

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: J36

TRACT(S): 5, 6

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-08-0318-2159-02

APPLICANTS: CNX Gas Company LLC on behalf of Buchanan County Virginia

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 07/20/2009, Recorded on 08/27/2009, Deed Book/Instrument No. 090002575.
2. Modification Order -01 Executed 09/14/2009, Recorded on 10/16/2009, Deed Book/Instrument No. 090003178.
3. Supplemental Order -01, Recorded on 08/07/2012, Deed Book/Instrument No. 120001599.

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) 5, 6 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 5, 6 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. Buchanan County Virginia is the gas claimant in Tracts 5 & 6 . As such Buchanan County Virginia 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 Buchanan County Virginia and not escrow same. See Exhibit EE annexed hereto.

VGOB-08-0318-2159-02

Tracts: 5, 6

[illegible]

Adjustment Comments:

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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.

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DONE AND EXECUTED this 6 day of May, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 6 day of May, 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 6th day of May, 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 08-0318-2159-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 5, 6 (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: J36**BUCHANAN COUNTY, VIRGINIA****PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS****1. Petitioner and its counsel**

Petitioner is CNX Gas Company LLC, P. O. 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) 5 & 6 as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Buchanan County Virginia; (3) Dismissal of Coal Owner(s): CONSOL Buchanan Mining Company and Harold H. & Patricia A. Fuller, Jr., T/E

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. Buchanan County Virginia is the gas claimant in Tracts 5 & 6 . As such Buchanan County Virginia 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 Buchanan County Virginia 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.

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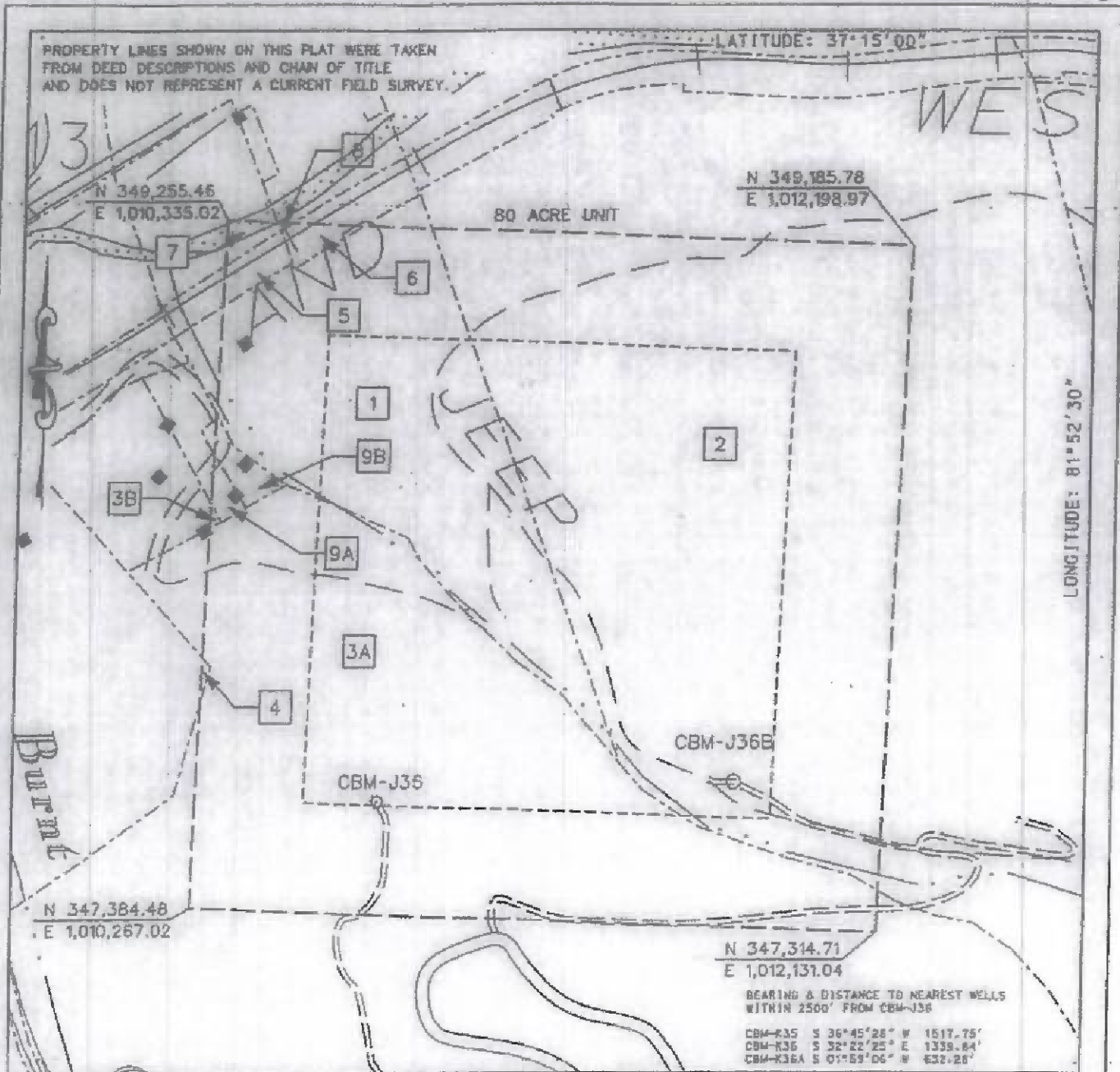


