

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: N76

TRACT(S): 5

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-06-0815-1693-01

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 06/19/2007, Recorded on 06/21/2007, Deed Book/Instrument No. 70002317.
2. Supplemental Order Executed 08/07/2012, Recorded on 08/07/2012, Deed Book/Instrument No. 120001598.

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) 5 identified in the attached petition.

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(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 5 relative to the interests of the Applicants identified in the attached petition.

(3) Close the escrow account under this docket number.

FINDINGS: Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

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. □

☐ There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

RELIEF GRANTED:

VGOB Disbursement
Unit N76

VGOB-06-0815-1693-01

Table 1

Tracts: 5

[illegible]

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 f.

2. The Escrow Agent is ordered to close 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:

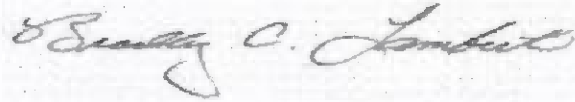
Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

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

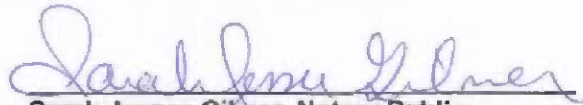
DONE AND PERFORMED this 18 day of December, 2014 by Order of the Virginia Gas and Oil Board.



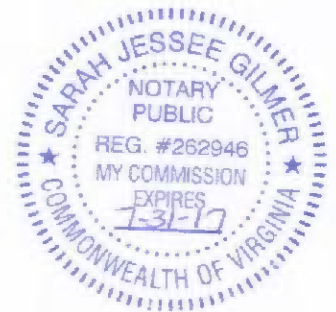
Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

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 06-0815-1693-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ☐
ESCROW REGARDING TRACT(S) 5 ☐
(2) AND AUTHORIZATION FOR DIRECT ☐
PAYMENT OF ROYALTIES

HEARING DATE: December 16, 2014

DRILLING UNIT: N76

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) 5 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. ☐

☐
There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

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.

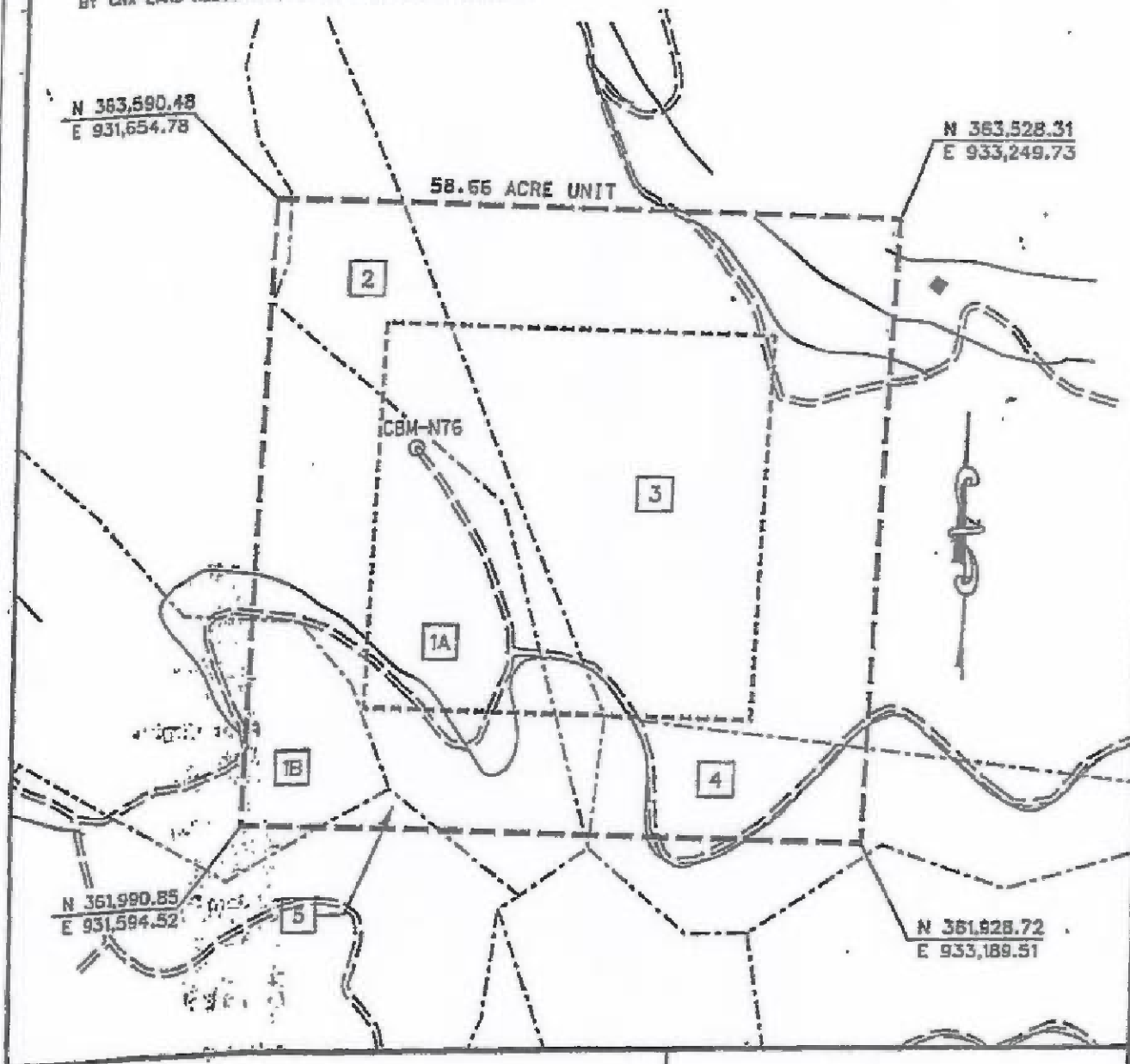
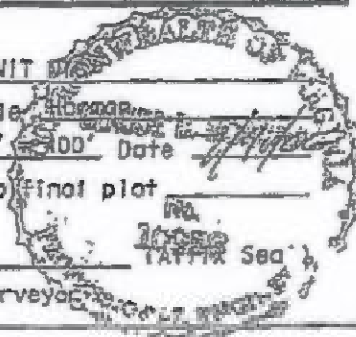


EXHIBIT A
NORA FIELD
UNIT N-76
FORCE POOLING
VGOB-06-0815-1693

Company CNX Gas Company LLC Well Name and Number UNIT N-76
Tract No. _____ Elevation _____ Quadrangle Homer
County Buchanan District Rock Lick Scale: 1" = 300' Date 10/1/00
This plot is a new plot X ; an updated plot _____ ; or original plot _____
Form DGO-60-7
Rev. 9/91
Charles D. May
Licensed Professional Engineer or Licensed Land Surveyor



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CNX Gas Company LLC

UNIT N76

**Tract Identifications
(58.86 Acre Unit)**

1. 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
18.25 acres 31.1115%
- 1A. Paul Dawson, et ux – Surface
1B. Virgil Lloyd Webb - Surface
2. 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
6.37 acres 10.8592%
3. Bull Creek Coal Company (Joseph S. Childress 193.37 Acre Tract) – Fee
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
29.34 acres 50.0170%
4. Jack G. Watkins, et al – All Minerals less Coal in Splashdam Seam
Penn Virginia Operating Company, LLC – Surface and Coal in Splashdam Seam
4.33 acres 7.3815%
5. Bull Creek Coal Company (Josh Clevinger 90.52 Acre Tract) – Coal
Island Creek Coal Company/Consolidation Coal Company – Coal in and Below
Pocahontas No. 6 Seam Leased
Rapoca Energy – Coal in Hagy Seam Leased
ELE, LLC – Surface and All Minerals except Coal
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.37 acres 0.6308%

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Exhibit E

Unit N-76

Docket #VGOB 06-0815-1693-01

List of Conflicting Owners/Claimants that require escrow

(58.66 Acre Tract)

Acres in Unit

Percent of
Unit

All Conflicts Resolved

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Exhibit EE

Unit N-76

Docket #VGOB 06-0815-1693-01

List of Conflicting Owners/Claimants with Royalty Split Agreements or Court Orders

(58.65 Acres Tract)

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #5, 0.37 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	0.37 acres	0.6309%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) E.L.E, LLC PO Box 7 Maxie, VA 24628	0.37 acres	0.6309%	100.0000%

Prevailing plaintiff under CL 753-09, awarded 100% of the CBM royalty.

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VIRGINIA: IN THE CIRCUIT COURT OF BUCHANAN COUNTY

E.L.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.L.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.

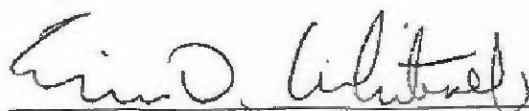
All other claims asserted by either party against the other are denied, and this action is dismissed with prejudice to the Plaintiff and Defendant as to any such other claims and made part of this **FINAL ORDER**.

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

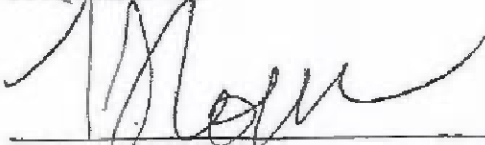
REQUESTED:



Eric D. Whitesell, Esq.

Counsel for Defendant, BULL CREEK COAL COMPANY, LLLP

REQUESTED:



T. Sheal Cook, Esq.

Counsel for Plaintiff, E.L.E., LLC

INSTRUMENT #150000015
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JANUARY 6, 2015 AT 09:15AMBEVERLY S. TILLER, CLERK
RECORDED BY: GGB