

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: J74

TRACT(S):

A portion of 2A, A portion of 2B

LOCATION:

BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-11-0315-2929-01

APPLICANTS:

CNX Gas Company LLC on behalf of Stephanie S. David, Steven C. Smith

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 09/08/2011, Recorded on 09/27/2011, Deed Book/Instrument No. 110002362.
2. Supplemental Order, Recorded on 04/23/2012, Deed Book/Instrument No. 120000762.

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 2A, A portion of 2B identified in the attached petition.

180001327

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 2A, A portion of 2B 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. Steven C. Smith and Stephanie Smith David are the gas claimant(s) in Tracts 2A & 2B. As such Steven C. Smith and Stephanie Smith David 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 Steven C. Smith and Stephanie Smith David and not escrow same. See Exhibit EE annexed hereto.

Adjustment Comments:

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.

180001327

DONE AND EXECUTED this 31 day of July, 2018 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

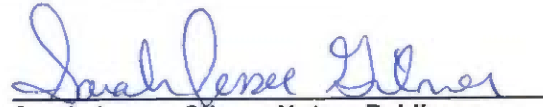
DONE AND PERFORMED this 31 day of July, 2018 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 31st day of July, 2018, 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, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 11-0315-2929-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 2A, A portion of 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: J74**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 Tracts 2A & 2B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Steven C. Smith and Stephanie Smith David; (3) Dismissal of Coal Owner: Bull 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. Steven C. Smith and Stephanie Smith David are the gas claimant(s) in Tracts 2A & 2B. As such Steven C. Smith and Stephanie Smith David 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 Steven C. Smith and Stephanie Smith David 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.

180001327

Property lines shown on this plat were provided by CNX Gas Company LLC and were taken from deed descriptions and shown as they appear 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 370.115.12
E 928.703.85

N 370.052.72
E 930.298.18

58.65 ACRE UNIT

J74

N 368.515.09
E 928.644.40

N 368.452.63
E 930.238.90

BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CNX-J74
CNX-J75 N 73°23'43" E 1254.61'
CNX-J74A N 5°48'23" E 1381.41'
CNX-J74 S 22°52'48" E 1833.02'

COMMONWEALTH OF VIRGINIA
RICHARD C. MURPHY
Lic. No. 041893
02/14/11
PROFESSIONAL ENGINEER

EXHIBIT A
NDRA FIELD
UNIT J74
FORCE POOLING
VGDB-11-0315-2929

Company CNX Gas Company LLC Well Name and Number UNIT J74
Tract No. _____ Elevation _____ Quadrangle HARMAN
County BUCHANAN District ROCK LICK Scale: 1" = 400' Date _____
This plat is a new plat X : on an updated plat _____ : or a final plat _____

Form OGO-GD-7
Rev. 9/91

Richard C. Murphy (Affix Seal)
Licensed Professional Engineer or Licensed Land Surveyor

CNX Gas Company LLC
UNIT J74
Tract Identifications

180001327

1. Bull Creek Coal Company (Grant Davis 471.60 Acre Tract) – Fee
Wellmore Energy Company, LLC – Coal in Hagy and above Seams Leased
Wellmore Energy Company, LLC – Coal in Splashdam Seam Leased (Subleased from Penn Virginia
Resource Partners)
Range Resources-Appalachia, LLC – Oil and Gas Leased
CNX Gas Company LLC – CBM Leased
52.01 Acres 88.6786%
- 2A. Bull Creek Coal Company (Bartley Belcher 393.71 Acre Tract) – Coal
Wellmore Energy Company, LLC – Coal in Hagy and above Seams Leased
Wellmore Energy Company, LLC – Coal in Splashdam Seam Leased (Subleased from Penn Virginia
Resource Partners)
CNX Gas Company LLC – CBM Leased
Steven Smith, et al – Surface, Oil & Gas Owner
CNX Gas Company LLC – Oil, Gas and CBM Leased
4.60 Acres 7.8431%
- 2B. Bull Creek Coal Company (Bartley Belcher 393.71 Acre Tract) – Coal
Wellmore Energy Company, LLC – Coal in Hagy and above Seams Leased
Wellmore Energy Company, LLC – Coal in Splashdam Seam Leased (Subleased from Penn Virginia
Resource Partners)
CNX Gas Company LLC – CBM Leased
Steven Smith, et al – Surface, Oil & Gas Owner
CNX Gas Company LLC – Oil, Gas and CBM Leased
1.74 Acres 2.9668%
3. Bull Creek Coal Company (Henry Looney 266.18 Acre Tract) – Fee
Wellmore Energy Company, LLC – Coal in Hagy and above Seams Leased
Wellmore Energy Company, LLC – Coal in Splashdam Seam Leased (Subleased from Penn Virginia
Resource Partners)
Range Resources-Appalachia, LLC – Oil and Gas Leased
CNX Gas Company LLC – CBM Leased
0.30 Acres 0.5115%

(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 B-2
Unit J-74
Docket #VGOB 11-0315-2929-01
List of Owners to be Dismissed/Added

180001327

	Acres in Unit	Percent of Unit	Reason for Dismissal
II. OIL & GAS OWNERSHIP			
<u>Tract #2A - 4.60 Acres</u>			
Bartley Belcher Heirs, Devisees, Successors or Assigns (393.71 acre tract)	4.60 acres	7.8431%	
<i>As a result of ongoing due diligence and updated title information, the individuals listed below are no longer owners</i>			
(1) Steven Smith, et al.			
(a) Ella Mae Looney Heirs, Devisees, Successors or Assigns			
(a.1) Ernest Looney Heirs, Devisees, Successors or Assigns			
(a.1.1) Ernest Looney Family Trust ** c/o George E. Looney PO Box 70 Gary, WV 24836			Not an Owner
<i>** Note: The Ernest Looney Family Trust terminates upon the death of Thelma Wallace Looney and the trust property is to be distributed to George Edward Looney 50%, John Douglas Looney (40%) & Travin Looney (10%).</i>			
(a.2) Edith Hunt Heirs, Devisees, Successors or Assigns			
(a.2.1) Barbara Thompson 4700 Del Sol Blvd Sarasota, FL 34243			Not an Owner
(a.3) Edgar Looney Heirs, Devisees, Successors or Assigns			
(a.3.1) Ruby Edith Compton-Looney PO Box 1529 105 Floyd Ave. Richlands, VA 24641			Not an Owner
(a.4) Edison Looney Heirs, Devisees, Successors or Assigns			
(a.4.1) George Dean Looney 734 Kents Ridge Rd Richlands, VA 24641			Not an Owner
(c) Elmer Belcher Heirs, Devisees, Successors or Assigns			
(c.1) Jettie H. Belcher Heirs, Devisees, Successors or Assigns			
(c.1.1) Sherlene Johnston 108 Calumet Ct. Maryville, TN 37801			Not an Owner
(d) Earl Belcher and Cora B. Elliott Heirs, Devisees, Successors or Assigns			
(d.1) Shirley Clark Belcher 28542 Riverside Drive Grundy, VA 24614			Not an Owner

Exhibit B-2
Unit J-74
Docket #VGOB 11-0315-2929-01
List of Owners to be Dismissed/Added

180001327

	Acres in Unit	Percent of Unit	Reason for Dismissal
(e) Ocea B. Sluss Heirs, Devisees, Successors or Assigns			
(e.1) Julia Antoinette Sluss Allison Heirs, Devisees, Successors or Assigns			
(e.1.1) Richard Carrington Allison Heirs, Devisees, Successors or Assigns			
(e.1.1.1) Richard Craig Allison 5443 Community House Road Goochland, VA 23063			Not an Owner
(e.1.1.2) Virginia Anne Allison Waller 3112 Three Chopt Road Gum Spring, VA 23065			Not an Owner
(e.2) Dr. James A. Sluss, Jr. <i>Deceased - Documentation Pending</i>			Not an Owner
<i>Possible Heirs</i>			
(e.2.1) James R. Sluss 334 Merrymeeting Road New Durham, NH 03855-2105			
(e.2.2) Mana Daisy Santana Sluss c/o James R. Sluss 334 Merrymeeting Road New Durham, NH 03855-2105			
(e.3) Maurice Craig Sluss Heirs, Devisees, Successors or Assigns			
(e.3.1) Ora May Sluss 4520 Orchard Tract Roswell, GA 30076			Not an Owner
(f) E. Russell Belcher Heirs, Devisees, Successors or Assigns			
(f.1) Katherine Lynn Allen PO Box 54 Great Meadows, NJ 07838			Not an Owner
(f.2) Russell Dayton Belcher 2420 Evans Drive Silver Springs, MD 20902			Not an Owner
(g) Gladys K. Akers Heirs, Devisees, Successors or Assigns			
(g.1) Catherine Sue Akers, for the benefit, for life, Remainder to Carol Moore & Lawrence James Akers (Lawrence J. Akers, Trustee) <i>Deceased</i>			
(g.2) Lawrence James Akers 4304 Audley Green Terrace Williamsburg, VA 23188			Not an Owner
(g.3) Carol Akers Moore c/o Lisa Holland, POA 2015 Smalleys Dam Circle Suffolk, VA 23434			Not an Owner

Exhibit B-2
Unit J-74
Docket #VGOB 11-0315-2929-01
List of Owners to be Dismissed/Added

180001327

	Acres in Unit	Percent of Unit	Reason for Dismissal
<u>Tract #2B - 1.74 Acres</u>			
Bartley Belcher Heirs, Devisees, Successors or Assigns (393.71 acre tract)	1.74 acres	2.9668%	
<i>As a result of ongoing due diligence and updated title information, the individuals listed below are no longer owners</i>			
(1) Steven Smith, et al.			
(a) Ella Mae Looney Heirs, Devisees, Successors or Assigns			
(a.1) Ernest Looney Heirs, Devisees, Successors or Assigns			
(a.1.1) Ernest Looney Family Trust ** c/o George E. Looney PO Box 70 Gary, WV 24836			Not an Owner
** Note: The Ernest Looney Family Trust terminates upon the death of Thelma Wallace Looney and the trust property is to be distributed to George Edward Looney 50%, John Douglas Looney (40%) & Travin Looney (10%).			
(a.2) Edith Hunt Heirs, Devisees, Successors or Assigns			
(a.2.1) Barbara Thompson 4700 Del Sol Blvd Sarasota, FL 34243			Not an Owner
(a.3) Edgar Looney Heirs, Devisees, Successors or Assigns			
(a.3.1) Ruby Edith Compton-Looney PO Box 1529 105 Floyd Ave. Richlands, VA 24641			Not an Owner
(a.4) Edison Looney Heirs, Devisees, Successors or Assigns			
(a.4.1) George Dean Looney 734 Kents Ridge Rd Richlands, VA 24641			Not an Owner
(c) Elmer Belcher Heirs, Devisees, Successors or Assigns			
(c.1) Jettie H. Belcher Heirs, Devisees, Successors or Assigns			
(c.1.1) Sherlene Johnston 108 Calumet Ct. Maryville, TN 37801			Not an Owner
(d) Earl Belcher and Cora B. Elliott Heirs, Devisees, Successors or Assigns			
(d.1) Shirley Clark Belcher 28542 Riverside Drive Grundy, VA 24614			Not an Owner
(e) Ocea B. Sluss Heirs, Devisees, Successors or Assigns			

Exhibit B-2
Unit J-74
Docket #VGOB 11-0315-2929-01
List of Owners to be Dismissed/Added

180001327

	Acres in Unit	Percent of Unit	Reason for Dismissal
(e.1) Julia Antoinette Sluss Allison Heirs, Devisees, Successors or Assigns			
(e.1.1) Richard Carrington Allison Heirs, Devisees, Successors or Assigns			
(e.1.1.1) Richard Craig Allison 5443 Community House Road Goochland, VA 23063			Not an Owner
(e.1.1.2) Virginia Anne Allison Waller 3112 Three Chopt Road Gum Spring, VA 23065			Not an Owner
(e.2) Dr. James A. Sluss, Jr. <i>Deceased - Documentation Pending</i>			Not an Owner
<i>Possible Heirs</i>			
(e.2.1) James R. Sluss 334 Merrymeeting Road New Durham, NH 03855-2105			
(e.2.2) Mana Daisy Santana Sluss c/o James R. Sluss 334 Merrymeeting Road New Durham, NH 03855-2105			
(e.3) Maurice Craig Sluss Heirs, Devisees, Successors or Assigns			
(e.3.1) Ora May Sluss 4520 Orchard Tract Roswell, GA 30076			Not an Owner
(f) E. Russell Belcher Heirs, Devisees, Successors or Assigns			
(f.1) Katherine Lynn Allen PO Box 54 Great Meadows, NJ 07838			Not an Owner
(f.2) Russell Dayton Belcher 2420 Evans Drive Silver Springs, MD 20902			Not an Owner
(g) Gladys K. Akers Heirs, Devisees, Successors or Assigns			
(g.1) Catherine Sue Akers, for the benefit, for life, Remainder to Carol Moore & Lawrence James Akers (Lawrence J. Akers, Trustee) <i>Deceased</i>			
(g.2) Lawrence James Akers 4304 Audley Green Terrace Williamsburg, VA 23188			Not an Owner
(g.3) Carol Akers Moore c/o Lisa Holland, POA 2015 Smalleys Dam Circle Suffolk, VA 23434			Not an Owner

Exhibit E
Unit J-74
Docket VGOB # 11-0315-2929-01
List of Owners/Claimants that require escrow
(58.65 Acre Unit)

	Net Acres In Unit	Interest In Unit
<u>Tract #2A - 4.60 Acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Bull Creek Coal Company <i>Tract 3 (Bartley Belcher - 393.71 acre tract)</i> P.O. Box 187 Tazewell, VA 24651	4.60 acres	7.8431%
<u>OIL & GAS OWNERSHIP</u>		
<u>Outstanding W9/Affidavit</u>		
Bartley Belcher Heirs, Devisees, Successors or Assigns <i>(393.71 acre tract)</i>	4.60 acres	7.8431%
(1) Steven Smith, et al		
(b) The Sharon Smith Hembree Trust 22054 Capri Avenue Abingdon, VA 24210	1.53 acres 1/3 of 4.60 acres	2.6144%
<u>Tract #2B - 1.74 Acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Bull Creek Coal Company <i>Tract 3 (Bartley Belcher - 393.71 acre tract)</i> P.O. Box 187 Tazewell, VA 24651	1.74 acres	2.9668%
<u>OIL & GAS OWNERSHIP</u>		
<u>Outstanding W9/Affidavit</u>		
Bartley Belcher Heirs, Devisees, Successors or Assigns <i>(393.71 acre tract)</i>	1.74 acres	2.9668%
(1) Steven Smith, et al		
(b) The Sharon Smith Hembree Trust 22054 Capri Avenue Abingdon, VA 24210	0.58 acres 1/3 of 1.74 acres	0.9889%

Exhibit EE
Unit J-74
Docket VGOB # 11-0315-2929-01
List of Respondents with Court Order/Royalty Division Agreement/HB2058
(58.65 Acre Unit)

180001327

	Net Acres In Unit	Interest in Unit	Percent of Escrow
<u>Tract #2A - 4.60 Acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company Tract 3 (Bartley Belcher - 393.71 acre tract) P.O. Box 187 Tazewell, VA 24651	4.60 acres	7.8431%	n/a
<u>OIL & GAS OWNERSHIP</u>			
Bartley Belcher Heirs, Devisees, Successors or Assigns, et al (393.71 acre tract)	4.60 acres	7.8431%	
(1) Steven Smith, et al			
(a) Steven C. Smith 19042 Lake Road Abingdon, VA 24211	1.53 acres 1/3 of 4.60 acres	2.6144%	24.1851% HB2058
(c) Stephanie Smith David 301 Sandy Lane Richlands, VA 24641	1.53 acres 1/3 of 4.60 acres	2.6144%	24.1851% HB2058
<u>Tract #2B - 1.74 Acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Bull Creek Coal Company Tract 3 (Bartley Belcher - 393.71 acre tract) P.O. Box 187 Tazewell, VA 24651	1.74 acres	2.9668%	n/a
<u>OIL & GAS OWNERSHIP</u>			
Bartley Belcher Heirs, Devisees, Successors or Assigns, et al (393.71 acre tract)	1.74 acres	2.9668%	
(1) Steven Smith, et al			
(a) Steven C. Smith 19042 Lake Road Abingdon, VA 24211	0.58 acres 1/3 of 4.60 acres	0.9889%	9.1483% HB2058
(c) Stephanie Smith David 301 Sandy Lane Richlands, VA 24641	0.58 acres 1/3 of 4.60 acres	0.9889%	9.1483% HB2058
Total Acres Resolved		4.23	
Total Percentage Resolved		7.2066%	

INSTRUMENT 180001327
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY CIRCUIT COURT ON
August 9, 2018 AT 11:34 AM
BEVERLY S. TILLER, CLERK
RECORDED BY: CXE