

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)

UNIT/WELL NAME: O76

TRACT(S): 1A, 1B

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-06-0620-1647-01

APPLICANTS:

CNX Gas Company LLC on behalf of E.L.E., LLC

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia ☐
December 16, 2014

APPEARANCES:

Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 11/15/2006, Recorded on 11/17/2006, Deed Book/Instrument No. 060003826.
2. Supplemental Order Executed 06/14/2012, Recorded on 08/07/2012, Deed Book/Instrument No. 120001600.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the December 16, 2014 hearing and considered whether to:

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1A, 1B identified in the attached petition.

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(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1A, 1B 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

Applicant has certified and represented to the Board that:

EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be paid.

RELIEF GRANTED:

VGOB Disbursement
Unit 076

VGOB-06-0620-1647-01

Table 1

Tracts: 1A, 1B

Item	Tract	Disbursement Table							
		Total acreage in escrow before disbursement						35.31800	
1A Tract 1A (total acreage)									
1	1A	E.L.E., LLCIPO Box 7, Maxie, VA 24628			13.1400	100.00%	13.1400		37.2048%
1B Tract 1B (total acreage)									
1	1B	E.L.E., LLCIPO Box 7, Maxie, VA 24628			2.0000	100.00%	2.0000		5.6628%

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:

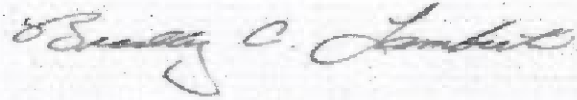
Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

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 18 day of December, 2014 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

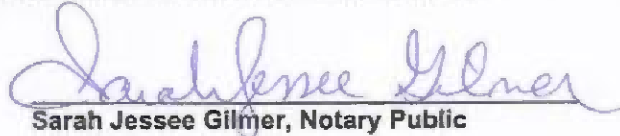
DONE AND PERFORMED this 18 day of December, 2014 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 18th day of December, 2014, 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



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 06-0620-1647-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM
 ESCROW REGARDING TRACT(S) 1A, 1B
 (2) AND AUTHORIZATION FOR DIRECT
 PAYMENT OF ROYALTIES

HEARING DATE: December 16, 2014

DRILLING UNIT: O76

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 2481 John Nash Blvd, Bluefield, WV 24701, (304)323-6500. Petitioner's counsel is Mark A. Swartz, Swartz Law Offices, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808..

2. Relief Sought

(1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 1A & 1B as depicted upon the annexed Table 1; and (2) authorization to begin paying royalties directly to the parties to the prevailing plaintiff(s); ELE, LLC

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

ELE, LLC is entitled to 100% of the CBM royalties awarded under Case No. CL 753-09 dated October 3, 2014. Said decision allows the Applicant and Designated Operator to pay royalties directly to the person(s) identified in Exhibit EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be paid.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

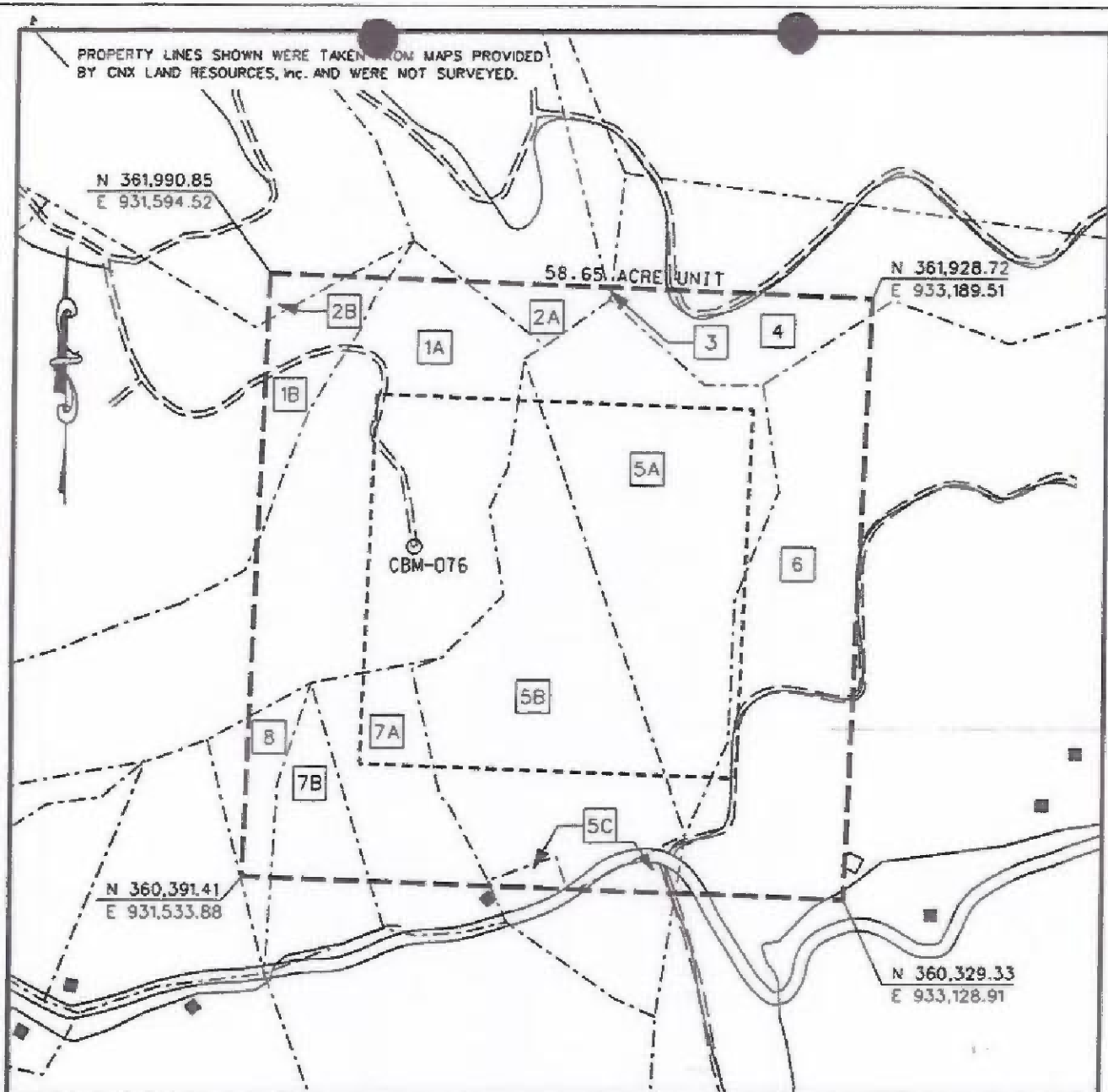


EXHIBIT A
NORA FIELD
UNIT 0-76
FORCE POOLING
VGOB-06-0620-1647

Company CNX Gas Company LLC Well Name and Number UNIT 076
 Tract No. _____ Elevation _____ Quadrangle Horman
 County Buchanan District Rock Lick Scale: 1" = 400' Date 5/13/06
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____
 Form DGO-GO-7 _____
 Rev. 9/91 Charles O. May (Professional Engineer or Licensed Land Surveyor Seal)
 Licensed Professional Engineer or Licensed Land Surveyor

CNX Gas Company LLC**UNIT 076**

Tract Identifications
(58.65 Acre Unit)

- 1A. Bull Creek Coal Company (Josh Clevinger 90.52 Acre Tract) – Coal
 Island Creek Coal Company/Consol Energy, Inc. – Coal In and Below Pocahontas No. 6 Seam Leased
 Rapoca Energy – Coal In Hagy Seam Leased
 CNX Gas Company LLC – CBM Leased
 ELE, LLC – Surface and All Minerals except Coal
 13.14 acres 22.4041%

