



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-10-0817-2778-04

APPLICANTS: CNX Gas Company LLC on behalf of Kay Martin

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.
4. Disbursement Order -02 Executed 07/21/2016, Recorded on 08/03/2016, Deed Book/Instrument No. 160001375.

5. Disbursement Order -03 Executed 09/13/2016, Recorded on 10/05/2016, Deed Book/Instrument No. 160001826.

NOTICE:

- (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. Kay Martin is the gas claimants in a portion of Tr. 3. As such Kay Martin 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 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 03-1118-1223-02, it dismissed the coal claimant(s) Island 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 Kay Martin 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 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.

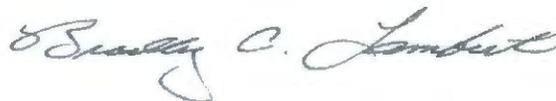
CONCLUSION:

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.

DONE AND EXECUTED this 30 day of November, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 30 day of November, 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 30th day of November, 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 10-0817-2778-04

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, attributable to a portion of Tract 3, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Kay Martin.

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. Kay Martin is the gas claimants in a portion of Tr. 3. As such Kay Martin 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 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 03-1118-1223-02, it dismissed the coal claimant(s) Island 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 Kay Martin 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.

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 9.5000%

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 (91.85 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%

Exhibit EE
Units G-17

Wells G17 (6/25/03) & G17A (12/31/04)
VGOB Docket #10-0817-2778-04

List of Respondents with Royalty Split Agreements/Court Orders/HE2058
(80.00 Acre Unit)

	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%	
Tract #3, 1.84 Acres							
COAL OWNERSHIP							
Stephen R. Runals, Trustee, et al. <i>Erma R. Runals, et al.</i> (64.00 acre tract)	1.84 acres	2.3000%					n/a
(3) Island Creek Coal Company PO Drawer L Oakwood, VA 24631	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.</i> (64.00 acre tract)	1.84 acres	2.3000%					n/a
(3) J. W. Lambert Heirs, Devisees, Successors or Assigns (1/3)			0.1951%	0.2999%	0.2851%	0.2616%	n/a
(a) James W. Lambert, Jr. Heirs, Devisees, Successors or Assigns			0.1951%	0.8996%	0.8554%	0.7848%	
(a-1) 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%	n/a
(b) Helen Lambert James Heirs, Devisees, Successors or Assigns (1/12)							
(b-1) Frank P. James, Jr. Heirs, Devisees, Successors or Assigns							
(b-1.1) Sybil Robinson James Heirs, Devisees, Successors or Assigns							
(b-1.1.1) Kay Martin 3764 Buckingham Dr. Roanoke, VA 24016	0.04 acres 1/48 of 1.84 acres	0.0479%	0.0041%	0.0187%	0.0179%	0.0163%	25.0054% HE2058
(b-2) Colleen James Huffman Heirs, Devisees Successors or Assigns							
(b-2.1) Donald W. Huffman 3002 Burnleigh Rd. SW Roanoke, VA 24014	0.08 acres 1/24 of 1.84 acres	0.0956%	0.0081%	0.0375%	0.0356%	0.0327%	n/a

160002402

(c) Jessie Lambert Pauley & Harry Pauley Heirs, Devisees,
Successors or Assigns

(c.1) Harriet Ginn
1 Blair Court
Pinehurst, NC 28374

(d) Hugh & Ava Elizabeth Lambert Spence Heirs, Devisees,
Successors or Assigns

(d.1) Sue Woodie
1500 Old Hundred Rd.
Midlothian, VA 23114

(d.2) Brenda Taylor
649 Winding Wood Drive
Clayton, NC 27520

0.163 acres 1/12 of 1.84 acres	0.1917%	0.0163%	0.0750%	0.0713%	0.0654%	n/a
0.08 acres 1/24 of 1.84 acres	0.0958%	0.0081%	0.0375%	0.0356%	0.0327%	n/a
0.077 acres 1/24 of 1.84 acres	0.0958%	0.0081%	0.0375%	0.0356%	0.0327%	n/a
Acreage Resolved in Unit Percentage Resolved of Unit						0.6228%

INSTRUMENT #160002402
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
DECEMBER 20, 2016 AT 02:32PM

BEVERLY S. TILLER, CLERK
RECORDED BY: VAH