

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA

§ 45.1-361.26

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: AB78

TRACT(S): 2A, A portion of 2C

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-14-0715-4053-01

APPLICANTS:

CNX Gas Company LLC on behalf of Flora Stewart Rush, Margaret A. Looney

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 09/24/2014, Recorded on 10/08/2014, Deed Book/Instrument No. 140001693.
2. Supplemental Order, Recorded on 03/11/2015, Deed Book/Instrument No. 150000319.

NOTICE:

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 2A, A portion of 2C identified in the attached petition.

160000367

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 2A, A portion of 2C 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. Flora Stewart Rush & Margaret A. Looney is the gas claimant in Tracts 2A & 2C. As such Flora Stewart Rush & Margaret A. Looney 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 Flora Stewart Rush & Margaret A. Looney and not escrow same. See Exhibit EE annexed hereto.

RELIEF GRANTED:

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VGOB-14-0715-4053-01

Table 1

Tracts: 2A, A portion of 2C

[illegible]

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*.

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DONE AND EXECUTED this 26 day of January, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

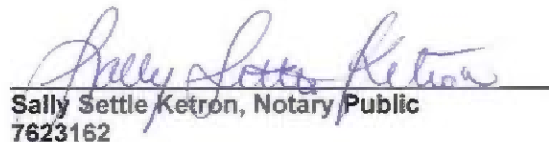
DONE AND PERFORMED this 26 day of January, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 26 day of January, 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.


Sally Settle Ketron, Notary Public
7623162

My Commission expires: January 31, 2019



BEFORE THE VIRGINIA GAS AND OIL BOARD**PETITIONER:** CNX Gas Company LLC**DIVISION OF GAS AND OIL****DOCKET NO:** VGOB 14-0715-4053-01**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 2A, A portion of 2C (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES****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:** AB78**BUCHANAN COUNTY, VIRGINIA****PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS****1. Petitioner and its counsel**

Petitioner is CNX Gas Company LLC, 627 Claypool Hill Mall Road, Cedar Bluff, VA 24609, (276) 596-5075. Petitioner's counsel is Mark A. Swartz, Hiliard & 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 of Tract(s) 2A & 2C as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Flora Stewart Rush & Margaret A. Looney

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. Flora Stewart Rush & Margaret A. Looney is the gas claimant in Tracts 2A & 2C. As such Flora Stewart Rush & Margaret A. Looney 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 Flora Stewart Rush & Margaret A. Looney 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.

Property lines shown on this plat were provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.

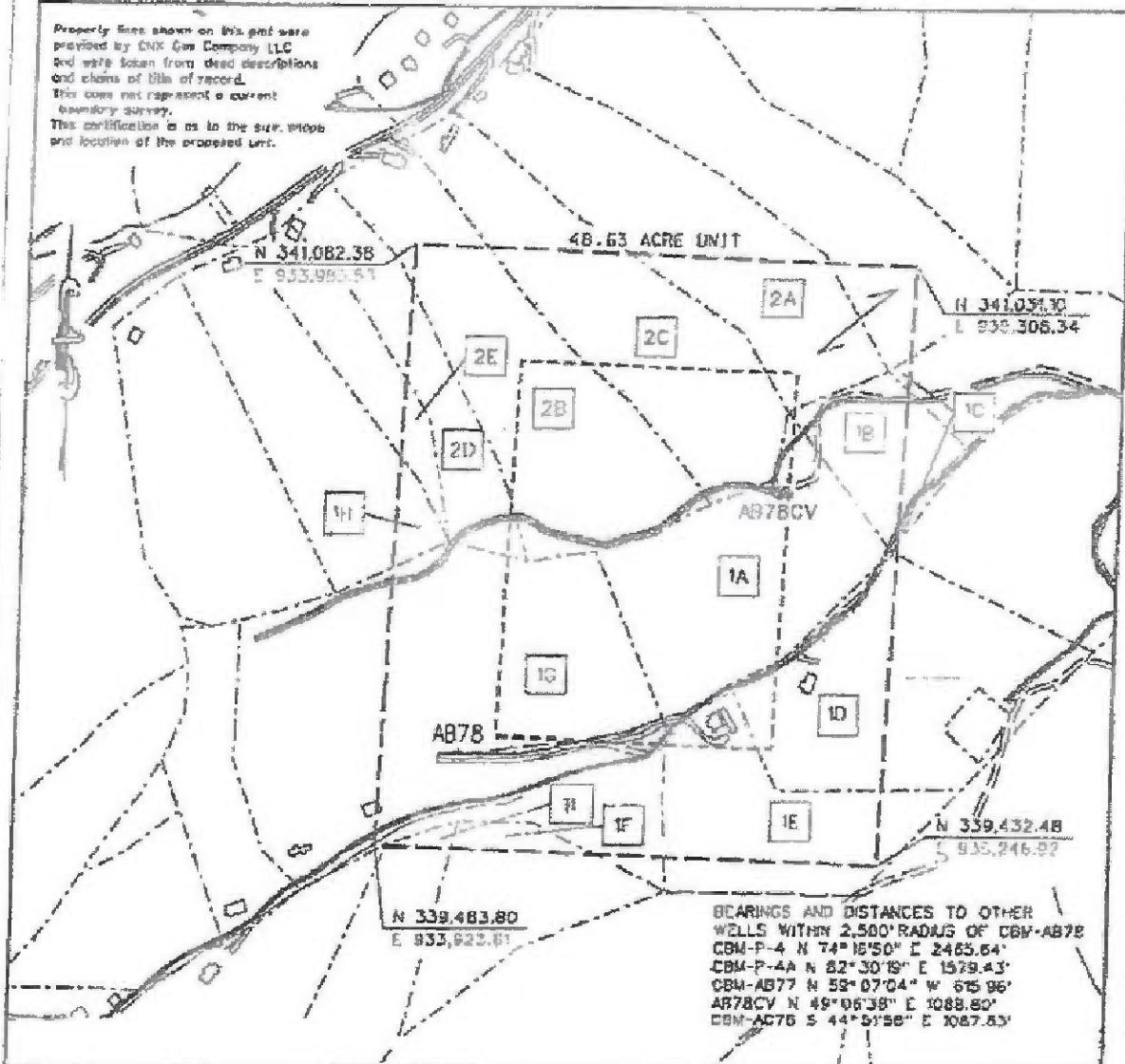


EXHIBIT A
NORA FIELD
UNIT A878
FORCE POOLING
VGOB-14-0715-4053

Company CNX Gas Company LLC well name and number UNIT AB78
Tract No. _____ Elevation _____ Acres PRATER
County BUCHANAN District PRATER
This plot is a new plot X, ; on updated plat _____
Form DGD-GO-? _____
Rev. 3/91
 Digitally signed by James R Ollis Jr.
DN: cn=James R Ollis Jr., o=CNS Business
Representative, ou=D. L PRICE
ENGINEERING AND LAND SURVEYING
INC PC, cn=James R Ollis Jr.,
o=92342 19700300 100 F I A S 5000
00607260 707TS300002EA
Date: 2010.06.13 08:27:03 -0400
Licensed Professional Engineer

CNX Gas Company LLC

Unit AB78

Tract Identifications
(48.63 Acre Unit)

1. F.H. Combs Testamentary Trust, et al (1010 Acre Tract) (War Fork Coals) – All Minerals
Island Creek Coal Company – Coal Below Drainage Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
29.29 acres 60.2303%
- 1A. Ilene Owens – Surface Owner
- 1B. Barbara Bowman Wagner – Surface Owner
- 1C. Danny Owens, et ux – Surface Owner
- 1D. Evelyn M. Belcher – Surface Owner
- 1E. Jack D. Owens Heirs – Surface Owner
- 1F. Unknown Surface Owner
- 1G. James A. Owens, et al – Surface Owner
- 1H. Unknown Surface Owner
- 1I. Unknown Surface Owner
- 2A. ACIN, LLC – All Coal except the Splash Dam Seam
Penn Virginia Operating Co., LLC – Splash Dam Seam
Alpha Land Reserves, LLC – All Coal leased except the Splash Dam Seam
Flora Stewart Rush – Surface, Oil and Gas
Range Resources-Pine Mountain, Inc. – Oil, Gas and CBM Leased
4.04 acres 8.3076%
- 2B. ACIN, LLC – All Coal except the Splash Dam Seam
Penn Virginia Operating Co., LLC – Splash Dam Seam
Alpha Land Reserves, LLC – All Coal leased except the Splash Dam Seam
Henry Deel, et al – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased (2/7)
Ronald Stacy, et ux – Surface
7.03 acres 14.4561%
- 2C. ACIN, LLC – All Coal except the Splash Dam Seam
Penn Virginia Operating Co., LLC – Splash Dam Seam
Alpha Land Reserves, LLC – All Coal leased except the Splash Dam Seam
Margaret Looney, et al – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
Kenneth D. Coleman – Surface
5.74 acres 11.8034%
- 2D. ACIN, LLC – All Coal except the Splash Dam Seam
Penn Virginia Operating Co., LLC – Splash Dam Seam
Alpha Land Reserves, LLC – All Coal leased except the Splash Dam Seam
Henry Deel, et al – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased (2/7)
Fred Deel, et ux – Surface
2.04 acres 4.1850%
- 2E. ACIN, LLC – All Coal except the Splash Dam Seam
Penn Virginia Operating Co., LLC – Splash Dam Seam
Alpha Land Reserves, LLC – All Coal leased except the Splash Dam Seam
Arnold Deel, et ux – Surface, Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.49 acres 1.0076%

"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."

Exhibit E
Unit AB78
Docket # VGOB 14-0715-4053-01
List of Owners in Escrow
(48.63 Acre Unit)

160000367

	Acres in Unit	Percent of Unit
<u>Tract #28 - 7.03 acres</u>		
<u>Title Conflict</u>		
<u>COAL OWNERSHIP</u>		
(1) ACIN LLC c/o Western Pocahontas Properties LP P.O. Box 2827 1035 Third Avenue, Suite 300 Huntington, WV 25727	7.03 acres	14.4561%
<u>OIL & GAS OWNERSHIP</u>		
(1) Henry Deel, et al. (Rufus & Eunice Deel Heirs, Devisees, Successors or Assigns) (8 Acre Tract)	7.03 acres	14.4561%
(a) Rufus F. Deel Heirs, Devisees, Successors or Assigns		
(a.1) Eunice E. Deel Raines Heirs, Devisees, Successors or Assigns		
(a.1.1) Henry Deel P.O. Box 187 Vansant, VA 24656	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.2) Magalene Deel 1032 Old Wagon Rd. Vansant, VA 24656	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.3) Corena Arguelles 140 Calk Lane Boerne, TX 78006	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.4) Donald Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1) Ruby Owens Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1.1) Barbara Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1.1.1) Erma K. Sikora 758 Buckwheat R McGrady, NC 28649	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.5) Neil Ratliff 23245 Sydney Drive Abingdon, VA 24211	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.6) Gordon Deel 1113 Sylvania Dr., Rt. 1 Vansant, VA 24656	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.7) Fred Deel 301 Stonehaven Lane Easley, SC 29642	1.00 acres 1/7 of 7.03 acres	2.0652%
<u>OR</u>		
(1) Henry Deel, et al. (Rufus & Eunice Deel Heirs, Devisees, Successors or Assigns) (8 Acre Tract)	7.03 acres	14.4561%
(a) Rufus F. Deel Heirs, Devisees, Successors or Assigns		

Exhibit E
Unit AB78
Docket # VGOB 14-0715-4053-01
List of Owners in Escrow
(48.63 Acre Unit)

	Acres in Unit	Percent of Unit
(a.1) Eunice E. Deel Raines Heirs, Devisees, Successors or Assigns		
(a.1.1) Henry Deel P.O. Box 197 Vansant, VA 24656	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.2) Magalene Deel 1032 Old Wagon Rd. Vansant, VA 24656	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.3) Corena Arguelles 140 Caik Lane Boerne, TX 78006	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.4) Donald Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1) Ruby Owens Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1.1) Barbara Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1.1.1) Erma K. Sikora 758 Buckwheat R McGrady, NC 28649	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.6) Nell Ratliff 23245 Sydney Drive Abingdon, VA 24211	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.6) Gordon Deel 1113 Sylvania Dr., Rt. 1 Vansant, VA 24656	1.00 acres 1/7 of 7.03 acres	2.0652%
(a.1.7) Brandon Yates, et ux PO Box 185 Vansant, VA 24656	1.00 acres 1/7 of 7.03 acres	2.0652%
Total tract acres	7.03	
Total tract percent	14.4561%	

Tract #2C - 5.74 acres

COAL OWNERSHIP

(1) ACIN LLC c/o Western Pocahontas Properties LP P.O. Box 2827 1035 Third Avenue, Suite 300 Huntington, WV 25727	5.74 acres	11.6034%
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OIL & GAS OWNERSHIP

The respondents listed below did not respond timely to the W9 request and will continue to be esrowed

(1) Margaret Looney, et al	5.74 acres	11.6034%
(b) Donald G. Looney Heirs, Devisees, Successors or Assigns		
(b.1) Kathy R. Looney 104 Adair Dr. Johnson City, TN 37601	0.64 acres 1/9 of 5.74 acres	1.3115%
(b.2) William S. Looney Heirs, Devisees, Successors or Assigns		

Exhibit E
Unit AB78
Docket # VGOB 14-0715-4053-01
List of Owners in Escrow
(48.63 Acre Unit)

160000367

	Acres in Unit	Percent of Unit
(b.2.1) William Graham Looney (Address Unknown)	0.32 acres 1/18 of 5.74 acres	0.6557%
(b.3) Christelle L. Bostic PO Box 1366 N. Tazewell, VA 24630-1366	0.32 acres 1/18 of 5.74 acres	0.6557%
(b.4) Donald Looney Box 333, Apt 306M 10th Ave, NE Hickory, NC 28601	0.32 acres 1/18 of 5.74 acres	0.6557%
(b.5) Shannon Looney PO Box 1035 Pounding Mill, VA 24637-1035	0.32 acres 1/18 of 5.74 acres	0.6557%
(c) Jerry Walter Looney PO Box 12 Vansant, VA 24656	1.91 acres 1/3 of 5.74 acres	3.9345%
Total tract acres		3.83
Total tract percent		7.8689%

Tract #2D - 2.04 acres

Title Conflict

COAL OWNERSHIP

(1) ACIN LLC c/o Western Pocahontas Properties LP P.O. Box 2827 1035 Third Avenue, Suite 300 Huntington, WV 25727	2.04 acres	4.1950%
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OIL & GAS OWNERSHIP

(1) Henry Deel, et al. (Rufus & Eunice Deel Heirs, Devisees, Successors or Assigns) (3 Acre Tract)	2.04 acres	4.1950%
(a) Rufus F. Deel Heirs, Devisees, Successors or Assigns		
(a.1) Eunice E. Deel Raines Heirs, Devisees, Successors or Assigns		
(a.1.1) Henry Deel P.O. Box 197 Vansant, VA 24656	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.2) Magalene Deel 1032 Old Wagon Rd. Vansant, VA 24656	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.3) Corena Arguelles 140 Calk Lane Boerne, TX 78006	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.4) Donald Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1) Ruby Owens Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1.1) Barbara Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1.1.1) Erna K. Sikora 768 Buckwheat R McGrady, NC 28649	0.29 acres 1/7 of 2.04 acres	0.5993%

Exhibit E
Unit AB78
Docket # VGOB 14-0715-4053-01
List of Owners in Escrow
(48.63 Acre Unit)

160000367

	Acres in Unit	Percent of Unit
(a.1.5) Neil Ratliff 23245 Sydney Drive Abingdon, VA 24211	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.6) Gordon Deel 1113 Sylvania Dr., Rt. 1 Vansant, VA 24656	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.7) Fred Deel 301 Stonehaven Lane Eastley, SC 29642	0.29 acres 1/7 of 2.04 acres	0.5993%
OR		
(1) Henry Deel, et al. (Rufus & Eunice Deel Heirs, Devisees, Successors or Assigns) (3 Acre Tract)	2.04 acres	4.1950%
(a) Rufus F. Deel Heirs, Devisees, Successors or Assigns		
(a.1) Eunice E. Deel Raines Heirs, Devisees, Successors or Assigns		
(a.1.1) Henry Deel P.O. Box 197 Vansant, VA 24656	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.2) Magalene Deel 1032 Old Wagon Rd. Vansant, VA 24656	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.3) Corena Arguelles 140 Calk Lane Boerne, TX 78006	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.4) Donald Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1) Ruby Owens Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1.1) Barbara Deel Heirs, Devisees, Successors or Assigns		
(a.1.4.1.1.1) Erma K. Sikora 756 Buckwheat R. McGrady, NC 28649	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.5) Neil Ratliff 23245 Sydney Drive Abingdon, VA 24211	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.6) Gordon Deel 1113 Sylvania Dr., Rt. 1 Vansant, VA 24656	0.29 acres 1/7 of 2.04 acres	0.5993%
(a.1.7) Brandon Yates, et ux PO Box 185 Vansant, VA 24656	0.29 acres 1/7 of 2.04 acres	0.5993%
Total tract acres	2.04	
Total tract percent	4.1949%	

Exhibit E
Unit AB78
Docket # VGOB 14-0715-4053-01
List of Owners in Escrow
(48.63 Acre Unit)

160000367

	Acres in Unit	Percent of Unit
<u>Tract #2E - 0.49 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) ACIN LLC c/o Western Pocahontas Properties LP P.O. Box 2827 1035 Third Avenue, Suite 300 Huntington, WV 25727	0.49 acres	1.0076%
<u>OIL & GAS OWNERSHIP</u>		
<i>The respondents listed below did not respond timely to the W9 request and will continue to be escrowed</i>		
(1) Arnold & Magalene Deal, TE RR 1 BOX 558 Vansant, VA 24656	0.49 acres	1.0076%
<u>TOTALS:</u>		
Total Acreage in Unit	13.39	
Total Percentage of Unit		27.5276%

Exhibit EE
Unit AB78
Docket # VGQB 14-0715-4053-01
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(48.83 Acre Unit)

160000367

	Acres In Unit	Percent of Unit	Percent of Escrow
<u>Tract #2A - 4.04 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) ACIN LLC c/o Western Pocahontas Properties LP P.O. Box 2827 1035 Third Avenue, Suite 300 Huntington, WV 25727	4.04 acres	8.3076%	
<u>OIL & GAS OWNERSHIP</u>			
(1) Flora Stewart Rush PO Box 536 Vansant, VA 24656	4.04 acres	8.3076%	20.8893% HB2058
<i>Oil & Gas Estates leased by Range Resources-Pine Mountain, Inc.</i>			
<u>Tract #2C - 5.74 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) ACIN LLC c/o Western Pocahontas Properties LP P.O. Box 2827 1035 Third Avenue, Suite 300 Huntington, WV 25727	5.74 acres	11.8034%	
<u>OIL & GAS OWNERSHIP</u>			
(1) Margaret Looney, et al	5.74 acres	11.8034%	
(a) Margaret A. Looney PO Box 524 Vansant, VA 24656	1.91 acres 1/3 of 5.74 acres	3.9345%	9.8931% HB2058
<u>TOTALS:</u>			
Total Acreage in Unit	5.95		
Total Percentage of Unit		12.2421%	

INSTRUMENT # 160000367
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
3-22-16 AT 3:25 PM
BEVERLY S. TILLER, CLERK
RECORDED BY: SLP