- 1B. Bull Creek Coal Company (Josh Clevinger 90.52 Acre Tract) – Coal
 Island Creek Coal Company/Consol Energy, Inc. – Coal In and Below Pocahontas No. 6 Seam Leased
 Rapoca Energy – Coal In Hagy Seam Leased
 CNX Gas Company LLC – CBM Leased
 ELE, LLC – Surface and All Minerals except Coal
 2.00 acres 3.4101%

- 2. Bull Creek Coal Company (H.W. & H.C. Pobst 177 Acre Tract) – All Minerals
 Rapoca Energy – Coal In Hagy and Above Seams Leased
 Rapoca Energy – Coal In Splashdam Seam Leased (Subleased from Penn Virginia Resource Partners)
 Columbia Natural Resources – Oil and Gas Leased
 CNX Gas Company LLC – CBM Leased
 1.08 acres 1.8414%

- 2A. Paul Dawson, et ux – Surface
- 2B. Virgil Lloyd Webb – Surface

- 3. Bull Creek Coal Company (Enoch Branham 9 Acre Tract) – All Minerals
 Rapoca Energy – Coal In Hagy and Above Seams Leased
 Rapoca Energy – Coal In Splashdam Seam Leased (Subleased from Penn Virginia Resource Partners)
 Columbia Natural Resources – Oil and Gas Leased
 CNX Gas Company LLC – CBM Leased
 Martha Rice Heirs and Fred Rice Heirs - Surface
 0.01 acres 0.0171%

- 4. Jack G. Watkins, et al – All Minerals except Coal In Splashdam Seam
 CNX Gas Company LLC – Coal In Splashdam Seam
 CNX Gas Company LLC – Surface
 2.61 acres 4.4501%

- 5. Bull Creek Coal Company (M. E. Owens Tract 28.56 Acre Tract) – Coal
 Island Creek Coal Company/Consol Energy, Inc. – Coal In and Below Pocahontas No. 6 Seam Leased
 Rapoca Energy – Coal In Hagy and Above Seams Leased
 Rapoca Energy – Coal In Splashdam Seam Leased (Subleased from Penn Virginia
 Resource Partners)
 Bull Creek Coal Company, et al – All Minerals except Coal
 CNX Gas Company LLC – CBM Leased (1/3)
 22.82 acres 38.9088%

- 5A. Unknown Surface Owner
- 5B. Unknown Surface Owner
- 5C. Unknown Surface Owner

CNX Gas Company LLC**UNIT 076**

Tract Identifications
(58.65 Acre Unit)

6. Bull Creek Coal Company (John H. Quinley Tract 102.48 Acre Tract) – Coal
Island Creek Coal Company/Consol Energy, Inc. – Coal In and Below Pocahontas
No. 6 Seam Leased
Rapoca Energy – Coal In Hagy and Above Seams Leased
Rapoca Energy – Coal In Splashdam Seam Leased (Subleased from Penn Virginia
Operating Co., LLC)
Bull Creek Coal Company – All Minerals except Coal (33%)
J.H. Quinley, Successors or Assigns – All Minerals except Coal (67%)
Columbia Natural Resources – Oil and Gas Leased
CNX Gas Company LLC – CBM Leased
Unknown Surface Owner
10.64 acres 18.1415%
7. Erma R. Runals, et al (28.50 Acre Tract) – All Minerals
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased
Appalachian Energy, Inc. OR Columbia Natural Resources, Inc. – Oil and Gas Leased (1/6)
CNX Gas Company LLC – Oil and Gas Leased (1/6)
CNX Gas Company LLC – CBM Leased (1/2)
5.30 acres 9.0367%
- 7A. Unknown Surface Owner
- 7B. Unknown Surface Owner
8. Bull Creek Coal Company (Elizabeth Church 123.05 Acre Tract) – All Minerals
Island Creek Coal Company/Consol Energy, Inc. – Coal In and Below Pocahontas No. 6 Seam Leased
Rapoca Energy – Coal In Hagy Seam Leased
Columbia Natural Resources – Oil and Gas Leased
CNX Gas Company LLC – CBM Leased
Unknown Surface Owner
1.05 acres 1.7903%

