

Instrument prepared by:

**VIRGINIA GAS AND OIL BOARD**

Order recorded under:

**CODE OF VIRGINIA**

**§ 45.2-1628**

**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 § 45.2-1600 (et seq)

**UNITWELL NAME:** J74

**TRACT(S):** 2A, 2B

**LOCATION:** BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-11-0315-2929-02

**APPLICANTS:** Pocahontas Gas LLC on behalf of Sharon Hembree Family Trust

**HEARING DATE AND LOCATION:** On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Gas and Oil Director the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.2-1624 Effective date: July 1, 2015.

**APPEARANCES:** Mark A. Swartz on behalf of Pocahontas Gas LLC

**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 09/08/2011, Recorded on 09/27/2011, Deed Book/Instrument No. 110002362, County BUCHANAN.
2. Supplemental Order, Recorded on 04/23/2012, Deed Book/Instrument No. 120000762, County BUCHANAN.
3. Disbursement Order -01 Executed 07/31/2018, Recorded on 08/09/2018, Deed Book/Instrument No. 180001327, County BUCHANAN.

**NOTICE:**

220000867

- (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 § 45.2-1622 AND § 45.2-1624.

Applicant has certified and represented to the Board that:

- a. Sharon Hembree Family Trust is the gas claimants in Tract(s) 2A & 2B. As such Sharon Hembree Family Trust 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. § 45.2-1624.A.
- b. That Pocahontas Gas LLC (previously CNX Gas Company LLC) has previously given the notice(s) required by § 45.2-1624.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 11-0315-2929-01, it dismissed the coal claimant Bull Creek Coal Company, as a Respondent to these proceedings. Accordingly, Bull Creek Coal Company was not provided further notice under § 45.2-1618 and 1624 of the hearing set on this Petition.
- d. That a detailed accounting in accordance with the applicable provisions of § 45.2-1624 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. § 45.2-1624.A, further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant Sharon Hembree Family Trust 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 § 45.2-1609 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 8 day of July, 2022 by a majority of the Virginia Gas and Oil Board.

Interim Chairman, Donald L. Ratliff

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 8th day of July, 2022, personally before me a notary public in and for the Commonwealth of Virginia, appeared Donald L. Ratliff, being duly sworn did depose and say that he is the Interim Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Sarah Jessee Gilmer, Notary Public  
262946



My Commission expires: July 31, 2025

DONE AND PERFORMED this 9 day of July, 2022 by Order of the Virginia Gas and Oil Board.

James P. Skorupa  
Principal Executive to the staff,  
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 9th day of July, 2022, personally before me a notary public in and for the Commonwealth of Virginia, appeared James P. Skorupa, being duly sworn did depose and say that he is the Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Sarah Jessee Gilmer, Notary Public  
262946



My Commission expires: July 31, 2025

## BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: Pocahontas Gas LLC

GAS AND OIL PROGRAM

DOCKET NO: VGOB

11-0315-2929-02

**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 45.2-1624.**

**HEARING DATE:** On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Gas and Oil Director the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.2-1624. 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 Pocahontas Gas 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 & 2B as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Sharon Hembree Family Trust.

**3. Legal Authority**

Va. Code Ann. § 45.2-1600 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

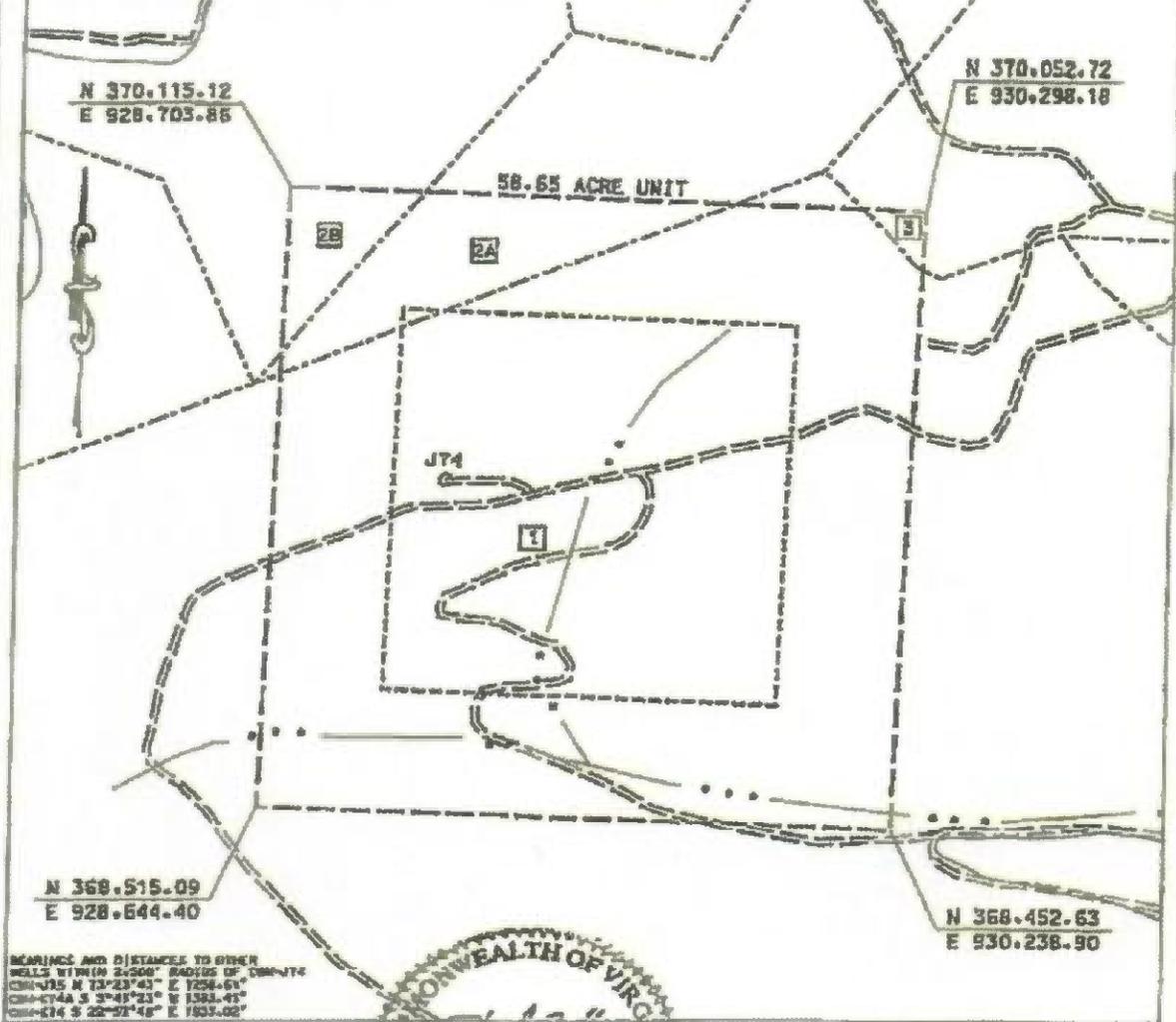
**5. Factual basis for relief requested**

- a. Sharon Hembree Family Trust is the gas claimants in Tract(s) 2A & 2B. As such Sharon Hembree Family Trust 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. § 45.2-1624.A.
- b. That Pocahontas Gas LLC (previously CNX Gas Company LLC) has previously given the notice(s) required by § 45.2-1624.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 11-0315-2929-01, it dismissed the coal claimant Bull Creek Coal Company, as a Respondent to these proceedings. Accordingly, Bull Creek Coal Company was not provided further notice under § 45.2-1618 and 1624 of the hearing set on this Petition.
- d. That a detailed accounting in accordance with the applicable provisions of § 45.2-1624 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. § 45.2-1624.A. further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant Sharon Hembree Family Trust 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 plat were provided by CNX Gas Company LLC and were taken from field descriptions and shots of file 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 24000' RADIUS OF UNIT:  
 CNX-135 N 73°23'43" E 1256.61'  
 CNX-174 S 2°49'23" E 1381.97'  
 CNX-214 S 22°22'48" E 1837.02'

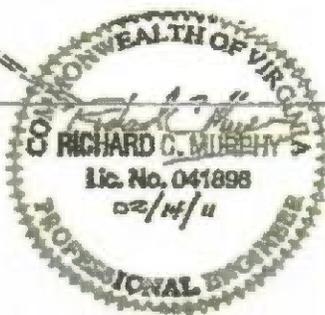


EXHIBIT A  
 NDRA FIELD  
 UNIT J74  
 FORCE POOLING  
 VG08-11-0315-2929

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 updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-GD-7 Richard Muehly (Affix Seal)  
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

**CNX Gas Company LLC**  
**UNIT J74**  
**Tract Identifications**

220000867

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 E  
Unit J-74  
Docket VGOB # 11-0315-2929-02  
List of Owners/Claimants that require escrow  
(58.65 Acre Unit)

220000867

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	Net Acres in Unit	Interest in Unit
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*Escrowing no longer required*

Exhibit EE  
Unit J-74

Docket VGOB # 11-0315-2929-02

List of Respondents with Court Order/Royalty Division Agreement/HB2058  
(58.65 Acre Unit)

	Net Acres in Unit	Interest in Unit	Percent of Escrow
<b><u>Tract #2A - 4.60 Acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(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
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
Bartley Belcher Heirs, Devises, 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%	n/a
(b) Sharon Hembree Family Trust 1235 Sugarberry Street Naples, FL 34117	1.53 acres 1/3 of 4.60 acres	2.6144%	72.5552% HB2058
(c) Stephanie Smith David 15402 High Meadows Trail Bristol, VA 24202	1.53 acres 1/3 of 4.60 acres	2.6144%	n/a
	Tract Acres 4.60		
	Tract Percentage 7.8431%		
<b><u>Tract #2B - 1.74 Acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(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
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
Bartley Belcher Heirs, Devises, 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%	n/a
(b) Sharon Hembree Family Trust 1235 Sugarberry Street Naples, FL 34117	0.58 acres 1/3 of 1.74 acres	0.9889%	27.4448% HB2058
(c) Stephanie Smith David 15402 High Meadows Trail Bristol, VA 24202	0.58 acres 1/3 of 4.60 acres	0.9889%	n/a
	Tract Acres 1.74		
	Tract Percentage 2.9668%		
	<b>Total Acres Resolved</b> 6.34		
	<b>Total Percentage Resolved</b> 10.8099%		

ACU-SV  
#21

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INSTRUMENT 220000867  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY CIRCUIT COURT ON  
JULY 22, 2022 AT 01:50 PM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB