

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**RELIEF SOUGHT:** An Order for Disbursement of Escrowed Funds

**JURISDICTION:** Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: Q40  
TRACT(S): A portion of 3  
LOCATION: BUCHANAN County, Virginia

**DOCKET NUMBER:** VGOB-93-0216-0328-04

**APPLICANTS:** CNX Gas Company LLC on behalf of CNX Gas Company LLC, Greta Meek, James M. McGuire Land Trust, Tamala Pelphrey

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
October 22, 2013

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

**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 04/05/1993, Recorded on 04/08/1993, Deed Book/Instrument No. 406, Page 492.
2. Supplemental Order Executed 12/06/1993, Recorded on 12/16/1993, Deed Book/Instrument No. 416, Page 814.
3. Supplemental Order Executed 06/28/2001, Recorded on 01/16/2001, Deed Book/Instrument No. 527, Page 1.
4. Disbursement Order -03 Executed 04/28/2011, Recorded on 05/03/2011, Deed Book/Instrument No. 110001089.

130002387

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the October 22, 2013 hearing and considered whether to:

- (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

Applicant has certified and represented to the Board that:

James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be divided and paid.

**RELIEF GRANTED:**

VGOB Disbursement

Unit Q40

VGOB-93-0216-0328-04

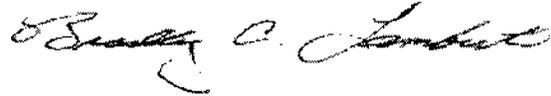
Table 1 (pay exact dollar amount based on account balance of 11/30/2011)

Tracts: A portion of 3

	Fractional Ownership in Tract	Net Acreage in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed	Disbursement		
Item	Tract	Disbursement Table						
		Total acreage in escrow before disbursement				2.60500		
3	Tract 3 (total acreage)				5.21			
1	3	Greta Meek\177 Colvin Branch, Oil Springs, KY 41238	1/18	0.2894	50.00%	0.1447	5.5556%	\$1,659.74
2	3	James M. McGuire Land Trust\P.O. Box 1067, Bluefield, VA 24605	1/18	0.2894	50.00%	0.1447	5.5556%	\$1,659.74
3	3	Tamala Pelphrey\10809 Meeting St., Prospect KY, 40059	1/18	0.2894	50.00%	0.1447	5.5556%	\$1,659.74
4	3	James M. McGuire Land Trust\P.O. Box 1067, Bluefield, VA 24605	1/18	0.2894	50.00%	0.1447	5.5556%	\$1,659.74



DONE AND EXECUTED this 19 day of November, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 19 day of November, 2013 by Order of the Virginia Gas and Oil Board.



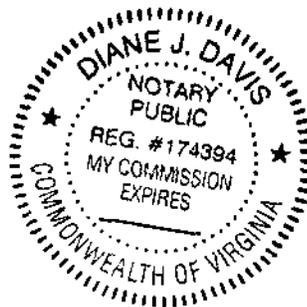
Rick Cooper  
Principal Executive to the  
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 19<sup>th</sup> day of NOV, 13, 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.

  
Diane J. Davis, Notary Public  
174394

My Commission expires: September 30, 2017



**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**PETITIONER:** CNX Gas Company LLC

**DIVISION OF GAS AND OIL**

**DOCKET NO:** VGOB 93-0216-0328-04

**RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING TRACT(S) A portion of 3  
(2) AND AUTHORIZATION FOR DIRECT  
PAYMENT OF ROYALTIES**

**HEARING DATE:** October 15, 2013

**DRILLING UNIT:** Q40

**BUCHANAN COUNTY, VIRGINIA**

**PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS**

**1. Petitioner and its counsel**

Petitioner is CNX Gas Company LLC, 2481 John Nash Blvd, Bluefield, WV 24701, (304)323-6500. Petitioner's counsel is Mark A. Swartz, Swartz Law Offices, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808..

**2. Relief Sought**

(1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 3 as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the parties to the royalty split between James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title

**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)**

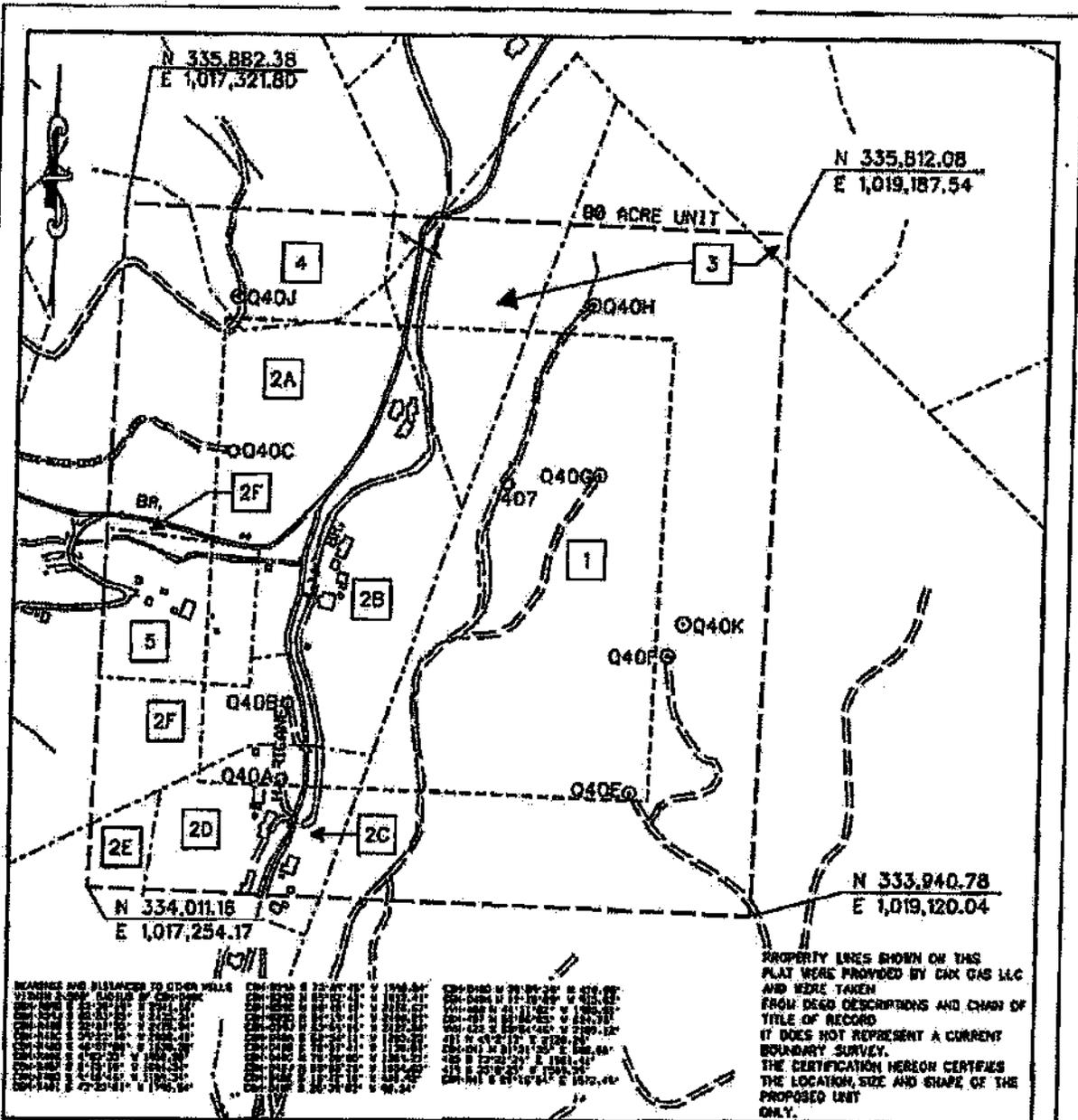
Coalbed Methane

**5. Factual basis for relief requested**

James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title have entered into royalty split agreement (s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be divided and paid.

**6. Attestation**

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.



NEARBY AND DISTANCES TO OTHER WELLS  
 WELLS WITHIN 1/4 MILE  
 WELLS WITHIN 1/2 MILE  
 WELLS WITHIN 1 MILE  
 WELLS WITHIN 2 MILES  
 WELLS WITHIN 3 MILES  
 WELLS WITHIN 4 MILES  
 WELLS WITHIN 5 MILES  
 WELLS WITHIN 6 MILES  
 WELLS WITHIN 7 MILES  
 WELLS WITHIN 8 MILES  
 WELLS WITHIN 9 MILES  
 WELLS WITHIN 10 MILES

PROPERTY LINES SHOWN ON THIS  
 PLAT WERE PROVIDED BY CNX GAS LLC  
 AND WERE TAKEN  
 FROM DEED DESCRIPTIONS AND CHAIN OF  
 TITLE OF RECORD  
 IT DOES NOT REPRESENT A CURRENT  
 BOUNDARY SURVEY.  
 THE CERTIFICATION HEREON CERTIFIES  
 THE LOCATION, SIZE AND SHAPE OF THE  
 PROPOSED UNIT  
 ONLY.

**EXHIBIT A**  
**OAKWOOD FIELD**  
**UNIT Q40**  
**FORCE POOLING**  
**VG0B-93-021A-0328-07**

Company CNX Gas Company LLC Well Name and Number Q40  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle 25-1-10-10  
 County BUCHANAN District GARDEN Scale: 1" = 400 Feet  
 This plot is a new plot X ; an updated plot \_\_\_\_\_ ; or a final plot \_\_\_\_\_  
 Form DGO-GO-7 Richard C. Murphy  
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor  
 Lic. No. 041898  
 Date 02/18/10  
 Affix Seal  
**PROFESSIONAL ENGINEER**

**CNX Gas Company LLC**  
**UNIT Q 40**  
**Tract Identification**

1. Coal Mountain Mining Company L.L.P. Tr. 26 (1966 Acre Tract) - Fee  
Reserve Coal Properties Company - Coal Below Drainage Leased  
Knox Creek Coal Corporation - Coal Above Drainage Leased  
CNX Gas Company LLC - Oil, Gas and CBM Leased  
39.12 Acres 46.9000%
  
2. Ann C. Dobrenz - All Minerals  
Island Creek Coal Company/Consol Energy Inc. - Below drainage coal Leased (except P3 seam)  
Consolidation Coal Company - P3 seam Leased  
CNX Gas Company LLC - Oil & Gas, CBM Leased  
28.47 Acres 35.5876%
  
- 2A. Mildred Patrick - Surface  
2B. Naomi Horn Heirs - Surface  
2C. Mildred Patrick - Surface  
2D. Consolidation Coal Company - Surface  
2E. Unknown Surface Owner  
2F. Reserve Coal Properties Company - Surface
  
3. James M. McGuire Trust - Coal  
Reserve Coal Properties - Below Drainage Coal Leased  
Jewell Ridge Coal Corp. - Jawbone and Tiller Seams Leased  
Linda M. Estridge, et al - Surface, Oil and Gas  
5.21 Acres 6.5125%
  
4. Reserve Coal Properties Company - Coal in Jawbone and Below (1/2) (76.40 Acre Tract)  
Bessie Franks Heirs, et al - Coal, Oil and Gas (1/2)  
Ronald A. Clyborne - Coal Above Jawbone (1/2)  
Ronald A. Clyborne - Oil and Gas (1/2)  
CNX Gas Company LLC - Oil, Gas and CBM Leased  
Bessie Franks Heirs, et al - Surface (1/2)  
Reserve Coal Properties Company - Surface (1/2)  
3.47 Acres 4.3375%
  
5. Consolidation Coal Company - All Coal  
CNX Gas Company LLC - Oil and Gas  
Reserve Coal Properties Company - Surface  
3.73 Acres 4.6625%

*(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.)*

6





Exhibit E  
Unit Q40  
Docket #VGOB 93-0216-0328-04  
List of All Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit	Interest in	
			12-Right 16.50154%	13-Right 15.58061%
<b>Tract #3 - 5.21 acres</b>				
<b>COAL OWNERSHIP</b>				
(1) James M. McGuire Land Trust (460.57 Acre Tract) P.O. Box 1067 Bluefield, VA 24605	5.21 acres	6.5125%	1.07466%	1.01469%
<b>OIL &amp; GAS OWNERSHIP</b>				
(1) Consolidation Coal Company, et al <i>Previously W. B. McDonald, et ux, Heirs, devisees, Successors or Assigns</i>	5.21 acres	6.5125%	1.07466%	1.01469%
(c) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Sherry R. McDonald</i>	0.29 acres 1/18 of 5.21 acres	0.3618%	0.05970%	0.05637%
(d) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Aristotle McDonald</i>	0.29 acres 1/18 of 5.21 acres	0.3618%	0.05970%	0.05637%
(e) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Abraham McDonald</i>	0.29 acres 1/18 of 5.21 acres	0.3618%	0.05970%	0.05637%
(g) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Greg B. McDonald</i>	0.29 acres 1/18 of 5.21 acres	0.3618%	0.05970%	0.05637%
(h) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Byrd McDonald</i>	0.29 acres 1/18 of 5.21 acres	0.3618%	0.05970%	0.05637%
(i) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, ByShey McDonald</i>	0.29 acres 1/18 of 5.21 acres	0.3618%	0.05970%	0.05637%
(j) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Timothy McDonald</i>	0.29 acres 1/18 of 5.21 acres	0.3618%	0.05970%	0.05637%
Greg McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No.11-2743)				
Sherry R. McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No.11-2748)				
Timothy J. McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No.11-2708)				
Greg McDonald	conveyed interest (Instrument 11-2743), 11/4/2011			
Sherry R. McDonald	conveyed interest (Instrument 11-2748), 11/4/2011			
Timothy J. McDonald	conveyed interest (Instrument 11-2708), 11/3/2011			
Aristotle McDonald	conveyed interest (Instrument 11-2747), 11/4/2011			
Abraham McDonald	conveyed interest (Instrument 11-2749), 11/4/2011			
Byrd W. McDonald II	conveyed interest (Instrument 11-2755), 11/7/2011			
ByShey McDonald	conveyed interest (Instrument 11-2746), 11/4/2011			

Exhibit EE  
Unit Q40  
Docket #VGOB 93-0216-0328-04  
List of All Owners/Claimants with Royalty Split Agreements

	Net Acres in Unit	Interest in Unit	Interest in		Percent of Escrow
			12-Right 16.50154%	13-Right 15.58061%	
<b>Tract #3 - 5.21 acres</b>					
<b>COAL OWNERSHIP</b>					
(1) James M. McGuire Land Trust (460.57 Acre Tract) P.O. Box 1067 Bluefield, VA 24605	5.21 acres	6.5125%	1.07466%	1.01469%	11.1111%
<b>OIL &amp; GAS OWNERSHIP</b>					
(1) Consolidation Coal Company, et al Previously W. B. McDonald, et ux: Heirs, Devises, Successors or Assigns	5.21 acres	6.5125%	1.07466%	1.01469%	
(a) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 Previously Melodge Estridge, conveyed 1/2 interest (Instrument 11-2628), 10/21/2011	2.61 acres 1/2 of 5.21 acres	3.2663%	0.53733%	0.50734%	n/a
(b) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 Previously B. W. McDonald Testamentary Trust, Greta Meek	0.29 acres 1/18 of 5.21 acres	0.3618%	0.05970%	0.05637%	5.5556%
<i>Note: Royalties will be paid to the prior owner per royalty agreement up to the date the property was sold</i>					
(f) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 Previously B. W. McDonald Testamentary Trust, Tamela M. Peiphrey	0.29 acres 1/18 of 5.21 acres	0.3618%	0.05970%	0.05637%	5.5556%
<i>Note: Royalties will be paid to the prior owner per royalty agreement up to the date the property was sold</i>					
Greg McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No.11-2743) Sherry R. McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No.11-2748) Timothy J. McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No.11-2706) Tamela M. Peiphrey conveyed interest (Instrument 11-2744), 11/4/2011 Greta M. Meek conveyed interest (Instrument 11-2745), 11/4/2011					
<b>Tract #4 - 3.47 acres</b>					
<b>COAL OWNERSHIP</b>					
Bessie Franks Heirs, et al.	3.47 acres	4.3375%	0.71575%	0.67581%	
(1) Bessie Franks Estate (1/2 All Minerals)  Royalties paid to: J. H. Franks Estate c/o J. C. Franks 621 Peavier Street Marion, VA 24641	1.735 acres 1/2 of 3.47 acres	2.1688%	0.35788%	0.33790%	n/a
(2) Reserve Coal Properties (1/2 Coal Below Jawbone Seam) (76.40 Acre Tract) 10545 Riverside Drive Oakwood, VA 24631	1.735 acres 1/2 of 3.47 acres	2.1688%	0.35788%	0.33790%	n/a
(3) Ronald A. Clyborne (1/2 Coal Above Jawbone Seam) *** 9325 Olympic View Dr. Edmonds, VA 98020-2397					
*** Above Jawbone seam coal ownership is of No Issue					

Exhibit EE  
 Unit Q40  
 Docket #VGDB 93-0216-0328-04  
 List of All Owners/Claimants with Royalty Split Agreements

	Net Acres In Unit	Interest in Unit	Interest in		Percent of Escrow
			12-Right 16.50154%	13-Right 12.58061%	
<b><u>OIL &amp; GAS OWNERSHIP</u></b>					
Bessie Franks Heirs, et al. (76.40 Acre Tract)	3.47 acres	4.3375%	0.71575%	0.67561%	
(1) Bessie Franks Estate (1/2 All Minerals)	1.735 acres 1/2 of 3.47 acres	2.1688%	0.35788%	0.33790%	n/a
Royalties paid to: J. H. Franks Estate c/o J. C. Franks 621 Peavler Street Marion, VA 24641					
(2) Ronald A. Clybome (1/2 All Minerals Except Coal) 9325 Olympic View Dr. Edmonds, WA 98020-2397	1.735 acres 1/2 of 3.47 acres	2.1688%	0.35788%	0.33790%	n/a

INSTRUMENT #130002387  
 RECORDED IN THE CLERK'S OFFICE OF  
 BUCHANAN COUNTY ON  
 DECEMBER 6, 2013 AT 01:15PM

BEVERLY S. TILLER, CLERK  
 RECORDED BY: MXB