



BK 2019 PG 16337

3123

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): 2E

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-08-1021-2349-04

APPLICANTS: Pocahontas Gas LLC on behalf of Natl Rec Land, LLC

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 Pocahontas Gas LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 10/08/2009, Recorded on 11/04/2009, Deed Book/Instrument No. 1064, Page 1035, County TAZEWELL.
2. Supplemental Order, Recorded on 08/25/2011, Deed Book/Instrument No. 1099, Page 979, County TAZEWELL.
3. Disbursement Order -01 Executed 09/17/2015, Recorded on 09/29/2015, Deed Book/Instrument No. 2015, Page 1477, County TAZEWELL.

- 4. Disbursement Order -02 Executed 06/22/2016, Recorded on 06/06/2016, Deed Book/Instrument No. 2016, Page 1018, County TAZEWELL.
- 5. Disbursement Order -03 Executed 05/15/2017, Recorded on 05/31/2017, Deed Book/Instrument No. 2017, Page 0806, County TAZEWELL.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 2E identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2E 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. Natl Rec Land, LLC is the gas claimant(s) in Tract(s) 2E. As such Natl Rec Land, LLC 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 Pocahontas Gas LLC (formerly 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 08-1021-2349-02, it dismissed the coal claimant(s) Coal Creek Coal Company as a Respondent to these proceedings. Accordingly, Coal Creek 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 Natl Rec Land, LLC 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 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.

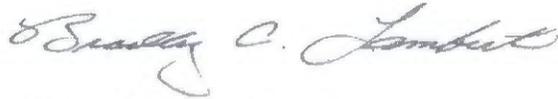
CONCLUSION:

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.

DONE AND EXECUTED this 25 day of November, 2019 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 25 day of November, 2019 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 25th day of November 2019 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, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: Pocahontas Gas LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 08-1021-2349-04

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2E (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: AZ134

TAZEWELL COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is Pocahontas Gas 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, attributable to Tract 2E, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Natl Rec Land, 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. Natl Rec Land, LLC is the gas claimant(s) in Tract(s) 2E. As such Natl Rec Land, LLC 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 Pocahontas Gas LLC (formerly 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 08-1021-2349-02, it dismissed the coal claimant(s) Coal Creek Coal Company as a Respondent to these proceedings. Accordingly, Coal Creek 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 Natl Rec Land, LLC 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 PLAT WERE TAKEN FROM DEED DESCRIPTIONS AND CHAIN OF TITLE AND DOES NOT REPRESENT A CURRENT FIELD SURVEY

