

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 07-0116-1853 & 07-0116-1853-01

ELECTIONS: UNIT J-37
(herein Subject Drilling Unit)

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on September 18, 2007 and February 16, 2012 which was recorded at Document # 070003660 and 120000503 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on October 2, 2007 and March 20, 2012, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates whether or not the escrow of funds is required with regard to Unit J-37;

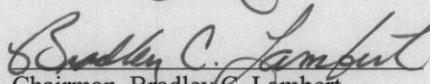
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company 38 E. Valley Drive, Bristol, VA 24201, Attn: Debbie Davis or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

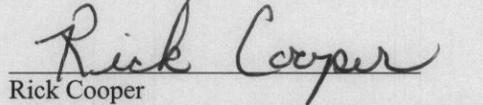
Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 5 day of July, 2012, by a majority of the Virginia Gas and Oil Board.

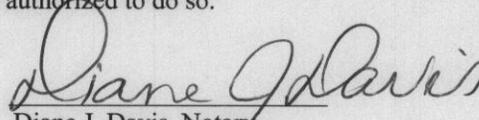

Chairman, Bradley C. Lambert

DONE AND PERFORMED THIS 5th day of July, 2012, by Order of the Board.

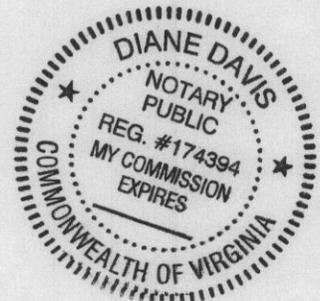

Rick Cooper
Principal Executive to the Staff of the Board

STATE OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 5th day of July, 2012, 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 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 were authorized to do so.


Diane J. Davis, Notary
174394

My commission expires: September 30, 2013



VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit J-37
VGOB 07-0116-1853 & 07-0116-1853-01 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING
ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Anita D. Duty, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Land Resources, Inc., as a Pooling Supervisor and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on September 18, 2007 and February 16, 2012, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the counties identified above; that said Order was recorded on October 2, 2007 and March 20, 2012;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of September 18, 2007 and February 16, 2012;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

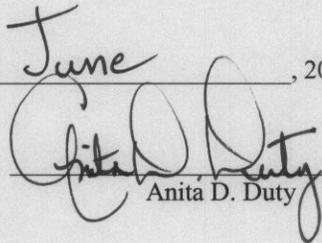
None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

None

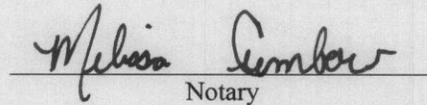
That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Bluefield, West Virginia, this 28th day of June, 2012.

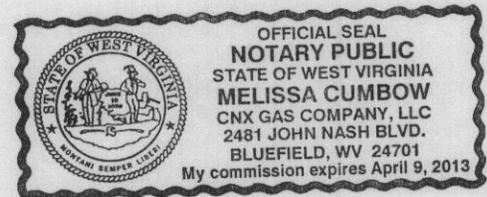

Anita D. Duty

STATE OF WEST VIRGINIA
COUNTY OF MERCER

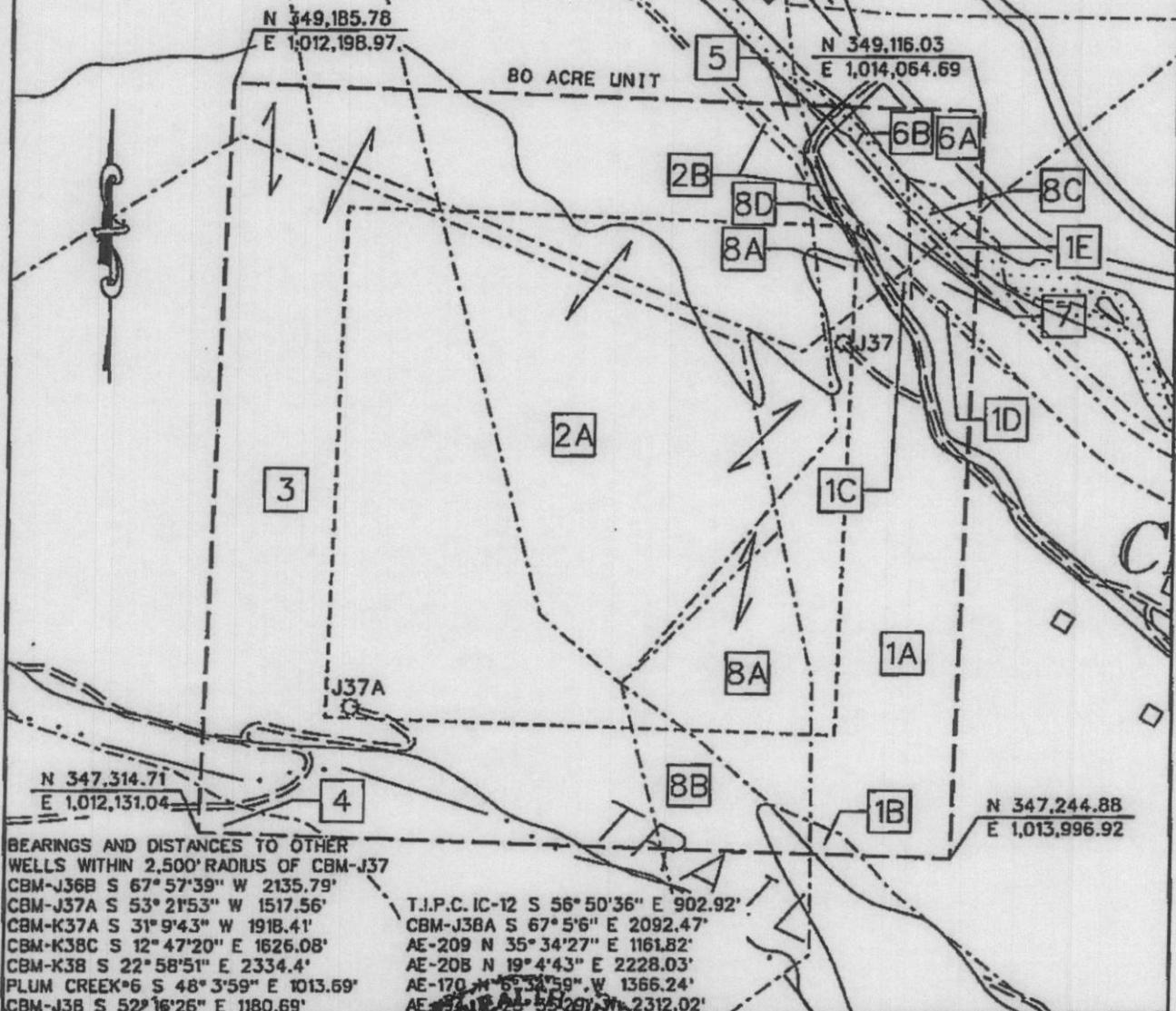
Taken, subscribed and sworn to before me by Anita D. Duty as a Pooling Supervisor for CNX Land Resources Inc., on behalf of the corporate Designated Operator, this 28th day of June, 2012.


Notary

My commission expires: April 9, 2013



Property lines shown on this plat were provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.



BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CBM-J37
 CBM-J36B S 67° 57' 39" W 2135.79'
 CBM-J37A S 53° 21' 53" W 1517.56'
 CBM-K37A S 31° 9' 43" W 1918.41'
 CBM-K38C S 12° 47' 20" E 1626.08'
 CBM-K38 S 22° 58' 51" E 2334.4'
 PLUM CREEK#6 S 48° 3' 59" E 1013.69'
 CBM-J38 S 52° 16' 26" E 1180.69'

T.I.P.C. IC-12 S 56° 50' 36" E 902.92'
 CBM-J38A S 67° 5' 6" E 2092.47'
 AE-209 N 35° 34' 27" E 1161.82'
 AE-208 N 19° 4' 43" E 2228.03'
 AE-170 N 6° 34' 59" W 1366.24'
 AE-171 N 25° 55' 20" W 2312.02'

CBM WELL
 PROPOSED HORIZONTAL WELL
 PROPOSED CBM WELL

RICHARD C. MURPHY
 Lic. No. 041898
 10-10-11
 PROFESSIONAL ENGINEER

EXHIBIT A
 OAKWOOD FIELD
 UNIT J37
 FORCE POOLING
 VGOB-07-0116-1853-01

Company CNX Gas Company LLC Well Name and Number UNIT J37
 Tract No. _____ Elevation _____ Quadrangle KEEN MOUNTAIN
 County BUCHANAN District GARDEN Scale: 1" = 400' Date _____
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7 RICHARD C. MURPHY (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

CNX Gas Company LLC
UNIT J-37
Tract identifications

1. Consolidation Coal Company, et al, Big Vein Tract 32 (442.57 Acre Tract) – Coal
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased
Jewell Smokeless Coal Corporation – Coal Above Tiller Seam Leased
Highland Resources, Inc./North American Resources Corporation, et al – Oil and Gas
CNX Gas Company LLC – Oil and Gas Leased (1/3)
Plum Creek Timberlands, L.P., et al – CBM
CNX Gas Company – CBM Leased
12.39 Acres 15.4875%

- 1A. Milfred Maxwell Heirs, et al – Surface Owner
- 1B. Unknown Surface Owner
- 1C. Norfolk Southern Railway Company – Surface Owner
- 1D. Norfolk Southern Railway Company – Surface Owner
- 1E. Norfolk Southern Railway Company – Surface Owner

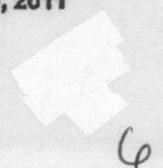
2. Fulton H. Cole Heirs – Fee
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased
Jewell Smokeless Coal Corporation – Coal Above Tiller Seam Leased
Appalachian Energy – Oil and Gas Leased
Appalachian Energy – CBM Leased (CNX Gas Company LLC Operator)
24.09 Acres 30.1125%

- 2A. Fulton H. Cole Heirs – Surface Owner
- 2B. Norfolk Southern Railway Company – Surface Owner

3. Caroline Cole Keen, et al (164.56 Acre Tract) – All Minerals (Except Jawbone Seam & 1/9 In P-3 Seam)
Island Creek Coal Company/Consol Energy, Inc. – 1/9 Int. in P-3 Seam
Jewell Smokeless Coal Corporation- Jawbone Seam
Island Creek Coal Company/Consol Energy, Inc. - Below Drainage Coal Leased
Jewell Smokeless Coal Corporation - Above Drainage Coal Leased
Appalachian Energy – Oil and Gas Leased (90.76543%)
Appalachian Energy – CBM Leased (84.29630%) (CNX Gas Company LLC – Operator)
CNX Gas Company LLC - CBM Leased (2.46914%)
Caroline Cole Keen, et al – Surface
32.02 Acres 40.0250%

4. Buck Jewell Resources, LLC (100 Acre Tract) – Fee except Coal in Jawbone Seam
Jewell Smokeless Coal Corporation – Jawbone Seam
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased
Appalachian Energy – Oil and Gas Leased
Appalachian Energy – CBM Leased (CNX Gas Company LLC – Operator)
0.41 Acres 0.5125%

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)



CNX Gas Company LLC
UNIT J-37
Tract Identifications

5. Norfolk Southern Railway Company – Fee
Island Creek Coal Company/Consol Energy, Inc. – P-3 Seam Leased
CNX Gas Company LLC – CBM Leased
0.23 Acres 0.2875%
6. Caroline Cole Keen, et al (79.10 Acre Tract) – All Minerals (Except Jawbone Seam & 1/9 In P-3 Seam)
Island Creek Coal Company/Consol Energy, Inc. – 1/9 Int. in P-3 Seam
Jewell Smokeless Coal Corporation- Jawbone Seam
Island Creek Coal Company/Consol Energy, Inc. - Below Drainage Coal Leased
Jewell Smokeless Coal Corporation - Above Drainage Coal Leased
Appalachian Energy – Oil and Gas Leased
Appalachian Energy – CBM Leased (79.01235%) (CNX Gas Company LLC – Operator)
CNX Gas Company LLC - CBM Leased (10.98765%)
Caroline Cole Keen, et al – Surface
1.68 Acres 2.1000%
- 6A. Caroline Cole Keen, et al – Surface
6B. Norfolk Southern Railway Company – Surface Owner
7. Norfolk Southern Railway Company – Fee (Except Coal Below 800 Feet)
Island Creek Coal Company/Consol Energy, Inc. – P-3 Seam Leased
Consolidation Coal Company, et al – Coal Below 800 Feet
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam except P-3 Seam Leased
Jewell Smokeless Coal Corporation – Coal Above Tiller Seam up to 800 Feet Leased
CNX Gas Company LLC – CBM Leased
1.34 Acres 1.6750%
8. Consolidation Coal Company, et al, Big Vein Tract 32 (442.57 Acre Tract) – Coal
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased
Jewell Smokeless Coal Corporation – Coal Above Tiller Seam Leased
Highland Resources, Inc./North American Resources Corporation, et al – Oil and Gas
Appalachian Energy – Oil and Gas Leased
Plum Creek Timberlands, L.P., et al - CBM
CNX Gas Company – CBM Leased
7.84 Acres 9.8000%
- 8A. Milfred Maxwell Heirs, et al – Surface Owner
8B. Unknown Surface Owner
8C. Norfolk Southern Railway Company – Surface Owner
8D. Norfolk Southern Railway Company – Surface Owner

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

**Exhibit B-3
Unit J-37
Docket # VGOB 07-0116-1853-01
List of all Unleased Owners/Claimants**

	Acres in Unit	Percent of Unit
I. COAL OWNERSHIP		
<u>Tract #3, 32.02 Acres</u>		
Caroline Cole Keen, et al. <i>(Caroline Cole Gregory Heirs, Devisees, Successors or Assigns)</i> <i>(164.56 Acre Tract)</i>	32.02 acres	40.0250%
(1) Caroline Cole Gregory Heirs, Devisees, Successors or Assigns - <i>Coal except the Jawbone Seam</i>		
(a) Hassel Cole (1/9)		
(a.1) Thelma Parks - <i>Coal except Jawbone & P3 Seam</i>		
(a.1.1) Edith G. Street * P.O. Box 459 Abingdon, VA 24212	1.779 acres 1/18 of 32.02 acres	2.2236%
(d) Leonard P. Cole (1/9)		
(d.1) B. W. McDonald Heirs, Devisees, Successors or Assigns		
(d.1.1) B.W. McDonald Testamentary Trust PO Box 999 Prestonsburg, KY 41653	1.067 acres 1/30 of 32.02 acres	1.3342%
<u>Tract #6, 1.68 Acres</u>		
Caroline Cole Keen, et al. <i>(Caroline Cole Gregory Heirs, Devisees, Successors or Assigns)</i> <i>85 Acre Tract (now identified as 79.10 acres)</i>	1.68 acres	2.1000%
(1) Caroline Cole Gregory Heirs, Devisees, Successors or Assigns - <i>Coal except the Jawbone Seam</i>		
(a) Hassel Cole (1/9)		
(a.1) Thelma Parks - <i>Coal except Jawbone & P3 Seam</i>		
(a.1.1) Edith G. Street * P.O. Box 459 Abingdon, VA 24212	0.093 acres 1/18 of 1.68 acres	0.1167%
(d) Leonard P. Cole (1/9)		
(d.1) B. W. McDonald		
(d.2) Lena McDonald Heirs, Devisees, Successors or Assigns		
(d.2.1) Byrd W. McDonald, II * 10456 NW 2nd Ave. Portland, OR 97231	0.037 acres 1/45 of 1.68 acres	0.0467%
(d.2.5) Greta McDonald Meek * 177 Colvin Branch Oil Springs, KY 41238	0.037 acres 1/45 of 1.68 acres	0.0467%
II. OIL & GAS OWNERSHIP		
<u>Tract #3, 32.02 Acres</u>		
Caroline Cole Keen, et al. <i>(Caroline Cole Gregory Heirs, Devisees, Successors or Assigns)</i> <i>(164.56 Acre Tract)</i>	32.02 acres	40.0250%

Exhibit B-3
Unit J-37
Docket # VGOB 07-0116-1853-01
List of all Unleased Owners/Claimants

	Acres in Unit	Percent of Unit
(1) Caroline Cole Gregory Heirs, Devisees, Successors or Assigns - <i>Coal except the Jawbone Seam</i>		
(a) Hassel Cole (1/9)		
(a.1) Thelma Parks - <i>Coal except Jawbone & P3 Seam</i>		
(a.1.1) Edith G. Street * P.O. Box 459 Abingdon, VA 24212	1.779 acres 1/18 of 32.02 acres	2.2236%
(d) Leonard P. Cole (1/9)		
(d.1) B. W. McDonald Heirs, Devisees, Successors or Assigns		
(d.1.1) B.W. McDonald Testamentary Trust PO Box 999 Prestonsburg, KY 41653	1.067 acres 1/30 of 32.02 acres	1.3342%
<u>Tract #6, 1.68 Acres</u>		
Caroline Cole Keen, et al. <i>(Caroline Cole Gregory Heirs, Devisees, Successors or Assigns)</i> <i>85 Acre Tract (now identified as 79.10 acres)</i>	1.68 acres	2.1000%
(1) Caroline Cole Gregory Heirs, Devisees, Successors or Assigns - <i>Coal except the Jawbone Seam</i>		
(a) Hassel Cole (1/9)		
(a.1) Thelma Parks - <i>Coal except Jawbone & P3 Seam</i>		
(a.1.1) Edith G. Street * P.O. Box 459 Abingdon, VA 24212	0.093 acres 1/18 of 1.68 acres	0.1167%
(d) Leonard P. Cole (1/9)		
(d.1) B. W. McDonald		
(d.2) Lena McDonald Heirs, Devisees, Successors or Assigns		
(d.2.1) Byrd W. McDonald, II * 10456 NW 2nd Ave. Portland, OR 97231	0.037 acres 1/45 of 1.68 acres	0.0467%
(d.2.5) Greta McDonald Meek * 177 Colvin Branch Oil Springs, KY 41238	0.037 acres 1/45 of 1.68 acres	0.0467%

***Note: The Oil & Gas is leased by Appalachian Energy**

Exhibit E
Unit J-37
Docket # VGOB 07-0116-1853
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit	Well J37	Well J37A
<u>Tract #7, 1.34 Acres</u>				
<i>Only a portion of this tract will be escrowed</i>				
<u>COAL OWNERSHIP</u>				
(2) Yukon Pocahontas Coal Company et al., Tr. 32 (Coal below 800')	1.34 acres	1.6750%	Escrow 65.7241% of their interest in unit	
(a) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.67 acres 1/2 of 1.34 acres	0.8375%		
(b) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.15 acres 1/9 of 1.34 acres	0.1861%		
(c) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.07 acres 1/18 of 1.34 acres	0.0931%		
(d) Consolidation Coal Company * 10545 Riverside Dr. Oakwood, VA 24631	0.45 acres 1/3 of 1.34 acres	0.5583%		
* Note: Plum Creek Timberlands retained their CBM interest, there is no conflict. If no conflict, the royalty for (d) is to be paid to Plum Creek.				
<u>OIL & GAS OWNERSHIP</u>				
(1) Norfolk Southern Railway Company	1.34 acres	1.6750%	Pay NS 34.2759% of their interest in unit	Coal above 800' not stimulated
<i>If no conflict royalties paid to:</i> Pocahontas Land Corporation Treasurer, Pocahontas Land Corporation P. O. Box 1517 Bluefield, WV 24701				Escrow 100.0000% of their interest in unit

INSTRUMENT #120002297
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
OCTOBER 3, 2012 AT 02:17PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB

Hagy, Sharon (DMME)

From: VITASHARE System [vitashare@vita.virginia.gov]
Sent: Tuesday, October 16, 2012 4:19 PM
To: Hagy, Sharon (DMME)
Subject: New Transaction EDSZDRR8FA6KMD0G-0002

Transaction details for Sharon Hagy(user shagy_1) _____

Job Id: EDSZDRR8FA6KMD0G-0002

Date: Tue, Oct 16, at 16:19

Transaction Details:

Acknowledge Security Policy: I understand that this system is not intended for sensitive data.

Recipient's Email example- user1@virginia.gov, user2@virginia.gov:
AnitaDuty@consolenergy.com, gloria.clark@dmme.virginia.gov,
hilareymullins@consolenergy.com

Message - Describe file attachment: Please see the recorded orders for the following dockets: 0820-01 1692 1853 & 1853-01 1158 & 1158-01 1508 2223 2848 2980 3023 Let me know if you are unable to download the files. Thank you, Sharon

Notify me when the file is downloaded?: Yes

Pin: 359466

Files:

- 0820-01_Supplemental.tif
- 1692_Supplemental-Original.tif
- 1853_Supplemental-Original.tif
- 1158_Supplemental-Original.tif
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- 2223_Supplemental-Original.tif
- 3023_Supplemental-Original.tif
- 1508_Supplemental-Original.tif
- 2848_Supplemental-Original.tif
- 2980_Supplemental-Amended.tif

View details here

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Total Estimated File Size: 3082 KB

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