

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: AV102

TRACT(S): 2A

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-06-1219-1828-01

APPLICANTS: CNX Gas Company LLC on behalf of Kenneth & Kathy Street

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia ☐
April 21, 2015

APPEARANCES: Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 01/31/2008, Recorded on 02/07/2008, Deed Book/Instrument No. 080000453.
2. Supplemental Order Executed 02/09/2010, Recorded on 03/12/2010, Deed Book/Instrument No. 100000525.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the April 21, 2015 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) 2A identified in the attached petition.

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(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2A relative to the interests of the Applicant's 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:

(a) Kenneth & Kathy Street are entitled to 100% of the CBM royalties awarded under Case No. CL347-11. Opinion dated February 5, 2015. Said decision allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1 specifies how said royalties are to be paid.

RELIEF GRANTED:

VGOB Disbursement							
Unit AV102							
VGOB-06-1219-1828-01							
Table 1							
Tracts: 2A							
Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			Ownership	Ownership	Split	Acres	Escrowed Funds
			in Tract	inTract	Agreement	Disbursed	Disbursed

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.

DONE AND EXECUTED this 4 day of May, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 4th day of May, 2015, 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, Notary Public
262946

My Commission expires: July 31, 2017

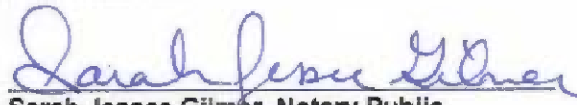
DONE AND PERFORMED this 5 day of May, 2015 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 5th day of May, 2015 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 the 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, 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 06-1219-1828-01

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

HEARING DATE: April 21, 2015

DRILLING UNIT: AV102

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 627 Claypool Hill Mall Road, Cedar Bluff, VA 24609, (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(s) attributable to Tracts 2A to the persons identified in the Table using the percentages set forth in the Table; and (2) dismissal of coal owner(s)/claimant(s) named in the Notice of Hearing and identified in Exhibit B2 who were pooled by the Board as conflicting claimants.

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) Kenneth & Kathy Street are entitled to 100% of the CBM royalties awarded under Case No. CL347-11, Opinion dated February 5, 2015. Said decision allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1 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.

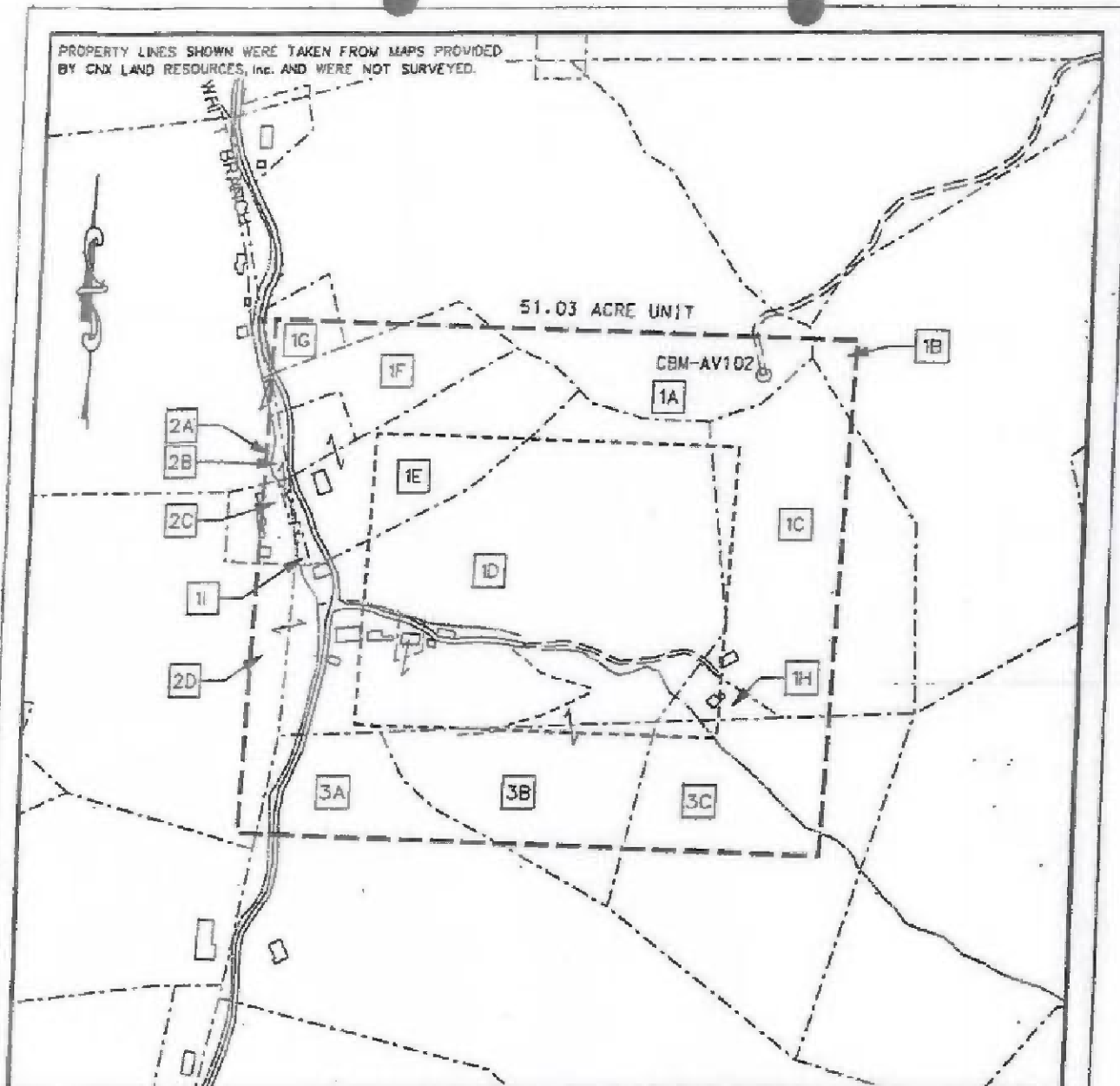


EXHIBIT A
NORA FIELD
UNIT AV-102
FORCE POOLING
VG08-06-1219-1828

Company CNX Gas Company LLC Well Name and Number UNIT AV102
 Tract No. _____ Elevation _____ Quadrangle Big Star Mountain
 County Buchanan District Hurricane Scale: 1" = 400' Date 11/13/06
 This plat is a new plat X : an updated plat _____ : or original plat _____

Form DGD-GD-7
Rev. 9/91

Charles O. Meyer
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

CNX Gas Company LLC

UNIT AV-102

Tract Identifications

(51.03 Acre Unit)

1. Buckhorn Coal Company (H. C. Stuart 125 Acre Tract) – All Minerals
Knox Creek Coal Corporation – Coal Above Drainage Seams Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
37.71 acres 73.8977%
- 1A. Jerry I. Smith, et ux – Surface
- 1B. James R. Lewis – Surface
- 1C. Lawrence R. Cook – Surface
- 1D. Lloyd Blankenship, et ux – Surface
- 1E. Ilean Sanders – Surface
- 1F. Kellis E. Street, Jr. – Surface
- 1G. Unknown Surface Owner
- 1H. Jackie Compton – Surface
- 2A. Harrison-Wyatt, LLC Big Axe Tr. 3 (318 Acre Tract) – Coal
Island Creek Coal Company/Consol Energy, Inc. - Coal Below Drainage Leased
Jewell Smokeless Coal Corporation - Coal Above Jawbone Seam Leased
CNX Gas Company LLC – CBM Leased
Kenneth W. Street, et ux – Surface and All Minerals except Coal
0.12 acres 0.2352%
- 2B. Harrison-Wyatt, LLC Big Axe Tr. 3 (318 Acre Tract) – Coal
Island Creek Coal Company/Consol Energy, Inc. - Coal Below Drainage Leased
Jewell Smokeless Coal Corporation - Coal Above Jawbone Seam Leased
CNX Gas Company LLC – CBM Leased
Ilean Sanders – Surface and All Minerals except Coal
0.18 acres 0.3527%
- 2C. Harrison-Wyatt, LLC Big Axe Tr. 3 (318 Acre Tract) – Coal
Island Creek Coal Company/Consol Energy, Inc. - Coal Below Drainage Leased
Jewell Smokeless Coal Corporation - Coal Above Jawbone Seam Leased
CNX Gas Company LLC – CBM Leased
Harlon Blankenship, et ux – Surface and All Minerals except Coal
0.42 acres 0.8230%
- 2D. Harrison-Wyatt, LLC Big Axe Tr. 3 (318 Acre Tract) – Coal
Island Creek Coal Company/Consol Energy, Inc. - Coal Below Drainage Leased
Jewell Smokeless Coal Corporation - Coal Above Jawbone Seam Leased
CNX Gas Company LLC – CBM Leased
Lloyd D. Blankenship, et ux – Surface and All Minerals except Coal
1.49 acres 2.9189%

CNX Gas Company LLC**UNIT AV-102****Tract Identifications****(51.03 Acre Unit)**

- 3. Buckhorn Coal Company (H. C. Stuart 222 Acre Tract) - All Minerals
Knox Creek Coal Company - Above Drainage Seams Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
11.11 acres 21.7715%
- 3A. Mavis Wilson, et al - Surface
- 3B. Lloyd D. Blankenship, et ux - Surface
- 3C. James Lewis - Surface

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Exhibit E
Unit AV-102
Docket #VGOB 06-1219-1828-01
List of Owners in escrow
(51.03 Acre Unit)

	Acres in Unit	Percent of Unit
<u>Tract #2B - 0.18 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Harrison-Wyatt, LLC, Tr.3 P.O. Box 11000 Danville, VA 24543	0.18 acres	0.3527%
<u>OIL & GAS OWNERSHIP</u>		
(1) Jean Sanders 1555 Whitt Branch Rd. Rowe, VA 24646	0.18 acres	0.3527%
<u>Tract #2C - 0.42 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Harrison-Wyatt, LLC, Tr.3 P.O. Box 11000 Danville, VA 24543	0.42 acres	0.8230%
<u>OIL & GAS OWNERSHIP</u>		
(1) Harlon Blankenship, et ux. 1608 Whitt Branch Rd. Rowe, VA 24646	0.42 acres	0.8230%
<u>Tract #2D - 1.49 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Harrison-Wyatt, LLC, Tr.3 P.O. Box 11000 Danville, VA 24543	1.49 acres	2.9199%
<u>OIL & GAS OWNERSHIP</u>		
(1) Lloyd D. Blankenship, et ux. 1635 Whitt Branch Rd. Rowe, VA 24646	1.49 acres	2.9199%
Total Acreage in Unit		2.090
Total Percentage in Unit		7.8385%

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Exhibit EE

Unit AV-102

Docket #VGOB 06-1219-1828-01

List of Respondents with Royalty Split Agreements and/or Court Orders
(51.03 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #2A - 0.12 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, LLC, Tr.3 P.O. Box 11000 Danville, VA 24543	0.12 acres	0.2352%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Kenneth W. & Kathy Mae Street b/e 1426 Whitt Branch Rd. Rowe, VA 24646	0.12 acres	0.2352%	5.4299%
<i>Prevailing plaintiff under Case No. CL 347-11 Awarded 100% of the CBM royalty.</i>			

VIRGINIA: IN THE CIRCUIT COURT OF BUCHANAN COUNTY

KENNETH STREET AND KATHY STREET,

Plaintiffs

vs.

Case No. 347-11

HARRISON-WYATT, LLC,

Defendant

FINAL ORDER ENTERING JUDGMENT

Upon the motion of Defendant, Harrison-Wyatt, LLC, for entry of judgment, it is; **Adjudged, Ordered and Decreed** that the Defendant, Harrison-Wyatt, LLC, is not the owner of the coal-bed methane gas within the following tracts within the below named and described units permitted pursuant to the Virginia Gas and Oil Act, Va. Code Ann. § 45.1-361.1 et seq.:

- a. From Unit FF-15, Forced Pooling Supplemental Order, Entered July 20, 2009, Regarding Docket No. VGOB-05-1018-1511, Tract 1F of Exhibit A (pg. 5) to the order, 9.12 acres; and,

- b. From Unit FF-15, Forced Pooling Supplemental Order, Entered July 20, 2009, Regarding Docket No. VGOB-05-1018-1511, Tract 1G of Exhibit A (pg. 5) to the order, 0.18 acres; and,
- c. From Unit AV-101, Forced Pooling Supplemental Order, Entered January 13, 2005, Regarding Docket No. VGOB-04-0921-1328, Tract 1D of Exhibit A (Book 0610 Page 0836) to the order, 11.25 acres; and,
- d. From Unit AV-102, Forced Pooling Supplemental Order, Entered January 31, 2008, Regarding Docket No. VGOB-06-1219-1828, Tract 2A of Exhibit A (pg. 0011) to the order, 0.12 acres.

The above described tracts within the named units are referred to in this Order as the ("Subject Properties").

It is further; **Adjudged, Ordered and Decreed** that the Defendant, Harrison-Wyatt, LLC is not entitled to any royalties relating to the extraction of coal-bed methane gas by CNX Gas, LLC from the Subject Properties, and that it is not a conflicting claimant to the ownership of the CBM or the production royalties as identified in submissions made to, and orders entered by, the Virginia Gas and Oil Board with respect to the Subject Properties.

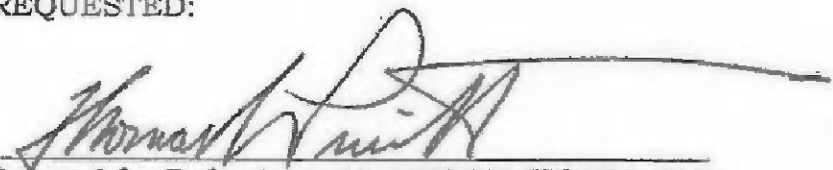
The Defendant's motion for a bill of particulars and demurrer are denied. All other claims asserted by either party against the other are denied, and this action is stricken from the docket of this Court with prejudice to the Plaintiff and Defendant as to any such other claims.

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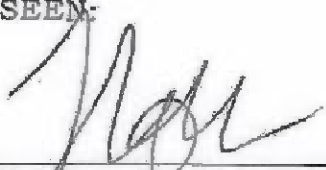
ENTER: This, the 5th day February, 2015.


Michael L. Moore
~~HENRY R. WILLIAMS~~, JUDGE

REQUESTED:


Counsel for Defendant, HARRISON-WYATT, LLC

SEEN:


Counsel for Plaintiffs, T. SHEA COOK, ESQ.

INSTRUMENT #150000802
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MAY 18, 2015 AT 03:36PM
BEVERLY S. TILLER, CLERK
RECORDED BY: GGB

A Copy
Teste: Beverly S. Tiller, Clerk
Court of Buchanan

