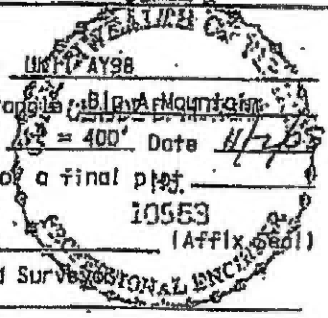


EXHIBIT A
 NDRA FIELD
 UNIT AY-98
 FORCE POOLING
 VGDB-05-1213-1542

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

Form DGD-GO-7
 Rev. 9/91

Charles D. Na...
 Licensed Professional Engineer & 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 Jané 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 Heirs, et al. - Surface and All Minerals except Coal
 CNX Gas Company LLC - Oil, Gas and CBM Leased (85%)
 0.16 acres 0.2722%

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Exhibit E
 Unit AY-98
 Docket #VGOB 05-1213-1542-08
 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>		
<u>COAL OWNERSHIP</u>		
(1) H-W Financial LLC Big Axe Tr #4 (1575.50 acre tract) P.O. Box 11000 Danville, VA 24543-5017	0.16 acres	0.2722% <i>Dismissed under -03 petition</i>
<u>OIL & GAS OWNERSHIP</u>		
<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.2) Wainoke Lynn Kummell 16826 Topeka Ln Choctaw, OK 74020	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%
Total Acres Remaining	0.0038	
Total Percentage Remaining		0.0065%

Exhibit EE
Unit AY-98
Docket #VGOB 05-1213-1542-08
List of Respondents with Royalty Split Agreements/Court Orders/HB2052
(58.78 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #1 - 45.05 acres</u>			
<u>COAL OWNERSHIP</u>			
<i>According to the Supplemental Order this tract should have been placed in escrow, but it was never escrowed. Conflicts have been resolved and owners have been on pay since first production.</i>			
(1)	H-W Financial, et al. ** 45.05 acres	76.6417%	
(a)	H-W Financial LLC Big Axe Tr #2 (176.25 acre tract) P.O. Box 11000 Danville, VA 24543-5017 22.525 acres 1/2 of 45.05 acres	38.3209%	n/a
** NOTE: In order to resolve the CBM conflict, by Quitclaim Deed dated 5/31/06, Harrison-Wyatt, LLC conveys an undivided one-fourth (1/4) interest in the CBM Estate to Buchanan Realty.			
(b)	Buchanan Realty Limited Partnership c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469 22.525 acres 1/2 of 45.05 acres	38.3209%	n/a
** NOTE: In order to resolve the CBM conflict, by Quitclaim Deed dated 5/31/06, Buchanan Realty conveys an undivided three-fourths (3/4) interest in the CBM Estate to Harrison-Wyatt.			
Royalties paid to: Buchanan Realty Limited Partnership P. O. Box 1756 Grundy, VA 26414-1756			
<u>OIL & GAS OWNERSHIP</u>			
(1)	H-W Financial LLC ** Big Axe Tr #2 (176.25 acre tract) P.O. Box 11000 Danville, VA 24543-5017 45.05 acres	76.6417%	n/a
** NOTE: In order to resolve the CBM conflict, by Quitclaim Deed dated 5/31/06, Harrison-Wyatt, LLC conveys an undivided one-fourth (1/4) interest in the CBM Estate to Buchanan Realty.			
25% of CBM Royalties are to be paid to: Buchanan Realty Limited Partnership P. O. Box 1756 Grundy, VA 26414-1756			
<u>Tract #3 - 0.16 acres</u>			
<u>Tract #3 - 0.16 acres</u>			
(1)	H-W Financial LLC Big Axe Tr #4 (1575.50 acre tract) P.O. Box 11000 Danville, VA 24543-5017 0.16 acres	0.2722%	n/a
<u>OIL & GAS OWNERSHIP</u>			
	Fielden Sanders Heirs, Devisees, Successors or Assigns, et al. 0.16 acres	0.2722%	
(1)	Ora Sanders Heirs, Devisees, Successors or Assigns		
(a)	Oma Sanders Tiller Heirs, Devisees, Successors or Assigns (1/21)		
(a.1)	Edward V. Tiller 7491 Red Bud Highway Honaker, VA 24260 0.0038 acres 1/42 of 0.16 acres	0.0065%	n/a

List of Respondents with Royalty Split Agreements/Court Orders/HB2052
(58.78 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
(a.2) Loelita Austin Lambert 7509 Red Bud Highway Honaker, VA 24260	0.0038 acres 1/42 of 0.16 acres	0.0065%	n/a
(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%	n/a
(b.2) Ronnie Wayne Tiller 7918 Gold Leaf Circle Spotsylvania, VA 22551	0.0038 acres 1/42 of 0.16 acres	0.0065%	n/a
(c) Lena Sanders Sutorka 751 Forest Hill Road Gordonsville, VA 22942	0.0076 acres 1/21 of 0.16 acres	0.0130%	n/a
(d) Daniel E. Sanders Heirs, Devisees, Successors or Assigns			
(d.1) Orié Wangler 105418 S 3310 Road Mcloud, OK 74851	0.0019 acres 1/84 of 0.16 acres	0.0032%	24.9969% HB2058
(d.3) La'Trenda Sanders 105230 S 3310 Road Mcloud, OK 74851	0.0019 acres 1/84 of 0.16 acres	0.0032%	24.9969% HB2058
(d.4) La'Mona Sanders Roach 8220 NW 112th Street Oklahoma City, OK 73162	0.0019 acres 1/84 of 0.16 acres	0.0032%	n/a
(e) Julia Sanders O'Quinn 1232 Green-Cook Road Sunbury, OH 43074	0.0076 acres 1/21 of 0.16 acres	0.0130%	n/a
(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%	n/a
(f.2) Betty Sue Fletcher P.O. Box 691 Marion, VA 24354	0.0038 acres 1/42 of 0.16 acres	0.0065%	n/a
(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%	n/a
(g.2) Adrinne Sanders Horn RR4 Box 503A North Tazewell, VA 24630	0.0019 acres 1/84 of 0.16 acres	0.0032%	n/a
(g.3) Roger Sanders P.O. Box 82 Pilgrims Knob, VA 24634	0.0019 acres 1/84 of 0.16 acres	0.0032%	n/a
(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%	n/a

Exhibit EE
Unit AY-98
Docket #VGOB 05-1213-1542-08
List of Respondents with Royalty Split Agreements/Court Orders/HB2052
(58.78 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
(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			
(c.1) Shirley Sanders 2013 Otterdale Road Midlothian, VA 23112	0.0267 acres 1/6 of 0.16 acres	0.0454%	<i>n/a</i>
(d) Estli 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 Heirs, Devisees, Successors, or Assigns <i>(documentation pending)</i>	0.0013 acres 1/126 of 0.16 acres	0.0022%	<i>n/a</i>
(d.1.1.1) David Sanders 324 Pruner Street Lebanon, VA 24266			
(d.1.2) Judy Sanders Israel 5136 Drill Road Honaker, VA 24260	0.0013 acres 1/126 of 0.16 acres	0.0022%	<i>n/a</i>
(d.1.3) Harley Sanders 172 Vantage Drive Tazewell, VA 24651	0.0013 acres 1/126 of 0.16 acres	0.0022%	<i>n/a</i>
(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%	<i>n/a</i>
(d.1.4.2) Evelyn Calhoun 101 Briarwood Hills Drive Lebanon, VA 24266	0.0003 acres 1/504 of 0.16 acres	0.0005%	<i>n/a</i>
(d.1.4.3) Jerri Vance PO Box 839 Honaker, VA 24260	0.0003 acres 1/504 of 0.16 acres	0.0005%	<i>n/a</i>
(d.1.4.4) Timothy Sanders PO Box 839 Honaker, VA 24260	0.0003 acres 1/504 of 0.16 acres	0.0005%	<i>n/a</i>
(d.1.5) Larry Sanders P.O. Box 996 Honaker, VA 24260	0.0013 acres 1/126 of 0.16 acres	0.0022%	<i>n/a</i>
(d.1.6) Allen Sanders P.O. Box 2254 Lebanon, VA 24266	0.0013 acres 1/126 of 0.16 acres	0.0022%	<i>n/a</i>
(d.1.7) Evelyn Sanders Nash 19 Heritage Drive Honaker, VA 24260	0.0013 acres 1/126 of 0.16 acres	0.0022%	<i>n/a</i>

Exhibit EE
Unit AY-98
Docket #VGOB 05-1213-1542-08
List of Respondents with Royalty Split Agreements/Court Orders/HB2052
(58.78 Acre Unit)

	Acres In Unit	Percent of Unit	Percent of Escrow
(d.2) James Sanders Heirs, Devisees, Successors, or Assigns <i>(documentation pending)</i>	0.0025 acres 1/63 of 0.16 acres	0.0043%	<i>n/a</i>
(d.2.1) David Sanders 324 Pruner Street Lebanon, VA 24266			
(d.3) Judy Sanders Israel 5136 Drill Road Honaker, VA 24260	0.0025 acres 1/63 of 0.16 acres	0.0043%	<i>n/a</i>
(d.4) Harley Sanders 172 Vantage Drive Tazewell, VA 24651	0.0025 acres 1/63 of 0.16 acres	0.0043%	<i>n/a</i>
(d.5) Jerry Sanders Heirs, Devisees, Successors, or Assigns			
(d.5.1) Joyce R. Wallace PO Box 789 Honaker, VA 24260	0.0006 acres 1/252 of 0.16 acres	0.0011%	<i>n/a</i>
(d.5.2) Evelyn Calhoun 101 Briarwood Hills Drive Lebanon, VA 24266	0.0006 acres 1/252 of 0.16 acres	0.0011%	<i>n/a</i>
(d.5.3) Jerri Vance PO Box 839 Honaker, VA 24260	0.0006 acres 1/252 of 0.16 acres	0.0011%	<i>n/a</i>
(d.5.4) Timothy Sanders PO Box 839 Honaker, VA 24260	0.0006 acres 1/252 of 0.16 acres	0.0011%	<i>n/a</i>
(d.6) Larry Sanders P.O. Box 996 Honaker, VA 24260	0.0025 acres 1/63 of 0.16 acres	0.0043%	<i>n/a</i>
(d.7) Allen Sanders 924 Creekside Drive Lebanon, VA 24266	0.0025 acres 1/63 of 0.16 acres	0.0043%	<i>n/a</i>
(d.8) Evelyn Sanders Nash 19 Heritage Drive Honaker, VA 24260	0.0025 acres 1/63 of 0.16 acres	0.0043%	<i>n/a</i>
Total Acres Resolved	45.2062		
Total Percentage Resolved		76.9074%	

INSTRUMENT 190001405
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY CIRCUIT COURT ON
SEPTEMBER 30, 2019 AT 01:41 PM
BEVERLY S. TILLER, CLERK
RECORDED BY: VAH