EXHIBIT A
OAKWOOD FIELD
UNIT J-36
FORCE POOLING
VGOB-08-0318-2159-01

Company CNX Gas Company LLC Well Name and Number UNIT J-36

Tract No. _____ Elevation _____ Quadrangle Key Mountain

County Buchanan District Garden Scale: 1" = 400' Date 8/2/08

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

Form DGQ-GO-7
Rev. 9/91

[Signature]
Licensed Professional Engineer or Licensed Land Surveyor

THOMAS E. HORN
Lic. No. 035686
(Affix Seal)

COMMONWEALTH OF VIRGINIA
PROFESSIONAL ENGINEER
5

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CNX Gas Company LLC

UNIT J36

Tract Identifications

1. Donald Honaker (11.78 Acre Tract) – All Minerals except Coal In Jawbone Seam
Jewell Smokeless Coal Corporation – Coal In Jawbone Seam
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased
Jewell Smokeless Coal Corporation – Coal Above Tiller Seam Leased
Appalachian Energy – Oil and Gas Leased
Donald Honaker – Surface
14.34 acres 17.9250%
2. Caroline Cole Keen, et al (164.56 Acre Tract) – All Minerals (Except Jawbone Seam & 1/9 In P-3 Seam)
Island Creek Coal Company/Consol Energy, Inc. – 1/9 Int. In P-3 Seam
Jewell Smokeless Coal Corporation- Jawbone Seam
Island Creek Coal Company/Consol Energy, Inc. - Below Drainage Coal Leased
Jewell Smokeless Coal Corporation - Above Drainage Coal Leased
Appalachian Energy – Oil and Gas Leased (90.76543%)
Appalachian Energy – CBM Leased (84.29630%) (CNX Gas Company LLC – Operator)
CNX Gas Company LLC - CBM Leased (2.48914%)
Caroline Cole Keen, et al – Surface
36.26 acres 45.3250%
3. Buck Jewell Resources, LLC (100 Acre Tract) – All Minerals except the Jawbone Seam
Jewell Smokeless Coal Corporation – Jawbone Seam
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased
Appalachian Energy – Oil and Gas Leased
Appalachian Energy – CBM Leased (CNX Gas Company LLC – Operator)
27.75 acres 34.6875%
- 3A. Buck Jewell Resources, LLC - Surface
3B. Unknown Surface Owner
4. Jeanette Cantrell (10.50 Acre Tract) – All Minerals except Coal Above Drainage
Jewell Coal and Coke Company – Coal Above Drainage
Jewell Smokeless Coal Corporation – Raven and Jawbone Seams of Coal Leased
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased
TXO Production Company – Oil and Gas Leased
CNX Gas Company LLC – CBM Leased
Jeanette Cantrell – Surface
0.03 acres 0.0375%
5. Norfolk Southern Railway Company – All Minerals except Coal Below 800 Feet
Fulton Henry Cole Heirs – Coal Below 800 Feet
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Drainage Leased
Jewell Smokeless Coal Corporation – Coal Above Tiller Seam up to 800 Feet Leased
CNX Gas Company LLC – CBM Leased (except Coal Below 800 Feet)
Norfolk Southern Railway Company – Surface
0.42 acres 0.5250%

"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."

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CNX Gas Company LLC

UNIT J36

Tract Identifications

6. Norfolk Southern Railway Company – All Minerals except Coal Below 800 Feet
Fulton Henry Cole Heirs – Coal Below 800 Feet
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Drainage Leased
Jewell Smokeless Coal Corporation – Coal Above Tiller Seam up to 800 Feet Leased
CNX Gas Company LLC – CBM Leased (except Coal Below 800 Feet)
Norfolk Southern Railway Company – Surface
0.33 acres 0.4125%
7. Harold H. Fuller, Jr., et ux (3.22 Acre Tract) – All Minerals except Jawbone Seam
Jewell Smokeless Coal Corporation – Jawbone Seam
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Drainage Leased
Jewell Smokeless Coal Corporation – Coal Above Tiller Seam Leased
Appalachian Energy – Oil and Gas Leased
Harold H. Fuller, Jr., et ux - Surface
0.25 acres 0.3125%
8. Fulton Henry Cole Heirs (14 Acre Tract) – Fee
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Drainage Leased
Jewell Smokeless Coal Corporation – Coal Above Tiller Seam Leased
Appalachian Energy – Oil and Gas Leased
0.01 acres 0.0125%
9. Ethel Jewell Heirs (1.00 Acre Tract) - All Minerals
0.61 acres 0.7625%
- 9A. Unknown Surface Owner
- 9B. Unknown Surface Owner

"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 J-36
Docket #VGOB 08-0318-2159-02
List of Respondents that Require Escrow

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	Acres In Unit	Percent of Unit
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Escrowing no longer needed

Exhibit EE
Unit J-36
Docket #VGOB 08-0318-2159-02
List of Respondents with Royalty Splits/Court Orders/HB2058

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	Acres in Unit	Percent of Unit	Percent of Escrow
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Tract #5, 0.42 Acres

COAL OWNERSHIP

- | | | | |
|--|------------|---------|-----|
| (2) CONSOL Buchanan Mining Co (Coal below 800')
3337 Contrary Creek Rd
Raven, VA 24639 | 0.42 acres | 0.5250% | n/a |
|--|------------|---------|-----|

* Purchased from Fulton Henry Cole Heirs; Adria Jewell Cole Kilbreath & Amanda Lee Shepley on June 20, 2008, recorded under Instrument # 080002295.
Property leased by AEI prior to the purchase.

OIL & GAS OWNERSHIP

- | | | | |
|--|------------|---------|--------------------|
| (1) Norfolk Southern Railway Company
c/o Pocahontas Land Corporation, Agent
PO Box 1517
Bluefield, WV 24701 | 0.42 acres | 0.5250% | 56.0000%
HB2058 |
|--|------------|---------|--------------------|

Conveyed to Buchanan Co. 5/12/2003, DB 569 PG 498

- (a) Buchanan County Virginia
PO Box 1056
Grundy, VA 24614

Tract #6, 0.33 Acres

COAL OWNERSHIP

- | | | | |
|--|------------|---------|-----|
| (2) Harold H. & Patricia A Fuller, Jr., T/E (Coal below 800')
(previously Fulton Henry Cole Heirs)
15382 Dismal River Rd.
Whitewood, VA 24657 | 0.33 acres | 0.4125% | n/a |
|--|------------|---------|-----|

OIL & GAS OWNERSHIP

- | | | | |
|--|------------|---------|--------------------|
| (1) Norfolk Southern Railway Company
c/o Pocahontas Land Corporation, Agent
PO Box 1517
Bluefield, WV 24701 | 0.33 acres | 0.4125% | 44.0000%
HB2058 |
|--|------------|---------|--------------------|

Conveyed to Buchanan Co. 5/12/2003, DB 569 PG 498

- (a) Buchanan County Virginia
PO Box 1056
Grundy, VA 24614

Total Acres Resolved
Total Percentage Resolved

0.7500

INSTRUMENT #160000903
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MAY 19, 2016 AT 04:56PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLP