

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	CNX GAS COMPANY LLC	)	VIRGINIA GAS
		)	AND OIL BOARD
RELIEF SOUGHT:	(1) ESTABLISHMENT OF THE DRILLING	)	
	UNIT DEPICTED IN EXHIBIT A HERETO	)	
	AND SERVED BY WELL NO. UUU27SH	)	DOCKET NO.
	(herein "Subject Drilling Unit")	)	11-0816-2981
	PURSUANT TO VA. CODE § 45.1-361.20;	)	
	(2) POOLING OF INTERESTS IN	)	
	SUBJECT DRILLING UNIT PURSUANT TO	)	
	VA. CODE § 45.1-361.21, FOR THE	)	
	PRODUCTION OF GAS OTHER THAN	)	
	COALBED METHANE GAS FROM SUBJECT	)	
	FORMATIONS (herein referred	)	
	to as "Conventional Gas" or "Gas");	)	
	and (3) DESIGNATE THE APPLICANT	)	
	AS THE UNIT OPERATOR FOR THE	)	
	SUBJECT DRILLING UNIT	)	
		)	
LEGAL DESCRIPTION:		)	
		)	
	DRILLING UNIT SERVED BY WELL NUMBERED	)	
	UUU27SH TO BE DRILLED IN THE LOCATION	)	
	DEPICTED ON EXHIBIT A HERETO,	)	
	PATTERSON QUADRANGLE	)	
	NORTH GRUNDY MAGISTERIAL DISTRICT	)	
	BUCHANAN COUNTY, VIRGINIA	)	
	(the "Subject Lands" are more particularly	)	
	described on Exhibit A attached hereto	)	
	and made a part hereof)	)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came for final hearing before the Virginia Gas and Oil board (hereafter "Board") at 9:00 a.m. on August 16, 2011 at the Russell County Conference Center, Lebanon, Virginia.

2. Appearances: Mark Swartz, Esquire, of the firm Swartz Law Offices, PLLC, appeared for the Applicant. Sharon M.B. Pigeon, Assistant Attorney General was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Va. Code § 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies,

businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of the Application filed herein; and (3) that the persons set forth in their Application and Notice of Hearing have been identified by Applicant through its due diligence as Owners or Claimants of Conventional Gas interests underlying Subject Drilling Unit, including those set out in Exhibit B-3 who have not heretofore leased, sold or voluntarily agreed with the Applicant to pool their Gas interests in Subject Drilling Unit. Conflicting Gas Owners/Claimants in Subject Drilling Unit are listed on Exhibit E. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of due process.

4. Amendments: None

5. Dismissals: None

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.20, the Board establish Subject Drilling Unit to be served by Well UUU27SH; and (2) that pursuant to Va. Code § 45.1-361.21, the Board pool the rights, interests and estates in and to the Conventional Gas of the known and unknown persons listed in the attached Exhibit B-3, and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Conventional Gas from the Subject Drilling Unit established for Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "Well Development and/or Operation in the Subject Drilling Unit"); and, (3) that the Board designate CNX Gas Company LLC as Unit Operator.

7. Relief Granted: The requested relief in this cause shall be and hereby is granted.

7.1 The Board hereby: (1) establishes Subject Drilling Unit pursuant to Va. Code § 45.1-361.20; (2) pursuant to Va. Code § 45.1-361.21.C.3, CNX Gas Company LLC (hereafter "Unit Operator") is designated as the Operator authorized to drill and operate Well No. UUU27SH in the Subject Drilling Unit at the location depicted on the plat attached hereto as Exhibit A to produce Conventional Gas from Subject Formations, subject to the permit provisions contained in § 45.1-361.27 et seq., Code of Virginia, 1950 as amended, to § 4 VAC 25-150 et seq., Gas and Oil Regulations and to § 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time; and (3) the rights, interests and estates in and to the Conventional Gas in Subject Drilling Unit including those of the known and unknown persons listed on Exhibit B-3, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands. There are no applicable field rules and the unit is subject to statewide spacing requirements of Va. Code § 45.1-361.17.

8. Election and Election Period: In the event any Gas owner named in the Application and Notice of Hearing has not heretofore reached a voluntary agreement to share in the operation of the well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said Gas owner and the

Operator, then, such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date of receipt of a copy of this Order. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed his written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

- 9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in Exhibit B-3 who has not reached a voluntary agreement with the Operator may elect to participate in the Well Development and Operation on the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the Well Development and Operation, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Completion-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs: \$1,553,527.00

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operators' "Percent of Unit" times the Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Completed-for-Production Cost as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the Well Development and Operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in Exhibit B-3 in the unit who has not reached a voluntary agreement with the Operator may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Gas

produced from any Well Development and Operation covered by this Order multiplied by the Gas owner's percentage Interest Within Unit as set forth in the Application and Notice of Hearing (for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within one hundred twenty (120) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing Gas owner in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any Well Development and Operation covered hereby and such electing person shall be deemed to and hereby does lease and assign its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the Well Development and Operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any Gas Owner or Claimant named in Exhibit B-3 hereto who does not reach a voluntary agreement with the Operator may elect to share in the Well Development and Operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of

such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which his interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in Exhibit B-3 hereto does not reach a voluntary agreement with the Applicant and fails to do so within the time, in the manner, and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed Well Development and Operation in Subject Drilling Unit and shall be deemed, subject to any final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to Gas in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in Exhibit B-3 elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within one hundred twenty (120) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the

Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in Exhibit B-3 is unable to reach a voluntary agreement to share in the Well Development and Operation contemplated by this Order at a rate of payment agreed to mutually by said Owner or Claimant and the Applicant, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the Well Development and Operation in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Applicant such person's right, interests, and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections.

13. Unit Operator (or Operator): CNX Gas Company LLC, shall be and hereby is designated as Unit Operator authorized to drill and operate Well No. UUU27SH in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code § 45.1-361.27 et seq., §§ 4 VAC 25-150 et seq., Gas and Oil Regulations and §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

CNX Gas Company LLC
2481 John Nash Blvd.
Bluefield, WV 24701
Attn: Anita D. Duty

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the well covered hereby within seven hundred and thirty (730) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which the well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the two-year period referenced herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating the well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

Applicant has represented to the Board that there are no unknown and/or unlocatable Gas owners within Subject Drilling Unit whose interests are subject to the escrow requirements of Paragraph 16.1 in the Subject Drilling Unit; and, the Applicant has represented to the Board that there are no conflicting

claimants in the Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.2 hereof. Therefore, by the Order and unless and until otherwise ordered by the Board, the Escrow Agent is not required to establish an interest-bearing escrow account for the Subject Drilling Unit and to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described Paragraphs 16.1 and 16.2:

First Bank & Trust Company
PO Box 3860
Kingsport, TN 37664
Attn: Debbie Davis

16.1 Escrow Provisions for Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment or other payment shall not be commingled with any funds of the Unit Operator and shall, pursuant to Va. Code § 45.1-361.21.D, be deposited by the Operator into the Escrow Account, commencing within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to order of the Board in accordance with Va. Code § 45.1-361.21.D.

16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to Unit Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:

17.1. CNX Gas Company LLC is a Virginia limited liability company. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;

17.2. CNX Gas Company LLC is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;

- 17.3. CNX Gas Company LLC claims ownership of Gas leases on 87.2563 percent of Subject Drilling Unit and the right to explore for, develop and produce Gas from same;
- 17.4. Applicant has proposed the drilling of Well UUU27SH to a depth of 8000 feet on the Subject Drilling Unit at the location depicted in Exhibit A to develop the pool of Gas in Subject Formations, and to complete and operate Well TTT28SH for the purpose of producing Conventional Gas.
- 17.5 The estimated production of the life of the proposed Well is 500 MMCF to 1 BCF.
- 17.6 With this Application, notice was provided to everyone claiming an ownership interest relative to the production of conventional gas in the Subject Drilling Unit. Set forth in Exhibit B-3, is the name and last known address of each Owner or Claimant identified by the Applicant as Gas owners in Subject Drilling Unit who has not, in writing, leased to the Applicant or the Unit Operator or agreed to voluntarily pool his interests in Subject Drilling Unit for its development. Gas interests unleased to the Operator and listed in Exhibit B-3 represent 12.7437 percent of Subject Drilling Unit;
- 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in the Wells are those options provided in Paragraph 9 above;
- 17.8 The Subject Drilling Unit does not constitute an unreasonable or arbitrary exercise of Applicant's right to explore for or produce Gas;
- 17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in Exhibit B-3 hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Conventional Gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.
18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt by the Unit Operator to each Respondent named in Exhibit B-3 pooled by this Order and whose address is known.
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or

his Inspector(s).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.

22. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 25 day of Oct., 2011, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 25 day of Oct., 2011, by Order of the Board.

Rick Cooper
Rick Cooper
(Acting) Principal Executive to the Staff, Virginia Gas and Oil Board

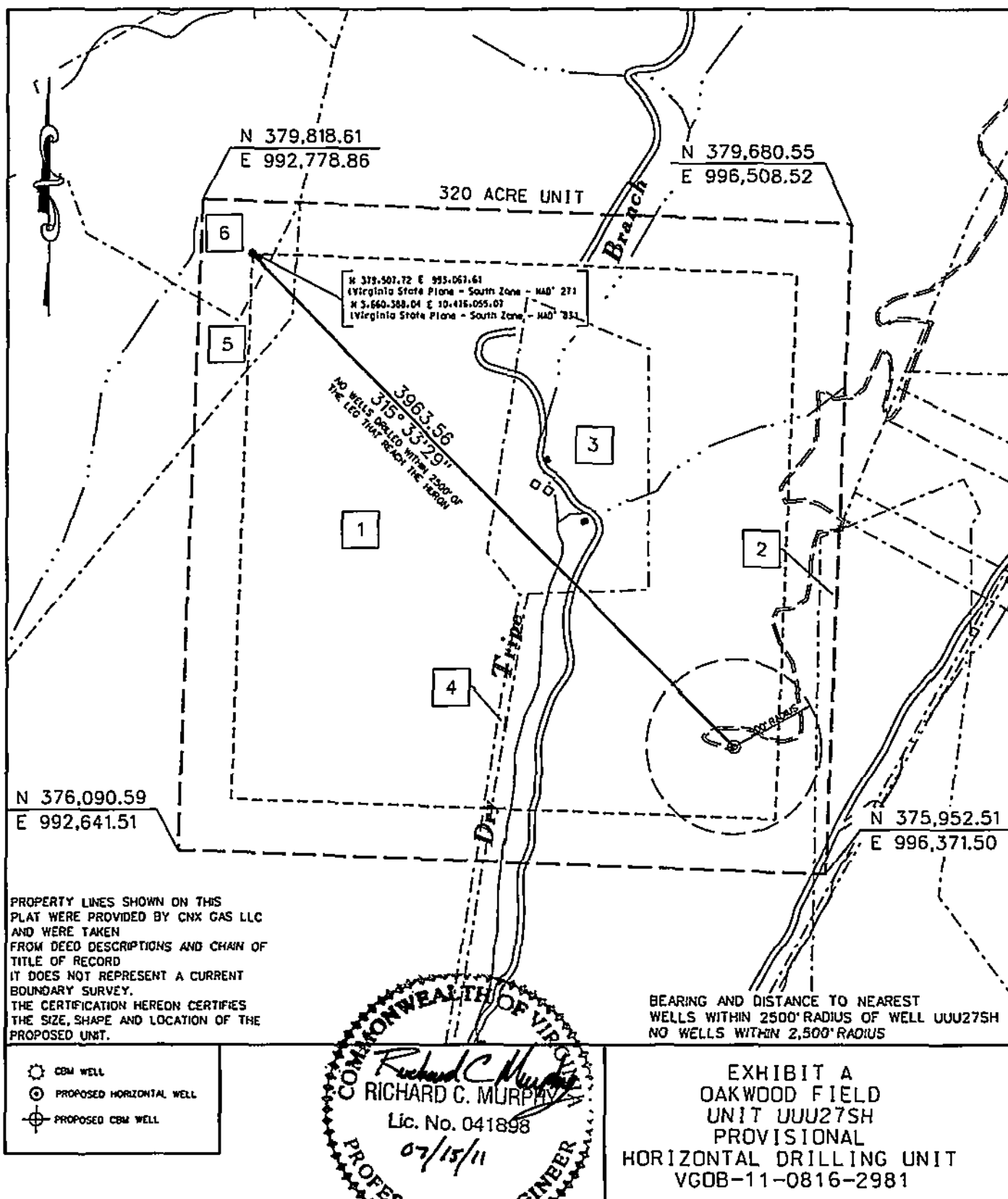
STATE OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 25 day of Oct., 2011, 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 Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

