

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: R54

TRACT(S): 1A, 1B, 1C

LOCATION: BUCHANAN, TAZEWELL County, Virginia

TAX ID NUMBERS:

Tax Map Identification Numbers for all parcels affected by this order are shown on: Exhibit E -
Exhibit EE

DOCKET NUMBER: VGOB-08-0415-2195-01

APPLICANTS:

CNX Gas Company LLC on behalf of CNX Gas Company LLC, James E. Day, Jr

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. Supplemental Order, Recorded on 08/11/2010, Deed Book/Instrument No. 100002214.

NOTICE:

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

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(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1A, 1B, 1C 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. James E. Day, Jr & CNX Gas Company LLC are the gas claimant in Tracts 1A, 1B, 1C. As such James E. Day, Jr & CNX Gas Company LLC 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 James E. Day, Jr & CNX Gas Company LLC and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

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DONE AND EXECUTED this 5 day of October, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

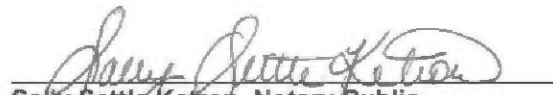
DONE AND PERFORMED this 5 day of October, 2015 by Order of the Virginia Gas and Oil Board.



Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 5 day of October, 2015, 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.


Sally Settle Ketron, Notary Public
7623162

My Commission expires: January 31, 2019



BEFORE THE VIRGINIA GAS AND OIL BOARD**PETITIONER:** CNX Gas Company LLC**DIVISION OF GAS AND OIL****DOCKET NO:** VGOB 08-0415-2195-01**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1A, 1B, 1C (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:** R54**BUCHANAN, 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(s) attributable to of Tract(s) 1A, 1B, 1C as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to James E. Day, Jr & CNX Gas Company LLC.

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. James E. Day, Jr & CNX Gas Company LLC are the gas claimant in Tracts 1A, 1B, 1C. As such James E. Day, Jr & CNX Gas Company LLC 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 James E. Day, Jr & CNX Gas Company LLC 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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PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CNX GAS COMPANY LLC AND WERE NOT SURVEYED.

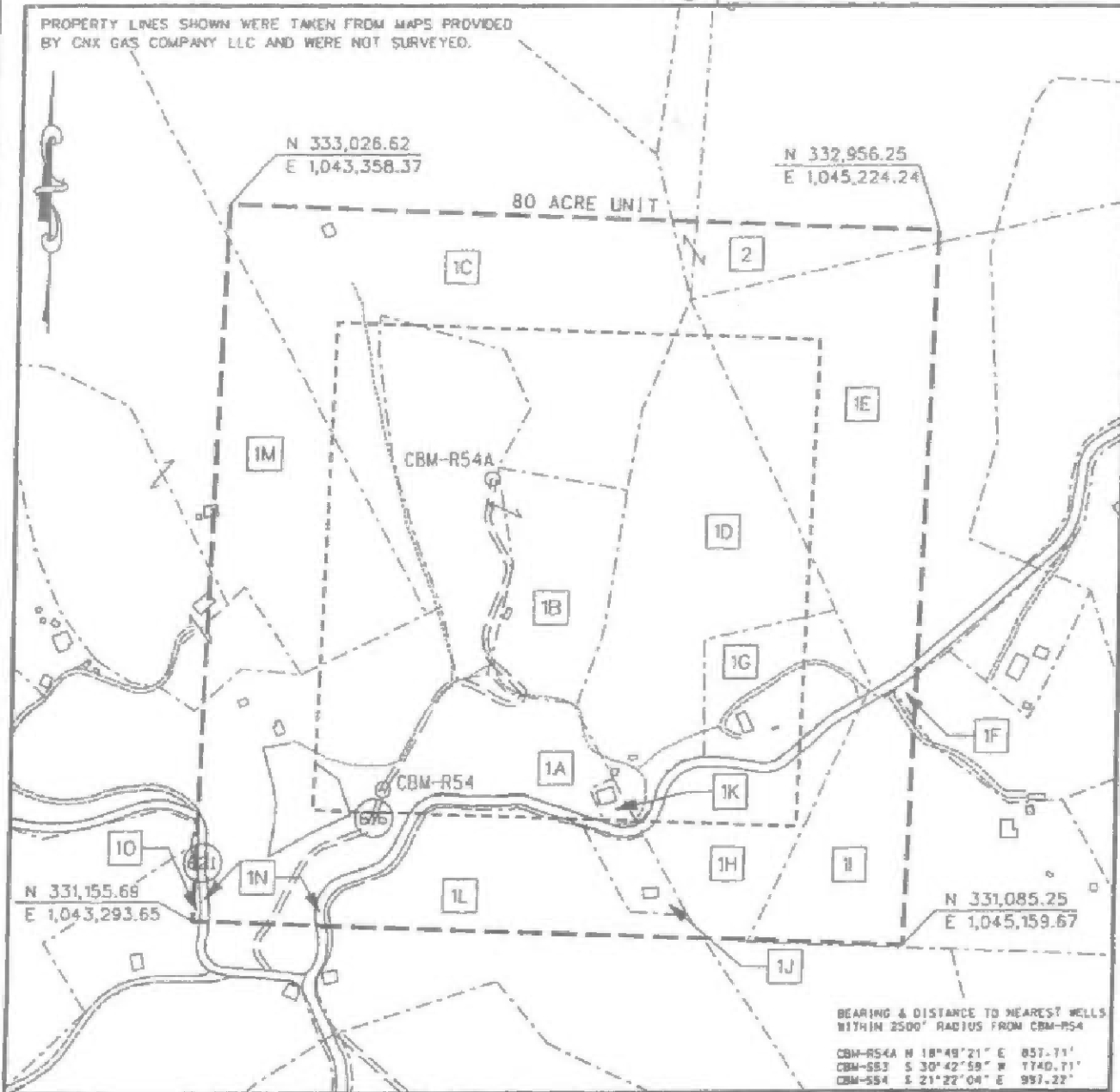
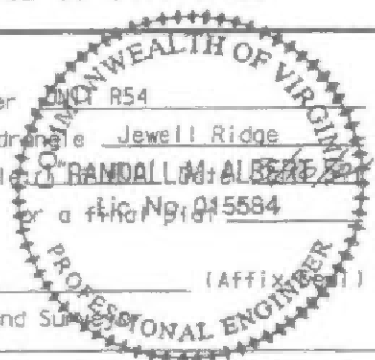


EXHIBIT A
OAKWOOD FIELD
UNIT R-54
FORCE POOLING
VGOB-08-0415-2195

Company CNX Gas Company LLC Well Name and Number UNIT R54
Tract No. _____ Elevation _____ Quadrangle Jewell Ridge
County Buchanan/Tazewell District Garden/Maiden Springs Scale 1"=400'
This plat is a new plat X : an updated plat _____ : or a final plat _____

Form DGO-CO-7
Rev. 9/91

Randall M. Albert (Affix Seal)
Licensed Professional Engineer or Licensed Land Surveyor



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CNX Gas Company LLC

Unit R 54

Tract Identifications

- 1A. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - Coal
 Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
 Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
 James E. Day, Jr. - Surface and All Minerals except Coal
 CNX Gas Company LLC - Oil, Gas & CBM Leased
 11.21 Acres 14.0125%
- 1B. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - Coal
 Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
 Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
 CNX Gas Company LLC - Surface and All Minerals except Coal
 8.90 Acres 11.1250%
- 1C. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - Coal
 Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
 Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
 James E. Day, Jr. - Surface and All Minerals except Coal
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 13.23 Acres 16.5375%
- 1D. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - All Minerals
 Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
 Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 Gregory W. Smith, et ux - Surface
 9.37 Acres 11.7125%
- 1E. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - All Minerals
 Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
 Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 Unknown Surface Owner
 10.00 Acres 12.5000%
- 1F. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - All Minerals
 Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
 Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 Unknown Surface Owner
 0.07 Acres 0.0875%
- 1G. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - All Minerals
 Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
 Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 Helen Altizer - Surface
 2.92 Acres 3.6500%

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- 1H. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - All Minerals
Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Unknown Surface Owner
3.92 Acres 4.9000%
- 1I. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - All Minerals
Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
Unknown Surface Owner
4.04 Acres 5.0500%
- 1J. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - Coal
Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
CNX Gas Company LLC - CBM Leased
Jimmy Young - Surface and All Minerals except Coal
0.68 Acres 0.8500%
- 1K. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - Coal
Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
CNX Gas Company LLC - CBM Leased
Cynthia Smith - Surface and All Minerals except Coal
0.20 Acres 0.2500%
- 1L. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - Coal
Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
CNX Gas Company LLC - CBM Leased
Elizabeth Day, et vir - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
4.52 Acres 5.6500%
- 1M. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - Coal
Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
CNX Gas Company LLC - CBM Leased
James H. Sweet, et ux - Surface and All Minerals except Coal
7.99 Acres 9.9875%
- 1N. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - Coal
Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
CNX Gas Company LLC - CBM Leased
James E. Day, Jr. - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
Commonwealth of VA - Surface
0.98 Acres 1.2250%

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10. Pocahontas Mining Limited Liability Company Tract C(1) (699.12 Acre Tract) - Coal
Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
Jewell Smokeless Coal Corporation - Coal in Tiller and Raven Seams and All Seams Between Leased
CNX Gas Company LLC - CBM Leased
Fred McGlothlin, et ux - Surface and All Minerals except Coal
0.05 Acres 0.0625%
2. Pocahontas Mining Limited Liability Company Tract A (289.97 Acre Tract) - Fee
Reserved Coal Properties Company - Coal in P-3 Seam and 250' Above Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.92 Acres 2.4000%

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Exhibit E
Unit R-54
Docket #VGOB 08-0415-2195-01
List of Respondents that require escrow

	Net Acres in Unit	Interest in Unit
<u>Tract #1J - 0.68 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Pocahontas Mining Company LLC P.O. Box 1837 Abingdon, VA 24212	0.68 acres	0.8500%
<u>OIL & GAS OWNERSHIP</u>		
(1) Jimmy Young 688 Bearwallow Road Jewell Ridge, VA 24622	0.68 acres	0.8500%
<u>Tract #1K - 0.20 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Pocahontas Mining Company LLC P.O. Box 1837 Abingdon, VA 24212	0.20 acres	0.2500%
<u>OIL & GAS OWNERSHIP</u>		
(1) Cynthia Smith 651 Bearwallow Road Jewell Ridge, VA 24622	0.20 acres	0.2500%
<u>Tract #1L - 4.52 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Pocahontas Mining Company LLC P.O. Box 1837 Abingdon, VA 24212	4.52 acres	5.6500%
<u>OIL & GAS OWNERSHIP</u>		
(1) Elizabeth & James Day, Jr. 550 Bearwallow Road Jewell Ridge, VA 24622	4.52 acres	5.6500%
<u>Tract #1M - 7.99 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Pocahontas Mining Company LLC P.O. Box 1837 Abingdon, VA 24212	7.99 acres	9.9875%
<u>OIL & GAS OWNERSHIP</u>		
(1) James H. & Marcella Sweet, TE 31 Gold Finch Lane Jewell Ridge, VA 24622	7.99 acres	9.9875%
<u>Tract #1N - 0.98 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Pocahontas Mining Company LLC P.O. Box 1837 Abingdon, VA 24212	0.98 acres	1.2250%
<u>OIL & GAS OWNERSHIP</u>		
(1) James E. Day, Jr. 550 Bearwallow Road Jewell Ridge, VA 24622	0.98 acres	1.2250%

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Exhibit E
Unit R-54
Docket #VGOB 08-0415-2195-01
List of Respondents that require escrow

	Net Acres in Unit	Interest in Unit
<u>Tract #10 - 0.05 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Pocahontas Mining Company LLC P.O. Box 1837 Abingdon, VA 24212	0.05 acres	0.0625%
<u>OIL & GAS OWNERSHIP</u>		
(1) Fred & Dorothy McGlothlin, TE PO Box 32 Davenport, VA 24239	0.05 acres	0.0625%

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Exhibit EE
Unit R-54
Docket #VGOB 08-0415-2185-01
List of Respondents with Royalty Split Agreements/Court Orders/HB2058

	Net Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1A - 11.21 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Pocahontas Mining Company LLC P.O. Box 1837 Abingdon, VA 24212	11.21 acres	14.0125%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) James E. Day, Jr. 550 Bearwallow Road Jewell Ridge, VA 24622	11.21 acres	14.0125%	23.4715%
<u>Tract #1B - 8.90 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Pocahontas Mining Company LLC P.O. Box 1837 Abingdon, VA 24212	8.90 acres	11.1250%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) CNX Gas Company LLC PO Box 643630 Pittsburgh, PA 15264-3630	8.90 acres	11.1250%	18.6348%
<u>Tract #1C - 13.23 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Pocahontas Mining Company LLC P.O. Box 1837 Abingdon, VA 24212	13.23 acres	16.5375%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) James E. Day, Jr. 550 Bearwallow Road Jewell Ridge, VA 24622	13.23 acres	16.5375%	27.7010%

Tax Map Information

Tract 1A: Map 1HH-032-020
Tract 1B: Map 001-112
Tract 1C: Map 1HH-032-021
Tract 1D: Map 1HH-032-012
Tract 1E: Map 1HH-032-030
Tract 1F: Map 27A-005
Tract 1G: Map 1HH-032-011
Tract 1H: SEC 132-010
Tract 1I: Map 27A-004
Tract 1J: Map 27A-001A
Tract 1K: Map 27A-003A
Tract 1L: Map 27A-003
Tract 1M: Map 1HH-032-031
Tract 1N: Map 1HH-032-017
Tract 1H: SEC 132-009

INSTRUMENT #150003162
RECORDED IN THE CLERK'S OFFICE OF
TAZEWELL COUNTY ON
October 26, 2015 at 4:14PM

TAMMY B. ALLISON, CLERK
RECORDED BY: MLT

23

INSTRUMENT #150001775
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
OCTOBER 28, 2015 AT 09:07AM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB

~~INSTRUMENT #150001775
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
OCTOBER 28, 2015 AT 09:07AM~~

~~BEVERLY S. TILLER, CLERK
RECORDED BY: GGB~~