

*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:** AX132

**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-07-1016-2043-01

**APPLICANTS:** CNX Gas Company LLC on behalf of Billy Jackson

**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 389.
2. Supplemental Order, Recorded on 03/04/2010, Deed Book/Instrument No. 1075, Page 35.

**NOTICE:**

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- (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) Close 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. Billy E. Jackson is the gas claimant in Tracts 1B. As such Billy E. Jackson are 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 Billy E. Jackson 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 close 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.

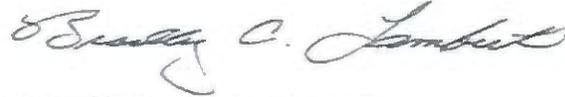
**CONCLUSION:**

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 30 day of August, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 30 day of August, 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 30<sup>th</sup> day of August, 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 07-1016-2043-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1B (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: AX132

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 Tract 1B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Billy E. Jackson; Dismissal of coal owner: Coal Creek Coal Company

**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. Billy E. Jackson is the gas claimant in Tracts 1B. As such Billy E. Jackson are 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 Billy E. Jackson 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.

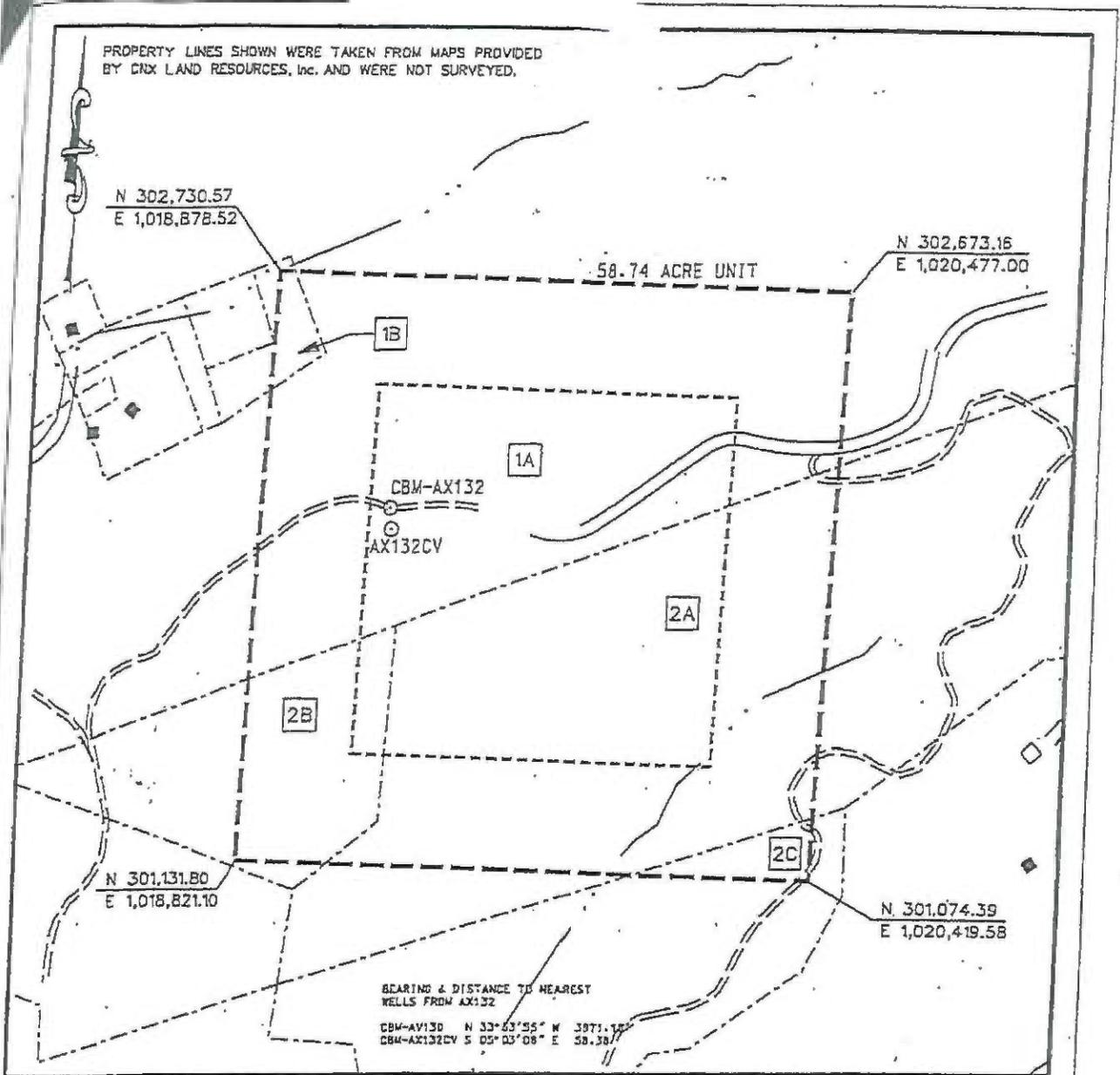


EXHIBIT A  
MIDDLE RIDGE FIELD  
UNIT AX-132  
FORCE POOLING  
VGOB-07-1016-2043

Company CNX Gas Company LLC Well Name and Number AX132

Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Richlands

County Tazewell District Maiden Springs Scale " = 400' Date 9/10/20

This plot is a new plot X; an updated plot \_\_\_\_\_; or a final plat \_\_\_\_\_

Form DGO-GD-7 Rev. 9/91 Randall M. Albert (Affix Seal)  
Licensed Professional Engineer or Licensed Land Surveyor

STATE OF VIRGINIA  
RANDALL M. ALBERT  
Lic. No. 015584  
ENGINEER

**CNX Gas Company LLC**  
**Unit AX 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 Sublessee  
 CNX Gas Company LLC – CBM Leased  
 Robin Hodges – Surface and All Minerals except Coal  
 CNX Gas Company LLC – Oil, Gas and CBM Leased  
 (Tax Map 85 Parcel 6)  
 28.53 acres                      48.5700%
- 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 Sublessee  
 CNX Gas Company LLC – CBM Leased  
 Billy Jackson, et al – Surface and All Minerals except Coal  
 (Tax Map 84A Parcel 125)  
 0.64 acres                      1.0895%
- 2A. Coal Creek Coal Company Tr. 3 (620 Acre Tract) – Coal Reserve Coal Properties Company – All Coal Leased  
 Knox Creek Coal Company – Coal In Tiller Seam Sublessee  
 CNX Gas Company LLC – CBM Leased  
 Robin Hodges (36,181 Acre Tract) – Surface and All Minerals  
 CNX Gas Company LLC – Oil, Gas and CBM Leased  
 (Tax Map 85A Parcel 14)  
 23.71 acres                      40.3643%
- 2B. Coal Creek Coal Company Tr. 3 (620 Acre Tract) – Coal Reserve Coal Properties Company – All Coal Leased  
 Knox Creek Coal Company – Coal In Tiller Seam Sublessee  
 CNX Gas Company LLC – CBM Leased  
 Robin Hodges – Surface and All Minerals except Coal  
 CNX Gas Company LLC – Oil, Gas and CBM Leased  
 (Tax Map 85 Parcel B)  
 4.88 acres                      8.3078%
- 2C. Coal Creek Coal Company Tr. 3 (620 Acre Tract) – Coal Reserve Coal Properties Company – All Coal Leased  
 Knox Creek Coal Company – Coal In Tiller Seam Sublessee  
 CNX Gas Company LLC – CBM Leased  
 Clement Smith, et al (21,613 Acre Tract) – Surface and All Minerals except Coal (2/3)  
 Robin Hodges – Surface and All Minerals except Coal (1/3)  
 CNX Gas Company LLC – Oil, Gas and CBM Leased  
 (Tax Map 85A Parcel 14)  
 0.98 acres                      1.6684%

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Exhibit E  
Unit AX-132  
Docket #VGOB 07-1016-2043-01  
List of Conflicting Owners/Claimants that require escrow  
(58.74 Acre Unit)

| Acres in Unit                 | Interest in Unit |
|-------------------------------|------------------|
| <i>All conflicts resolved</i> |                  |

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Exhibit EE  
 Unit AX-132  
 Docket #VGOB 07-1016-2043-01  
 List of Respondents with Royalty Split Agreements/Court Orders/HB2058  
 (58.74 Acre Unit)

|  | Acres in Unit | Interest in Unit | Percent of Escrow  |
|--|---------------|------------------|--|
| <b><u>Tract #1A, 28.53 acres</u></b>   |               |                  |  |
| <b><u>COAL OWNERSHIP</u></b>   |               |                  |  |
| (1) Coal Creek Coal Company Tr.2 (237 Acres) *<br>P.O. Box 323<br>Tazewell, VA 24651 | 28.53 acres   | 48.5700%         | n/a  |
| <b><u>OIL &amp; GAS OWNERSHIP</u></b>  |               |                  |  |
| (1) Robin Hodges *<br>PO Box 1480<br>Bassett, VA 24055-4999                          | 28.53 acres   | 48.5700%         | n/a  |
| <b><u>Tract #1B, 0.64 acres</u></b>  |               |                  |  |
| <b><u>COAL OWNERSHIP</u></b>   |               |                  |  |
| (1) Coal Creek Coal Company Tr.2 (237 Acres)<br>P.O. Box 323<br>Tazewell, VA 24651   | 0.64 acres    | 1.0895%          | n/a  |
| <b><u>OIL &amp; GAS OWNERSHIP</u></b>  |               |                  |  |
| Billy E. Jackson, et al.<br>(1.46 Acre Tract)  |               |                  | <i>Conveyed to Billy E. Jackson &amp; Elizabeth Jackson with rights of survivorship on 4/15/1980</i> |
| (1) Billy E. Jackson<br>116 Franklin Ave.<br>Richlands, VA 24641                     | 0.64 acres    | 1.0895%          | 100.0000%<br>HB2058  |
| <b><u>Tract #2A, 23.71 acres</u></b>   |               |                  |  |
| <b><u>COAL OWNERSHIP</u></b>   |               |                  |  |
| (1) Coal Creek Coal Company Tr.3 (620 Acres) *<br>P.O. Box 323<br>Tazewell, VA 24651 | 23.71 acres   | 40.3643%         | n/a  |
| <b><u>OIL &amp; GAS OWNERSHIP</u></b>  |               |                  |  |
| (1) Robin Hodges *<br>PO Box 1480<br>Bassett, VA 24055-4999                          | 23.71 acres   | 40.3643%         | n/a  |
| <b><u>Tract #2B, 4.88 acres</u></b>  |               |                  |  |
| <b><u>COAL OWNERSHIP</u></b>   |               |                  |  |
| (1) Coal Creek Coal Company Tr.3 (620 Acres) *<br>P.O. Box 323<br>Tazewell, VA 24651 | 4.88 acres    | 8.3078%          | n/a  |
| <b><u>OIL &amp; GAS OWNERSHIP</u></b>  |               |                  |  |
| (1) Robin Hodges *<br>PO Box 1480<br>Bassett, VA 24055-4999                          | 4.88 acres    | 8.3078%          | n/a  |

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Exhibit EE  
Unit AX-132  
Docket #VGOB 07-1016-2043-01  
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 #2C, 0.98 acres</u>   |                                 |                  |                   |
| <u>COAL OWNERSHIP</u>  |                                 |                  |                   |
| (1) Coal Creek Coal Company Tr.3 (620 Acres) *<br>P.O. Box 323<br>Tazewell, VA 24651   | 0.98 acres                      | 1.6684%          | n/a               |
| <u>OIL &amp; GAS OWNERSHIP</u>   |                                 |                  |                   |
| (1) Clement Smith, et al.  | 0.98 acres                      | 1.6684%          | n/a               |
| (a) Clement A. Smith *<br>2508 Red Root Ridge Road<br>Raven, VA 24639  | 0.65 acres<br>2/3 of 0.98 acres | 1.1122%          | n/a               |
| ** Note: Clement Smith requests his royalties to be paid to:<br>Carolyn Horton<br>2872 Horton Ridge Road<br>Swords Creek, VA 24649 |                                 |                  |                   |
| (b) Robin Hodges *<br>P.O. Box 1480<br>Bassett, VA 24055-4999  | 0.33 acres<br>1/3 of 0.98 acres | 0.5561%          | n/a               |

INSTRUMENT #160002882  
RECORDED IN THE CLERK'S OFFICE OF  
TAEWELL COUNTY ON  
OCTOBER 5, 2016 AT 03:25PM  
TAMM B. ALLISON, CLERK  
RECORDED BY: ERD