Diane Davis
Diane Davis, Notary Public
174394

My commission expires: September 30, 2013





Company CNX Gas Company LLC Well Name and Number UNIT UUU27SH
 Tract No. _____ Elevation _____ Quadrangle PATTERSON
 County BUCHANAN District NORTH GRUNDY Scale: 1" = 800' Date _____
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91

Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

CNX Gas Company LLC
UNIT UUU27SH
Tract Identifications
(320 Acre Unit)

1. **WPP LLC (1,818.44 Acre Tract) – Coal**
 United Coal Company (The Black Diamond Company)–All Coal in and Above the
 Splashdam Seam Leased
 Jewell Smokeless Coal Corporation – All Coal Below Drainage Leased
 Highland Resources, Inc./North American Resources Corp. – Oil and Gas
 CNX Gas Company LLC – Oil and Gas Leased
 Plum Creek Timberlands, LP – CBM
 CNX Gas Company LLC – Surface
 272.44 acres 85.1375%

2. **Buchanan Energy Company (100 Acre Tract) – All Minerals**
 Unknown Surface Owner
 3.91 acres 1.2219%

3. **Buchanan Realty Company, LLC (34.31 Acre Tract) – All Minerals**
 Range Resources – Appalachia, LLC – Oil and Gas Leased
 CNX Gas Company LLC – CBM Leased
 Unknown Surface Owner
 29.25 acres 9.1406%

4. **Buchanan Realty Company, LLC (p/o 3.48 Acre Tract) – Fee**
 Range Resources – Appalachia, LLC – Oil and Gas Leased
 CNX Gas Company LLC – CBM Leased
 1.65 acres 0.5156%

5. **WPP LLC (1039.60 Acre Tract) – Coal**
 United Coal Company (The Black Diamond Company)–All Coal in and Above the
 Splashdam Seam Leased
 Jewell Smokeless Coal Corporation – All Coal Below Drainage Leased
 Highland Resources, Inc./North American Resources Corp. – Oil and Gas
 CNX Gas Company LLC – Oil and Gas Leased
 Plum Creek Timberlands, LP – CBM
 CNX Gas Company LLC – Surface
 6.78 acres 2.1188%

6. **Buchanan Realty Company, LLC (45.17 Acre Tract) – All Minerals**
 Range Resources – Appalachia, LLC – Oil and Gas Leased
 CNX Gas Company LLC – CBM Leased
 Dawneda Williams, et al – Surface
 5.97 acres 1.8656%

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO.: VGOB 11-0816-2981

RELIEF SOUGHT: CREATION OF PROVISIONAL
DRILLING UNIT and POOLING

LOCATION: SEE EXHIBITS "A" AND "A1"

HEARING DATE: August 16, 2011

UNIT NUMBER: UUU27SH Horizontal Unit

BUCHANAN COUNTY, VIRGINIA

APPLICATION

1. Applicant and its counsel: Applicant is CNX Gas Company LLC, 2481 John Nash Blvd., Bluefield, West Virginia 24701, 304.323.6500. Applicant's counsel is Mark A. Swartz, of the firm Swartz Law Offices, PLLC, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.

2. Relief sought: Creation of provisional drilling unit and pooling.

3. Legal Authority: Va. Code Ann. § 45.1-361.1 *et seq.* 4 VAC 25-160-10 *et seq.* and relevant Virginia Oil and Gas Orders hereto for promulgated.

4. Type of well: Conventional gas by horizontal drilling.

5. Permit numbers, if any:

6. Plat: Annexed hereto are Exhibit A and the Tract Identifications for Exhibit A. The Plat shows the size and shape of the unit and the boundaries of the tracts within the unit. The plat is certified by a licensed professional engineer and is attested by the undersigned on behalf of the applicant to be in conformity with existing orders issued by the Board.

The proposed conventional unit for horizontal well production is a combination of Oakwood Units TTT26, TTT27, UUU26 and UUU27. The acreage in the proposed unit is 320.00 acres.

The boundaries of the proposed drilling unit are depicted on Exhibit A. Said boundaries are described using the State Plane Coordinate System as required by 4 VAC 25-160-50.5.c. and are as follows:

Beginning at a point, Virginia State Plane NAD 27 coordinate of N:379818.610 E:992778.860 feet to a point; S87°52'48" E 3732.21 feet to a point; S02°06'18" W 3730.56 feet to a point; N87°52'48" W 3732.54 feet to a point; N02°06'36" E 3730.55 feet to a point of beginning, containing 320.00 acres.

7. Status of interests to be pooled and Applicant's standing: The Respondents whose interests are sought to be affected and/or pooled by the Applicant are:

Highland Resources, Inc./North American Resources Corporation, Buchanan Energy Company, Buchanan Realty Company, LLC and Range Resources – Appalachia, LLC

Certain of the Respondents named herein are listed in Exhibit B-3 hereto which describes their interests/claims. The annexed Exhibit A, page 2, sets forth the total interest(s) held by Applicant in the unit.

8. **Formation(s) to be produced and estimates:** Devonian Shale, also referred to as Lower Huron. The estimated total production from subject unit is 500 MMCF to 1 BCF. These figures concerning estimated production and the amount of reserves are, however, estimates only that are not based upon actual production and should not be relied upon for any purpose. It should not be assumed that final production before plugging and abandonment will equal estimated reserves.

9. **Estimate of allowable costs:** \$1,553,527.00

10. **Attestation:** The foregoing application to the best of my knowledge, information, and belief is true and correct.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at 9:00 AM, on August 16, 2011, at the Russell County Conference Center, Lebanon, Virginia 24266, and that notice will be published as required by law and the rules of the Board.

NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. For further information or a copy of the application and exhibits, either contact the Virginia Gas and Oil Board, State Oil and Gas Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P. O. Box 159, Lebanon, Virginia 24266, 276/415-9650 or the Applicant at the address shown below.

DATED: 7 | 15 | 11

CNX Gas Company LLC
Applicant

By:

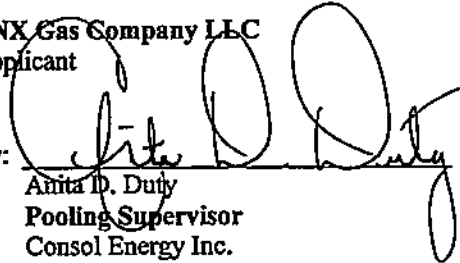

Anita D. Duty
Pooling Supervisor
Consol Energy Inc.
2481 John Nash Blvd.
Bluefield, WV 24701

Exhibit B-3
Unit UUU27SH - Provisional Horizontal Drilling Unit
VGOB Docket #11-0816-2981
Units TTT26, TTT27, UUU26 & UUU27
List of Unleased Owners/Claimants
(320.00 Acre Horizontal Unit)

	Acres in Unit	Percent of Unit
I. OIL & GAS OWNERSHIP		
<u>Tract #2, 3.91 Acres</u>		
(1) Buchanan Energy Company (100.00 acre tract) P. O. Box 2345 Abingdon, VA 24212-2345	3.91 acres	1.2219%
<u>Tract #3, 29.25 Acres</u>		
(1) Buchanan Realty Company, LLC * (34.31 acre tract) c/o John C. Irvin, Managing Partner 4710 Hunterwood Circle Richmond, TX 77406	29.25 acres	9.1406%
<u>Tract #4, 1.65 Acres</u>		
(1) Buchanan Realty Company, LLC * (p/o 3.48 acre tract) c/o John C. Irvin, Managing Partner 4710 Hunterwood Circle Richmond, TX 77406	1.65 acres	0.5156%
<u>Tract #6, 5.97 Acres</u>		
(1) Buchanan Realty Company, LLC * (45.17 acre tract) c/o John C. Irvin, Managing Partner 4710 Hunterwood Circle Richmond, TX 77406	5.97 acres	1.8656%

* The Oil & Gas estates are leased by Range Resources - Appalachia, LLC

INSTRUMENT #110002817
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
NOVEMBER 14, 2011 AT 02:33PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB