

Instrument prepared by
VIRGINIA GAS AND OIL BOARD

Order recorded under:
CODE OF VIRGINIA
§ 45.1-361.26

DK2016 002849

568

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: AZ143

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: Tract Identification Sheet

DOCKET NUMBER: VGOB-08-0115-2122-02

APPLICANTS: CNX Gas Company LLC on behalf of Moses Melvin Strouth

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 03/20/2008, Recorded on 04/02/2008, Deed Book/Instrument No. 1025, Page 406.
2. Supplemental Order, Recorded on 05/20/2011, Deed Book/Instrument No. 110001609.
3. Supplemental Order -01, Recorded on 03/12/2015, Deed Book/Instrument No. 2015, Page 0302.
4. Supplemental Order -01, Recorded on 04/02/2015, Deed Book/Instrument No. 2015, Page 0448.

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. Moses Melvin Strouth is the gas claimant in a portion of Tract 2B. As such Moses Melvin Strouth 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 Moses Melvin Strouth and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit AZ143

VGOB-08-0115-2122-02

Table 1

Tracts: A portion of 2B

Item	Tract	Disbursement Table	Fractional Ownership		Net Acreage		Royalty		Escrowed		Percent of	
			in Tract	in Tract	Ownership	in Tract	Split	Agreement	Acres	Disbursed	Escrowed Funds	
		Total acreage in escrow before disbursement								8.65000		
		2B Tract 2B (total acreage)	3.6900									
1	2B	Moses Melvin Strouth605 S 4th St, Crandall, TX 75114	1/2	1.8450	100.00%	1.8450				1.8450		21.3295%

2016 02851

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 5 day of February, 2016 by a majority of the Virginia Gas and Oil Board.

K2016 1502852

Bradley C. Lambert

Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 5th 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
Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2017

DONE AND PERFORMED this 9 day of February, 2016 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 9th 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
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 08-0115-2122-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 2B (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: AZ143

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 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 Tract 2B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Moses Melvin Strouth.

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. Moses Melvin Strouth is the gas claimant in a portion of Tract 2B. As such Moses Melvin Strouth 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 Moses Melvin Strouth 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.

**CNX Gas Company LLC
Unit AZ 143
Tract Identifications
(58.74 Acre Unit)**

1. Southern Region Industrial Realty Corporation, Tr. 1 (4430 Acre Tract) - All Coal Except P-3 Seam
 CNX RCPC LLC - Coal in P-3 Seam
 CNX Gas Company LLC - CBM in P-3 Seam
 White Wolf Energy, Inc. - All Coal Leased except P-3, Raven, Tiller and Lower Seaboard Seams
 Massey Energy - Coal in Raven, Tiller and Lower Seaboard Seams Leased
 Pardee Royalty LLC (50%) and Pardee Minerals LLC (50%) - Oil, Gas and CBM except CBM in P-3 Seam
 CNX Gas Company LLC - CBM - Deemed Leased via IOA
 Southern Region Industrial Realty Corporation - Surface
 Appalachian Forests A, LLC - Timber
 (Tax Map 105 Parcel 30)
 50.09 Acres 85.2741%
- 2A. Richlands Coal Corporation (40.00 Acre Tract) - All coal
 CNX RCPC LLC - All Coal except "edge Seams" Leased
 CNX Gas Company, LLC - CBM Leased
 Fred A. Sayers - Surface, Oil and Gas
 CNX Gas Company, LLC - Oil, Gas and CBM Leased
 (Tax Map 105A 501 Parcel D1 Tr 8)
 4.94 Acres 8.4100%
- 2B. Richlands Coal Corporation (40.00 Acre Tract) - All coal
 CNX RCPC LLC - All Coal except "edge Seams" Leased
 CNX Gas Company, LLC - CBM Leased
 M. M. Strouth, et ux - Surface, Oil and Gas
 (Tax Map 105A 501 Parcel 01 Tr 23)
 3.69 Acres 6.2819%
- 2C. Richlands Coal Corporation (40.00 Acre Tract) - All coal
 CNX RCPC LLC - All Coal except "edge Seams" Leased
 CNX Gas Company, LLC - CBM Leased
 Danny K. Clevinger, et ux - Surface, Oil and Gas
 (Tax Map 105A 501 Parcel 01 Tr 38)
 0.02 Acres 0.0340%

"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."

EX 2016 1102857

Exhibit E
 Unit AZ-143
 Docket #VGOB 08-0115-2122-02
 List of Respondents that require escrow
 (58.74 Acre Unit)

	Net Acres in Unit	Interest in Unit
Tract #2A - 4.94 acres		
COAL OWNERSHIP		
(1) Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24841	4.94 acres	8.4100%
OIL & GAS OWNERSHIP		
<i>Unlocatable</i>		
(1) Fred A. Sayers PO Box 355 Doran, VA 24612 (Bad Address)	4.94 acres	8.4100%
Tract #2B - 3.69 acres		
COAL OWNERSHIP		
(1) Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24641	3.69 acres	6.2819%
OIL & GAS OWNERSHIP		
<i>Unlocatable / Title Issue</i>		
(1) Moses Melvin Strouth, et al.	3.69 acres	6.2819%
(b) Nell Edwards (Strouth)? Deceased - Heirs Unknown	1.845 acres 1/2 of 3.69 acres	3.1410%
<i>Note: According to M. Strouth, he and Nell Edwards Strouth were never married, although there are numerous documents executed executed in Moses Strouth and Nell Strouth, wife. Due to conflicting information/title issues, 50% of the tract will remain in escro</i>		
Tract #2C - 0.02 acres		
COAL OWNERSHIP		
(1) Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24641	0.02 acres	0.0340%
OIL & GAS OWNERSHIP		
<i>The ownership listed below is currently being reviewed and documentation is being requested to verify title.</i>		
(1) Danny R. and Brenda S. Clevinger Heirs, Devisees, Successors or Assign	0.02 acres	0.0340%
(a) Danny K. Clevinger 211 Mountain Road Richlands, VA 24841		
(b) Teresa Chambers 1827 9th Street Richlands, VA 24641		
TOTAL:		
	Acreage in Unit	6.8050
	Percentage of Unit	11.5850%

EX 2016 002858

Exhibit EE
Unit AZ-143
Docket #VGOB 08-0115-2122-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Net Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2B - 3.69 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24641	3.69 acres	6.2819%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Moses Melvin Strouth, et al.	3.69 acres	6.2819%	
(a) Moses Melvin Strouth 605 S. 4th Street Crandall, TX 75114	1.845 acres 1/2 of 3.69 acres	3.1410%	21.3295% HB2058

Note: According to M. Strouth, he and Neil Edwards Strouth were never married, although there are numerous documents executed in Moses Strouth and Neil Strouth, wife. Due to conflicting information/title issues, 50% of the tract will continue to be escrowed

INSTRUMENT #160000568
RECORDED IN THE CLERK'S OFFICE OF
TAZEWELL COUNTY ON
MARCH 4, 2015 AT 09:59AM
TAMMY B. HILLISON, CLERK
RECORDED BY: ADR

Angela Ray