



BK 2016 PG 18504

3449

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: FF41

TRACT(S): A portion of 2B

LOCATION: TAZEWELL County, Virginia

TAX ID NUMBERS: Tax Map Identification Numbers for all parcels affected by this order are shown on:

DOCKET NUMBER: VGOB-07-0417-1915-02

APPLICANTS: CNX Gas Company LLC on behalf of Barbara Lester, Grace Elizabeth Hibdon, Jerry Hensley, Nancy Jackson, Wanda Gay Smith

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 10/18/2007, Recorded on 10/29/2007, Deed Book/Instrument No. 1014, Page 145.
- 2. Supplemental Order, Recorded on 09/23/2010, Deed Book/Instrument No. 1082, Page 278.
- 3. Disbursement Order -01 Executed 06/23/2016, Recorded on 06/06/2016, Deed Book/Instrument No. 2016, Page 1016.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) A portion of 2B identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 2B 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. Grace E. Hibdon, Wanda Gay Smith, Barbara Lester, Nancy Jackson, Jerry Hensley are the gas claimants in Tract (s) portion of Tr. 2B. As such Grace E. Hibdon, Wanda Gay Smith, Barbara Lester, Nancy Jackson, Jerry Hensley are entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 07-0417-1915-01, it dismissed the coal claimant Commonwealth Coal Company. as a Respondent to these proceedings. Accordingly, Island Creek Coal Company was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 Grace E. Hibdon, Wanda Gay Smith, Barbara Lester, Nancy Jackson, Jerry Hensley and shall 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.

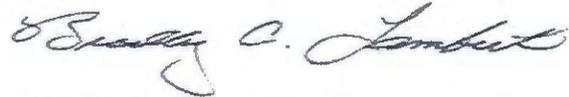
CONCLUSION:

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 27 day of October, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

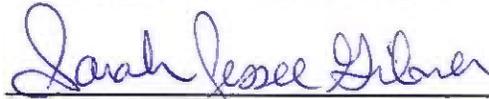
DONE AND PERFORMED this 27 day of October, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 27th day of October, 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



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 07-0417-1915-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 2B (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.

TAX ID NUMBERS: Tax Map Identification Numbers for all parcels affected by this petition are shown on:

DRILLING UNIT: FF41

TAZEWELL 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, attributable to a portion of Tract 2B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Grace E. Hibdon, Wanda Gay Smith, Barbara Lester, Nancy Jackson, Jerry Hensley.

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. Grace E. Hibdon, Wanda Gay Smith, Barbara Lester, Nancy Jackson, Jerry Hensley are the gas claimants in Tract(s) portion of Tr. 2B. As such Grace E. Hibdon, Wanda Gay Smith, Barbara Lester, Nancy Jackson, Jerry Hensley are entitled to 100% of the CBM royalties attributable to their gas claims that are 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 previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 07-0417-1915-01, it dismissed the coal claimant Commonwealth Coal Company, as a Respondent to these proceedings. Accordingly, Island Creek Coal Company was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- 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 Grace E. Hibdon, Wanda Gay Smith, Barbara Lester, Nancy Jackson, Jerry Hensley and shall 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.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

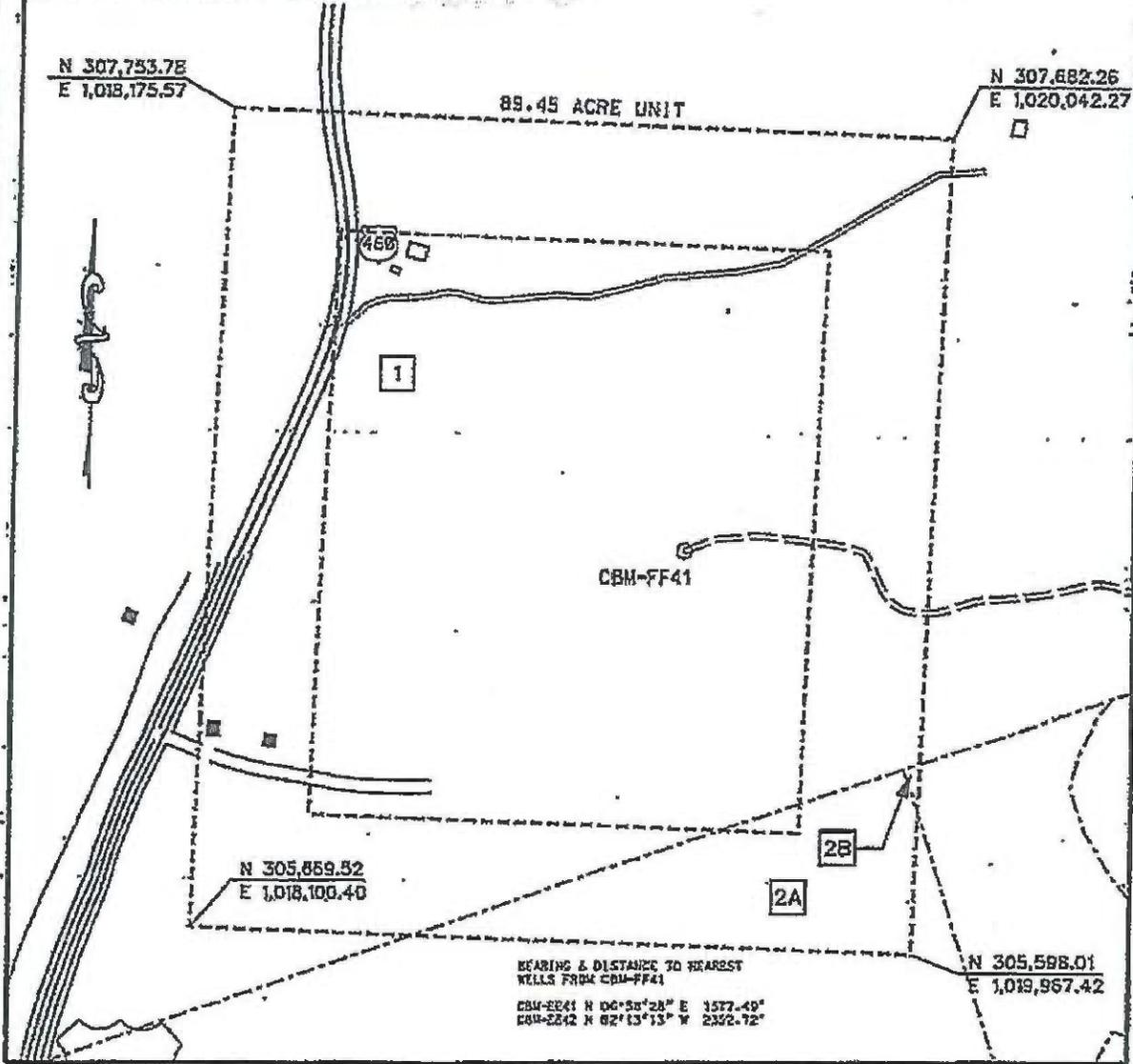


EXHIBIT A
 OAKWOOD FIELD
 UNIT FF-41
 FORCE POOLING
 VGOB-07-0417-1915

Company CNX Gas Company LLC Well Name and Number UNIT FF41
 Tract No. _____ Elevation _____ Date 7/1/07
 County Iozewell District Maiden Springs Scale 1" = 400'
 This plot is a new plot ; an updated plot _____ ; or a final plot 10958

Form DGO-GD-7
 Rev. 9/91

Claude D. Norkan
 Licensed Professional Engineer or Licensed Land Surveyor

PROFESSIONAL ENGINEER Seal

CNX Gas Company LLC

UNIT FF41

**Tract Identifications
(89.45 Acre Unit)**

1. **Commonwealth Coal Company Tr. 8 (1497.62 Acre May-Painter Tract) - Fee Reserve Coal Properties Company - Below Tiller Coal Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
-CNX Gas Company LLC - Oil, Gas and CBM Leased.
Tax Map 84A Parcel 122A
82.23 acres .91.9285%**

- 2A. **-Commonwealth Coal Company Tr. 10 (200 Acre Tract) - All Minerals Reserve Coal Properties Company - Below Tiller Coal Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Unknown Surface Owner
Tax Map 85 Parcel 002
6.84 acres 7.6467%**

- 2B. **Commonwealth Coal Company Tr. 10 (200 Acre Tract) - Coal Reserve Coal Properties Company - Below Tiller Coal Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Burkie T. Barnett - Surface and All Minerals except Coal
Tax Map 85 Parcel 002
0.38 acres 0.4248%**

Exhibit E
Unit FF-41
Docket #VGOB 07-0417-1915-02
List of Respondents that require escrow
(89.45 Acre Unit)