Exhibit E
Unit O-76
Docket #VGOB 06-0620-1647
List of Conflicting Owners/Claimants that require escrow
(58.65 Acre Tract)

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	Acres in Unit	Percent of Unit
<u>Tract #6, 22.82 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	22.82 acres	38.9088%
<u>OIL & GAS OWNERSHIP</u>		
(1) Bull Creek Coal Company, et al. (M.E. Owens 28.58 Acre Tract)	22.82 acres	38.9088%
(b) Clinton E. & Mary Owens Rt.2 Box 256 Grundy, VA 24614	15.213 acres 2/3 of 22.82 acres	25.9392%

Tract #6, 10.64 acres

<u>COAL OWNERSHIP</u>		
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	10.64 acres	18.1415%
<u>OIL & GAS OWNERSHIP</u>		
Bull Creek Coal Company, et al. (John H. Quinley 102.48 Acre Tract)	10.64 acres	18.1415%
(2) J.H. Quinley Heirs, Devisees, Successors or Assigns	7.093 acres 2/3 of 10.64 acres	12.0943%
(a) Arvil Quinley Heirs, Devisees, Successors or Assigns		
(a.1) Arvil Quinley, Jr. P.O. Box 633 Rural Retreat, VA 24368	0.355 acres 1/20 of 7.093 acres	0.6047%
(a.3) Ralph Quinley P.O. Box 2303 Grundy, VA 24614	0.355 acres 1/20 of 7.093 acres	0.6047%
(a.4) Geraldine Blankenship P.O. Box 2328 Grundy, VA 24614	0.355 acres 1/20 of 7.093 acres	0.6047%
(a.5) Evelyn Gross Blankenship Heirs, Devisees, Successors or Assigns		
(a.5.1) Wheeler Blankenship P.O. Box 2341 Grundy, VA 24614	0.118 acres 1/60 of 7.093 acres	0.2016%
(a.5.2) Barbara Justice P.O. Box 2323 Grundy, VA 24614	0.047 acres 1/150 of 7.093 acres	0.0806%
(a.5.3) Sherman Lee Grose P.O. Box 2328 Grundy, VA 24614	0.047 acres 1/150 of 7.093 acres	0.0806%
(a.5.4) Irvin Thomas Grose P.O. Box 2328 Grundy, VA 24614	0.047 acres 1/150 of 7.093 acres	0.0806%

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Exhibit E
Unit O-76

Docket #VGOB 06-0620-1647

List of Conflicting Owners/Claimants that require escrow
(58.65 Acre Tract)

	Acres in Unit	Percent of Unit
(a.5.5) Wheeler F. Blankenship Rt.4 Box 174A Grundy, VA 24614	0.047 acres 1/150 of 7.093 acres	0.0806%
(a.5.6) Danny Robert Blankenship P.O. Box 2372 Grundy, VA 24614	0.047 acres 1/150 of 7.093 acres	0.0806%
(b) Grady Paris Quinley Heirs, Devisees, Successors or Assigns		
(b.1) Fannie Lee Quinley P.O. Box 202 Vansant, VA 24656	1.773 acres 1/4 of 7.093 acres	3.0236%
(c) Benjamin Franklin Quinley Heirs, Devisees, Successors or Assigns		
(c.1) Juanita Quinley Heirs, Devisees, Successors or Assigns		
(c.1.1) Shirley J. Ratliff 1697 Cripple Creek Rd. Grundy, VA 24614	1.773 acres 1/4 of 7.093 acres	3.0236%
<u>TOTAL CONFLICTS:</u>		
Acres in Unit	20.1787	
Percentage of Unit		34.4052%

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Exhibit EE
Unit O-76
Docket #VGOB 06-0620-1647-01
List of Conflicting Owners/Claimants with Royalty Split Agreements or Court Orders
(58.65 Acre Tract)

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #1A, 13.14 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	13.14 acres	22.4041%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) E.L.E, LLC PO Box 7 Maxie, VA 24628	13.14 acres	22.4041%	37.2048%
<i>Prevailing plaintiff under CL 753-09, awarded 100% of the CBM royalty.</i>			
<u>Tract #1B, 2.00 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	2.00 acres	3.4101%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) E.L.E, LLC PO Box 7 Maxie, VA 24628	2.00 acres	3.4101%	5.6628%
<i>Prevailing plaintiff under CL 753-09, awarded 100% of the CBM royalty.</i>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	10.64 acres	18.1415%	n/a
<u>OIL & GAS OWNERSHIP</u>			
Bull Creek Coal Company, et al. (John H. Quinley 102.48 Acre Tract)	10.64 acres	18.1415%	n/a
(2) J.H. Quinley Heirs, Devisees, Successors or Assigns	7.093 acres 2/3 of 10.64 acres	12.0843%	n/a
(a) Arvil Quinley Heirs, Devisees, Successors or Assigns			
(a.2) Ernest Quinley 1102 Citadel Drive Grundy, VA 24614	0.355 acres 1/20 of 7.093 acres	0.6047%	n/a
(d) Herman Quinley Heirs, Devisees, Successors or Assigns			
(d.1) Matilda Quinley	(Sold interest to her son 5/9/06)		
(d.1.1) Donald Mack Quinley, et al P.O. Box 615 Vansant, VA 24656	1.773 acres 1/4 of 7.093 acres	3.0236%	n/a

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VIRGINIA: IN THE CIRCUIT COURT OF BUCHANAN COUNTY

E.E.E., LLC,
PLAINTIFF,

vs.

CASE NO.: CL753-09

BULL CREEK COAL COMPANY, LLLP,
DEFENDANT.**FINAL ORDER GRANTING JUDGMENT FOR PLAINTIFF**

Upon the join motion of Plaintiff, E.E.E. LLC and Defendant, Bull Creek Coal Company, LLLP, for entry of judgment in favor of Plaintiff upon the issue that it is the owner of the coal-bed methane gas at issue in this action and it is thereby entitled to all royalties relating to the production thereof, it is;

WHEREFORE, it is **ADJUDGED** and **ORDERED** that the Plaintiff, E.E.E., LLC is the owner of the coal-bed methane gas at issue in this action and is entitled to all royalties relating to the extraction of coal-bed methane gas by CNX Gas, LLC.

All other claims asserted by either party against the other are denied, and this action is dismissed with prejudice to the Plaintiff and Defendant as to any such other claims and made part of this **FINAL ORDER**.

The Clerk is directed to forward an attested copy of this Final Order to all counsel of record, to remove this matter from the active docket of this Court and to place the same among the ended actions before this Court.

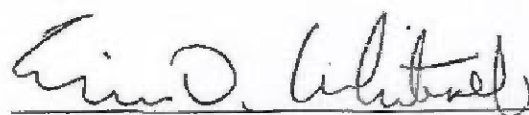
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ENTER: This the 3rd day October, 2014.



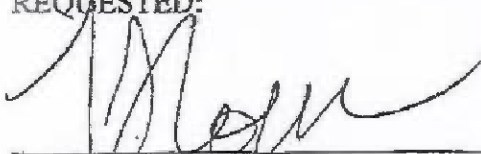
KEARY R. WILLIAMS, JUDGE

REQUESTED:



Eric D. Whitesell, Esq.
Counsel for Defendant, BULL CREEK COAL COMPANY, LLLP

REQUESTED:



T. Shea Cook, Esq.
Counsel for Plaintiff, E.L.E., LLC

INSTRUMENT #150000021
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JANUARY 6, 2015 AT 09:32AM
BEVERLY S. TILLER, CLERK
RECORDED BY: GGB