

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: AZ143

TRACT(S): 2C

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-08-0115-2122-03

APPLICANTS:

CNX Gas Company LLC on behalf of Danny K Clevinger

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.

OK 2016 PG 10178

1875

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 2C identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2C 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. Danny K. Clevinger is the gas claimant in Tracts 2C. As such Danny K. Clevinger 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 Danny K. Clevinger and not escrow same. See Exhibit EE annexed hereto.

Tracts: 2C

VGOB Disbursement							
Unit AZ143							
VGOB-08-0115-2122-03							
Table 1							
Tracts: 2C							
Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			in Tract	in Tract	Agreement	Disbursed	Disbursed
		Total acreage in escrow before disbursement				6.80500	
2C		Tract 2C (total acreage)					
1	2C	Danny K Clevinger/211 Mountain Rd Richlands VA 24641	0.0200	0.0200	100.00%	0.0200	0.2939%

Adjustment Comments:

DN 2016 PG 10180

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

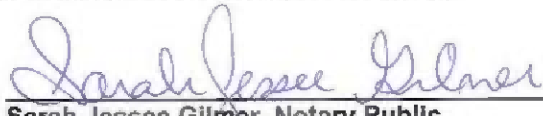
DONE AND PERFORMED this 9 day of June, 2016 by Order of the Virginia Gas and Oil Board.



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



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 08-0115-2122-03

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2C (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: AZ143

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(s) attributable to of Tract(s) 2C as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Danny K. Clevinger; (3) Dismissal of Coal Owner(s): Richlands 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

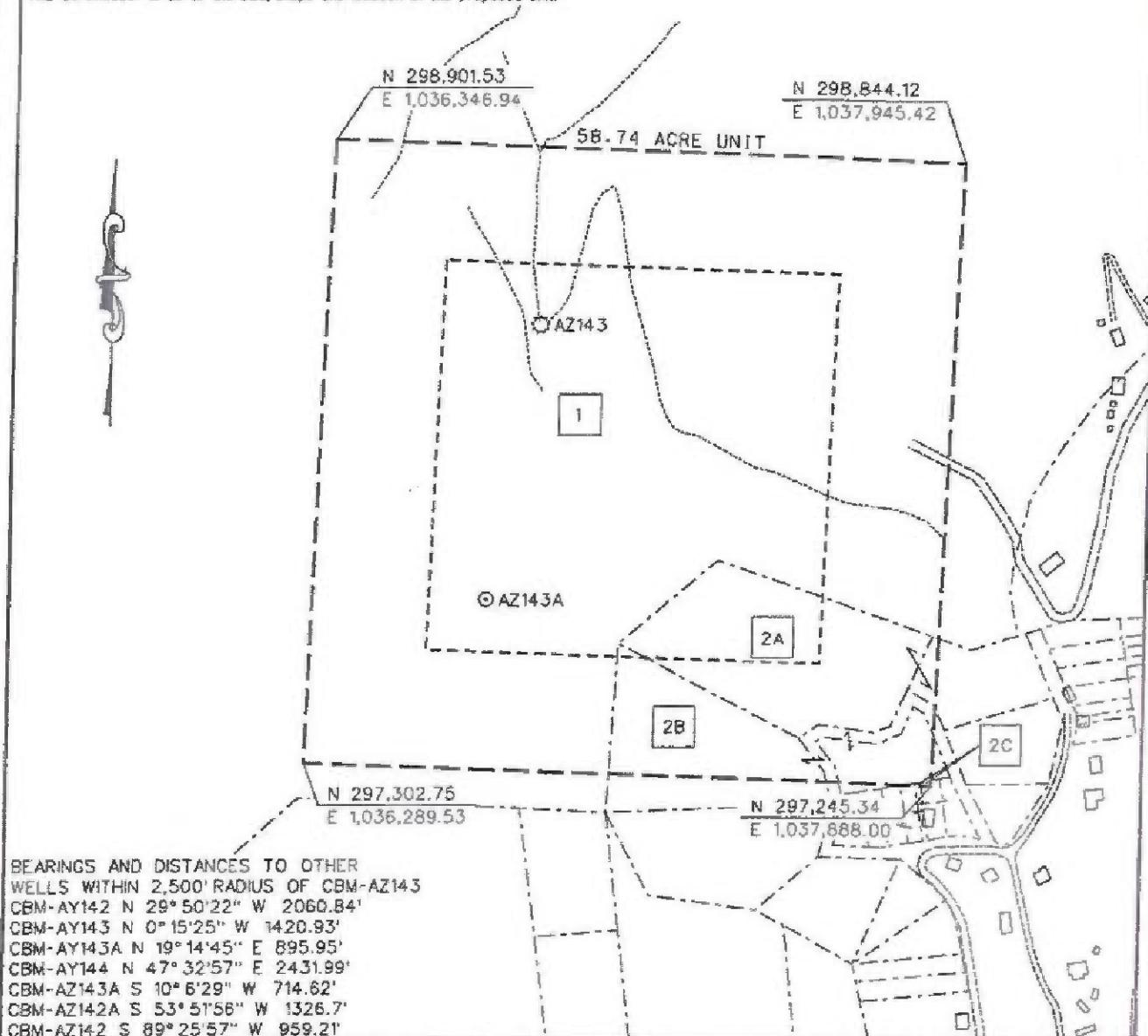
5. Factual basis for relief requested

- a. Danny K. Clevinger is the gas claimant in Tracts 2C. As such Danny K. Clevinger 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 Danny K. Clevinger 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.

Property lines shown on this plat were provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.



○ CBM WELL
⊙ PROPOSED CBM WELL



Digitally signed by Stephen E. Maxfield
DN: cn=US, o=Stephen E. Maxfield, ou=D. R. PRICE ENGINEERING AND LAND SURVEYING INC PC, email=Stephen E. Maxfield, o=923462.19200900, 100.1.1=AD 109800000013840EE1AFB0000 57FD
Date: 2014.10.08 09:37:16 -0400

EXHIBIT A
MIDDLE RIDGE FIELD
UNIT AZ143
FORCE POOLING
VGOB-08-0115-2122-01

Company CNX Gas Company LLC Well Name and Number UNIT AZ143
Tract No. Elevation Quadrangle RICHLANDS
County TAZEWELL District MAIDEN SPRINGS Scale: 1" = 400' Date
This plat is a new plat X ; on an updated plat ; or a final plat

Form D60-GO-7 (Affix Seal)
Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

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

DN 2016 PG 10186

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 JOA
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 01 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."

Exhibit E
Unit AZ-143
Docket #VGOB 08-0115-2122-03
List of Respondents that require escrow
(58.74 Acre Unit)

EX 2016 PG 10187

	Net Acres In Unit	Interest in Unit
Tract #2A - 4.94 acres		
<u>COAL OWNERSHIP</u>		
{1} Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24641	4.94 acres	8.4100%
<u>OIL & GAS OWNERSHIP</u>		
<i>W-9/Affidavit Pending</i>		
{1} Fred A. Sayers 111 Toronto St. Richlands, VA 24641	4.94 acres	8.4100%
Tract #2B - 3.69 acres		
<u>COAL OWNERSHIP</u>		
{1} Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24641	3.69 acres	6.2819%
<u>OIL & GAS OWNERSHIP</u>		
<i>Unlocatable / Title Issue</i>		
{1} Moses Melvin Strouth, et al.	3.69 acres	6.2819%
(b) Nell (Edwards) Strouth <i>Unlocatable</i>	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 in Moses Strouth and Nell Strouth, wife. Due to conflicting information/title issues, 50% of the tract will remain in escrow.</i>		
<u>TOTAL:</u>		
Acreage in Unit	6.7850	
Percentage of Unit		11.5510%

Exhibit EE
Unit AZ-143

Docket #VGOB 08-0115-2122-03
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

	Net Acres In Unit	Interest In Unit	Percent of Escrow
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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%	n/a
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OIL & GAS OWNERSHIP

(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%	n/a

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

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%	
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OIL & GAS OWNERSHIP

(1) Danny K. & Brenda S. Clevinger, TE <i>Brenda Clevinger deceased 11/8/2007</i>			
(a) Danny K. Clevinger 211 Mountain Road Richlands, VA 24641	0.02 acres	0.0340%	0.2939% HB2058

INSTRUMENT #160001875
RECORDED IN THE CLERK'S OFFICE OF
TAEWELL COUNTY ON
JULY 6, 2016 AT 02:54PM
TAMMY B. ALLISON, CLERK
RECORDED BY: MLT