

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: G17

TRACT(S): A portion of 3

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-10-0817-2778-01

APPLICANTS:

CNX Gas Company LLC on behalf of Brenda Taylor, Harriett Grim

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 01/12/2012, Recorded on 02/17/2012, Deed Book/Instrument No. 120000287.
2. Supplemental Order Executed 08/07/2012, Recorded on 08/07/2012, Deed Book/Instrument No. 120001586.

NOTICE:

160000151

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) A portion of 3 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 3 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. Harriet Grim and Brenda Taylor is the gas claimant in Tracts a portion of 3. As such Harriet Grim and Brenda Taylor are 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 Harriet Grim and Brenda Taylor and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

DONE AND EXECUTED this 12 day of January, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 12 day of January, 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 12th day of January, 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 10-0817-2778-01**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 3 (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:** G17**BUCHANAN 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

1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tract 3, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Harriet Grim and Brenda Taylor.

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. Harriet Grim and Brenda Taylor is the gas claimant in Tracts a portion of 3. As such Harriet Grim and Brenda Taylor are 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 Harriet Grim and Brenda Taylor 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 provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed well.

BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CBM-G17A
 CBM-F17B N 36° 0' 55" W 2330.16'
 CBM-G17 N 76° 38' 32" W 1358.3'
 CBM-H16 S 66° 3' 55" W 2087.46'
 CBM-H18A S 22° 23' 55" E 1001.28'
 CBM-H18 S 52° 47' 21" E 1610.54'

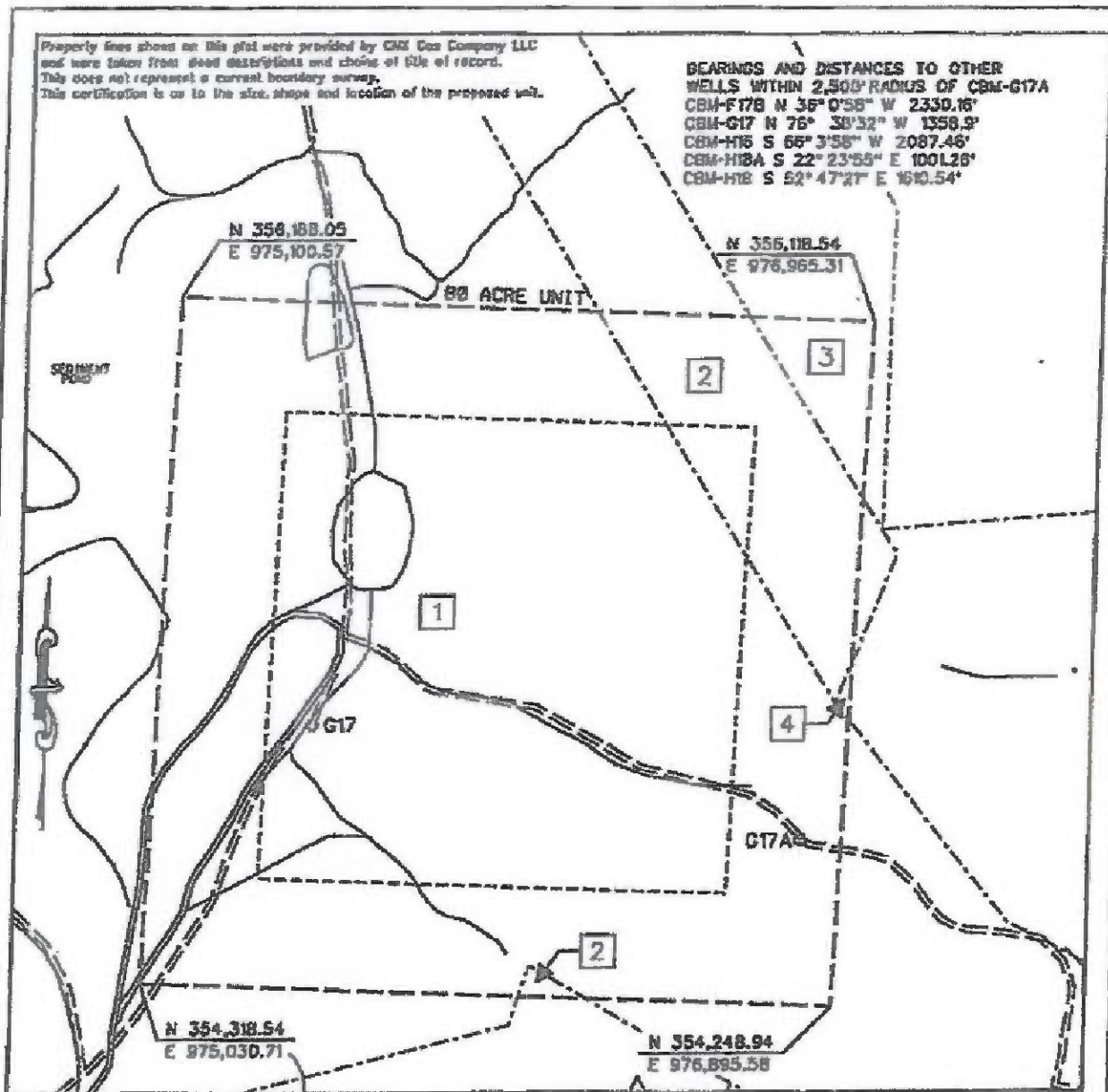
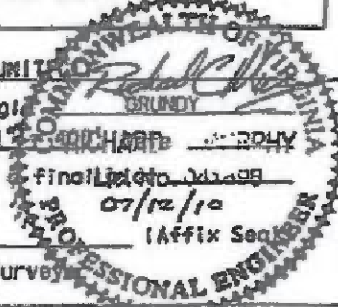


EXHIBIT A
 OAKWOOD FIELD
 UNIT G17
 FORCE POOLING
 YGOB 10-0817-2778

Company CNX GAS COMPANY LLC Well Name and Number UNIT G17
 Tract No. Elevation Quadrangle
 County BUCHANAN District GARDEN Scale: 1" = 400' HARP
 This plot is a new plot X : on updated plot : or final plat

Form DGO-GO-7
 Rev. 9/91

Richard C. Murphy
 Licensed Professional Engineer or Licensed Land Surveyor



CNX Gas Company LLC**UNIT G-17****Tract Identifications**

1. C. L. Ritter Lumber Company Tr. 3 (281 Acre Tract) - Fee
Island Creek Coal Company/Consol Energy, Inc. - Coal Below Tiller Seam Leased
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
Hard Rock Exploration and Carter Oil & Gas, Inc. - Oil and Gas Leased
CNX Gas Company LLC - CBM Leased
70.49 acres 88.1125%
2. Consolidation Coal Company (2117.24 Acre Tract) - Coal
Island Creek Coal Company/Consol Energy, Inc. - Below Tiller Coal Leased
Jewell Smokeless Coal Corporation - Tiller and Above Coal Leased
Highland Resources, Inc./North American Resources Corporation - Oil and Gas
CNX Gas Company LLC - Oil and Gas Leased
Plum Creek Timberlands, L.P. - CBM
CNX Gas Company LLC - CBM Leased
CNX Gas Company LLC (50%) / Island Creek Coal Company (50%) - Surface
7.60 acres 0.5000%
3. Stephen R. Runals, Trustee, et al (Erma R. Runals, et al 64 Acre Tract) - Fee
Island Creek Coal Company/Consol Energy, Inc. - Coal Below Drainage Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased (2/3)
1.84 acres 2.3000%
4. C. L. Ritter Lumber Company Tr. 4 (91.25 Acre Tract) - All Minerals
Island Creek Coal Company/Consol Energy, Inc. - Coal Below Tiller Seam Leased
Jewell Smokeless Coal Corporation - Coal in Tiller Seam and Above Leased
Hard Rock Exploration and Carter Oil & Gas, Inc. - Oil and Gas Leased
CNX Gas Company LLC - CBM Leased
Virginia C. Matney, et al - Surface
0.07 acres 0.0875%

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Exhibit E
Units G-17
Wells G17 (6/25/03) & G17A (12/31/04)
VGOB Docket #10-0617-2778-01
Buchanan County, VA
List of Conflicting Owners/Claimants that Require Escrow
(80.00 Acre Unit)

	Net Acres In Unit	Interest In Unit	Panel 3 - North 8.4807%	Panel 4 - North 39.1111%	Panel 5 - North 37.1927%	Panel 6 - North 34.1166%
<u>Tract #3, 1.84 Acres</u>						
<u>COAL OWNERSHIP</u>						
Stephen R. Runals, Trustee, et al. <i>Erma R. Runals, et al. (64.00 acre tract)</i>	1.84 acres	2.3000%	0.1951%	0.8996%	0.8554%	0.7848%
(3) Island Creek Coal Company 10545 Riverside Dr. Oakwood, VA 24631	0.61 acres 1/3 of 1.84 acres	0.7667%	0.0650%	0.2989%	0.2851%	0.2616%
<u>OIL & GAS OWNERSHIP</u>						
Stephen R. Runals, Trustee, et al. <i>Erma R. Runals, et al. (64.00 acre tract)</i>	1.84 acres	2.3000%	0.1951%	0.8996%	0.8554%	0.7848%
(3) J. W. Lambert Heirs, Devisees, Successors or Assigns (1/3)						
<u>W9/Affidavit Pending</u>						
(a) Sandra Lambert Cook 205 Donegal Way Bristol, TN 37620	0.08 acres 1/24 of 1.84 acres	0.0958%	0.0081%	0.0375%	0.0356%	0.0327%
<i>The ownership listed below is currently being reviewed and documentation is being requested to verify title.</i>						
(b) James McCall Lambert PO Box 911 N. Tazewell, VA 24630	0.08 acres 1/24 of 1.84 acres	0.0958%	0.0081%	0.0375%	0.0356%	0.0327%
(c) Helen Lambert James Heirs, Devisees, Successors or Assigns (1/12)						
(c.1) Frank P. James, Jr. Heirs, Devisees, Successors or Assigns						
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.</i>						
(c.1.1) Kay Martin 3784 Buckingham Dr., SW Roanoke, VA 24018	0.04 acres 1/48 of 1.84 acres	0.0479%	0.0041%	0.0187%	0.0178%	0.0163%
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.</i>						
(c.1.2) Rebecca Sours 6069 Bradford Lane Johnson, IA 50131	0.04 acres 1/48 of 1.84 acres	0.0479%	0.0041%	0.0187%	0.0178%	0.0163%
(c.2) Colleen James Huffman 3002 Burnleigh Rd. Roanoke, VA 24014 (Bad Address)						
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.</i>						
(c.2.1) Donald W. Huffman 3002 Burnleigh Rd. Roanoke, VA 24014	0.08 acres 1/24 of 1.84 acres	0.0958%	0.0081%	0.0375%	0.0356%	0.0327%
(e) Hugh & Ava Elizabeth Lambert Spence Heirs, Devisees, Successors or Assigns						
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.</i>						
(a.1) Sue Woodie 1500 Old Hundred Rd. Midlothian, VA 23114	0.08 acres 1/24 of 1.84 acres	0.0958%	0.0081%	0.0375%	0.0356%	0.0327%
					Acreage in Unit Percentage of Unit	0.3833 0.4792%

12/11/2015

Exhibit EE
 Units G-17
 Wells G17 (82503) & G17A (123104)
 VGOB Docket #10-0817-2718-01
 Buchanan County, VA
 List of Respondents with Royalty Split Agreements/Court Orders/H2058
 (80.00 Acre Unit)

	Net Acres in Unit	Interest in Unit	Interest in				Percent of EGRW
			Panel 3 - North 8.4607%	Panel 4 - North 39.1111%	Panel 5 - North 37.1927%	Panel 6 - North 34.1199%	
Tract #3, 1.84 Acres							
COAL OWNERSHIP							
Stephen R. Runals, Trustee, et al. <i>Erma R. Runals, et al. (84.00 acre tract)</i>	1.84 acres	2.3000%					n/a
(3) Island Creek Coal Company 10545 Riverside Dr. Oakwood, VA 24831	0.61 acres 1/3 of 1.84 acres	0.7667%	0.1951%	0.8996%	0.8554%	0.7848%	n/a
OIL & GAS OWNERSHIP							
Stephen R. Runals, Trustee, et al. <i>Erma R. Runals, et al. (84.00 acre tract)</i>	1.84 acres	2.3000%					
(3) J. W. Lambert Heirs, Devisees, Successors or Assigns (1/3) - Jessie Lambert Pauley & Harry Pauley Heirs, Devisees, (c) Successors or Assigns			0.1951%	0.8906%	0.8554%	0.7848%	
(c.1) Harriet Grim PO Box 1481 Flinthurst, NC 23870	0.163 acres 1/12 of 1.84 acres	0.1917%	0.0163%	0.0750%	0.0713%	0.0854%	25.0136% HB 2058
Hugh & Ava Elizabeth Lambert Spence Heirs, Devisees, (d) Successors or Assigns							
(d.2) Brenda Taylor 849 Winding Wood Drive Clayton, NC 27520	0.077 acres 1/24 of 1.84 acres	0.0959%	0.0081%	0.0375%	0.0368%	0.0327%	12.5088% HB 2058
			Acreage Resolved in Unit Percentage Resolved of Unit				0.2800
							0.2675%

160000151
 12/11/2013

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always
called

INSTRUMENT #160000151
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
FEBRUARY 2, 2016 AT 03:05PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLP