

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) AND § 45.1-361.22:2

UNIT/WELL NAME: BC122

TRACT(S): 2A, 2C

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-07-0320-1894-01

APPLICANTS:

CNX Gas Company LLC on behalf of Daniel L. Keen, Larry Wayne Plaster, Raymond P. Slate
Jr., Swords Creek Land Partnership, Virginia Resources, LLC

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia
February 16, 2016

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

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 09/18/2007, Recorded on 10/02/2007, Deed Book/Instrument No. 679, Page 381.
2. Supplemental Order, Recorded on 09/13/2011, Deed Book/Instrument No. 739, Page 0303.
3. Supplemental Order, Recorded on 09/13/2011, Deed Book/Instrument No. 739, Page 303.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the February 16, 2016 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, 2C identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2A, 2C 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:

- a. Swords Creek Land Partnership, Virginia Resources, LLC, Raymond P. Slate have entered into royalty split agreement(s). Said royalty split agreement(s) allow the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE.
- b. Larry Wayne Plaster is the gas claimants in Tract 2C As such, is entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- c. That CNX Gas Company LLC has given the notice(s) required by § 45.1-361.22:2.A to all conflicting claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- d. That none of the conflicting claimants noticed have provided, within 45 days of the notice(s) given as provided in b. above, the Board, its designated agent the Director of the Division of Gas and Oil, the Operator and/or the Applicant evidence of either an agreement regarding the escrowed funds/royalties or a proceeding regarding same.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. 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.
- g. 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 Swords Creek Land Partnership, Virginia Resources, LLC, Raymond P. Slate, Larry Wayne Plaster and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit BC122

VGOB-07-0320-1894-01

Table 1 (pay exact dollar amount based on account balance of 2/28/2012)
Tracts: 2A, 2C

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds	Disbursement
			in Tract	in Tract	Agreement	Disbursed	Disbursed	
		Total acreage in escrow before disbursement				7.68500		
2A Tract 2A (total acreage)			14.1400					
1	2A	Swords Creek Land Partnership\PO Box 29, Tazewell, VA 24651	1/5	2.8280	50.00%	1.4140	18.3995%	\$3,338.30
2	2A	Daniel L. Keen\48 Daisy Ln. Swords Creek, VA 24649	1/5	2.8280	50.00%	1.4140	18.3995%	\$3,338.30
3	2A	Swords Creek Land Partnership\PO Box 29, Tazewell, VA 24651	1/5	2.8280	50.00%	1.4140	18.3995%	\$1,518.09
4	2A	Virginia Resources, LLC\PO Box 1320, Honaker, VA 24260	1/5	2.8280	50.00%	1.4140	18.3995%	\$1,518.09

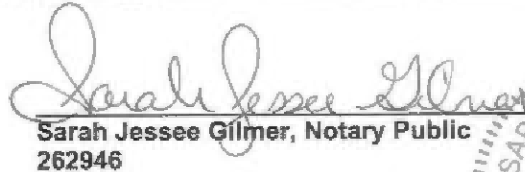
DONE AND EXECUTED this 20 day of February, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 20th day of February, 2016, 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

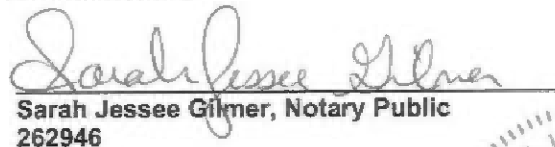
DONE AND PERFORMED this 21 day of February, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 21st day of February, 2016, 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 07-0320-1894-01

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

HEARING DATE: February 16, 2016

DRILLING UNIT: BC122

RUSSELL 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, attributable to of Tracts 2A & 2C, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Swords Creek Land Partnership, Virginia Resources, LLC, Raymond P. Slate, Larry Wayne Plaster.

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. Swords Creek Land Partnership, Virginia Resources, LLC, Raymond P. Slate have entered into royalty split agreement(s). Said royalty split agreement(s) allow the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE.
- b. Larry Wayne Plaster is the gas claimants in Tract 2C As such, is entitled to 100% of the CBM royalties now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- c. That CNX Gas Company LLC has given the notice(s) required by § 45.1-361.22:2.A to all conflicting claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- d. That none of the conflicting claimants noticed have provided, within 45 days of the notice(s) given as provided in b. above, the Board, its designated agent the Director of the Division of Gas and Oil, the Operator and/or the Applicant evidence of either an agreement regarding the escrowed funds/royalties or a proceeding regarding same.
- e. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- f. 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.
- g. 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 Swords Creek Land Partnership, Virginia Resources, LLC, Raymond P. Slate, Larry Wayne Plaster and 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.

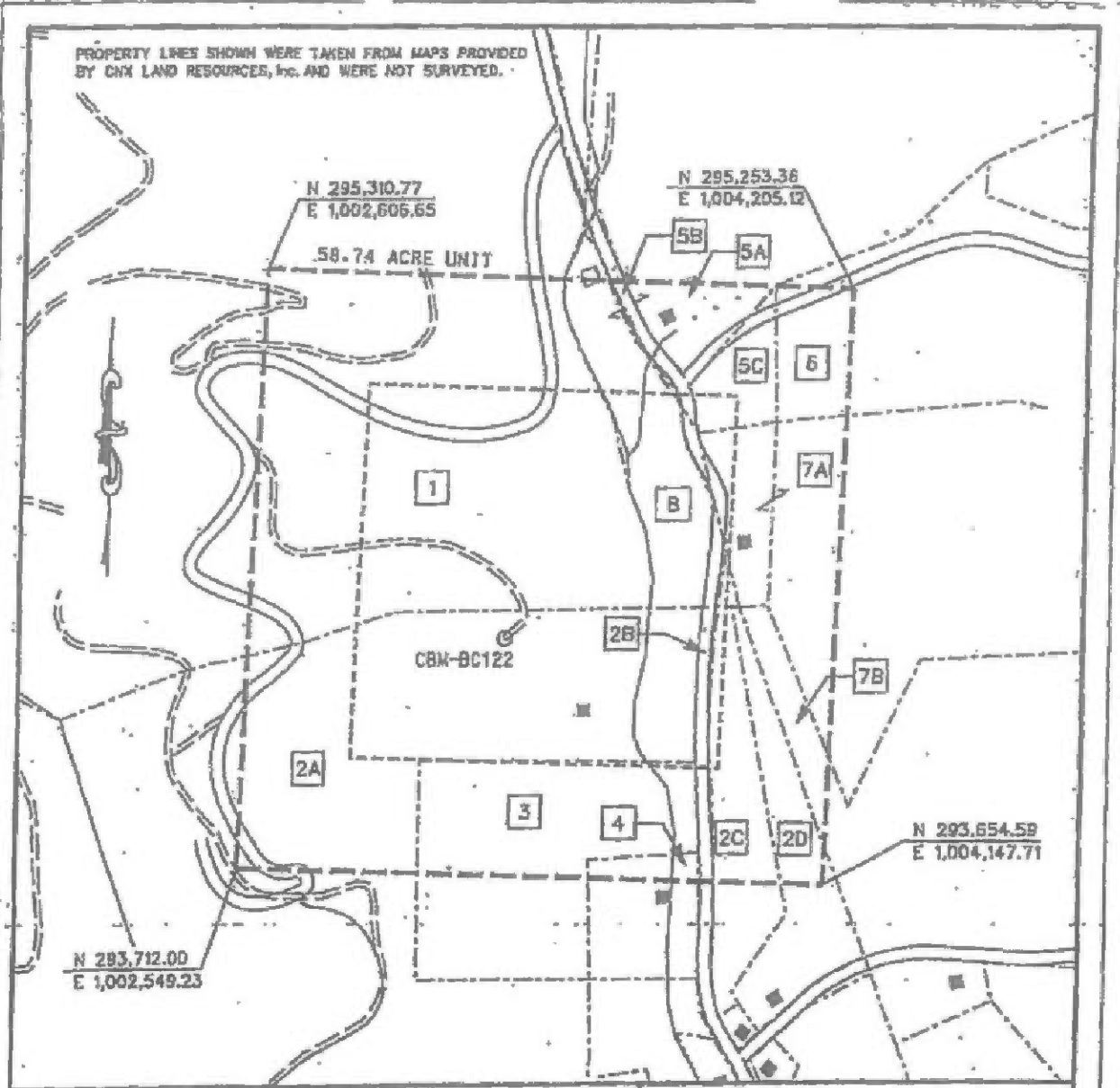


EXHIBIT A
MIDDLE RIDGE FIELD
UNIT BC-122
FORCE POOLING
VGOB-07-0320-1894

Company CNX Gas Company LLC Well Name and Number UNIT BC122
 Tract No. _____ Elevation _____ Quantity 1 Monometer GL
 County Russell District New Garden Scale 1" = 400' Date 2/2/07
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____
 Form DGO-GD-7 _____ 10958 (After Seal)
 Rev. 9/91 _____
 Licensed Professional Engineer or Licensed Land Surveyor

CNX Gas Company LLC**Unit BC 122**

Tract Identifications
(58.74 Acre Unit)

1. Swords Creek Land Partnership Tr. 25 (94.15 Acre Tract) - All Minerals
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Seams Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Ralph Steele, et ux - Surface
20.76 acres 35.3422%
- 2A. Swords Creek Land Partnership Tr. 27 (115.32 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Ruth Byrd, et al. - Surface and All Minerals except Coal
CNX Gas Company, LLC - Oil, Gas and CBM Leased
14.14 acres 24.0722%
- 2B. Swords Creek Land Partnership Tr. 27 (115.32 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Lucinda Plaster OR Commonwealth of Virginia - All Minerals except Coal
Commonwealth of Virginia - Surface
0.67 acres 1.1498%
- 2C. Swords Creek Land Partnership Tr. 27 (115.32 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Larry Wayne Plaster - Surface and All Minerals except Coal
2.04 acres 3.4729%
- 2D. Swords Creek Land Partnership Tr. 27 (115.32 Acre Tract) - Coal
Reserve Coal Properties Company - Coal Below Tiller Seam Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Paul Newberry, et ux - Surface and All Minerals except Coal
1.44 acres 2.4515%
3. Ruth Byrd - Fee
CNX Gas Company LLC - Oil, Gas and CBM Leased
4.90 acres 8.3418%
4. Ruth Byrd - Fee
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.42 acres 0.7150%

CNX Gas Company LLC**Unit BC 122**

Tract Identifications
(68.74 Acre Unit)

- 5A. William R. McCall, et al (162 Acre Tract) – All Minerals (except 5.052% of Coal in Tiller and Above Seams)
 Knox Creek Coal Corporation – Coal in the Tiller and Above Seams (5.052%)
 Reserve Coal Properties Company – Coal Below Tiller Seam Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 Knox Creek Coal Corporation – CBM in Tiller and Above Seams Leased
 CNX Gas Company LLC – CBM Below Tiller Leased
 CNX Gas Company LLC – Oil and Gas Leased
 Bonita Y. (Metcalf) Ratliff – Surface
 1.35 acres 2.2983%
- 5B. William R. McCall, et al (162 Acre Tract) – All Minerals (except 5.052% of Coal in Tiller and Above Seams)
 Knox Creek Coal Corporation – Coal in the Tiller and Above Seams (5.052%)
 Reserve Coal Properties Company – Coal Below Tiller Seam Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 Knox Creek Coal Corporation – CBM in Tiller and Above Seams Leased
 CNX Gas Company LLC – CBM Below Tiller Leased
 CNX Gas Company LLC – Oil and Gas Leased
 Commonwealth of Virginia – Surface
 0.34 acres 0.6788%
- 5C. William R. McCall, et al (162 Acre Tract) – All Minerals (except 5.052% of Coal in Tiller and Above Seams)
 Knox Creek Coal Corporation – Coal in the Tiller and Above Seams (5.052%)
 Reserve Coal Properties Company – Coal Below Tiller Seam Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 Knox Creek Coal Corporation – CBM in Tiller and Above Seams Leased
 CNX Gas Company LLC – CBM Below Tiller Leased
 CNX Gas Company LLC – Oil and Gas Leased
 Unknown Surface Owner
 1.34 acres 2.2812%
6. Swords Creek Land Partnership Tr. 33 (27.65 Acre Tract) – All Minerals
 Reserve Coal Properties Company – Below Tiller Coal Leased
 Knox Creek Coal Company – Tiller and Above Coal Leased
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 Unknown Surface Owner
 1.63 acres 2.7749%
- 7A. Swords Creek Land Partnership Tr. 32 (174.56 Acre Tract) – Fee
 Reserve Coal Properties Company – Below Tiller Coal Leased
 Knox Creek Coal Company – Tiller and Above Coal Leased
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 4.68 acres 7.8333%

CNX Gas Company LLC

Unit BC 122

**Tract Identifications
(58.74 Acre Unit)**

- 7B. **Swords Creek Land Partnership Tr. 32 (174.56 Acre Tract) - Fee**
Reserve Coal Properties Company - Below Tiller Coal Leased
Knox Creek Coal Company - Tiller and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.06 acres 1.8386%
8. **Bonita Y. (Metcalf) Ratdiff (5 Acre Tract) - Fee**
CNX Gas Company LLC - Oil, Gas and CBM Leased
3.87 acres 6.7586%

Exhibit E
Unit BC-122
Docket #VGOB 07-0320-1894-01
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

BOOK 0799 PAGE 184

	Acres in Unit	Interest in Unit
<u>Tract #2B, 0.67 acres</u>		
<i>Escrow due to Title Conflict</i>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.27 (115.32 Acre Tract) P.O. Box 29 Tazewell, VA 24651	0.67 acres	1.1406%
<u>OIL & GAS OWNERSHIP</u>		
(1) Lucinda Plasler Address Unknown	0.67 acres	1.1406%
- OR -		
(1) Commonwealth of Virginia Department of Transportation 870 Bonham Road Bristol, VA 24201-2002	0.67 acres	1.1406%
<u>Tract #2D, 1.44 acres</u>		
<i>W9 / Affidavit Pending</i>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.27 (115.32 Acre Tract) P.O. Box 29 Tazewell, VA 24651	1.44 acres	2.4515%
<u>OIL & GAS OWNERSHIP</u>		
(1) Paul & Dorothy Newberry, TE 3.20 Acres T001122		
		<i>Paul Newberry deceased Dorothy Newberry conveyed to son 11/2001 DB539 PG 829</i>
(a) Gerald R. Newberry Address Unknown - Possible Address found on Peoplesmart	1.44 acres	2.4515%
<u>TOTALS:</u>		
Total Acreage in Unit	2.1100	
Total Percentage in Unit		3.5921%

	Acre in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2A, 14.14 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Swords Creek Land Partnership, Tr.27 (115.32 Acre Tract) P.O. Box 28 Tazewell, VA 24661	14.14 acres	24.0722%	22.9993%
<u>OIL & GAS OWNERSHIP</u>			
(1) Ruth Byrd, et al. (62.30 acre tract)	14.14 acres	24.0722%	
(a) (Ada) Ruth Byrd	Conveyed 12/26/03 DB 701/672		
(a.1) Daniel Ray Tucker Rt 1 Box 314 Swords Creek, VA 24649	2.828 acres 1/5 of 14.14 acres	4.8144%	n/a
(b) Virginia Spiva	Conveyed 12/26/11 DB 743/560		
(b.1) Virginia Resources, LLC PO Box 1320 Honaker, VA 24260	2.828 acres 1/5 of 14.14 acres	4.8144%	n/a
(c) Daniel L. Keen	Conveyed 12/28/11 DB 743/560		
(d.1) Virginia Resources, LLC PO Box 1320 Honaker, VA 24260	2.828 acres 1/5 of 14.14 acres	4.8144%	18.3895%
(e) Victoria Slate Heirs, Devisees, Successors or Assigns			
(e.1) Raymond P. Slate Jr. 1829 Lynn Springs Rd. Swords Creek, VA 24649	0.707 acres 1/20 of 14.14 acres	1.2036%	4.5999%
(e.2) Jeffery W. Slate PO Box 33 Swords Creek, VA 24649-0033	0.707 acres 1/20 of 14.14 acres	1.2036%	n/a
(e.3) Jackie Dale Slate Keen Mountain Correctional Center PO Box 860/B-138 Oakwood, VA 24631	0.707 acres 1/20 of 14.14 acres	1.2036%	n/a
(e.4) Sheila Slate Lofton HC 69, Box 1828 White Sulphur Springs, WV 24984	0.707 acres 1/20 of 14.14 acres	1.2036%	n/a

Tract #2C, 2.04 acres

COAL OWNERSHIP

(1) Swords Creek Land Partnership, Tr.27 (115.32 Acre Tract) P.O. Box 28 Tazewell, VA 24661	2.04 acres	3.4729%	n/a
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OIL & GAS OWNERSHIP

(1) Larry Wayne Plaster 21550 Moon Light Bay Rd Abingdon, VA 24211	2.04 acres	3.4729%	26.5452% HB 2058
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TOTALS:

Total Acreage in Unit 13.35
Total Percentage of Unit 22.7307%

1600353

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 2-29, 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:38 o'clock P. M., after payment of \$ _____ tax imposed by Sec. 58.1-802.

1/11/2018

Original returned this date to:

Smith Gilmer

TESTE: ANN S. McREYNOLDS, CLERK
BY: Nickie Colley D. CLERK