

120001095

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)

UNIT/WELL NAME: U-27
TRACT(S): a portion of Tract 2
(Royalties currently being paid under
VP2SGU, VGOB 02-0319-1008)

LOCATION: Buchanan County, Virginia

DOCKET NUMBER: VGOB-97-0218-0563-03

APPLICANTS: CNX Gas Company LLC on behalf of Carol Cole Owenby, Barbara Cole Maxwell, and Bill Chambers, and Yukon Pocahontas Coal Company et al including Yukon Pocahontas Coal Company, Buchanan Coal Company, Sayers-Pocahontas Coal Company, and Plum Creek Timberlands, L.P.

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
February 15, 2011 and November 15, 2011.

APPEARANCES: Mark Swartz, of Swartz Law Offices, PLLC, on behalf of CNX.

PRIOR PROCEEDINGS:

1. Original Pooling Order, Executed 07/16/1997; Recorded 07/24/1997, Deed Book 464, Page 763.
2. Supplemental Order, Executed 10/02/1997; Recorded 10/21/1997, Deed Book 469, Page 227.
3. Disbursement Order -01, Executed 06/26/1998; Recorded 07/14/1998, Deed Book 478, Page 597.
4. Disbursement Order -02, Executed 11/06/2008; Recorded 11/12/2008, Instrument #080004221.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the February 15, 2011 hearing. This petition was continued several times because of an error and overpayment in the -02 Disbursement. Once corrected and overpayment recouped, the petition was heard November 15, 2011 where the Board considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 2 identified in the attached miscellaneous petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract 2 relative to the interests of the Applicants identified in the attached miscellaneous 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:

1. The owners of the coal estate for Tract 2 are Yukon Pocahontas Coal Company et al including Yukon Pocahontas Coal Company, Buchanan Coal Company, Sayers-Pocahontas Coal Company, and Plum Creek Timberlands, L.P. for the subject drilling unit.
2. The owners of the gas estate for a portion of Tract 2 are Carol Cole Owenby, Barbara Cole Maxwell, and Bill Chambers, for the subject drilling unit.
3. For Tract 2 the aforementioned owners have entered into a royalty split agreement consisting of (50/50) as referenced in the attached miscellaneous petition, as shown in Table 1.

RELIEF GRANTED:

VGOB Approved Disbursement
 VGOB-97-0218-0563-03
 U-27

Table 1
 (a portion of Tract 2)

Item	Tract	Disbursement Table	Fractional Ownership in Tract	Net Acreage Ownership in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed
		Total acreage in escrow before disbursement (per approved CNX testimony and Exhibit A-1 for Escrow Calculation)				1.0494	
	2	Tract 2 total acreage	2.14				
1	2	Carol Cole Owenby - O & G 2908 Valley Farm Rd., Waynes, NC 28173	1/140	0.0153	50.0%	0.0076	0.7283%
2	2	Barbara Cole Maxwell - O & G 5780 Chewood Dr., Pulaski, VA 24301	1/140	0.0153	50.0%	0.0076	0.7283%
3	2	Bill Chambers - O & G 8940 Mill Creek Road, Millboro, VA 24460	1/35	0.0611	50.0%	0.0306	2.9132%
	2	combined oil and gas estate disbursement acreage subtotal	0.0917				
	2	Yukon Pocahontas Coal Company, et al					
1	2	Yukon Pocahontas Coal Company, LLP - Coal P.O. Box 187, Tazewell VA 24651	1/2	0.0459	50.0%	0.0229	2.1849%
2	2	Buchanan Coal Company, LLP - Coal P.O. Box 187, Tazewell VA 24652	1/9	0.0102	50.0%	0.0051	0.4855%
3	2	Sayers-Pocahontas Coal Company - Coal P.O. Box 187, Tazewell VA 24653	1/18	0.0051	50.0%	0.0025	0.2428%
4	2	Plum Creek Timberlands, LP (Retained CBM Interest) - Coal Attn: Mineral Department, One Concourse Parkway, Suite 755, Atlanta, GA 30328	1/3	0.0306	50.0%	0.0153	1.4566%

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.

Effective Date:

This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 17 day of April 2012, by a majority of the Virginia Gas and Oil Board.



Bradley C. Lambert, Chairman
Virginia Gas and Oil Board

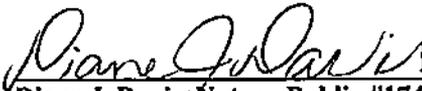
DONE AND PERFORMED this 17th day of April, 2012 BY Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL)

Acknowledged on this 17th day of April, 2012, 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 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 J. Davis, Notary Public #174394

My commission expire: 09/30/2013



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL ⁰³
DOCKET NO: VGOB 97-0218-0563-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 2
(Royalties currently being paid under
VP2SGU, VGOB 02-0319-1008)

HEARING DATE: February 15, 2011

DRILLING UNIT: U-27

BUCHANAN COUNTY, VIRGINIA

MISCELLANEOUS PETITION

1. Petitioner and its counsel: Petitioner is CNX Gas Company LLC, 2481 John Nash Blvd., Bluefield, West Virginia 24701, 304/323-6500. Petitioner's counsel is Mark A. Swartz, SWARTZ LAW OFFICES, PLLC, 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) 2 as depicted upon the annexed Exhibit A-1. (Royalties currently being paid under VP2SGU, VGOB 02-0319-1008)

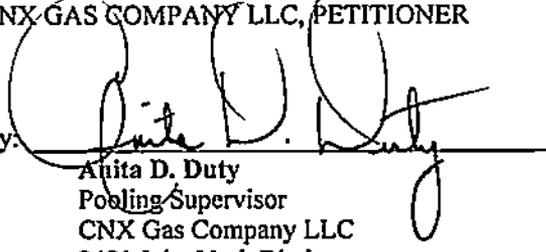
3. Legal Authority: Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of well(s): Coalbed methane.

5. Factual basis for relief requested: Yukon Pocahontas Coal Company et al including Yukon Pocahontas Coal Company, Buchanan Coal Company, Sayers-Pocahontas Coal Company, Plum Creek Timberlands L.P and Carol Cole Owenby, Barbara Cole Maxwell, and Bill Chambers have entered into a royalty split agreement. The Annexed Exhibit A-1 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.

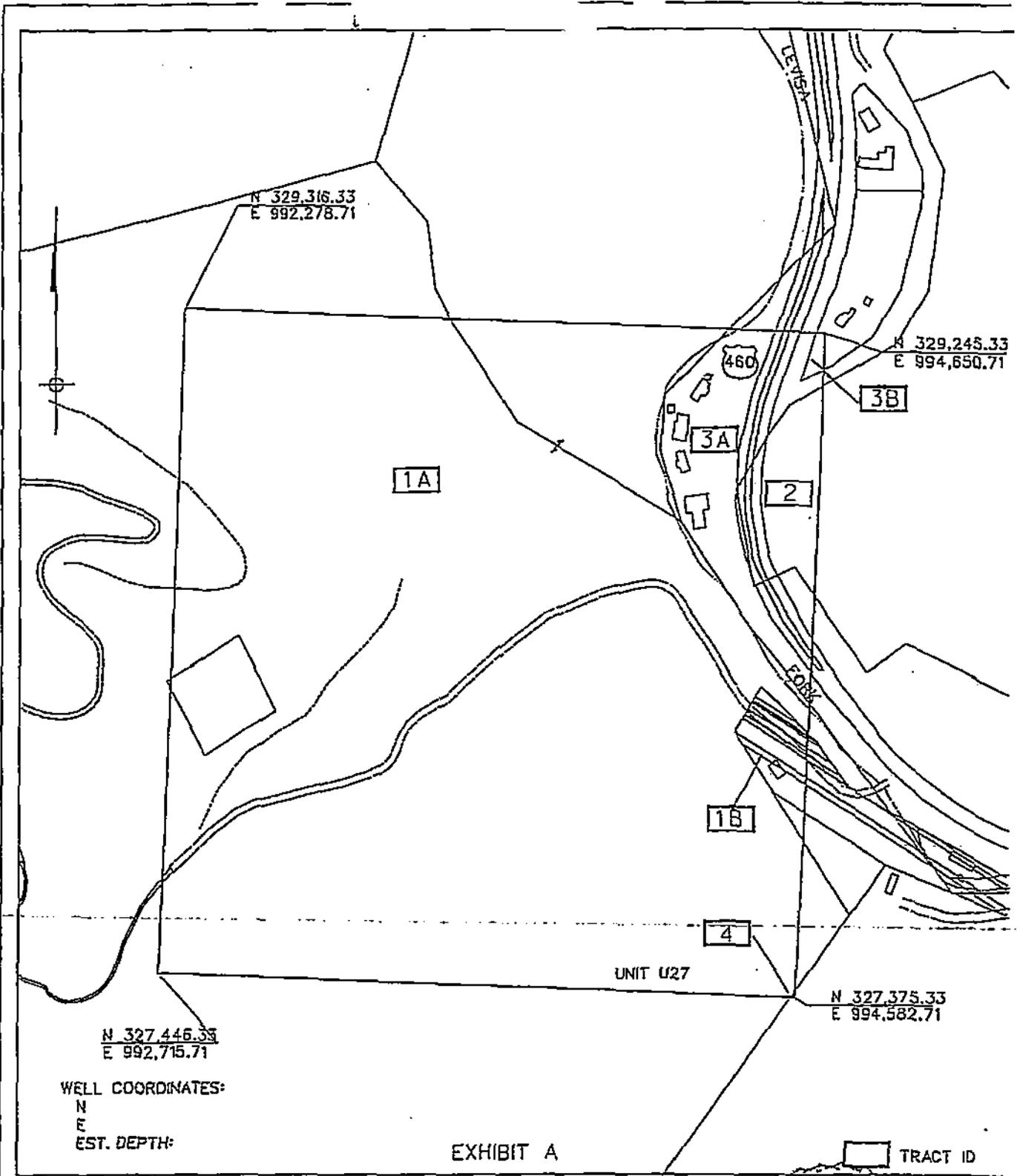
CNX GAS COMPANY LLC
BY IT'S PROFESSIONAL MANAGER
CNX GAS COMPANY LLC, PETITIONER

By: 

Anita D. Duty
Pooling Supervisor
CNX Gas Company LLC
2481 John Nash Blvd.
Bluefield, West Virginia 24701

4

C-June

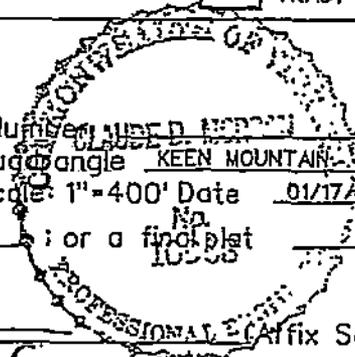


VG0B-97-0218-0563

Company CONSOL INC. Well Name and Number CLAYTON KEEN MOUNTAIN
 Tract No. _____ Elevation _____ Quads angle KEEN MOUNTAIN
 County BUCHANAN District _____ Scale: 1"=400' Date 01/17/1997
 This plat is a new plat xxx; an updated plat _____; or a final plat _____

Form DGO-GO-7
Rev. 9/04

Clayton Keen
 Licensed Professional Engineer
 5



CONSOL Inc.
CBM U-27
Tract Identifications
DGO-GO-7 Attachment

1. Hugh MacRae Land Trust - Tr. 6 - Coal
Coal Lessees
Island Creek Coal Company - Pocahontas No. 3 seam
United Coal Company - Coal above drainage
Consolidation Coal Company - Coal below drainage
Buchanan Production Company - CBM Lessee
Consolidation Coal Company - Oil & Gas
Buchanan Production Company - CBM, Oil & Gas Lessee
72.52 acres - 90.6500%
- 1A. Consolidation Coal Company - Surface
- 1B. Darrell Meadows - Surface
2. 4/5 Yukon Pocahontas Coal Company, et al - Tr. 110
1/5 C. L. Ritter Lumber Company - Tr. 51
Coal
Island Creek Coal Company - Coal Below Tiller
Permac Coal Company - Coal above drainage
Buchanan Production Company - CBM Lessee
C. L. Ritter Lumber Company, et al - Oil & Gas
Yukon Pocahontas Coal Company, et al - Surface
Buchanan Production Company - CBM, Oil & Gas Lessee
2.14 acres - 2.6750%
3. Yukon Pocahontas Coal Company, et al - Tr. 99
Coal Oil & Gas
Island Creek Coal Company - Coal Below Tiller
~~Permac Coal Company - Coal above drainage~~
Buchanan Production Company - CBM Lessee
Buchanan Production Company - CBM, Oil & Gas Lessee
5.33 acres - 6.6625%
- 3A. T. R. Stump, et al - Surface
- 3B. Roscoe Deskins - Surface
4. Hugh MacRae Land Trust - Tr. 17 - Coal
Coal Lessees
Island Creek Coal Company - Pocahontas No. 3 seam
United Coal Company - Coal above drainage
Consolidation Coal Company - Coal below drainage
Buchanan Production Company - CBM Lessee
Roscoe Deskins - Surface Oil & Gas
Buchanan Production Company - CBM, Oil & Gas Lessee
0.010 acres - 0.0125%

(revised 11/15/2011)

Exhibit A-1
Tract-by-Tract Escrow Calculation
Account Balances as of 10/31/11

Unit U-27
VGOB 97-0218-0563-03
Acres Escrowed: 1.0494

Owners	Tract #	Acres	Total Tract Percent of Escrow	Interest	Owners' Percent of Escrow	Amount Due Owners \$596.03
Amount being paid out of Escrow only		0.09171				
Yukon Pocahontas Coal Company, LLP, et al. - Coal	2	2.140				
Yukon Pocahontas Coal Company, LLP			0.04586	1/2	2.1848%	\$13.02
Buchanan Coal Company, LLP			0.01019	1/9	0.4855%	\$2.89
Sayers-Pocahontas Coal Company, LLP			0.00510	1/18	0.2428%	\$1.45
Plum Creek Timberlands L.P. (Retained CBM interest)			0.03057	1/3	1.4555%	\$8.68
Yukon Pocahontas Coal Company, LLP, et al. - O&G	2	1.03943 2.140				
Carol Cole Ownbey			0.01529	1/140	0.7283%	\$4.34
Barbara Cole Maxwell			0.01529	1/140	0.7283%	\$4.34
Bill Chambers			0.06114	1/35	2.9131%	\$17.36

7

Exhibit E
Unit U-27 03
Docket #VGOB 97-0218-0563-~~4~~
List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit	Divison of Interest in		
			2 Left 3.4066%	3 Left 9.5185%	4 Left 1.2413%
<u>Tract #2, 2.14 Acre Tract</u>					
<u>COAL OWNERSHIP</u>					
Yukon Pocahontas Coal Company, et al. Tr. 110	2.14 acres	2.6750%	0.0911%	0.2546%	0.0332%
(1) Yukon Pocahontas Coal Company, et al. (Only 3/5 interest conflicting)	1.28 acres 3/5 of 2.14 acres	1.6050%	0.0547%	0.1528%	0.0199%
(a) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.64200 acres 1/2 of 2.14 acres	0.8025%	0.0273%	0.0764%	0.0100%
(b) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.14267 acres 1/9 of 2.14 acres	0.1783%	0.0061%	0.0170%	0.0022%
(c) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.07133 acres 1/18 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(d) Consolidation Coal Company * 10545 Riverside Dr. Oakwood, VA 24631	0.42800 acres 1/3 of 2.14 acres	0.5350%	0.0182%	0.0509%	0.0066%
<i>Note: Plum Creek Timberlands retained their CBM interest, there is no conflict. The royalty for (d) is to be paid to Plum Creek.</i>					
<u>OIL & GAS OWNERSHIP</u>					
Yukon Pocahontas Coal Co. Tr. 110, et al.	2.14 acres	2.6750%	0.0911%	0.2546%	0.0332%
(3) Walter Wade Heirs					
(a) Carl Wade Heirs, Devisees, Successors or Assigns					
(a.1) Emanuel Wade 226 Adam Street Blountville, TN 37617	0.03567 acres 1/60 of 2.14 acres	0.0446%	0.0015%	0.0042%	0.0006%
(a.2) Gaylene Deskins 720 Skyview Drive Chilhowie, VA 24319	0.03567 acres 1/60 of 2.14 acres	0.0446%	0.0015%	0.0042%	0.0006%
(b) Eunice Wade Baldwin Heirs, Devisees, Successors or Assigns Heirs Unknown	0.07133 acres 1/30 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(c) Stella Wade Gillespie Heirs, Devisees, Successors or Assigns Heirs Unknown	0.07133 acres 1/30 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(d) Glayds Wade Boyd P. O. Box 374 Cedar Bluff, VA 24609	0.07133 acres 1/30 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(e) Vinnie Wade Newberry 17339 Days Point Road Smithfield, VA 23430	0.07133 acres 1/30 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%
(f) Eady Wade Smith Heirs					
(f.1) Lula Smith Robins Rt. 3, Box 277-M Cedar Bluff, VA 24609	0.01783 acres 1/120 of 2.14 acres	0.0223%	0.0008%	0.0021%	0.0003%
(f.2) Tom C. Smith Heirs no issue					

8

Exhibit E
Unit U-27 03
Docket #VGOB 97-0218-0563-02
List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit	Division of Interest in		
			2 Left 3.4066%	3 Left 9.5185%	4 Left 1.2413%
(f.3) Dolphus Smith 905 Big Creek Road Richlands, VA 24641	0.01783 acres 1/120 of 2.14 acres	0.0223%	0.0008%	0.0021%	0.0003%
(f.4) Raymond S. Smith Heirs, Devisees, Successors or Assigns Heirs Unknown	0.01783 acres 1/120 of 2.14 acres	0.0223%	0.0008%	0.0021%	0.0003%
(f.5) Luther Smith Heirs, Devisees, Successors or Assigns					
(f.5.1) Geraldine Smith 6391 HWY 16 Conover, NC 28163	0.01783 acres 1/120 of 2.14 acres	0.0223%	0.0008%	0.0021%	0.0003%
(4) Myrty N. Ratliff Heirs, Devisees, Successors or Assigns Address Unknown	0.42800 acres 1/5 of 2.14 acres	0.5350%	0.0182%	0.0509%	0.0066%
(5) Mona Webb Heirs, Devisees, Successors or Assigns					
(d) Virginia W. Cole Heirs Devisees, Successors or Assigns					
(d.3) Melissa M. Turner Address Unknown	0.00764 acres 1/280 of 2.14 acres	0.0096%	0.0003%	0.0009%	0.0001%
(d.4) Maura Nichole Turner Address Unknown	0.00764 acres 1/280 of 2.14 acres	0.0096%	0.0003%	0.0009%	0.0001%
(d.5) Garrett Reid Turner Address Unknown	0.00764 acres 1/280 of 2.14 acres	0.0096%	0.0003%	0.0009%	0.0001%
(d.6) Jordyn Noelle Turner Address Unknown	0.00764 acres 1/280 of 2.14 acres	0.0096%	0.0003%	0.0009%	0.0001%
(g) Robert W. Casey P. O. Box 45 Shortt Gap, VA 24647	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%

Tract #4, 0.01 Acre Tract

COAL OWNERSHIP

(1) Hugh MacRae Land Trust Tr. 6 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 590 Madison Avenue, 20th Floor New York, NY 10022-2524	0.01 acres	0.0125%	0.0004%	0.0012%	0.0002%
---	------------	---------	---------	---------	---------

CBM Royalty Owner (from the Coal owner):

Torch Operating Company
c/o Sue Ann Craddock
670 Dona Ana Road SW
Deming, NM 88030

OIL & GAS OWNERSHIP

(1) Roscoe Deskins Rt. 1, Box 107 Raven, VA 24639	0.01 acres	0.0125%	0.0004%	0.0012%	0.0002%
---	------------	---------	---------	---------	---------

Exhibit EE
Unit U-27 03
Docket #VGOB 97-0218-0563-02
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Net Acres In Unit	Interest In Unit	Divison of Interest In			Percent of Escrow
			2 Left 3.4066%	3 Left 9.5185%	4 Left 1.2413%	

Tract #1, 72.52 Acre Tract

COAL OWNERSHIP

(1) Hugh MacRae Land Trust Tr. 6 c/o Alan Siegel Esq Gump, Strauss, Akin LLP 590 Madison Avenue, 20th Floor New York, NY 10022-2624	72.52 acres	90.6500%	3.0881%	8.6285%	1.12524%	n/a
---	-------------	----------	---------	---------	----------	-----

CBM Royalty Owner (from the Coal owner):

Torch Operating Company
c/o Sue Ann Craddock
670 Dona Ana Road SW
Deming, NM 88030

OIL & GAS OWNERSHIP

(1) CNX Gas Company LLC (Consolidation Coal Company) 2481 John Nash Blvd. Bluefield, WV 24701	72.52 acres	90.6500%	3.0881%	8.6285%	1.12524%	n/a
--	-------------	----------	---------	---------	----------	-----

Tract #2, 2.14 Acre Tract

COAL OWNERSHIP

Yukon Pocahontas Coal Company, et al. Tr. 110	2.14 acres	2.6750%	0.0911%	0.2546%	0.0332%	
(1) Yukon Pocahontas Coal Company, et al. (Only 3/5 interest conflicting)	1.28 acres 3/5 of 2.14 acres	1.6050%	0.0547%	0.1528%	0.0199%	
(a) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.84200 acres 1/2 of 2.14 acres	0.8025%	0.0273%	0.0764%	0.0100%	2.1848%
(b) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.14267 acres 1/9 of 2.14 acres	0.1783%	0.0061%	0.0170%	0.0022%	0.4855%
(c) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.07133 acres 1/18 of 2.14 acres	0.0892%	0.0030%	0.0085%	0.0011%	0.2428%
(d) Consolidation Coal Company * 10545 Riverside Dr. Oakwood, VA 24631	0.42800 acres 1/3 of 2.14 acres					

Royalties Paid to:

Plum Creek Timberlands, L.P. Attn: Mineral Department One Concourse Parkway, Suite 755 Atlanta, GA 30328	0.42800 acres 1/3 of 2.14 acres	0.5350%	0.0182%	0.0569%	0.0066%	1.4565%
---	------------------------------------	---------	---------	---------	---------	---------

* Note: Plum Creek Timberlands retained their CBM interest, there is no conflict.
The royalty for (d) is to be paid to Plum Creek.

OIL & GAS OWNERSHIP

Yukon Pocahontas Coal Co. Tr. 110, et al.	2.14 acres	2.6750%	0.0911%	0.2546%	0.0332%	
(5) Mona Webb Heirs, Devisees, Successors or Assigns						
(a) Harold Webb 298 Morrell Town Rd. Bristol, TN 37620	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	n/a
(b) Harman Webb 106 3rd Avenue Richlands, VA 24641	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	n/a

Exhibit EE
Unit U-27 03
Docket #VGOB 97-0218-0563-02
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Net Acres in Unit	Interest in Unit	Division of Interest in			Percent of Escrow
			2 Left 3.4066%	3 Left 9.5185%	4 Left 1.2413%	
(c) John Webb P. O.Box 577 Keen Mountain, VA 24624	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	n/a
(d) Virginia W. Cole Heirs Devises, Successors or Assigns						
(d.1) Carol Cole Ownbey 2908 Valley Farm Road Waxhaw, North Carolina 28173	0.01529 acres 1/140 of 2.14 acres	0.0191%	0.0007%	0.0018%	0.0002%	0.7283%
(d.2) Barbara Cole Maxwell 5780 Chicwood Drive Pulaski, VA 24301	0.01529 acres 1/140 of 2.14 acres	0.0191%	0.0007%	0.0018%	0.0002%	0.7283%
(e) Emma R. Hurbert Heirs, Devises, Successors, or Assigns						
(e.1) Bill Chambers 8940 Mill Creek Road Millboro, VA 24460	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	2.9131%
(f) Ruby W. Wells 5980 Pearl Road Parma Heights, OH 44130	0.06114 acres 1/35 of 2.14 acres	0.0764%	0.0026%	0.0073%	0.0009%	n/a

INSTRUMENT #120001095
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JUNE 4, 2012 AT 02:37PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB