

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-10-0817-2778-02

APPLICANTS: CNX Gas Company LLC on behalf of Sandra Lambert Cook, Sue Woddle

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.
- 3. Disbursement Order -01 Executed 01/12/2016, Recorded on 02/02/2016, Deed Book/Instrument No. 160000151.

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) 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. Sandra Lambert Cook and Sue Woodle is the gas claimant in Tracts a portion of 3. As such Sandra Lambert Cook and Sue Woodle 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 Sandra Lambert Cook and Sue Woodle and 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 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 certified 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 21 day of July, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 21 day of July, 2016 by Order of the Virginia Gas and Oil Board.



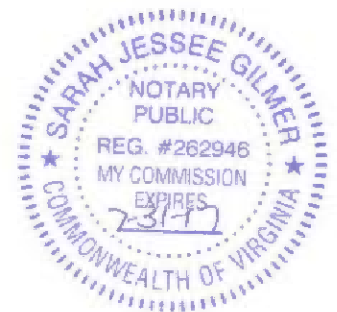
Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 21st day of July, 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 10-0817-2778-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 3 (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: G17

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 3, as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Sandra Lambert Cook and Sue Woodle; (3) Dismissal of Coal Owner(s): Island Creek Coal Company.

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. Sandra Lambert Cook and Sue Woodle is the gas claimant in Tracts a portion of 3. As such Sandra Lambert Cook and Sue Woodle 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 Sandra Lambert Cook and Sue Woodle 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.

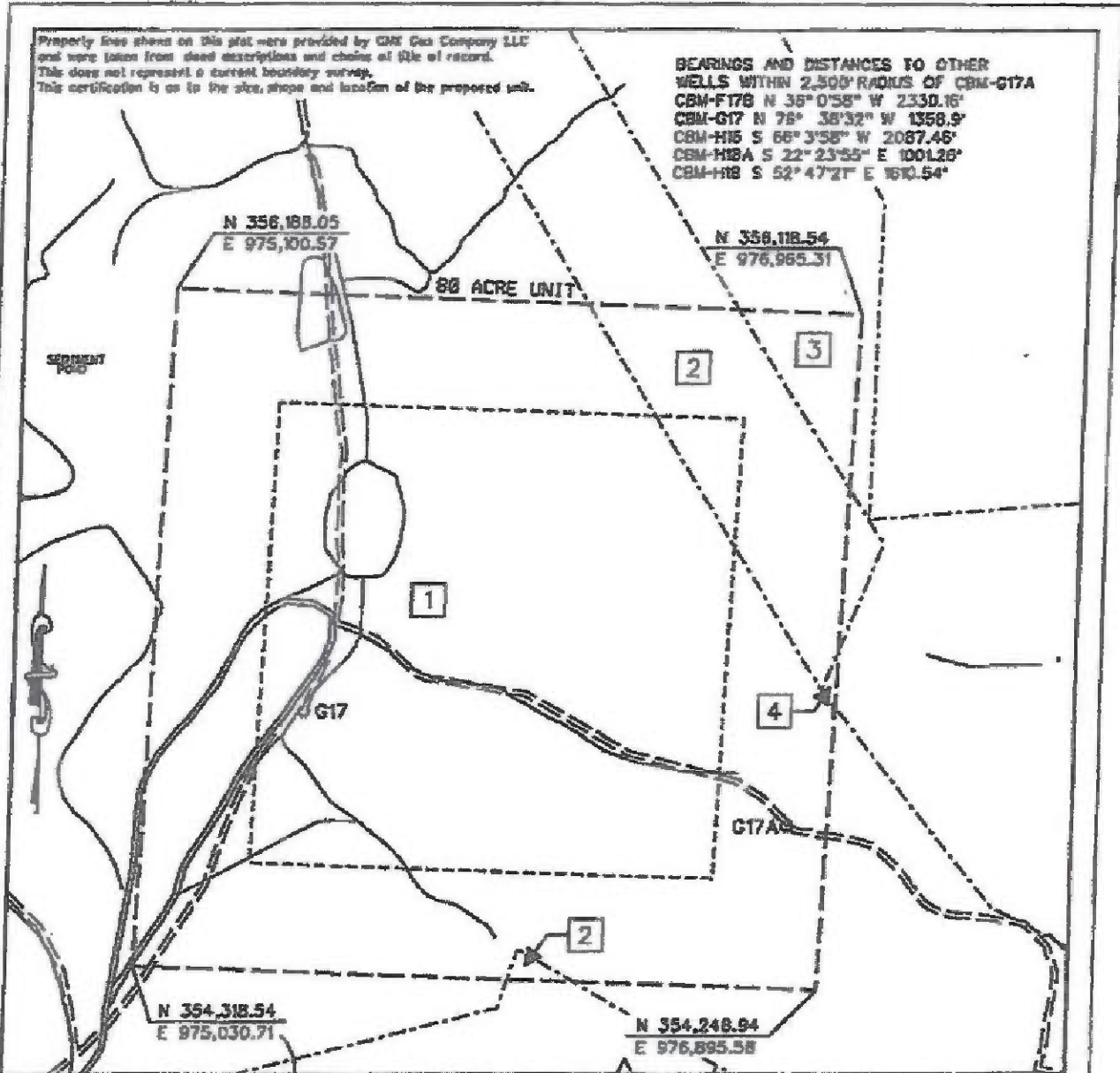
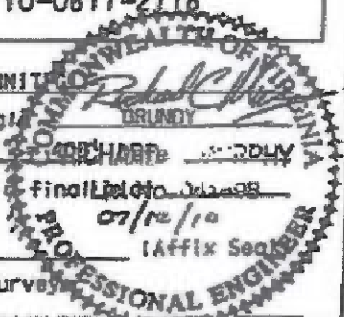


EXHIBIT A
 OAKWOOD FIELD
 UNIT G17
 FORCE POOLING
 VGOB 10-0817-2778

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

Form DGO-GO-7 Rev. 9/91 Richard C. Neufuss
 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 8.6000%

3. **Stephen R. Runals, Trustee, et al (Erna 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 (91.85 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)
VGOS Docket #18-0817-2778-02
Buchanan County, VA
List of Owners/Claimants that Require Escrow
(80.00 Acre Unit)

	Net Acres In Unit	Interest In Unit	Interest In			
			Panel 3 - North 8.4807%	Panel 4 - North 39.1111%	Panel 5 - North 37.1927%	Panel 6 - North 34.1196%
Tract #3, 1.84 Acres						
COAL OWNERSHIP						
Stephen R. Runals, Trustee, et al. <i>Emma R. Runals, et al. (84.00 acre tract)</i>	1.84 acres	2.3000%	0.1951%	0.8996%	0.8554%	0.7949%
(3) Island Creek Coal Company PO Drawer L Oakwood, VA 24631	0.51 acres 1/3 of 1.84 acres	0.7667%	0.0650%	0.2999%	0.2851%	0.2816%
OIL & GAS OWNERSHIP						
Stephen R. Runals, Trustee, et al. <i>Emma R. Runals, et al. (84.00 acre tract)</i>	1.84 acres	2.3000%	0.1951%	0.8996%	0.8554%	0.7848%
(3) J. W. Lambert Heirs, Devises, Successors or Assigns (1/3)						
(a) James W. Lambert, Jr. Heirs, Devises, Successors or Assigns						
<i>The ownership listed below is currently being reviewed and documentation is being requested to verify title.</i>						
(a.2) James McCall Lambert Heirs, Devises, Successors or Assigns <i>Documentation requested 10/1/15</i>	0.08 acres 1/24 of 1.84 acres	0.0958%	0.0081%	0.0375%	0.0356%	0.0327%
(b) Helen Lambert James Heirs, Devises, Successors or Assigns (1/12)						
(b.1) Frank P. James, Jr. Heirs, Devises, Successors or Assigns						
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed.</i>						
(b.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%
(b.1.2) Rebecca Sours 8069 Bradford Lane Johnson, IA 50131	0.04 acres 1/48 of 1.84 acres	0.0479%	0.0041%	0.0187%	0.0178%	0.0163%
(b.2) Colleen James Huffman Heirs, Devises, Successors or Assigns						
(b.2.1) Donald W. Huffman 3002 Bumleigh Rd. Roanoke, VA 24014	0.08 acres 1/24 of 1.84 acres	0.0958%	0.0081%	0.0375%	0.0356%	0.0327%
					Average In Unit Percentage of Unit	0.2360 0.2875%

Exhibit EE
Units G-17
Wells G17 (62803) & G17A (123104)
VGOB Docket #10-0817-2778-02
Buchanan County, VA
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(80.00 Acres Unit)

Tract #3, 1.84 Acres	Net Acres In Unit	Interest In Unit	Interest In				Percent of Escrow
			Panel 3 - North 8.4807%	Panel 4 - North 39.1111%	Panel 5 - North 37.1927%	Panel 6 - North 34.1196%	
COAL OWNERSHIP							
Stephan R. Runals, Trustee, et al. <i>Erma R. Runals, et al. (64.00 acre tract)</i>	1.84 acres	2.3000%					
(3) Island Creek Coal Company PO Drawer L Oakwood, VA 24634	0.84 acres 1/3 of 1.84 acres	0.7667%	0.1951%	0.8996%	0.8554%	0.7848%	n/o
OIL & GAS OWNERSHIP							
Stephen R. Runals, Trustee, et al. <i>Erma R. Runals, et al. (64.00 acre tract)</i>	1.84 acres	2.3000%					
(3) J. W. Lambert Heirs, Devises, Successors or Assigns (1/3)			0.1951%	0.8996%	0.8554%	0.7848%	
(a) James W. Lambert, Jr. Heirs, Devises, Successors or Assigns							
(a.1) Sandra Lambert Cook 205 Donipal Way Bristol, TN 37620	0.08 acres 1/24 of 1.84 acres	0.0968%	0.0081%	0.0375%	0.0348%	0.0327%	20.0617% HB2058
(c) Jessie Lambert Pauley & Harry Pauley Heirs, Devises, Successors or Assigns							
(c.1) Harriet Grimm 1 Blain Court Pinhurst, NC 28374	0.153 acres 1/12 of 1.84 acres	0.1617%	0.0163%	0.0750%	0.0713%	0.0654%	n/o
(d) Hugh & Ava Elizabeth Lambert Spence Heirs, Devises, Successors or Assigns							
(d.1) Sue Woodie 1500 Old Hundred Rd. Middleton, VA 23114	0.08 acres 1/24 of 1.84 acres	0.0968%	0.0081%	0.0375%	0.0366%	0.0327%	20.0617% HB2058
(d.2) Brenda Taylor 849 Winding Wood Drive Clayton, NC 27520	0.077 acres 1/24 of 1.84 acres	0.0868%	0.0081%	0.0375%	0.0356%	0.0327%	n/o
					Acres Resolved in Unit Percentage Resolved of Unit	0.3653	0.4792%

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INSTRUMENT #160001375
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
AUGUST 3, 2016 AT 10:52AM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB