

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): 2D

LOCATION: RUSSELL County, Virginia

DOCKET NUMBER: VGOB-07-0320-1894-02

APPLICANTS:

CNX Gas Company LLC on behalf of Gerald Newberry

HEARING DATE AND LOCATION:

On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

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.
4. Disbursement Order -01 Executed 02/20/2016, Recorded on 02/29/2016, Deed Book/Instrument No. 799, Page 173.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 2D identified in the attached petition.
 - (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2D 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. Gerald Newberry is the gas claimant in Tracts 2D. As such Gerald Newberry 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.
 - b. 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.
 - c. 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.
 - d. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
 - e. 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.
 - f. 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 Gerald Newberry and not escrow same. See Exhibit EE annexed hereto.

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 9 day of June, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

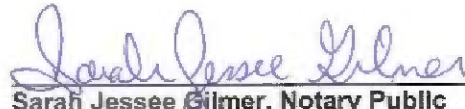
DONE AND PERFORMED this 9 day of June, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 9th day of June, 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 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

1601159



VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY. 6:22 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:02 o'clock P M. after payment of \$ _____ tax imposed by Sec. 58.1-802.

TESTE: ANN S. McREYNOLDS, CLERK

Original returned this date to: Sally Ketner

BY: Kathy Huff D. CLERK

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 07-0320-1894-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2D (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES (3) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.1-361.22:2.

HEARING DATE: On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

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, PO Box 570, Pounding Mill, VA 24637, (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 Tract(s) 2D as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to the parties per House Bill 2058; Gerald Newberry; (3) Dismissal of Coal owner(s): Swords Creek Land Partnership.

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. Gerald Newberry is the gas claimant in Tracts 2D. As such Gerald Newberry 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.
- b. 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.
- c. 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.
- d. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- e. 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.
- f. 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 Gerald Newberry 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.

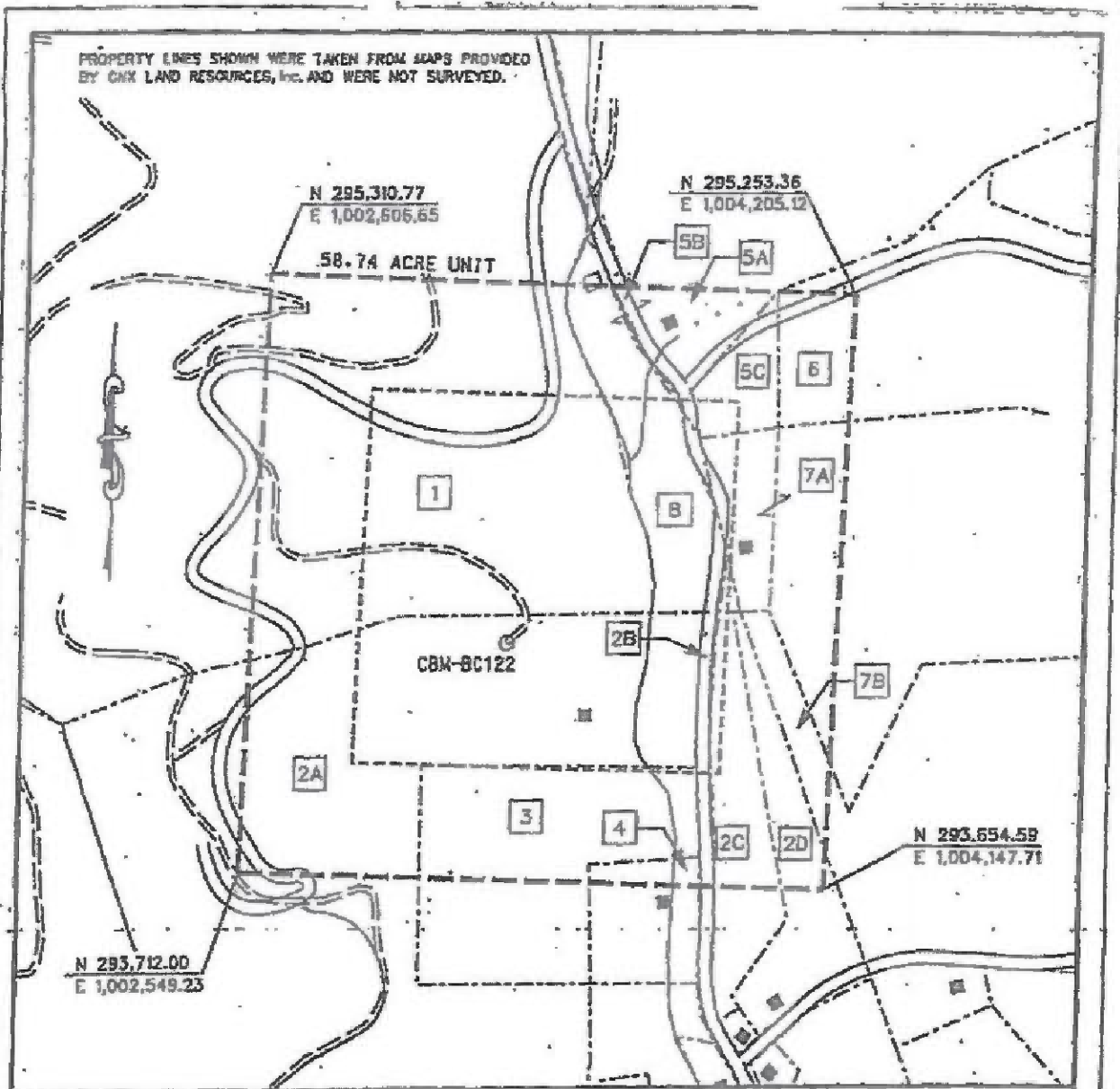


EXHIBIT A
MIDDLE RIDGE FIELD
UNIT BC-122
FORCE POOLING
VGOB-07-0320-1894

Company CNX Gas Company LLC Well Name and Number UNIT BC122
 Tract No. _____ Elevation _____ Quad 14-10-01-01-0000-0000
 County Russell District New Garden Scale 1" = 400' Date 2/1/07
 This plot is a new plot X : an updated plot _____ : or a final plot _____
 Form DCO-00-7 Charles E. May 10358 (After Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

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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 1.1406%
- 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 0.5788%
- 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
 4.88 acres 7.8313%

CNX Gas Company LLC
Unit BC 122
Tract Identifications
(58.74 Acre Unit)

- 7B. Swords Creek Land Partnership Tr. 32 (174.55 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
 1.88 acres 1.8386%
- 8. Bonita V. (Metcalf) Ranch (6 Acre Tract) - Fee
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 3.67 acres 6.7586%

Exhibit E
Unit BC-122
Docket #VGOB 07-0320-1894-02
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

	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 Plaster 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%

Docket #VGOB 07-0320-1894-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2A, 14.14 acres</u>			
COAL OWNERSHIP			
(1) Swords Creek Land Partnership, Tr.27 (115.32 Acre Tract) P.O. Box 29 Tazewell, VA 24651	14.14 acres	24.0722%	n/a
OIL & GAS OWNERSHIP			
(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 12/28/11 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
(d) 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%	n/a
(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%	n/a
(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 29
Tazewell, VA 24651

2.04 acres 3.4729% n/a

OIL & GAS OWNERSHIP

- (1) Larry Wayne Plaster
21550 Moon Light Bay Rd
Abingdon, VA 24211

2.04 acres 3.4729% n/a

Exhibit EE
Unit BC-122

Docket #VGOB 07-0320-1894-02

List of Respondents with Royalty Split Agreements/Court Orders #1B2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2D, 1.44 acres</u>			
<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 629</i>
(a) Gerald R. Newberry 1026 Pine Creek Rd Swords Creek, VA 24649	1.44 acres	2.4515%	68.2464% HB 2058
<u>TOTALS:</u>			
	Total Acreage in Unit	14.79	
	Total Percentage of Unit	25.1822%	