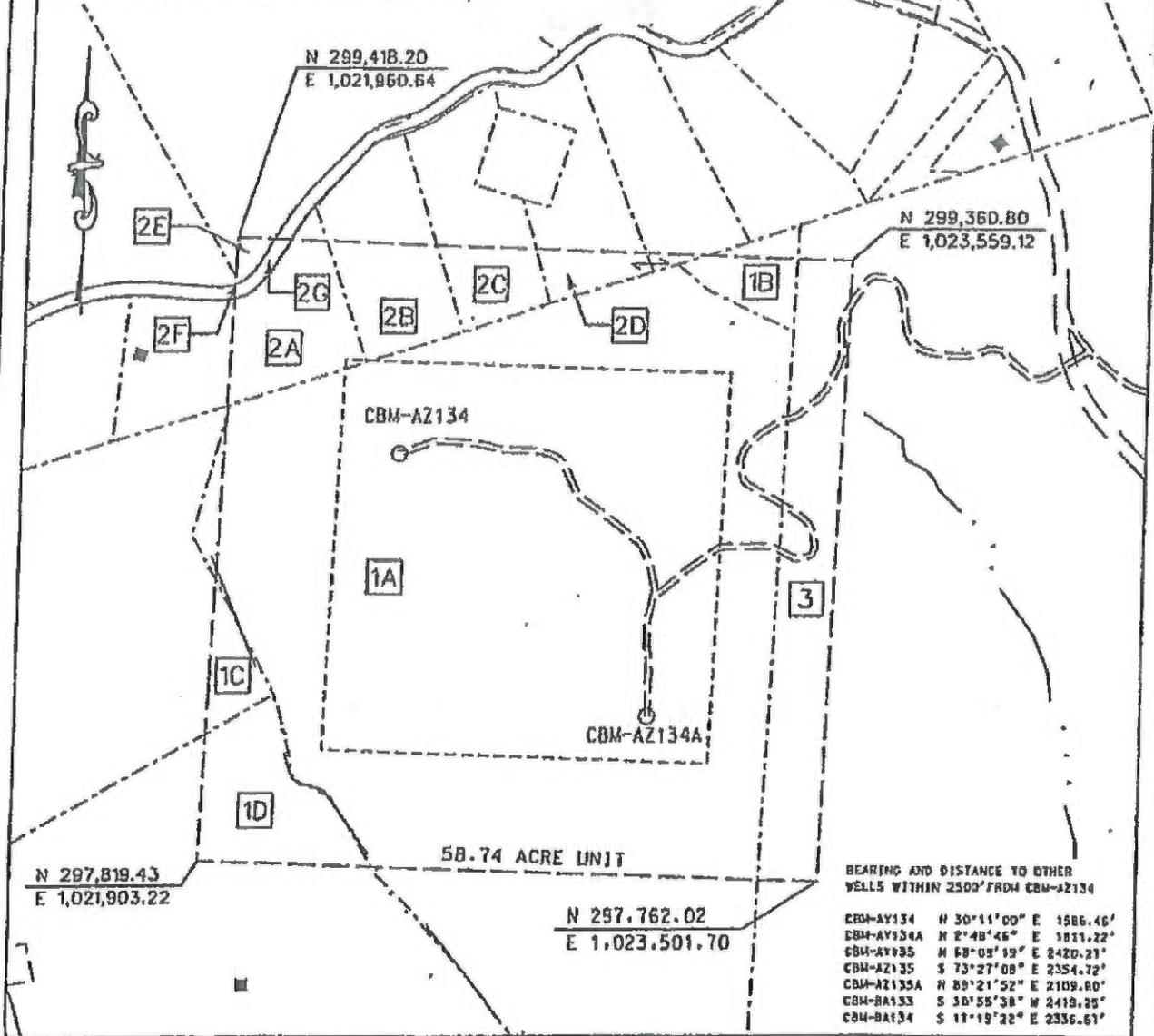
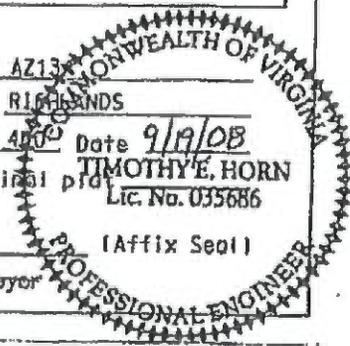


EXHIBIT A
MIDDLE RIDGE FIELD
UNIT AZ134
FORCE POOLING
VGOB-08-1021-2349

Company CNX Gas Company LLC Well Name and Number UNIT AZ134
 Tract No. _____ Elevation _____ Quadrangle RIFBANDS
 County TAZEVELL District MAIDEN SPRINGS Scale: 1" = 400' Date 9/19/08
 This plot is a new plot _____ ; an updated plot X ; or a final plat _____
 TIMOTHY E. HORN
 Lic. No. 035686

Form DGO-GD-7
Rev. 9/91

Timothy E. Horn
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. Millford 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%

DK 2019 PG 16347

Exhibit E
Unit AZ-134
Docket #VGOB 08-1021-2349-04
List of Respondents that require escrow
(58.74 Acre Unit)

Acres in Unit	Interest in Unit
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Escrowing no longer required

Exhibit EE
Unit AZ-134
Docket #VGOB 08-1021-2349-04
List of Respondents with Royalty Split Agreements /Court Orders/ HB2058
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2A, 2.23 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 <i>(Robert D. Smith 620 Acre Tract)</i> P.O. Box 323 Tazewell, VA 24651	2.23 acres	3.7964%	<i>n/a</i>
<u>OIL & GAS OWNERSHIP</u>			
(1) Ellery K. Smith <i>By deed dated 7/27/2012 conveyed property to Billy Joe Smith DB 1118 PG 315</i>			
(a) Billy Joe Smith PO Box 203 Raven, VA 24639	2.23 acres	3.7964%	<i>n/a</i>
<u>Tract #2B, 1.70 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 <i>(Robert D. Smith 620 Acre Tract)</i> P.O. Box 323 Tazewell, VA 24651	1.70 acres	2.8941%	<i>n/a</i>
<u>OIL & GAS OWNERSHIP</u>			
(1) Deborah S. Arms PO Box 144 Richlands, VA 24641	1.70 acres	2.8941%	<i>n/a</i>
<u>Tract #2C, 1.04 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 <i>(Robert D. Smith 620 Acre Tract)</i> P.O. Box 323 Tazewell, VA 24651	1.04 acres	1.7705%	<i>n/a</i>
<u>OIL & GAS OWNERSHIP</u>			
(1) Gary M. Smith 2086 Red Root Ridge Rd Raven, VA 24639	1.04 acres	1.7705%	<i>n/a</i>
<u>Tract #2D, 0.71 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 <i>(Robert D. Smith 620 Acre Tract)</i> P.O. Box 323 Tazewell, VA 24651	0.71 acres	1.2087%	<i>n/a</i>
<u>OIL & GAS OWNERSHIP</u>			
(1) Larry L. Smith 2125B Capri Avenue Abingdon, VA 24211	0.71 acres	1.2087%	<i>n/a</i>

Exhibit EE
 Unit AZ-134
 Docket #VGOB 08-1021-2349-04
 List of Respondents with Royalty Split Agreements /Court Orders/ HB2058
 (58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2E, 0.16 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 <i>(Robert D. Smith 620 Acre Tract)</i> P.O. Box 323 Tazewell, VA 24651	0.16 acres	0.2724%	<i>n/a</i>
<u>OIL & GAS OWNERSHIP</u>			
(1) N.R.L.L. East, LLC <i>by deed dated 10/10/2019 Auckland Pastures, LLC, as successor in interest to NRLL East, LLC, conveyed property to NATL REC LAND, LLC, DB 2019 PG 13315</i>			
(a) Natl Rec Land, LLC 18800 Von Karman Ave, Suite A Irvine, CA 92616	0.16 acres	0.2724%	100.0000% HB2058
<u>Tract #2F, 0.01 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 <i>(Robert D. Smith 620 Acre Tract)</i> P.O. Box 323 Tazewell, VA 24651	0.01 acres	0.0170%	<i>n/a</i>
<u>OIL & GAS OWNERSHIP</u>			
(1) Billy E. & Dinah A. Shelton 115 Bobcat Lane Raven, VA 24639	0.01 acres	0.0170%	<i>n/a</i>
<u>Tract #2G, 0.16 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Creek Coal Company, Tr.3 <i>(Robert D. Smith 620 Acre Tract)</i> P.O. Box 323 Tazewell, VA 24651	0.16 acres	0.2724%	<i>n/a</i>
<u>OIL & GAS OWNERSHIP</u>			
(1) Commonwealth of Virginia Department of Transportation 870 Bonham Rd. Bristol, VA 24201-2002	0.16 acres	0.2724%	<i>n/a</i>

Total Acreage in Unit 6.010
 Total Percentage in Unit 10.2315%

INSTRUMENT 190003123
 RECORDED IN THE CLERK'S OFFICE OF
 TAZEWELL COUNTY CIRCUIT COURT ON
 DECEMBER 10, 2019 AT 03:06 PM
 TAMMY B. ALLISON, CLERK
 RECORDED BY: MSM
Maggie Martin