BK 2016 PG 18513

	Acres in Unit	Interest in Unit
<u>Tract #2E, 0.38 acres</u>		
COAL OWNERSHIP		
(1) Commonwealth Coal Company, Tr.10 P.O. Box 1269 Bristol, VA 24203 (200 Acre Tract)	0.38 acres	0.4248%
OIL & GAS OWNERSHIP		
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed</i>		
(1) Burkie T. Barnett Heirs, Devises, Successors or Assigns	0.38 acres	0.4248%
(c) Avery Johnson Heirs, Devises, Successors or Assigns		
(c.1) Joyce Ann Hucka 5113 Montrose Dr. Fort Worth, TX 76114	0.024 acres 1/16 of 0.38 acres	0.0266%
(e) Ocie Beavers Workman Heirs, Devises, Successors or Assigns		
(e.4) Noel Albert Beaver 39 Jackson Rd Plainfield, CT 06374	0.012 acres 1/32 of 0.38 acres	0.0133%
(h) Virgie Jackson Heirs, Devises, Successors or Assigns		
(h.1) Verna L. Owens Heirs, Devises, Successors or Assigns <i>Documentation Pending</i>	0.010 acres 1/40 of 0.38 acres	0.0106%
(h.2) Berna Mae Hensley Heirs, Devises, Successors or Assigns		
(h.2.2) Belinda Keene 5820 Slate Creek Rd Grundy, VA 24614	0.002 acres 1/240 of 0.38 acres	0.0018%
(h.2.4) Jimmy Hensley 8012 Hurley Rd Hurley, VA 24620	0.002 acres 1/240 of 0.38 acres	0.0018%
(h.2.6) Danny Hensley 1105 Tremont Ave Bristol, TN 37620	0.002 acres 1/240 of 0.38 acres	0.0018%
(h.3) Clarence E. Jackson Heirs, Devises, Successors or Assigns		
(h.3.1) Gladys Marie Jackson Heirs, Devises, Successors or Assigns		
(h.3.1.3) Doris Selzer 7176 North Mitre Ave Fresno, CA 93722	0.001 acres 1/600 of 0.38 acres	0.0007%
(h.3.1.4) Colleen McMahan 68 Woodward Ave Sausalito, CA 94965	0.001 acres 1/600 of 0.38 acres	0.0007%
(h.3.1.5) Garland Marsolais 1425 Flat Shoals Road SE Conyers, GA 30013	0.001 acres 1/600 of 0.38 acres	0.0007%
(h.5) Donald Eugene Jackson 818 Jupiter Dr., Unit 2010 Madison, WI 53718	0.010 acres 1/40 of 0.38 acres	0.0106%
<i>Total Acres Remaining in Escrow</i>		0.0613
<i>Total Percentage Remaining in Escrow</i>		0.0685%

Exhibit EE
Unit FF-41
Docket #VGOB 07-0417-1915-02
List of Respondents with Royalty Splits/Court Orders/HB2058
(89.45 Acre Unit)

BK 2016 PG 18514

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2B, 0.38 acres</u>			
COAL OWNERSHIP			
(1) Commonwealth Coal Company, Tr.10 P.O. Box 1269 Bristol, VA 24203 (200 Acre Tract)	0.38 acres	0.4248%	n/a
OIL & GAS OWNERSHIP			
(1) Burkie T. Barnett Heirs, Devisees, Successors or Assigns	0.38 acres	0.4248%	
(a) Elsie Rutledge Heirs, Devisees, Successors or Assigns			
(a.1) Edward Randall Rutledge 333 Bernard Street Huntington, WV 25704	0.024 acres 1/16 of 0.38 acres	0.0266%	n/a
(a.2) Thomas Palmer Rutledge 75 Rabbit Creek Path Rockmart, GA 30153-6437	0.024 acres 1/16 of 0.38 acres	0.0266%	n/a
(b) Allen Johnson Heirs, Devisees, Successors or Assigns			
(b.1) Dorothy Gearheart DeArmon Heirs, Devisees, Successors or Assigns			
(b.1.1) Michael Shane DeArmon 5217 110th Street Jacksonville, FL 32244	0.048 acres 1/8 of 0.38 acres	0.0531%	n/a
(c) Avery Johnson Heirs, Devisees, Successors or Assigns			
(c.2) Betty Lou Garrison Stump 317 Sylvan Ave Lancaster, OH 43130	0.024 acres 1/16 of 0.38 acres	0.0266%	n/a
(d) Dorothy Gearheart DeArmon Heirs, Devisees, Successors or Assigns			
(d.1) Michael Shane DeArmon 5217 110th Street Jacksonville, FL 32244	0.048 acres 1/8 of 0.38 acres	0.0531%	n/a
(e) Ocie Beavers Workman Heirs, Devisees, Successors or Assigns			
(e.1) Grace Elizabeth Hibdon 6153 Son Villa Drive, Apt. C Forth Worth, TX 76135	0.012 acres 1/32 of 0.38 acres	0.0133%	11.6765% HB2058
(e.2) Zelda Arue Thompson 10130 Burton Street New Port Richey, FL 34654	0.012 acres 1/32 of 0.38 acres	0.0133%	n/a
(e.3) Lester George Beaver, Jr. 2359 Dawnlight Ave Columbus, OH 43211	0.012 acres 1/32 of 0.38 acres	0.0133%	n/a
(f) Arvel Johnson Heirs, Devisees, Successors or Assigns			
(f.1) Brenda Fay Stone 694 Flintlock Ct Nashville, TN 37217	0.024 acres 1/16 of 0.38 acres	0.0266%	n/a
(f.2) Wanda Gay Smith 527 Redstone Dr. Unit 23 Bristol, TN 37620	0.024 acres 1/16 of 0.38 acres	0.0266%	23.3530% HB2058
(g) Acle Johnson Heirs, Devisees, Successors or Assigns			
(g.1) Dorothy Barnes 407 W. Main Street Fletcher, OH 45326	0.007 acres 1/56 of 0.38 acres	0.0076%	n/a

Exhibit EE
Unit FF-41
Docket #VGOB 07-0417-1915-02
List of Respondents with Royalty Splits/Court Orders/HB2058
(89.45 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
(g.2) Pansy Johnson 398 Road Ridge Turnpike Raven, VA 24639	0.007 acres 1/56 of 0.38 acres	0.0076%	n/a
(g.3) Calvin Johnson 356 Road Ridge Turnpike Raven, VA 24639	0.007 acres 1/56 of 0.38 acres	0.0076%	n/a
(g.4) Evelyn Rose 17078 Green Acres Dr Sidney, OH 45365	0.007 acres 1/56 of 0.38 acres	0.0076%	n/a
(g.5) Melvin Johnson PO Box 152 Raven, VA 24639	0.007 acres 1/56 of 0.38 acres	0.0076%	n/a
(g.6) Sharon Gail Hess PO Box 577 Raven, VA 24639	0.007 acres 1/56 of 0.38 acres	0.0076%	n/a
(g.7) Betty Jane Shelton VCCW Box 1 Goochland, VA 23063	0.007 acres 1/56 of 0.38 acres	0.0076%	n/a
(h) Virgie Jackson Heirs, Devisees, Successors or Assigns			
(h.2) Berna Mae Hensley Heirs, Devisees, Successors or Assigns			
(h.2.1) Barbara Lester 4838 Lester Fork Rd Grundy, VA 24614	0.002 acres 1/240 of 0.38 acres	0.0018%	1.5569% HB2058
(h.2.3) Nancy Jackson 1059 Frontlane Rd Grundy, VA 24614	0.002 acres 1/240 of 0.38 acres	0.0018%	1.5569% HB2058
(h.2.5) Jerry Hensley PO Box 535 Hurley, VA 24620	0.002 acres 1/240 of 0.38 acres	0.0018%	1.5569% HB2058
(h.3) Clarence E. Jackson Heirs, Devisees, Successors or Assigns			
(h.3.1) Gladys Marie Jackson Heirs, Devisees, Successors or Assigns			
(h.3.1.1) Gail Clark 716 S. Windsor Rd Olathe, KS 66061	0.001 acres 1/600 of 0.38 acres	0.0007%	n/a
(h.3.1.2) Sundee Taylor 3100 Turner Rd SE, Sp # 614 Salem, OR 97302	0.001 acres 1/600 of 0.38 acres	0.0007%	n/a
(h.3.2) Carole Jackson Bergstr, 41 Koin, Germany 50739	0.006 acres 1/60 of 0.38 acres	0.0071%	n/a
(h.4) Anna Marie Blankenship Heirs, Devisees, Successors or Assigns			
(h.4.1) Virgus Blankenship 22646 Green Spring Rd Abingdon, VA 24211	0.010 acres 1/40 of 0.38 acres	0.0106%	n/a
Total Acres	0.3187		
Total Percent		0.3563%	

INSTRUMENT #160003449
RECORDED IN THE CLERK'S OFFICE OF
TAZEWELL COUNTY ON
NOVEMBER 29, 2016 AT 01:40PM

TAMI B. ALLISON, CLERK
RECORDED BY: ERD