

*Instrument prepared by:*

**VIRGINIA GAS AND OIL BOARD**

*Order recorded under:*

**CODE OF VIRGINIA  
§ 45.1-361.26**

DK 2016 PG 16630

3075

**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): 2A

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-08-0115-2122-04

**APPLICANTS:**

CNX Gas Company LLC on behalf of Fred A Sayers

**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.

5. Disbursement Order -02 Executed 02/05/2016, Recorded on 03/04/2016, Deed Book/Instrument No. 2016, Page 2849.

6. Disbursement Order -03 Executed 06/09/2016, Recorded on 06/06/2016, Deed Book/Instrument No. 2016, Page 1017.

**NOTICE:**

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 2A identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2A 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. Fred A. Sayers is the gas claimant in Tr. 2A. As such Fred A. Sayers is 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 08-0115-2122-02, it dismissed the coal claimant Richlands Coal Company as a Respondent to these proceedings. Accordingly, Richlands 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 Fred A. Sayers 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 30 day of September, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

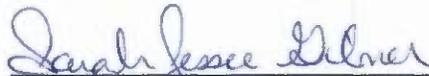
DONE AND PERFORMED this 30 day of September, 2016 by Order of the Virginia Gas and Oil Board.



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 September, 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 08-0115-2122-04

**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2A (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) 2A as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Fred A. Sayers.

**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

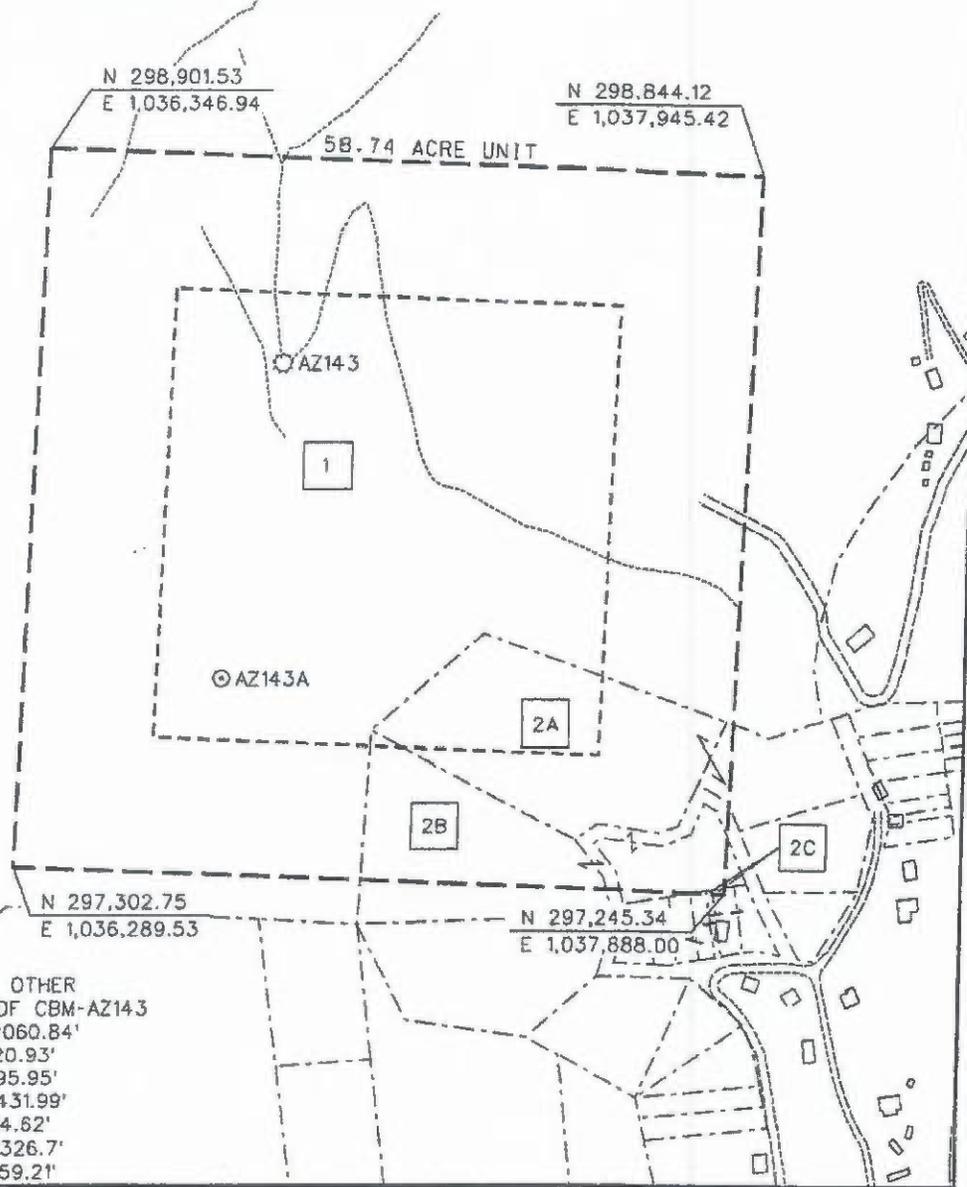
**5. Factual basis for relief requested**

- a. Fred A. Sayers is the gas claimant in Tr. 2A. As such Fred A. Sayers is 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 08-0115-2122-02, it dismissed the coal claimant Richlands Coal Company as a Respondent to these proceedings. Accordingly, Richlands 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 Fred A. Sayers 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 on this plot 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.



BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CBM-AZ143

- CBM-AY142 N 29° 50' 22" W 2060.84'
- CBM-AY143 N 0° 15' 25" W 1420.93'
- CBM-AY143A N 19° 14' 45" E 895.95'
- CBM-AY144 N 47° 32' 57" E 2431.99'
- CBM-AZ143A S 10° 6' 29" W 714.62'
- CBM-AZ142A S 53° 51' 56" W 1326.7'
- CBM-AZ142 S 89° 25' 57" W 959.21'

CBM WELL  
 PROPOSED CBM WELL



Digitally signed by Stephen E Maxfield  
 DN: c=US, o=idenTrust ACES Business Representative, ou=D. R. PRICE ENGINEERING AND LAND SURVEYING INC PC, cn=Stephen E Maxfield, 0.9.2342.19200300.100.1.1=AO 10980000013B4DEE1AFB0000 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 ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-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)

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 08-0115-2122-04  
 List of Respondents that require escrow  
 (58.74 Acre Unit)

	Net Acres in Unit	Interest in Unit	
<b>Tract #2B - 3.69 acres</b>			
<b>COAL OWNERSHIP</b>			
(1) Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24641	3.69 acres	6.2819%	DISMISSED
<b>OIL &amp; GAS OWNERSHIP</b>			
<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>			
<b>TOTAL:</b>			
	Acreage in Unit	1.8450	
	Percentage of Unit	3.1410%	

List of Respondents with Royalty Split Agreements/Court Orders/HB2058  
(58.74 Acre Unit)

	Net Acres in Unit	Interest in Unit	Percent of Escrow
<b>Tract #2A - 4.94 acres</b>			
<b>COAL OWNERSHIP</b>			
(1) Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24641	4.94 acres	8.4100%	n/a
<b>OIL &amp; GAS OWNERSHIP</b>			
(1) Fred A. Sayers 111 Toronto St. Richlands, VA 24641	4.94 acres	8.4100%	72.8077% HB2058
<b>Tract #2B - 3.69 acres</b>			
<b>COAL OWNERSHIP</b>			
(1) Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24641	3.69 acres	6.2819%	n/a
<b>OIL &amp; GAS OWNERSHIP</b>			
(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
<i>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</i>			
<b>Tract #2C - 0.02 acres</b>			
<b>COAL OWNERSHIP</b>			
(1) Richlands Coal Company (40.00 Acre Tract) PO Box 704 Richlands, VA 24641	0.02 acres	0.0340%	n/a
<b>OIL &amp; GAS OWNERSHIP</b>			
(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%	n/a
<b>TOTAL:</b>			
Acreage in Unit	6.81		
Percentage of Unit	11.5850%		

INSTRUMENT #160003075  
RECORDED IN THE CLERK'S OFFICE OF  
TAZEWELL COUNTY ON  
OCTOBER 25, 2016 AT 01:29PM  
*[Signature]*  
TOMMY B. ALLISON, CLERK  
RECORDED BY: ERD