

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

**CODE OF VIRGINIA
§ 45.1-361.26**

BK 2017 PG 06321

1254

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: AA54

TRACT(S): 2A, 2B

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-10-0615-2737-02

APPLICANTS: CNX Gas Company LLC on behalf of Jewell Ridge Coal Corp

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 10/05/2012, Deed Book/Instrument No. 1121, Page 0573.
2. Disbursement Order -01 Executed 03/31/2016, Recorded on 04/20/2016, Deed Book/Instrument No. 2016, Page 5929.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 2A, 2B identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2A, 2B 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. Jewell Ridge Coal Corporation are the gas claimants in a 2A & 2B. As such Jewell Ridge Coal Corporation 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 10-0615-2737-01, it dismissed the coal claimant(s) Southern Region Industrial Corp., Pardee, White Wolfe Energy 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 Jewell Ridge Coal Corporation 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 12 day of April, 2017 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 12 day of April, 2017 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 12th day of April, 2017, 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 10-0615-2737-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2A, 2B (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: AA54

TAZEWELL 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 Tract(s) 2A and 2B as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Jewell Ridge Coal Corporation

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

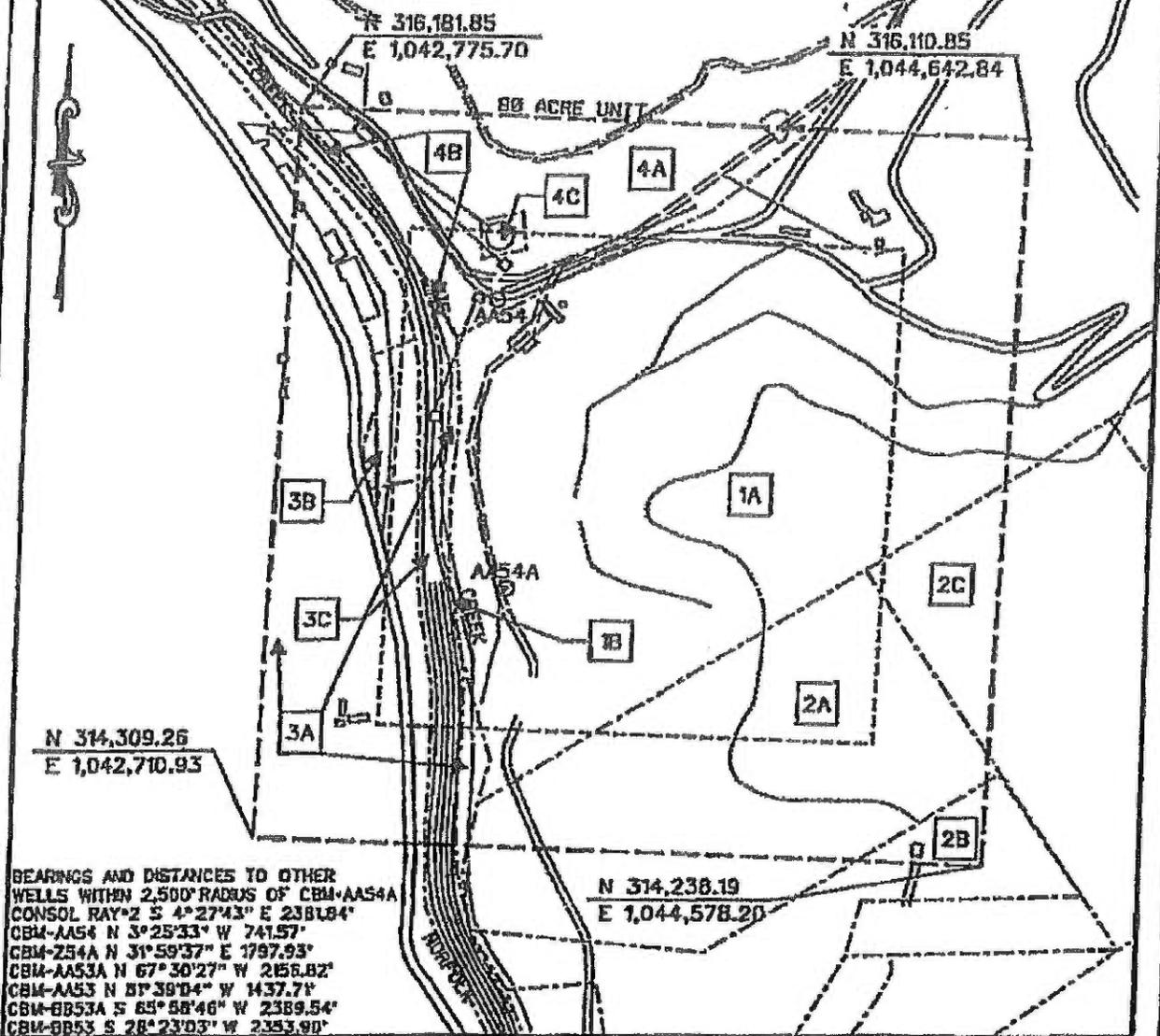
5. Factual basis for relief requested

- a. Jewell Ridge Coal Corporation are the gas claimants in a 2A & 2B. As such Jewell Ridge Coal Corporation 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 10-0615-2737-01, it dismissed the coal claimant(s) Southern Region Industrial Corp., Pardee, White Wolfe Energy 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 Jewell Ridge Coal Corporation 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 plot were provided by CNX Gas Company LLC and were taken from deed descriptions and plans of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed well.



N 314,309.26
E 1,042,710.93

N 316,181.85
E 1,042,775.70

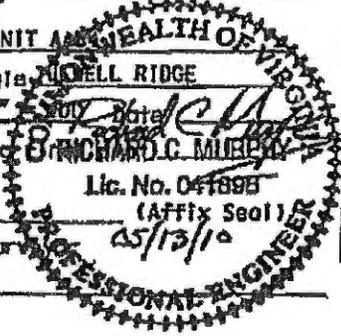
N 316,110.85
E 1,044,642.84

N 314,238.19
E 1,044,578.20

BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CBM-AAS4A
 CONSOL RAY*2 S 4°27'43" E 2316.84'
 CBM-AAS4 N 3°25'33" W 741.57'
 CBM-254A N 31°59'37" E 1797.93'
 CBM-AAS3A N 67°30'27" W 2155.82'
 CBM-AAS3 N 87°39'04" W 1437.71'
 CBM-BB53A S 65°58'46" W 2389.54'
 CBM-BB53 S 28°23'03" W 2353.90'

EXHIBIT A
 OAKWOOD FIELD
 UNIT AAS4
 FORCE POOLING
 VGOB-10-0615-2737

Company CNX Gas Company LLC Well Name and Number UNIT AAS4
 Tract No. _____ Elevation _____ Quadrangle MUZZELL RIDGE
 County TAZEWELL District MAIDEN SPRINGS Scale: 1" = 100'
 This plot is a new plot X ; on updated plot _____ ; or of _____



Form DGD-60-7
 Rev. 9/91

Licensed Professional Engineer or Licensed Land Surveyor

CNX Gas Company LLC
UNIT AA-54
Tract Identifications

1. Southern Region Industrial Realty Corp. Tr. 20 (152.50 acre tract) - All Coal except P-3 Seam
 Reserve Coal Properties Company – Coal in P-3 Seam
 CNX Gas Company LLC – Coal Owner's claim to CBM in P-3 Seam
 White Wolf Energy, Inc - All Coal Leased except P-3, Raven, Tiller and Lower Seaboard Seams
 Massey Energy – Coal in Raven, Tiller and Lower Seaboard Seams Leased
 Penn Virginia Oil and Gas Corporation – Oil, Gas and CBM except CBM in P-3
 CNX Gas Company LLC – CBM Leased (Deemed Leased via JOA)
 (Tax Map 67A Parcel 36)
 36.89 Acres 46.1125%
- 1A. Southern Region Industrial Realty Corporation – Surface
 Appalachian Forests A, LLC – Timber
- 1B. Norfolk Southern Railway Company – Surface
- 2A. Southern Region Industrial Realty Corp. Tract 19 (100 acre tract) - All Coal except P-3 Seam
 Penn Virginia Oil and Gas Corporation – Coal Owner's Claim to CBM
 CNX Gas Company LLC – CBM Leased (Deemed Leased via JOA)
 Reserve Coal Properties Company – Coal in P-3 Seam
 CNX Gas Company LLC – CBM in P-3 Seam
 White Wolf Energy, Inc - All Coal Leased except P-3, Raven, Tiller and Lower Seaboard Seams
 Massey Energy – Coal in Raven, Tiller and Lower Seaboard Seams Leased
 Massey Energy – Surface, Oil and Gas
 (Tax Map 67A Parcel 15)
 12.68 Acres 15.8500%
- 2B. Southern Region Industrial Realty Corp. Tract 19 (100 acre tract) - All Coal except P-3 Seam
 Penn Virginia Oil and Gas Corporation – Coal Owner's Claim to CBM
 CNX Gas Company LLC – CBM Leased (Deemed Leased via JOA)
 Reserve Coal Properties Company – Coal in P-3 Seam
 CNX Gas Company LLC – CBM in P-3 Seam
 White Wolf Energy, Inc - All Coal Leased except P-3, Raven, Tiller and Lower Seaboard Seams
 Massey Energy – Coal in Raven, Tiller and Lower Seaboard Seams Leased
 Massey Energy – Surface, Oil and Gas
 (Tax Map 67A Parcel 19)
 0.79 Acres 0.9875%
- 2C. Southern Region Industrial Realty Corp. Tract 19 (100 acre tract) - All Coal except P-3 Seam
 Penn Virginia Oil and Gas Corporation – Coal Owner's Claim to CBM
 CNX Gas Company LLC – CBM Leased (Deemed Leased via JOA)
 Reserve Coal Properties Company – Coal in P-3 Seam
 CNX Gas Company LLC – CBM in P-3 Seam
 White Wolf Energy, Inc - All Coal Leased except P-3, Raven, Tiller and Lower Seaboard Seams
 Massey Energy – Coal in Raven, Tiller and Lower Seaboard Seams Leased
 CNX Gas Company LLC – Oil and Gas
 Reserve Coal Properties Company – Surface
 (Tax Map 67A Parcel 31)
 2.79 Acres 3.4875%

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

CNX Gas Company LLC

UNIT AA-54

Tract Identifications

3. Southern Region Industrial Realty Corp. Tr. 1 (4430.00 acre tract) - All Coal except P-3 Seam
 Reserve Coal Properties Company -- Coal in P-3 Seam
 CNX Gas Company LLC -- Coal Owner's Claim to CBM in P-3 Seam
 White Wolf Energy, Inc - All Coal Leased except P-3, Raven, Tiller and Lower Seaboard Seams
 Massey Energy -- Coal in Raven, Tiller and Lower Seaboard Seams Leased
 Penn Virginia Oil and Gas Corporation -- Oil, Gas and CBM except CBM in P-3
 CNX Gas Company LLC -- CBM Leased (Deemed Leased via JOA)
 (Tax Map 105 Parcel 30)
 17.67 Acres 22.0875%
- 3A. Southern Region Industrial Realty Corporation -- Surface
 Appalachian Forests A, LLC -- Timber
- 3B. Unknown Surface Owner
- 3C. Norfolk Southern Railway Company -- Surface
4. Southern Region Industrial Realty Corp., Tr. 22 (207.20 Acre Tract) -- All Coal except P-3 Seam
 Reserve Coal Properties Company -- Coal in P-3 Seam
 CNX Gas Company LLC -- Coal Owner's claim to CBM in P-3 Seam
 White Wolf Energy, Inc - All Coal Leased except P-3, Raven, Tiller and Lower Seaboard Seams
 Massey Energy -- Coal in Raven, Tiller and Lower Seaboard Seams Leased
 Penn Virginia Oil and Gas Corporation -- Oil, Gas and CBM except CBM in P-3
 CNX Gas Company LLC -- CBM Leased (Deemed Leased via JOA)
 (Tax Map 67A Parcel 34)
 9.18 Acres 11.4750%
- 4A. Southern Region Industrial Realty Corporation -- Surface
 Appalachian Forests A, LLC -- Timber
- 4B. Norfolk Southern Railway Company -- Surface
- 4C. Unknown Surface Owner

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

Exhibit E
Unit AA-64 PG 06331
BK 2017

Docket # VGOB 10-0615-2737-02

List of Conflicting Owners/Claimants that require escrow
(80.00 Acre Unit)

Acres in Unit Percent of
Unit

Escrowing no longer required

**List of Respondents with Royalty Split Agreements/Court Orders/HB2058
 (80.00 Acre Unit)**

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #2A, 12.68 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Southern Region Industrial Realty Corp. <i>(Coal except P3 Seam)</i> Tr. 19 (100.00 acre tract) Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	12.68 acres	15.8500%	
<i>Southern Region Industrial Realty Corp. conveyed all rights, title and interest by Special Warranty Oil & Gas Deed to Penn Virginia Oil & Gas Corporation on April 1, 2000, recorded in Buchanan County under DB508 / PG99</i>			
Penn Virginia Oil & Gas Corporation			
<i>Effective January 1, 2012, Penn Virginia Oil & Gas Corporation by Assignment and Bill of Sale transferred all of its rights, title and interest to "certain" properties to EverVest Energy Funds</i>			
EnerVest Energy Funds			
<i>With an effective date of January 1, 2013, Enervest Energy Funds conveyed by Special Warranty Deed all its rights, title and interest to "certain" properties to Pardee Royalty LLC and Pardee Minerals LLC</i>			
Pardee Royalty LLC and Pardee Minerals LLC P. O. Box 102904 Atlanta, GA 30368-2904			
White Wolf Energy, Inc. 300 Corporate Centre Drive Scott Depot, WV 25660 <i>(previously Anker Virginia Mining Company, Inc.)</i>			
(2) Buchanan Mining Company LLC <i>(Coal in P3 Seam only)</i> 10545 Riverside Drive Oakwood, VA 24631	12.68 acres		
<u>OIL & GAS OWNERSHIP</u>			
(1) Jewell Ridge Coal Corporation 1801 Bayberry Ct., Ste 400 Richmond, VA 23226 <i>previously Massey Energy</i>	12.68 acres	15.8500%	94.1351% HB 2058
<u>Tract #2B, 0.79 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Southern Region Industrial Realty Corp. <i>(Coal except P3 Seam)</i> Tr. 19 (100.00 acre tract) Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	0.79 acres	0.9875%	
<i>Southern Region Industrial Realty Corp. conveyed all rights, title and interest by Special Warranty Oil & Gas Deed to Penn Virginia Oil & Gas Corporation on April 1, 2000, recorded in Buchanan County under DB508 / PG99</i>			
Penn Virginia Oil & Gas Corporation			
<i>Effective January 1, 2012, Penn Virginia Oil & Gas Corporation by Assignment and Bill of Sale transferred all of its rights, title and interest to "certain" properties to EverVest Energy Funds</i>			
EnerVest Energy Funds			
<i>With an effective date of January 1, 2013, Enervest Energy Funds conveyed by Special Warranty Deed all its rights, title and interest to "certain" properties to Pardee Royalty LLC and Pardee Minerals LLC</i>			
Pardee Royalty LLC and Pardee Minerals LLC P. O. Box 102904 Atlanta, GA 30368-2904			

List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(80.00 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
White Wolf Energy, Inc. 300 Corporate Centre Drive Scott Depot, WV 25860 <i>(previously Anker Virginia Mining Company, Inc.)</i>			
(2) Buchanan Mining Company LLC <i>(Coal in P3 Seam only)</i> 10545 Riverside Drive Oakwood, VA 24631	0.79 acres		

OIL & GAS OWNERSHIP

(1) Jewell Ridge Coal Corporation 1801 Bayberry Ct., Ste 400 Richmond, VA 23226 <i>previously Massey Energy</i>	0.79 acres	0.9875%	5.8649% HB 2058
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Tract #2C, 2.79 acres

COAL OWNERSHIP

(1) Southern Region Industrial Realty Corp. <i>(Coal except P3 Seam)</i> <i>Tr. 19 (100.00 acre tract)</i> Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	2.79 acres	3.4875%	
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Southern Region Industrial Realty Corp. conveyed all rights, title and interest by Special Warranty Oil & Gas Deed to Penn Virginia Oil & Gas Corporation on April 1, 2000, recorded in Buchanan County under DB508 / PG99

Penn Virginia Oil & Gas Corporation

Effective January 1, 2012, Penn Virginia Oil & Gas Corporation by Assignment and Bill of Sale transferred all of its rights, title and interest to "certain" properties to EverVest Energy Funds

EnerVest Energy Funds

With an effective date of January 1, 2013, Enervest Energy Funds conveyed by Special Warranty Deed all its rights, title and interest to "certain" properties to Pardee Royalty LLC and Pardee Minerals LLC

Pardee Royalty LLC and Pardee Minerals LLC
P. O. Box 102904
Atlanta, GA 30368-2904

White Wolf Energy, Inc.
300 Corporate Centre Drive
Scott Depot, WV 25860
(previously Anker Virginia Mining Company, Inc.)

(2) Buchanan Mining Company LLC <i>(Coal in P3 Seam only)</i> 10545 Riverside Drive Oakwood, VA 24631	2.79 acres		
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INSTRUMENT 170001254
RECORDED IN THE CLERK'S OFFICE OF
TAEWELL COUNTY ON
May 2, 2017 AT 12:45 PM
TAMM B. ALLISON, CLERK
RECORDED BY: MLT

M. L. T.

OIL & GAS OWNERSHIP

(1) CNX Gas Company, LLC PO Box 643830 Pittsburgh, PA 15264-3830	2.79 acres	3.4875%	n/a
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TOTAL CONFLICTS RESOLVED

Acres 16.26
Percent 20.3250%