

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: P80

TRACT(S): 1B

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-09-0421-2500-02

APPLICANTS:

CNX Gas Company LLC on behalf of Patricia Ratliff Archer

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 10/29/2009, Deed Book/Instrument No. 090003362.
2. Supplemental Order, Recorded on 08/11/2010, Deed Book/Instrument No. 100002223.
3. Disbursement Order -01 Executed 03/04/2016, Recorded on 03/22/2016, Deed Book/Instrument No. 160000468.

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) 1B identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1B 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. Patricia Ratliff Archer are the gas claimants in a portion of Tr. 1B. As such Patricia Ratliff Archer are 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 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 09-0421-2500-01, it dismissed the coal claimant Bull Creek Coal Company as a Respondent to these proceedings. Accordingly, Island 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 Patricia Ratliff Archer and shall not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit P80
VGOB-09-0421-2500-02

Table 1
Tracts: 1B

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds	Adjustment Amount
			in Tract	in Tract	Agreement	Disbursed	Disbursed	
		Total acreage in escrow before disbursement				5.42670		
1B Tract 1B (total acreage)			16.1600					
1	1B	Patricia Ratliff Archer\204 Hunter Hills Circle, Unit 30 Bristol TN 37620	1/3	5.3867	100.00%	5.3867	99.2623%	

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 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 13 day of September, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

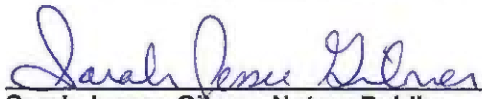
DONE AND PERFORMED this 13 day of September, 2016 by Order of the Virginia Gas and Oil Board.



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

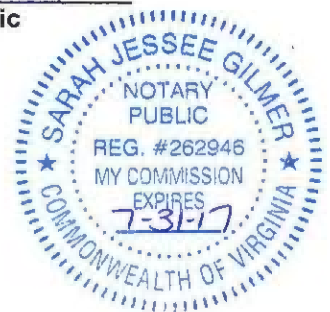
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 13th day of September, 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 09-0421-2500-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1B (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: P80

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company 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(s) attributable to a portion of Tract 1B, as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Patricia Ratliff Archer.

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. Patricia Ratliff Archer are the gas claimants in a portion of Tr. 1B. As such Patricia Ratliff Archer are 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 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 09-0421-2500-01, it dismissed the coal claimant Bull Creek Coal Company as a Respondent to these proceedings. Accordingly, Island 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 Patricia Ratliff Archer 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.

BEARING AND DISTANCE TO OTHER
KNOWN WELLS WITHIN 2500' RADIUS OF P80
NO KNOWN WELLS WITHIN 2500' RADIUS

614

N 360,144.22
E 937,914.30

CBM-P80

N 360,082.85
E 939,509.57

N 358,545.12
E 937,853.45

N 358,483.80
E 939,448.77

EXHIBIT A
NDRA FIELD
UNIT P80
FORCE POOLING
VGDB 09-0421-2500

Company CNX Gas Company LLC Well Name and Number UNIT P80
Tract No. _____ Elevation _____ Quadrangle HARRISON
County BUCHANAN District ROCKLICK Scale: 1" = 400' Date 3/17/09
This plat is a new plat _____ ; an updated plat X ; or a final plat _____

Form D60-GD-7
Rev. 9/91

[Signature]
Licensed Professional Engineer or Licensed Land Surveyor

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

CNX GAS COMPANY LLC**UNIT P80****Tract Identifications**

- 1A. Bull Creek Coal Company (Joseph Ratliff 259.59 Acre Tract) – All Minerals except Oil, Gas and CBM
 Island Creek Coal Company/Consol Energy Inc. – Coal in and Below the P-6 Seam Leased
 Rapoca Energy – Coal in Splashdam Seam Leased (Subleased from Penn Virginia Resource Partners)
 Rapoca Energy – Coal in Hagy and Above Seams Leased
 Jewell Smokeless Coal Corporation – Coal in Kennedy Seam Leased
 CNX Gas Company LLC – CBM Leased
 Reual H. Ratliff, et al – All Minerals except Coal
 Chesapeake Appalachia LLC – Oil and Gas Leased
 CNX Gas Company LLC – CBM Leased (1/3)
 CNX Gas Company LLC – Surface
 12.33 Acres 20.9908%
- 1B. Bull Creek Coal Company (Joseph Ratliff 259.59 Acre Tract) – All Minerals except Oil, Gas and CBM
 Island Creek Coal Company/Consol Energy Inc. – Coal in and Below the P-6 Seam Leased
 Rapoca Energy – Coal in Splashdam Seam Leased (Subleased from Penn Virginia Resource Partners)
 Rapoca Energy – Coal in Hagy and Above Seams Leased
 Jewell Smokeless Coal Corporation – Coal in Kennedy Seam Leased
 CNX Gas Company LLC – CBM Leased
 Bull Creek Coal Company, et al – All Minerals except Coal
 Chesapeake Appalachia LLC – Oil and Gas Leased
 CNX Gas Company LLC – CBM Leased (1/3)
 Appalachian Power Company, Inc. – Surface
 16.16 Acres 27.5111%
- 1C. Bull Creek Coal Company (Joseph Ratliff 259.59 Acre Tract) – All Minerals except Oil, Gas and CBM
 Island Creek Coal Company/Consol Energy Inc. – Coal in and Below the P-6 Seam Leased
 Rapoca Energy – Coal in Splashdam Seam Leased (Subleased from Penn Virginia Resource Partners)
 Rapoca Energy – Coal in Hagy and Above Seams Leased
 Jewell Smokeless Coal Corporation – Coal in Kennedy Seam Leased
 CNX Gas Company LLC – CBM Leased
 Billy C. Woodrum, et al – All Minerals except Coal
 Chesapeake Appalachia LLC – Oil and Gas Leased
 CNX Gas Company LLC – CBM Leased (1/3)
 Billy C. Woodrum, et ux – Surface
 4.83 Acres 8.2227%
- 1D. Bull Creek Coal Company (Joseph Ratliff 259.59 Acre Tract) – All Minerals except Oil, Gas and CBM
 Island Creek Coal Company/Consol Energy Inc. – Coal in and Below the P-6 Seam Leased
 Rapoca Energy – Coal in Splashdam Seam Leased (Subleased from Penn Virginia Resource Partners)
 Rapoca Energy – Coal in Hagy and Above Seams Leased
 Jewell Smokeless Coal Corporation – Coal in Kennedy Seam Leased
 CNX Gas Company LLC – CBM Leased
 Reual H. Ratliff, et al – All Minerals except Coal
 Chesapeake Appalachia LLC – Oil and Gas Leased
 CNX Gas Company LLC – CBM Leased (1/3)
 Commonwealth of Virginia – Surface
 0.60 Acres 1.0215%

CNX GAS COMPANY LLC

UNIT P80

Tract Identifications

- 1E. Bull Creek Coal Company (Joseph Ratliff 259.59 Acre Tract) – All Minerals except Oil, Gas and CBM
 Island Creek Coal Company/Consol Energy Inc. – Coal In and Below the P-6 Seam Leased
 Rapoca Energy – Coal in Splasdam Seam Leased (Subleased from Penn Virginia Resource Partners)
 Rapoca Energy – Coal in Hagy and Above Seams Leased
 Jewell Smokeless Coal Corporation – Coal in Kennedy Seam Leased
 CNX Gas Company LLC – CBM Leased
 Eddie William Wilson, et al – All Minerals except Coal
 Chesapeake Appalachia LLC – Oil and Gas Leased (1/3)
 CNX Gas Company LLC – Oil and Gas Leased (2/3)
 CNX Gas Company LLC – CBM Leased
 Eddie William Wilson, et ux – Surface
 0.76 Acres 1.2938%
- 1F. Bull Creek Coal Company (Joseph Ratliff 259.59 Acre Tract) – All Minerals except Oil, Gas and CBM
 Island Creek Coal Company/Consol Energy Inc. – Coal In and Below the P-6 Seam Leased
 Rapoca Energy – Coal in Splasdam Seam Leased (Subleased from Penn Virginia Resource Partners)
 Rapoca Energy – Coal in Hagy and Above Seams Leased
 Jewell Smokeless Coal Corporation – Coal in Kennedy Seam Leased
 CNX Gas Company LLC – CBM Leased
 Randy Shortridge, et al – All Minerals except Coal
 Chesapeake Appalachia LLC – Oil and Gas Leased (1/3)
 CNX Gas Company LLC – CBM Leased (1/3)
 Randy Shortridge, et ux – Surface
 1.33 Acres 2.2642%
- 1G. Bull Creek Coal Company (Joseph Ratliff 259.59 Acre Tract) – All Minerals except Oil, Gas and CBM
 Island Creek Coal Company/Consol Energy Inc. – Coal In and Below the P-6 Seam Leased
 Rapoca Energy – Coal in Splasdam Seam Leased (Subleased from Penn Virginia Resource Partners)
 Rapoca Energy – Coal in Hagy and Above Seams Leased
 Jewell Smokeless Coal Corporation – Coal in Kennedy Seam Leased
 CNX Gas Company LLC – CBM Leased
 Steven L. Roark, et al – All Minerals except Coal
 Chesapeake Appalachia LLC – Oil and Gas Leased (1/3)
 CNX Gas Company LLC – Oil and Gas Leased (2/3)
 CNX Gas Company LLC – CBM Leased
 Steven L. Roark, et ux – Surface
 0.06 Acres 0.1021%
2. ACIN LLC (31.80 Acre Tract) – All Minerals except Oil, Gas and CBM
 Alpha Land and Reserves LLC – All Coal Leased
 Range Resources-Pine Mountain, Inc. – All Minerals except Coal
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 15.37 Acres 26.1662%
- 2A. Jerry D. Ratliff, et ux – Surface
 2B. Johnny P. Ratliff, et ux – Surface
 2C. Commonwealth of Virginia – Surface
 2D. Jerry D. Ratliff, et ux – Surface

CNX GAS COMPANY LLC

UNIT P80

Tract Identifications

3. ACIN LLC (77.20 Acre Tract) - All Coal except the Blair, Eagle, Splashdam and Hagy Coal Seams
Alpha Land and Reserves LLC - All Coal Leased except the Blair, Eagle, Splashdam and Hagy Coal Seams
Wellmore Coal Company, LLC - Blair, Eagle, Splashdam and Hagy Coal Seams
Motivation Coal Company - Blair, Eagle, Splashdam and Hagy Coal Seams Leased
Range Resources-Pine Mountain, Inc. - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
7.30 Acres 12.4276%
- 3A. David F. Ratliff, et ux - Surface
3B. Jerry D. Ratliff, et ux - Surface
3C. Commonwealth of Virginia - Surface
-

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Exhibit E
Unit P-80
Docket #VGOB 09-0421-2500-02
List of Respondents that require escrow
(58.74 Acre Unit)

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	Acres in Unit	Percent of Unit
<u>Tract #1G - 0.06 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	0.06 acres	0.1021%
<u>OIL & GAS OWNERSHIP</u>		
(1) Steven L. Roark, et al	0.06 acres	0.1021%
<i>Prior Owner W9/Affidavit Pending</i>		
(b) Steven & Margaret Roark	<i>Conveyed 1/20/15 Instrument 15-0101</i>	
(b.1) Joshua & Amanda Shelton 1097 Washington Ave Grundy, VA 24614	0.04 acres 2/3 of 0.06 acres	0.0681%
	Acres in Unit	0.04
	Percent of Unit	0.0681%

Exhibit EE
Unit P-80
Docket #VGOB 09-0421-2500-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

160001824

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #1A - 12.33 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	12.33 acres	20.9908%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Reual H. Ratliff, et al	12.33 acres	20.9908%	
(a) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	0.11 acres 1/3 of 12.33 acres	0.1892%	n/a
(b) CNX Gas Company LLC P.O. Box 570 Pounding Mill, VA 24637	4.11 acres 1/3 of 12.33 acres	6.9969%	n/a
(c) Reual H. & Dorothy Ratliff 4204 Poplar Creek Rd Grundy, VA 24614	4.11 acres 1/3 of 12.33 acres	6.9969%	n/a
<u>Tract #1B - 16.16 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	16.16 acres	27.5111%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Bull Creek Coal Company, et al	16.16 acres	27.5111%	
(b) Reual Herman Ratliff 4204 Poplar Creek Rd Grundy, VA 24614	5.387 acres 1/3 of 16.16 acres	9.1704%	n/a
(c) Patricia Ratliff Archer 204 Hunter Hills Circle, Unit 30 Bristol, TN 37620	5.387 acres 1/3 of 16.16 acres	9.1704%	99.2623% HB 2058
<u>Tract #1C - 4.83 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	4.83 acres	8.2227%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Reual H. Ratliff, et al	4.83 acres	8.2227%	
(b) CNX Gas Company LLC P.O. Box 570 Pounding Mill, VA 24637	1.61 acres 1/3 of 4.83 acres	2.7409%	n/a
(c) Reual Herman Ratliff 4204 Poplar Creek Rd Grundy, VA 24614	1.61 acres 1/3 of 4.83 acres	2.7409%	n/a

Exhibit EE
Unit P-80
Docket #VGOB 09-0421-2500-02
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(58.74 Acre Unit)

160001824

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #1D - 0.60 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	0.60 acres	1.0215%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Reual H. Ratliff, et al	0.60 acres	1.0215%	
(b) CNX Gas Company LLC P.O. Box 570 Pounding Mill, VA 24637	0.20 acres 1/3 of 0.60 acres	0.3405%	n/a
(c) Reual H. & Dorothy Ratliff 4204 Poplar Creek Rd Grundy, VA 24614	0.20 acres 1/3 of 0.60 acres	0.3405%	n/a
<u>Tract #1E - 0.76 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	0.76 acres	1.2938%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Eddie William Wilson, et al	0.76 acres	1.2938%	
(b) Eddie William & Shirley S. Wilson 1021 Washington Ave Grundy, VA 24614	0.51 acres 2/3 of 0.76 acres	0.8625%	n/a
<u>Tract #1F - 1.33 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company P.O. Box 187 Tazewell, VA 24651	1.33 acres	2.2642%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Randy Shortridge, et al	1.33 acres	2.2642%	
(b) Randy & Peggy Jean Shortridge 1064 Washington Ave Grundy, VA 24614	0.89 acres 2/3 of 1.33 acres	1.5095%	n/a
Acreage Resolved in Unit		24.1178	
Percentage Resolved of Unit			41.0585%

INSTRUMENT # 160001824
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
10-5-16 AT 2:30 PM
BEVERLY S. TILLER, CLERK
RECORDED BY: GGB