

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: AW132

TRACT(S): 1B

LOCATION: TAZEWELL County, Virginia

TAX ID NUMBERS:

Tax Map Identification Numbers for all parcels affected by this order are shown on: Tract
Identification Sheet

DOCKET NUMBER: VGOB-07-1016-2042-01

APPLICANTS:

CNX Gas Company LLC on behalf of Commonwealth Coal Corporation

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 01/31/2008, Recorded on 02/08/2008, Deed Book/Instrument No.
1021, Page 424.
2. Supplemental Order, Recorded on 05/09/2010, Deed Book/Instrument No. 1075, Page 46.
3. Supplemental Order, Recorded on 11/04/2013, Deed Book/Instrument No. 2013, Page 2076.

NOTICE:

EK 2015 PG 20077

3913

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1B identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1B 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. Commonwealth Coal Corporation are the gas claimant in Tracts 1B. As such Commonwealth Coal Corporation 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 Commonwealth Coal Corporation and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

EX 2015 PG 20078

VGOB Disbursement
Unit AW132

VGOB-07-1016-2042-01

Table 1
Tracts: 1B

[illegible]

EN 2015 PG20079

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 3 day of December, 2015 by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert

Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 3rd day of December, 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
Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2017

DONE AND PERFORMED this 4 day of December, 2015 by Order of the Virginia Gas and Oil Board.

Rick Cooper

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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 4th day of December, 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
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 07-1016-2042-01

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

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: AW132

TAZEWELL COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 627 Claypool Hill Mail 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 of Tract(s) 1B as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Commonwealth Coal Corporation

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)

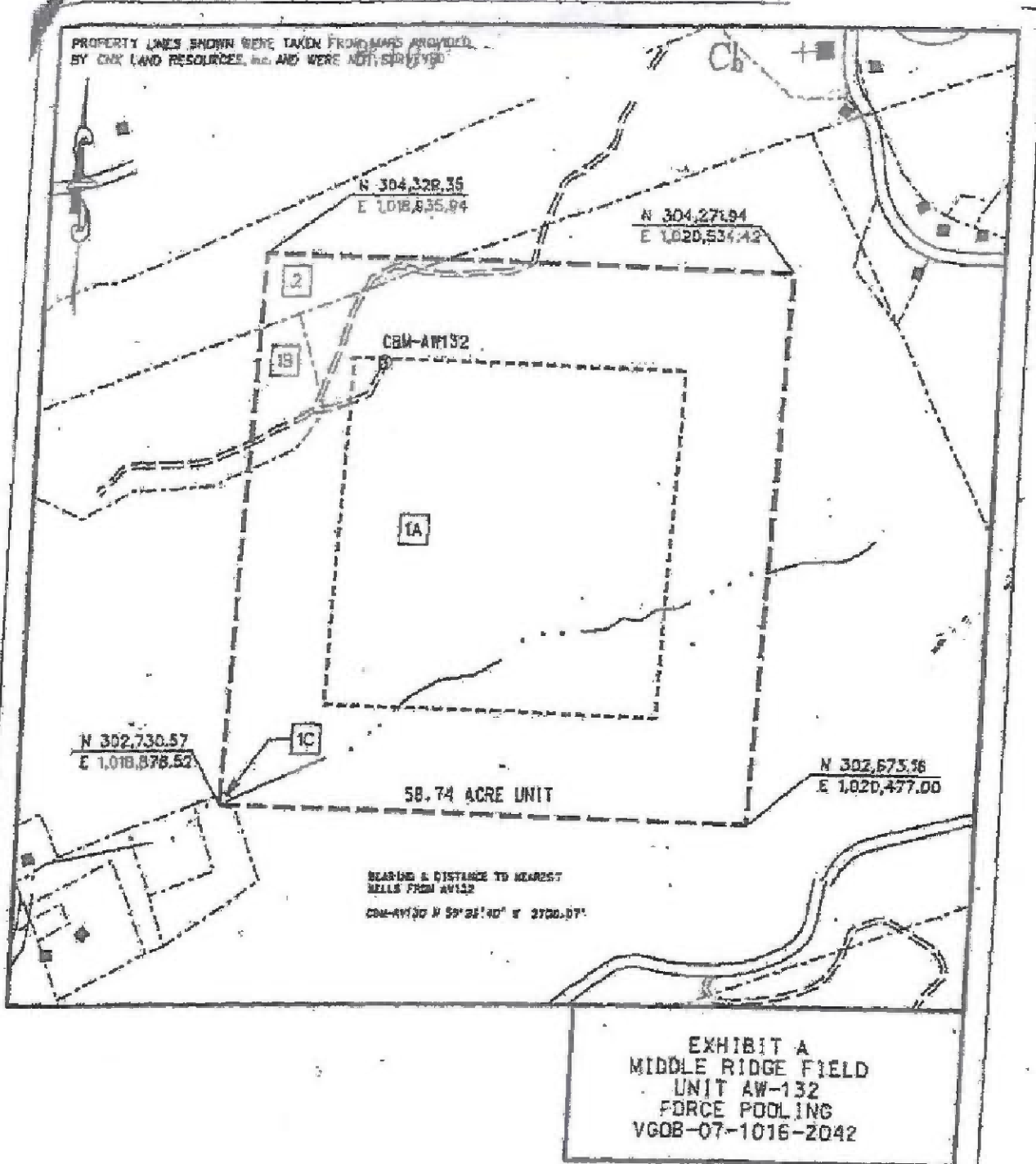
Coalbed Methane

5. Factual basis for relief requested

- a. Commonwealth Coal Corporation are the gas claimant in Tracts 1B. As such Commonwealth Coal Corporation 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 Commonwealth Coal Corporation 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.



Company CNX Gas Company LLC Well Name and Number Unit AW-132
 Trust No. _____ Elevation _____ Quadrangle Richlands
 County Tazewell District Maiden Springs Scale 1" = 400' Date 9/1/13
 This plot is a new plot ☒ ; an updated plot ☐ ;
 Form DDD-80-7, BANDALL M. ALBERT (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor
 Page Number 6.

CNX Gas Company LLC

Unit AW 132

Tract Identifications

(58.74 Acre Unit)

- 1A. Coal Creek Coal Company Tr. 2 (237 Acre Tract) – Coal
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Coal In Tiller Seam Subleased
CNX Gas Company LLC – CBM Leased
Robin L. Hodges – Surface, Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
Tax Map 85A Parcel 6
66.67 Acres 94.7736%

- 1B. Coal Creek Coal Company Tr. 2 (237 Acre Tract) – Coal
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Coal In Tiller Seam Subleased
CNX Gas Company LLC – CBM Leased
Commonwealth Coal Corporation – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
Robin L. Hodges – Surface
Tax Map 85A Parcel 6
1.60 Acres 2.7236%

- 1C. Coal Creek Coal Company Tr. 2 (237 Acre Tract) – Coal
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Coal In Tiller Seam Subleased
CNX Gas Company LLC – CBM Leased
Billy Jackson, et al – Surface, Oil and Gas
Tax Map 84A Parcel 125
0.03 Acres 0.0511%

2. Commonwealth Coal Corporation Tr. 10 (200 Acre Tract) – All Minerals
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Tiller Seam Subleased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Robin L. Hodges – Surface
Tax Map 84A Parcel 122A
1.44 Acres 2.4616%

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

Page 1 of 1

October 31, 2012

Page Number 7.

Page Number 8.

Exhibit E
Unit AW-132
Docket #VGOB 07-1016-2042-01
List of Respondents that require escrow
(58.74 Acre Unit)

	Acres In Unit	Interest in Unit
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Tract #1C, 0.03 acres

COAL OWNERSHIP

(1) Coal Creek Coal Company Tr.2 (237 Acres) P.O. Box 323 Tazewell, VA 24651	0.03 acres	0.0511%
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OIL & GAS OWNERSHIP

The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.

- (1) Billy E. Jackson, et al
(1.46 acre tract)

Bill and Bessie Jackson convey to Billy E & Elizabeth Jackson with right of survivorship April 15, 1980 DB500/219

- (1) Bessie (aka Elizabeth) B. Jackson Heirs, Devisees
Successors or Assigns

(2) Billy E. Jackson 116 Franklin Ave. Richlands, VA 24641	0.03 acres	0.0511%
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OK 2015 PG 20086

Exhibit EE
Unit AW-132
Docket #VGOB 07-1016-2042-01
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 #1A, 55.67 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company Tr.2 (237 Acres) P.O. Box 323 Tazewell, VA 24651	55.67 acres	94.7736%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Robin L. Hodges P.O. Box 1480 Bassett, VA 24056-4999	55.67 acres	94.7736%	n/a
<u>Tract #1B, 1.60 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company Tr.2 (237 Acres) P.O. Box 323 Tazewell, VA 24651	1.60 acres	2.7238%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Commonwealth Coal Corporation PO Box 1269 Bristol, VA 24203	1.60 acres	2.7238%	98.1595% HB2058

INSTRUMENT #150003913
RECORDED IN THE CLERK'S OFFICE OF
TAEWELL COUNTY ON
DECEMBER 30, 2015 AT 11:25AM
TAMMY B. ALLISON, CLERK
RECORDED BY: MLT