

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: AZ134

TRACT(S): 2D, 2G

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-08-1021-2349-01

APPLICANTS:

CNX Gas Company LLC on behalf of Commonwealth of Virginia Department of
Transportation, Larry L. Smith

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 10/08/2009, Recorded on 11/04/2009, Deed Book/Instrument No.
1064, Page 1035.
2. Supplemental Order, Recorded on 08/25/2011, Deed Book/Instrument No. 1099, Page 979.

NOTICE:

BK 2015 PG 14776

2895

PK2015 PG14777

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 2D, 2G identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2D, 2G 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:

Larry L. Smith & Virginia Department of Transportation is entitled to 100% of the CBM royalties per House Bill 2058. Said bill allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be paid.

RELIEF GRANTED:

VGOB Disbursement
Unit AZ134

VGOB-08-1021-2349-01

Table 1
Tracts: 2D, 2G

Item	Tract	Disbursement Table	Fractional Ownership		Net Acreage		Royalty Split		Escrowed Acres		Percent of Escrowed Funds Disbursed	
			in Tract	in Tract	in Tract	in Tract	Agreement	Disbursed	Disbursed	Disbursed	Disbursed	Disbursed
		Total acreage in escrow before disbursement							6.01000			
2D Tract 2D (total acreage)			0.71									
1	2D	Larry L. Smith\2158 Capri Avenue, Abingdon, VA 24211			0.7100		100.00%		0.7100		11.8136%	
2G Tract 2G (total acreage)			0.16									
1	2G	Commonwealth of Virginia Department of Transportation\870 Bonham Rd., Bristol, VA 24201			0.1600		100.00%		0.1600		2.6622%	

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.

EX 2015 PG 14778

DONE AND EXECUTED this 17 day of September, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

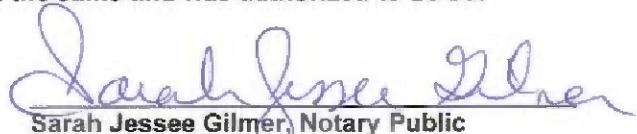
DONE AND PERFORMED this 17 day of September, 2015 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 17th day of September, 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.


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 08-1021-2349-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2D, 2G (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: AZ134

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

Larry L. Smith & Virginia Department of Transportation is entitled to 100% of the CBM royalties per House Bill 2058. Said bill allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed table, further, specifies how said royalties are to be paid.

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

Larry L. Smith & Virginia Department of Transportation is entitled to 100% of the CBM royalties per House Bill 2058. Said bill allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be paid.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

K2015 M14781

PROPERTY LINES SHOWN ON THIS PLAT WERE TAKEN FROM DEED DESCRIPTIONS AND CHAIN OF TITLE AND DOES NOT REPRESENT A CURRENT FIELD SURVEY

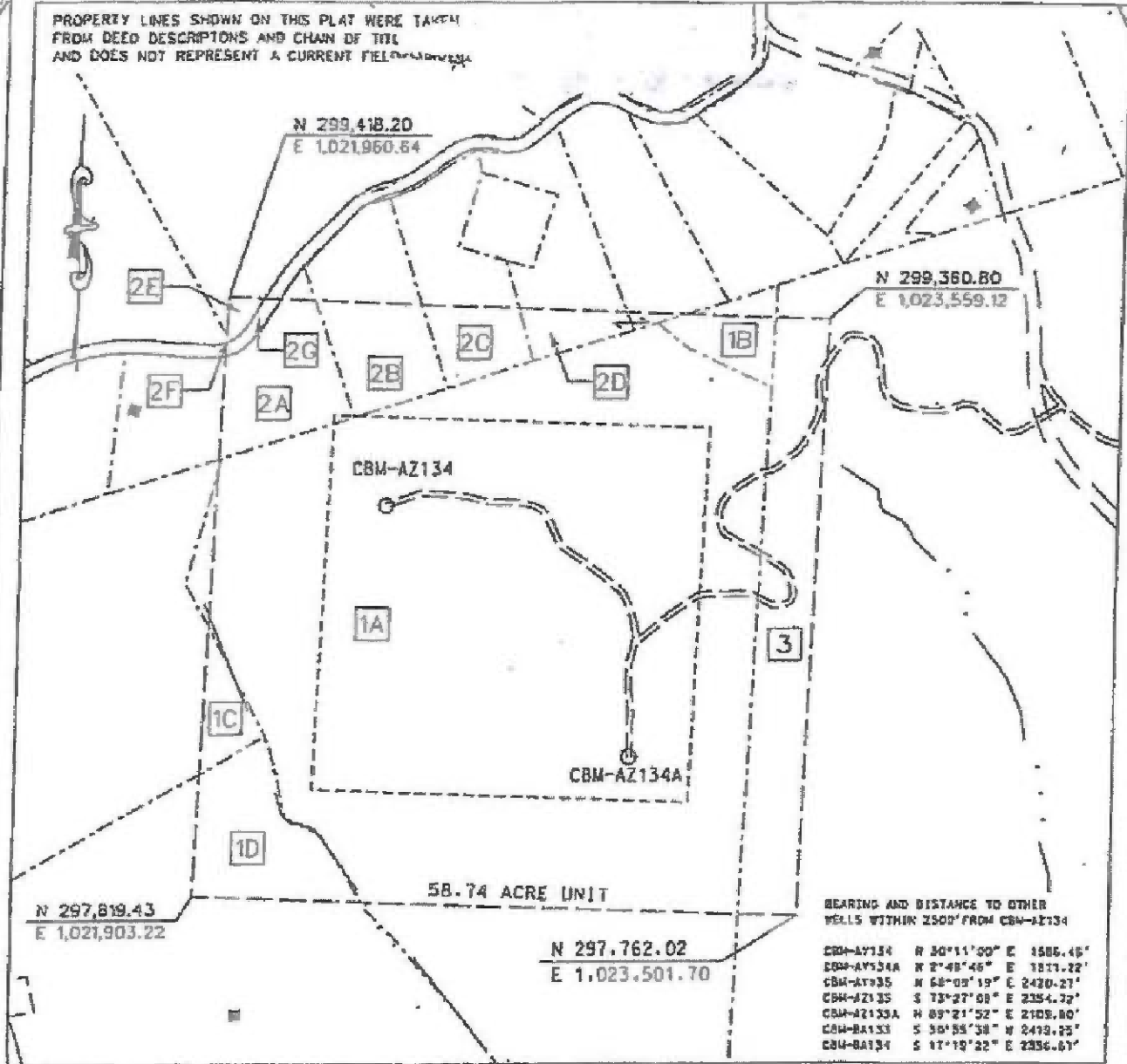
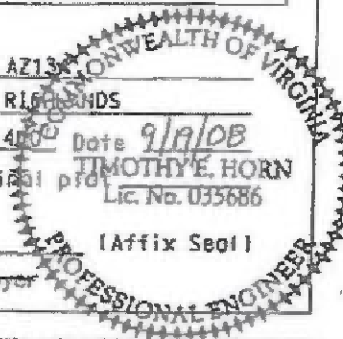


EXHIBIT A
MIDDLE RIDGE FIELD
UNIT AZ134
FORCE POOLING
VGOB-08-1021-2349

Company CNX Gas Company LLC Well Name and Number UNIT AZ134
 Tract No. _____ Elevation _____ Quadrangle RICHMOND
 County TAZEWELL District MAIDEN SPRINGS Scale: 1" = 400' Date 9/19/08
 This plat is a new plat _____ ; an updated plat X ; or a final plat _____
 Form DGO-60-7 _____
 Rev. 9/91 _____
 Licensed Professional Engineer or Licensed Land Surveyor



CNX Gas Company LLC

Unit AZ 134

Tract Identifications

1. Coal Creek Coal Company, Tr. 6 (George W. Lockhart 278 Acre Tract) – All Minerals
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Coal in Tiller Seam Subleased
CNX Gas Company LLC – Oil, Gas and CBM Leased
47.27 Acres 80.4733%
- 1A. Coal Creek Coal Company – Surface Owner (Tax Map: 104A Parcel 37)
- 1B. Lee Keen, et ux – Surface Owner (Tax Map: 104A Parcel 38)
- 1C. Milford E. Pruitt, et al – Surface Owner (Tax Map: 104A Parcel 6A)
- 1D. Allen L. Pruitt, et al – Surface Owner (Tax Map: 104A Parcel 11)
- 2A. Coal Creek Coal Company, Tr. 3 (Robert D. Smith 620 Acre Tract) – Coal
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Coal in Tiller Seam Subleased
CNX Gas Company LLC – CBM Leased (Coal Owner's Claim)
Ellery K. Smith – Surface and All Minerals except Coal
(Tax Map: 104A Parcel F)
2.23 Acres 3.7964%
- 2B. Coal Creek Coal Company, Tr. 3 (Robert D. Smith 620 Acre Tract) – Coal
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Coal in the Tiller Seam Subleased
CNX Gas Company LLC – CBM Leased (Coal Owner's Claim)
Deborah S. Arms – Surface and all Minerals except Coal
(Tax Map: 104A Parcel E)
1.70 Acres 2.8941%
- 2C. Coal Creek Coal Company, Tr. 3 (Robert D. Smith 620 Acre Tract) – Coal
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Coal in the Tiller Seam Subleased
CNX Gas Company LLC – CBM Leased (Coal Owner's Claim)
Gary M. Smith – Surface and All Minerals except Coal
(Tax Map: 104A Parcel D)
1.04 Acres 1.7705%
- 2D. Coal Creek Coal Company, Tr. 3 (Robert D. Smith 620 Acre Tract) – Coal
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Coal in the Tiller Seam Subleased
CNX Gas Company LLC – CBM Leased (Coal Owner's Claim)
Larry Lovell Smith – Surface and All Minerals except Coal
(Tax Map: 104A Parcel C and 104A Parcel B)
0.71 Acres 1.2087%
- 2E. Coal Creek Coal Company, Tr. 3 (Robert D. Smith 620 Acre Tract) – Coal
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Coal in the Tiller Seam Subleased
CNX Gas Company LLC – CBM Leased (Coal Owner's Claim)
N.R.L.L. East, LLC – Oil and Gas
Suresh Parashar – Surface Owner
(Tax Map: 85A Parcel 50)
0.16 Acres 0.2724%
- 2F. Coal Creek Coal Company, Tr. 3 (Robert D. Smith 620 Acre Tract) – Coal
Reserve Coal Properties Company – All Coal Leased

CNX Gas Company LLC
Unit AZ 134
Tract Identifications

- Knox Creek Coal Company – Coal in the Tiller Seam Subleased
 CNX Gas Company LLC – CBM Leased (Coal Owner's Claim)
 Billy E. Shelton, et ux – Surface and all Minerals except Coal
 (Tax Map: 85A Parcel 51)
 0.01 Acres 0.0170%
- 2G. Coal Creek Coal Company, Tr. 3 (Robert D. Smith 620 Acre Tract) – Coal
 Reserve Coal Properties Company – All Coal Leased
 Knox Creek Coal Company – Coal in the Tiller Seam Subleased
 CNX Gas Company LLC – CBM Leased (Coal Owner's Claim)
 Commonwealth of Virginia – Surface and all Minerals except Coal
 (Tax Map: 85A Parcel 51)
 0.16 Acres 0.2724%
3. Coal Creek Coal Company, Tr. 5 (May-Painter 206 Acre Tract) – Fee
 Reserve Coal Properties Company – All Coal Seams Leased
 Knox Creek Coal Corporation – Coal in Tiller Seam Subleased
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 (Tax Map: 104A Parcel 43)
 5.46 acres 9.2952%

Exhibit E
Unit AZ-134
Docket #VGOB 08-1021-2349-01
List of Respondents that require escrow
(58.74 Acre Unit)

	Acres In Unit	Interest in Unit
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.</i>		

Tract #2A, 2.23 acres

COAL OWNERSHIP

(1) Coal Creek Coal Company, Tr.3 (Robert D. Smith 620 Acre Tract) P.O. Box 323 Tazewell, VA 24651	2.23 acres	3.7964%
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OIL & GAS OWNERSHIP

(1) Ellery K. Smith P.O. Box 1046 Raven, VA 24639	2.23 acres	3.7964%
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Tract #2B, 1.70 acres

COAL OWNERSHIP

(1) Coal Creek Coal Company, Tr.3 (Robert D. Smith 620 Acre Tract) P.O. Box 323 Tazewell, VA 24651	1.70 acres	2.8941%
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OIL & GAS OWNERSHIP

(1) Deborah S. Arms 20 Hill Creek Road Richlands, VA 24641	1.70 acres	2.8941%
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Tract #2C, 1.04 acres

COAL OWNERSHIP

(1) Coal Creek Coal Company, Tr.3 (Robert D. Smith 620 Acre Tract) P.O. Box 323 Tazewell, VA 24651	1.04 acres	1.7705%
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OIL & GAS OWNERSHIP

(1) Gary M. Smith PO Box 203 Raven, VA 24639	1.04 acres	1.7705%
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Tract #2E, 0.16 acres

COAL OWNERSHIP

(1) Coal Creek Coal Company, Tr.3 (Robert D. Smith 620 Acre Tract) P.O. Box 323 Tazewell, VA 24651	0.16 acres	0.2724%
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OIL & GAS OWNERSHIP

(1) N.R.L.L. East, LLC 1 Mauchly Irvine, CA 92618	0.16 acres	0.2724%
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Exhibit E
Unit AZ-134
Docket #VGOB 06-1021-2349-01
List of Respondents that require escrow
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #2F, 0.01 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Creek Coal Company, Tr.3 (Robert D. Smith 620 Acre Tract) P.O. Box 323 Tazewell, VA 24651	0.01 acres	0.0170%
<u>OIL & GAS OWNERSHIP</u>		
(1) Billy E. & Dinah A. Shelton 115 Bobcat Lane Raven, VA 24639	0.01 acres	0.0170%
Total Acreage in Unit	5.140	
Total Percentage in Unit		8.7504%

2015 014786

Exhibit EE
Unit AZ-134
Docket #VGOB 08-1021-2349-01
List of Conflicting Owners/Claimants with Royalty Split Agreements / HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2D, 0.71 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 (Robert D. Smith 620 Acre Tract) P.O. Box 323 Tazewell, VA 24651	0.71 acres	1.2087%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Larry L. Smith 21258 Capri Avenue Abingdon, VA 24211	0.71 acres	1.2087%	11.8136% HB2058
<u>Tract #2G, 0.16 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 (Robert D. Smith 620 Acre Tract) P.O. Box 323 Tazewell, VA 24651	0.16 acres	0.2724%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Commonwealth of Virginia Department of Transportation 870 Bonham Rd. Bristol, VA 24201-2002	0.16 acres	0.2724%	2.6622% HB2058

INSTRUMENT #150002895
RECORDED IN THE CLERK'S OFFICE OF
TAEWELL COUNTY ON
SEPTEMBER 29, 2015 AT 10:23AM
Angelina Ray
TAMMY B. ALLISON, CLERK
RECORDED BY: ADR