

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: FF13

TRACT(S): 1A

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-08-0715-2264-01

APPLICANTS:

CNX Gas Company LLC on behalf of Clayton B. Hale

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 10/30/2008, Recorded on 11/12/2008, Deed Book/Instrument No. 080004230.
2. Supplemental Order, Recorded on 11/13/2009, Deed Book/Instrument No. 090003508.

NOTICE:

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

160000904

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1A 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. Clayton Hale is the gas claimant in Tracts 1A. As such Clayton Hale 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 Clayton Hale and 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.

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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

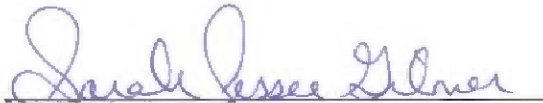
DONE AND PERFORMED this 6 day of May, 2016 by Order of the Virginia Gas and Oil Board.



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

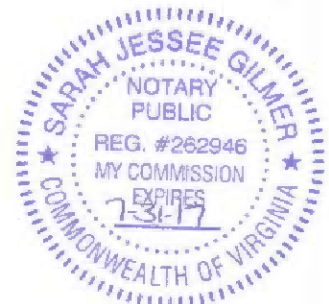
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

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

160000904

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 08-0715-2264-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1A (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: FF13

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 Tract(s) 1A as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Clayton Hale; (3) Dismissal of coal owner(s): Harrison-Wyatt, 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. Clayton Hale is the gas claimant in Tracts 1A. As such Clayton Hale 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 Clayton Hale 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 TAKEN FROM MAPPING PROVIDED BY CNX GAS COMPANY LLC AND DOES NOT REPRESENT A CURRENT FIELD SURVEY.

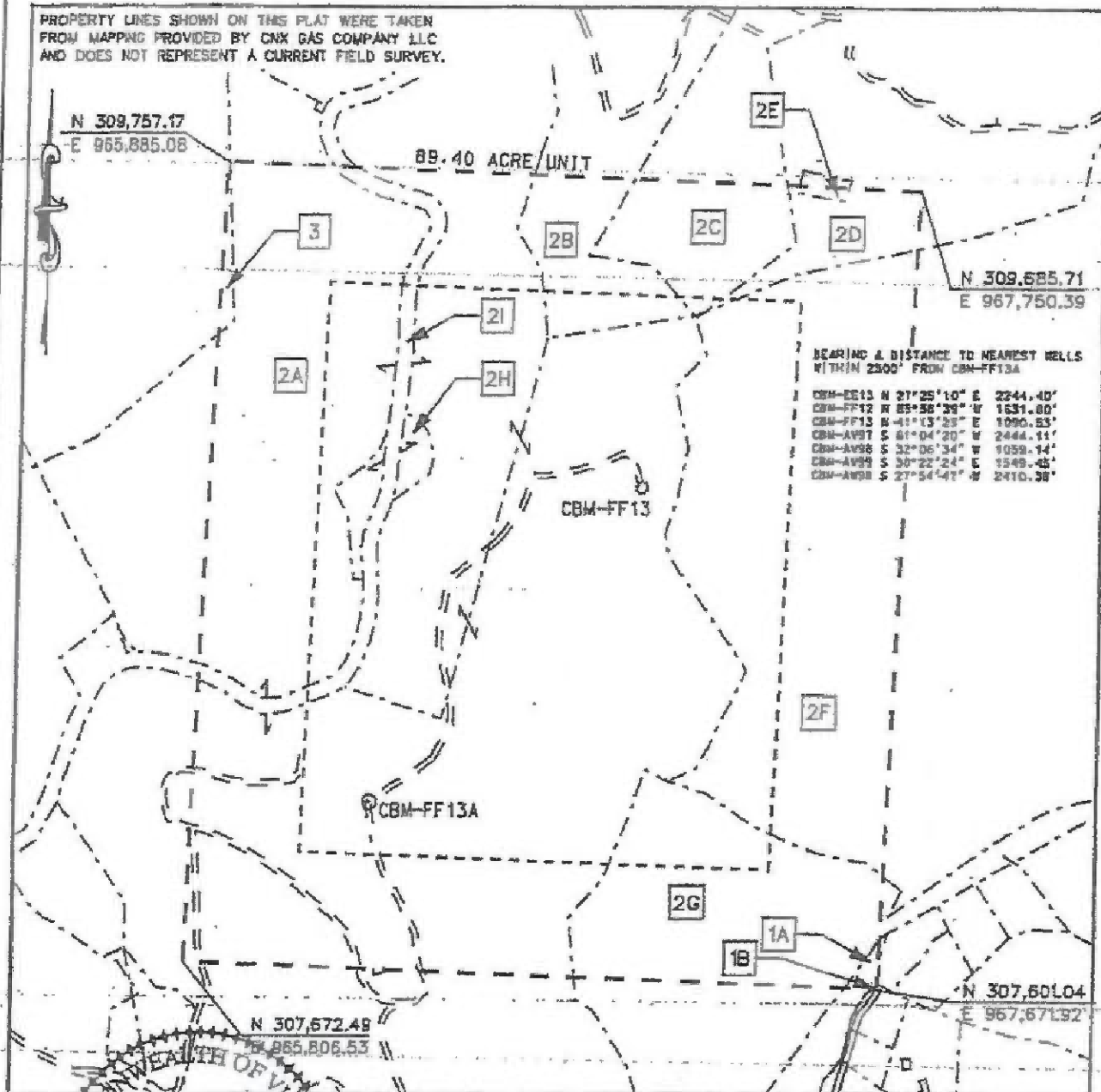


EXHIBIT A
OAKWOOD FIELD
UNIT FF-13
FORCE POOLING
VGOB-08-0715-2264

Company CNX Gas Company LLC Well Name and Number UNIT FF13
Tract No. _____ Elevation _____ Quadrangle Vansant
County Buchanan District Hurricane Scale: 1" = 400' Date 6-12-08
This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form D60-GD-7
Rev. 9/91

Danny R. Price
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

CNX Gas Company LLC**UNIT FF-13****Tract Identifications**

(89.40 Acre)

- 1A. Harrison-Wyatt, LLC, Big Axe Tr. 3 (318 Acre Tract) – Coal
 Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Leased
 Jewell Smokeless Coal Corporation – Coal in Tiller and Above Leased
 CNX Gas Company LLC – CBM Leased
 Clayton Hale, et al – Surface and All Minerals except Coal
 0.13 Acres 0.1454%
- 1B. Harrison-Wyatt, LLC, Big Axe Tr. 3 (318 Acre Tract) – Coal
 Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Leased
 Jewell Smokeless Coal Corporation – Coal in Tiller and Above Leased
 CNX Gas Company LLC – CBM Leased
 Kevin Lee Meadows, et ux – Surface and All Minerals Except Coal
 0.01 Acres 0.0112%
2. Harrison-Wyatt, LLC, Big Axe Tr. 9 (400 Acre Tract) – All Minerals
 Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Leased
 Jewell Smokeless Coal Corporation – Coal in Tiller and Above Leased
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 89.04 acres 99.5973%
- 2A. Lowell D. Ray, et al – Surface Owner
 2B. Clyde McGlothlin Heirs – Surface Owner
 2C. Unknown Surface Owner
 2D. Deladies A. Vandyke, et al – Surface Owner
 2E. Unknown Surface Owner (Cemetery)
 2F. Robert Hale, et al – Surface Owner
 2G. Clayton B. Hale, et al – Surface Owner
 2H. Unknown Surface Owner
 2I. Commonwealth of Virginia – Surface Owner
3. Harrison-Wyatt, LLC, Big Axe Tr. 55 (24.00 Acre Tract) – All Minerals
 Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Leased
 Jewell Smokeless Coal Corporation – Coal in Tiller and Above Leased
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 Jerry Ball, et ux – Surface Owner
 0.22 acres 0.2461%

Exhibit E
Unit FF-13
Docket #VGOB 08-0715-2264-01
List of Respondents that require escrow
(89.40 Acre Unit)

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	Acres in Unit	Percent of Unit
<u>Tract #1B - 0.01 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Harrison-Wyatt, LLC, Tr.3 c/o Wyatt Buick Pontiac P.O. Box 11000 Danville, VA 24543	0.01 acres	0.0112%
W9/Affidavit Pending		
<u>OIL & GAS OWNERSHIP</u>		
(1) Kevin L. & Sarah L. Meadows, t/e 1323 Eagle Eye Rd Rowe, VA 24646	0.01 acres	0.0112%

160000904

Exhibit EE
Unit FF-13
Docket #VGOB 08-0715-2264-01
List of Respondents with Royalty Splits/Court Orders/HB 2058
(89.40 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #1A - 0.13 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Harrison-Wyatt, LLC, Tr.3 c/o Wyatt Buick Pontiac P.O. Box 11000 Danville, VA 24543	0.13 acres	0.1454%	
<u>OIL & GAS OWNERSHIP</u>			
(1) Clayton & Janie Hale	<i>Divorced 5/7/1992, property conveyed to Clayton Hale 2/23/1993 Instrument #120001521</i>		
Clayton B. Hale 1958 Long Branch Rd Rowe, VA 24546	0.13 acres	0.1454%	92.8571% HB2058

INSTRUMENT #160000904
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MAY 19, 2016 AT 04:58PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLP