

Instrument prepared by:

Order recorded under:

**VIRGINIA GAS AND OIL BOARD****CODE OF VIRGINIA  
§ 45.1-361.26****VIRGINIA: BEFORE THE GAS AND OIL BOARD**

**APPLICANTS:** CNX Gas Company LLC on behalf of Hurt McGuire Land Trust and four members of the Linkous Horn Heirs in Tract 3 plus one member of the Thomas Stilwell Heirs in Tract 4

**DOCKET NO.**  
**98-0325-0626-06**

**RELIEF SOUGHT:** Issuance: A Supplemental Order for Disbursement of Escrowed Funds  
Action: Amending Prior Orders Affecting Drilling **S-36**,  
**a portion of Tracts 3 and 4**  
(Referenced herein as "the Subject Drilling Unit")

Location: Buchanan County, Virginia

**Action Details:**

- (1) To provide a calculation of funds, Unit Operator has deposited into the Escrow Account for Drilling Unit **S-36** by Tract Subaccounts;
- (2) To provide each applicant, in simple terms, a complete month over month Royalty Accounting of unit production, costs, taxes and proceeds, depicting variables used in the calculation of royalty payments to the unit escrow account.
- (3) To disburse unit funds to the Applicants, in accordance with their Unit Ownership Interests relative to those funds deposited by the Unit Operator into Subject Drilling

**REPORT OF THE BOARD****FINDINGS AND ORDER**

1. **Hearing Date and Place:** This matter came on for final hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on March 16, 2010 at the Russell County Government Complex, Conference Center at 139 Highland Drive, Lebanon, VA
2. **Appearances:** , Mark A. Swartz, Esq. SWARTS Law Offices PLLC appeared for the Unit Operator; and 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.*, and in particular Va. Code §§ 45.1-361.21 and 45.1-361.22, the Board finds that it has jurisdiction over the establishment and maintenance of an escrow account, with tract sub accounts, for each of the coalbed methane gas drilling units established by the Board through its field rules that are subject to a Board pooling order. Further, the Unit Operator is required to deposit, as applicable, those funds specified in Va. Code § 45.1-361.21.D., 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4 into the applicable escrow tract sub accounts. The Board finds that: (1) while it **does not** have jurisdiction to resolve conflicting claims to the ownership of the Coalbed Methane Gas produced by the Unit Operator from wells located on Subject Drilling Unit, and (2) while it **does not** have jurisdiction to interpret agreements by and between the Gas owners/claimants and/or the Unit Operators or to abridge or contravene the provisions of such agreements, (3) pursuant to Va. Code § 45.1-361.22.A.5, **the Board does have jurisdiction and authority to disburse funds from the Escrow Account** provided the Board has been provided with a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between the conflicting claimants or an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein.

4. **Prior Proceedings:**

- 4.1. (a) On March 24, 1998 the Board executed its order pooling interests in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code SS 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Buchanan County on May 14, 1998, Instrument Number 980001158. The Board executed its Supplemental Order Regarding Elections that was filed with the Clerk on June 15, 1998, Instrument Number 980002431.
  - 4.1.1 The Board executed it Supplemental Order -01 regarding a Modification of the Pooling Order and making additions and corrections from the unit operator; filed with the Clerk on May 3, 2000, Instrument Number 000001322.
  - 4.1.2 The Board executed it Supplemental Order -02 regarding a Modification of the Pooling Order and making additions and corrections from the unit operator; filed with the Clerk on January 31, 2000, Instrument Number 000000242. The Board executed a Supplemental Order Regarding Elections to the pooling modifications in September, filed with the Clerk on May 3, 2000, Instrument Number 000001325. (Hereafter all orders are collectively referred to as the "Pooling Orders").
  - 4.1.3 On January 20, 2004, the Board executed its order pooling (re-pooling) interests in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code SS 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Buchanan County on April 2, 2004, Instrument Number 040001009 (hereafter all orders are collectively referred to as the "Pooling Orders").
  - 4.1.4 On May 16, 2006, the Board executed its disbursement order VGOB 98-0324-0625-04 in the Subject Drilling Unit for certain parties of the Thomas Stilwell Heirs and the Albert Ball Heirs under a split agreement with Hurt McGuire Land Trust. The Disbursement Order and exhibits were filed with the Clerk of the Circuit Court of Buchanan County on September 26, 2006, Instrument Number 060003145.
  - 4.1.5 On April 21, 2009, the Board executed its disbursement order VGOB 98-0324-0625-05 in the Subject Drilling Unit for certain parties (4) of the Linkous Horn Heirs and (6) of the Thomas Stilwell Heirs under a split agreement with Hurt McGuire Land Trust. The Disbursement Order and exhibits were filed with the Clerk of the Circuit Court of Buchanan County on August 4, 2009, Instrument 090002347. Subsequently, an additional order for the -05 Disbursement was recorded superceding the August 4, 2009 recordation with corrections in the disbursement percentages and payments.
- 4.2 To the extent claims to the Gas were in conflict, pursuant to Va. Code S 45.1-361-22 payments attributable to said conflicting claims were ordered deposited by the Unit Operator into the escrow account established by the Pooling Orders (herein "Escrow Account"). According to the Pooling Orders and testimony, the coal estate ownership interests of Hurt McGuire Land Trust; and the gas ownership interests of certain of the Linkous Horn Heirs in Tract 3 and Theodore Stilwell in Tract 4 in the Subject Drilling Unit were in conflict and became subject to the escrow requirements of the Pooling Order.
- 4.3 The Unit Operator's Miscellaneous Petition regarding a portion of tracts 3 and 4, a copy of which is attached to and made a part hereof, states under oath that Hurt McGuire Land Trust and the Applicants have entered into a royalty split agreements and by the terms of the agreements regarding these tracts escrowing regarding these individual conflicting claims is no longer required for these parties.

- 4.4 The Unit Operator gave notice to Hurt McGuire Land Trust and the applicants that the Board would consider its disbursement authorization at its hearing on March 16, 2010 and consider whether to: (1) amend the Pooling Order to provide for the disbursement a portion of funds on deposit in the Escrow Account attributable to a portion of tract 3 and tract 4 identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to a portion of said Tracts 3 and 4 the interests of Applicants identified in the miscellaneous petition in the Escrow Account, and (3) continue the escrow account under this docket number because there are other parties under this order subject to continued payments in the escrow.
- 4.5 The Unit Operator filed the attached accounting for Subject Drilling Unit's Escrow Account with the Board ("Accounting").

**5. Findings:**

**5.1. Va. Code 45.1-361.22.5 provides:**

*The Board shall order payment of principal and accrued interests, less escrow account fees, from the escrow account to conflicting claimants within thirty days of receipt of notification of (i) a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between them or (ii) an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein. The amount to be paid to the conflicting claimants shall be determined based on the percentage of ownership interest of the conflicting claimants as shown in the operator's supplemental filing made part of the pooling order that established the escrow account, the operator's records of deposits attributable to those tracts for which funds are being requested, and the records of the escrow account for the coalbed methane gas drilling unit. The interests of any cotenants who have not entered into an agreement shall remain in the escrow account.*

**5.2 Applicant has certified and represented to the Board that:**

- (1) Hurt McGuire Land Trust and certain individuals of the Linkous Horn heirship including Patricia Horton, Nancy Ann Stilwell, Martha Smith, and Sara Day Tract 3; Hurt McGuire Land Trust and a certain individual of the Thomas Stilwell Heirs, Theodore Stilwell, in Tract 4, are the owners of the coal and gas acreage estate underlying a portion of Tract 3 and Tract 4 of the Subject Drilling Unit;
- (2) Net interests attributable and to be disbursed to Applicants are shown in Table 1,

*VGOB Approved Disbursement*  
**VGOB-98-0325-0626-06**  
**UNIT S-36**

Item	Tract	Disbursement Table	Frac Interest	Acreage Interest Disbursed	Split Agreement	Escrowed Acres Total	% of Escrowed Funds
		<b>Table 1</b>					
		<b>A portion of Tracts 3 &amp; 4</b>					
		<b>Disbursement Table</b>					
		Totals				33.0395	
		Hurt McGuire Land Trust - Coal		27.44			
1	3	Hurt McGuire Land Trust, C/o Charles Tgreen; PO Box 1067; Bluefield, VA 24605		8.3844	50.0%	4.192	12.6885%
		Linkous Horn Heirs - Oil & Gas		27.44			
2	3	Patricia D. Horton / 1 Birch Street / Raven VA 24639	1/180	0.1524	50.0%	0.076	0.2307%
3	3	Nancy H. Stilwell / 140 Rasnake Road / North Tazewell, VA 24630	1/10	2.7440	50.0%	1.372	4.1526%
4	3	Martha Smith / PO Box 395 / Max Meadows VA 24360	1/10	2.7440	50.0%	1.372	4.1526%
5	3	Sarah Jane Horn Day / PO Box 208 / Peterstown, WV 24963	1/10	2.7440	50.0%	1.372	4.1526%
		Hurt McGuire Land Trust - Coal		7.57			
6	4	Hurt McGuire Land Trust, C/o Charles Green; PO Box 1067; Bluefield, VA 24605		0.1051	50.0%	0.053	0.1591%
		Thomas Stilwell Heirs - Oil & Gas		7.57			
7	4	Theodore Stilwell / HC66 Box 112A / Whitewood VA 24657	1/72	0.1051	50.0%	0.053	0.1591%

6. **Relief Granted:**

For the reasons set forth in Paragraph 4 and 5 above, and based upon the Accounting and Table 1 above, the Escrow Agent is ordered to, within 10 days of receipt of this executed order disburse funds for the unit and applicants detailed in Table 1 above.

Exhibit E to the Pooling Order, showing owners subject to escrow, is deleted and replaced with the Exhibit E attached to this order. Further, the Supplemental Order filed in this cause is hereby modified to delete the requirement that payments attributable to the conflicting coalbed methane gas ownership interests of those applicants indicated in Table 1 be deposited by the Unit Operator into the Escrow Account, **and**, because there are other owners subject to escrow under the Supplemental Order, the Escrow Agent is directed to continue the Escrow Account for Subject Drilling Unit. To the extent not specifically granted herein, any other or further relief is denied.

7. **Conclusion:**

Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and **IT IS SO ORDERED.**

8. **Appeals:**

Appeals of this Order are governed by the provisions of Va. Code § 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.

9. **Effective Date:** This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 24 day of May, 2010 by a majority of the Virginia Gas and Oil Board.

*Bradley C. Lambert*  
Bradley C. Lambert, Chairman

DONE AND PERFORMED this 24 day of May, 2010 by an Order of this Board.

*David E. Asbury Jr.*  
David E. Asbury Jr.,  
Principal Executive to the Staff  
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA )  
COUNTY OF RUSSELL )

Acknowledged on this 24<sup>th</sup> day of May, 2010, 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 **David E. Asbury Jr.**, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.



*Diane J. Davis*  
Diane J. Davis  
Notary Public #174394

My commission expires: 09 / 30 / 2013

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL  
DOCKET NO: VGOB 98-0324-0626-06

RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING a portion of TRACT(S) 3 & 4  
(2) AND AUTHORIZATION FOR DIRECT  
PAYMENT OF ROYALTIES

HEARING DATE: March 16, 2010

DRILLING UNIT: S-36

BUCHANAN COUNTY, VIRGINIA

MISCELLANEOUS PETITION

1. **Petitioner and its counsel:** Petitioner is CNX Gas Company LLC, 2481 John Nash Boulevard, Bluefield, WV 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 a portion of Tract(s) 3 & 4 as depicted upon the annexed Exhibit A; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Hurt McGuire Land Trust and Patricia D. Horton, Nancy H. Stilwell, Martha Smith, and Sarah Jane Horn Day, Hurt McGuire Land Trust and Theodore Stilwell

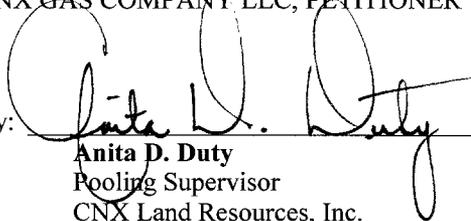
3. **Legal Authority:** Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

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

5. **Factual basis for relief requested:** Hurt McGuire Land Trust and Patricia D. Horton, Nancy H. Stilwell, Martha Smith, and Sarah Jane Horn Day, Hurt McGuire Land Trust and Theodore Stilwell 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, 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.

CNX GAS COMPANY LLC  
BY ITS PROFESSIONAL MANAGER  
CNX GAS COMPANY LLC, PETITIONER

By:   
Anita D. Duty  
Pooling Supervisor  
CNX Land Resources, Inc.  
2481 John Nash Blvd.  
Bluefield, West Virginia 24701

*Petition  
Amended*

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

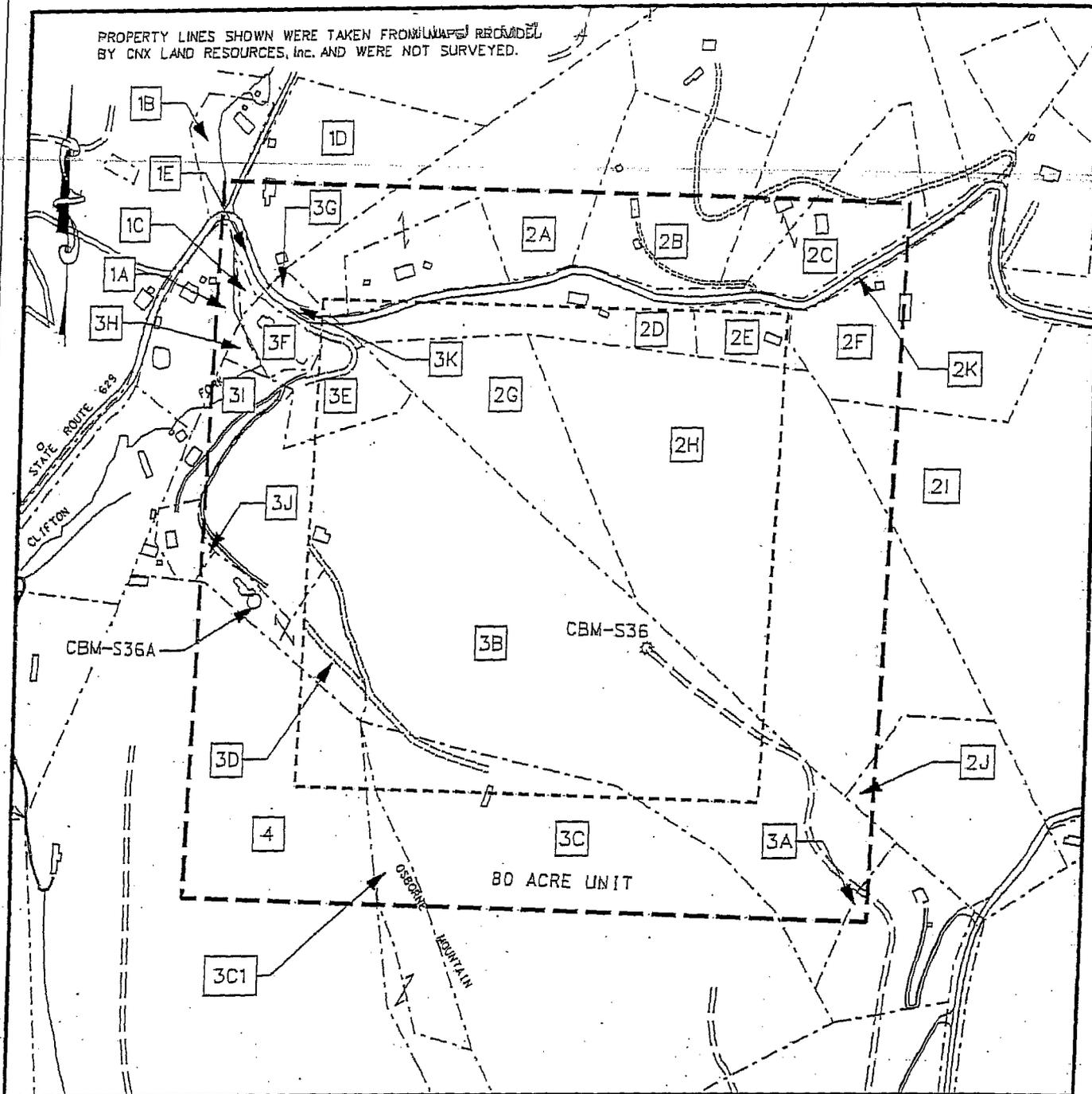


EXHIBIT A  
 DAKWOOD FIELD UNIT S-36  
 FORCE POOLING  
 VGOB-98-0324-0626-03

Company CNX Gas Company, LLC. Well Name and Number UNIT S36  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Kearney  
 County Buchanan District Garden Scale: 1" = 400' Date 11/11/03  
 This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-60-7 Charles D. May 10958 (Affix Seal)  
 Rev: 9/91 Licensed Professional Engineer or Licensed Land Surveyor

# CNX Gas Company LLC

## UNIT S-36

### Tract Identification

1. H. S. T. Group L.C. (1168.71 Acre Tract) – All Minerals  
Island Creek Coal Company/Consolidation Coal Company – Below Drainage Coal Leased  
Jewell Smokeless Coal Corporation – Above Drainage Coal Leased  
CNX Gas Company LLC - CBM Leased  
2.25 acres                      2.8125%
  
- 1A. Betty Ferrell - Surface
- 1B. Kenneth Byrd - Surface
- 1C. Crobbie Smith - Surface
- 1D. John Osborne - Surface
  
2. G.W. Gillespie Estate, Inc., et al – All Minerals  
Reserve Coal Properties Company – Coal Below Tiller Seam Leased  
Jewell Smokeless Coal Corporation – Coal In Jawbone Seam Leased  
CNX Gas Company LLC - CBM Leased  
34.57 acres                      43.2125%
  
- 2A. John Horn Jr. – Surface
- 2B. Jessie Matney – Surface
- 2C. Bobby J. Matney, et ux – Surface
- 2D. Goldie Horn – Surface
- 2E. Helen Compton – Surface
- 2F. Melissa Vandyke – Surface
- 2G. Dexter Mounts – Surface
- 2H. Jimmy Lee Horn – Surface
- 2I. Ethel Burke – Surface
- 2J. Roby Horn – Surface
- 2K. Commonwealth of Virginia - Surface
  
3. Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal  
Consolidation Coal Company - Below Drainage Coal Leased  
A. T. Massey - Above Drainage Coal Leased  
CNX Gas Company LLC - CBM Leased  
Linkous Horn Heirs – All Minerals except Coal  
CNX Gas Company LLC - Oil, Gas and CBM Leased (10%)  
27.44 acres                      34.3000%
  
- 3A. Willard Osborne – Surface
- 3B. Arlen Osborne – Surface
- 3C. Danny McClanahan – Surface
- 3D. Robert Trent – Surface
- 3E. Clifford Osborne – Surface
- 3F. Robbie Smith – Surface
- 3G. John Osborne – Surface
- 3H. Betty Ferrell – Surface
- 3I. Noah Keen, et al – Surface
- 3J. Noah Keen – Surface
- 3K. Commonwealth of Virginia - Surface

**CNX Gas Company LLC**

**UNIT S-36**

Tract Identification

- 3C.           Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal  
Consolidation Coal Company - Below Drainage Coal Leased  
A. T. Massey - Above Drainage Coal Leased  
CNX Gas Company LLC - CBM Leased  
Linkous Horn Heirs - All Minerals except Coal  
CNX Gas Company LLC - Oil, Gas and CBM Leased (10%)  
Danny McClanahan - Surface (Oil and Gas Claimant)  
7.61 acres                   9.51250%
- 3C1.           Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal  
Consolidation Coal Company - Below Drainage Coal Leased  
A. T. Massey - Above Drainage Coal Leased  
CNX Gas Company LLC - CBM Leased  
Linkous Horn Heirs/Thomas Stilwell Heirs - All Minerals except Coal  
CNX Gas Company LLC - Oil, Gas and CBM Leased (10%) If owned by Linkous Horn Heirs  
CNX Gas Company LLC - Oil, Gas and CBM Leased (71/72) If owned by Thomas Stilwell Heirs  
Danny McClanahan - Surface (Oil and Gas Claimant)  
0.56 acres                   0.7000%
4.             Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal  
Consolidation Coal Company - Below Drainage Coal Leased  
A. T. Massey - Above Drainage Coal Leased  
CNX Gas Company LLC - CBM Leased  
Thomas Stilwell Heirs - Surface and All Minerals except Coal  
CNX Gas Company LLC - Oil, Gas and CBM Leased (71/72)  
7.57 acres                   9.4625%

Exhibit E  
Unit S-36  
Docket # VGOB 98-0325-0626-06  
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit	Division of Interest in 5-Right 15.69343%	6-Right 10.34483%
<b><u>Tract #3, 27.44 acres</u></b>				
<b><u>COAL OWNERSHIP</u></b>				
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	27.44 acres	34.3000%	5.38285%	3.54828%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>				
Linkous Horn Heirs, Devisees, Successors or Assigns	27.44 acres	34.3000%	5.38285%	3.54828%
(1) Arizona Osborne Heirs, Devisees, Successors or Assigns				
(a) Sydney Smith 1911 McVetty Road Salem, VA 24153	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(b) Kenneth R. Osborne 848 Peyton Street Roanoke, VA 24019	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(c) Martha Guilliams 1911 McVetty Road Salem, VA 24153	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(2) Lydia Blankenship Heirs, Devisees, Successors or Assigns				
(a) Mary Jane Keen 1077 Longwall LN Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
(b) Shirley Keen 1685 Honaker Branch Road Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
(c) Patsy Moore 6985 Horn Mountain Road Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(d) Brenda Sue Justice 1101 Long Wall Lane Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				

**Exhibit E**  
**Unit S-36**  
**Docket # VGOB 98-0325-0626-06**  
**List of Conflicting Owners/Claimants that require escrow**

	Acres in Unit	Percent of Unit	Division of Interest in	
			5-Right 15.69343%	6-Right 10.34483%
(e) James R. Osborne P. O. Box 484 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(f) Clifford Osborne Heirs, Devisees, Successors or Assigns				
(f.1) Phyllis W. Osborne Rt 1 Box 157F Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(g) Ronnie Osborne Box 12 Oakwood, VA 24631	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(h) Charles M. Osborne 216 Plantation Drive Richlands, VA 24641	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(i) Richard Osborne P. O. Box 541 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(j) William Osborne Heirs, Devisees, Successors or Assigns				
(j.1) Ruth Keen				(Deed of Gift to Joyce Lineberry Mae 3/16/03)
(j.1.1) Joyce Lineberry Mae c/o Rose Mae P.O. Box 172 Cooleemee, NC 27014	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(k) John David Osborne Heirs, Devisees, Successors or Assigns				

**Exhibit E  
Unit S-36  
Docket # VGOB 98-0325-0626-06  
List of Conflicting Owners/Claimants that require escrow**

	Acres in Unit	Percent of Unit	Division of Interest in	
			5-Right 15.69343%	6-Right 10.34483%
(k.1) Darlene B. Osborne Rt.1 Box 157 Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
<i>Royalty Split Agreements have been executed, but are in dispute. Royalties attributable to this interest are currently being escrowed.</i>				
(3) Henry Horn Heirs, Devisees, Successors or Assigns				
(a) Perry W. Horn P.O. Box 33 Raven, VA 24639	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(b) Larry M. Horn Heirs, Devisees, Successors or Assigns Heirs / Address Unknown	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(c) Ivory Horn Heirs, Devisees, Successors or Assigns				
(c.3) Tammy D. Boyd 1005 Kents Ridge Road Richlands, VA 24641	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.02990%	0.01971%
(c.4) Margaret E. Dye 784 Big Creek Road Richlands, VA 24641	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.02990%	0.01971%
(4) Thelma H. Osborne P. O. Box 33 Raven, VA 24639	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.53828%	0.35483%
(7) Earnest Horn Heirs, Devisees, Successors or Assigns				
(a) Dorothy Horn Heirs, Devisees, Successors or Assigns (Heirs/Addresses Unknown)	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.53828%	0.35483%
(10) Carl Horn Heirs, Devisees, Successors or Assigns				
(a) Marilyn Taylor PO Box 285 Pounding Mill, VA 24637	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.53828%	0.35483%

**Tract #4, 7.57 acres**

**COAL OWNERSHIP**

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	7.57 acres	9.4625%	1.48499%	0.97888%
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**Exhibit E**  
**Unit S-36**  
**Docket # VGOB 98-0325-0626-06**  
**List of Conflicting Owners/Claimants that require escrow**

	Acres in Unit	Percent of Unit	Division of Interest in	
			5-Right 15.69343%	6-Right 10.34483%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>				
(1) Thomas Stilwell Heirs, Devisees, Successors or Assigns	7.57 acres	9.4625%	1.48499%	0.97888%
(l) Sylvia A. Shelton 549 Jacks Creek Road Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.02062%	0.01360%
(o) Cora Arnold Heirs, Devisees, Successors or Assigns				
(o.1) James H. Arnold, widower P. O. Box 626 Raven, VA 24637	0.3154 acres 1/24 of 7.57 acres	0.3943%	0.06187%	0.04079%
(t) Curtis Stilwell P.O. Box 2216 Cedar Bluff, VA 24609-2216	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.02062%	0.01360%

Exhibit EE  
Unit S-36  
Docket #VGOB 98-0324-0626-06  
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Division of Interest in		Percent of Escrow
			6-Right 5.74713%	7-Right 16.34981%	
<b><u>Tract #3, 27.44 acres</u></b>					
<b><u>COAL OWNERSHIP</u></b>					
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	27.44 acres	34.3000%	1.97127%	5.60798%	
<b><u>OIL &amp; GAS OWNERSHIP</u></b>					
Linkous Horn Heirs, Devisees, Successors or Assigns	27.44 acres	34.3000%	1.97127%	5.60798%	
(3) Henry Horn Heirs, Devisees, Successors or Assigns					
(c) Ivory Horn Heirs, Devisees, Successors or Assigns					
(c.1) Patricia D. Horton 1 Birch Street Raven, VA 24639	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.01095%	0.03116%	0.2307%
(c.2) Nellie A. Maynard P.O. Box 296 Raven, VA 24639	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.01095%	0.03116%	<i>n/a</i>
(c.5) Danny W. Elder P.O. Box 748 Raven, VA 24639	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.01095%	0.03116%	<i>n/a</i>
(c.6) Robert G. Elder 222 Law Ln. Charlotte C.H., VA 23923	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.01095%	0.03116%	<i>n/a</i>
(5) Joseph P. Horne 492 Gray Branch Road Cedar Bluff, VA 24609	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.19713%	0.56080%	<i>n/a</i>
(6) Nancy H. Stilwell 140 Rasnake Road North Tazewell, VA 24630	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.19713%	0.56080%	4.1526%
(8) Martha Smith P. O. Box 395 Max Meadows, VA 24360	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.19713%	0.56080%	4.1526%
(9) Sarah Jane Horn Day P. O. Box 208 Peterstown, WV 24963	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.19713%	0.56080%	4.1526%

**Tract #4, 7.57 acres**

**COAL OWNERSHIP**

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	7.57 acres	9.4625%	0.54382%	1.54710%	
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Exhibit EE  
Unit S-36  
Docket #VGOB 98-0324-0626-06  
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Division of Interest in		Percent of Escrow
			6-Right 5.74713%	7-Right 16.34981%	
<b><u>OIL &amp; GAS OWNERSHIP</u></b>					
Thomas Stilwell Heirs, Devisees, Successors or Assigns	7.57 acres	9.4625%	0.54382%	1.54710%	
(1) Beulah V. Osborne c/o Vivian Osborne, POA Box 500 Oakwood, VA 24631	0.9463 acres 1/8 of 7.57 acres	1.1828%	0.06798%	0.19339%	n/a
(2) Raleigh Stilwell Heirs, Devisees, Successors or Assigns					
(a) Martha J. aka Juanita Stilwell P.O. Box 54 Raven, VA 24639	0.9463 acres 1/8 of 7.57 acres	1.1828%	0.06798%	0.19339%	n/a
(3) Paul Elmer Stilwell Heirs, Devisees, Successors or Assigns					
(a) Virginia N. Stilwell, widow 1106 Dial Road Raven, VA 24639	0.9463 acres 1/8 of 7.57 acres	1.1828%	0.06798%	0.19339%	n/a
(4) Arthur M. Stilwell P.O. Box 314 Raven, VA 24639	0.9463 acres 1/8 of 7.57 acres	1.1828%	0.06798%	0.19339%	n/a
(5) Exie Osborne Heirs, Devisees, Successors or Assigns					
(a.1) Myrtle Smith Heirs, Devisees, Successors or Assigns					
(a.1.1) Nancy Jackson P.O. Box 448 Doran, VA 24612	0.0789 acres 1/96 of 7.57 acres	0.0986%	0.00566%	0.01612%	n/a
(a.1.2) Darlene Ward 117 Franklin Avenue Richlands, VA 24641	0.0789 acres 1/96 of 7.57 acres	0.0986%	0.00566%	0.01612%	n/a
(a.2) Maxie Boyd Box 972 Raven, VA 24639	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(a.3) Ruth Osborne Smith Box 672 Doran, VA 24612	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(a.4) Judy Blankenship Box 221 Doran, VA 24612	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(a.5) John Osborne Box 6 Shortt Gap, VA 24647	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(a.6) Ida Proffitt Box 6 Shortt Gap, VA 24647	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(6) Flossie Stilwell Osborne Heirs, Devisees, Successors or Assigns					

**Exhibit EE**  
**Unit S-36**  
**Docket #VGOB 98-0324-0626-06**  
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	Acres in Unit	Percent of Unit	Division of Interest in		Percent of Escrow
			6-Right 5.74713%	7-Right 16.34981%	
(a) Hubbard Osborne 3195 Osborne Mountain Rd. Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(b) Linda S. Shelton P. O. Box 521 Pounding Mill, VA 24637	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(c) Jerline Davis Box 204 North Tazewell, VA 24630	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(d) Arlin W. Osborne	<i>Transferred interest to d.1 per deed dated June 18, 2009</i>				
(d.1) Waldon Darrell Clifton PO Box 169 Richlands, VA 24641	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(e) Jackie D. Osborne 1995 Altizer Road Raven, VA 24639-1995	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(f) Daniel J. Osborne 1068 Harvest Moon Road Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(h) Marvin J. Osborne P. O. Box 1607 Cedar Bluff, VA 24609	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(i) Lois Casey 5-112 Sunny Hills Dr. Cedar Bluff, VA 24609	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(7) Sylvester Stilwell Osborne Heirs, Devisees, Successors or Assigns					
(b) Leonard C. Stilwell P. O. Box 932 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(c) Jay C. Stilwell Heirs, Devisees, Successors or Assigns					
(c.1) Connie Stilwell, widow P. O. Box 723 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(d) Wanda Hagy Box 1738 Richlands, VA 24641	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(e) Bessie Lowe P. O. Box 47 Shortt Gap, VA 24647	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(f) Theodore Stilwell HC66 Box 112A Whitewood, VA 24657	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	0.1591%
(8) Charlie Stilwell Osborne Heirs, Devisees, Successors or Assigns					

**Exhibit EE**  
**Unit S-36**  
**Docket #VGOB 98-0324-0626-06**  
**List of Conflicting Owners/Claimants with Royalty Split Agreements**

	Acres in Unit	Percent of Unit	Division of Interest in		Percent of Escrow
			6-Right 5.74713%	7-Right 16.34981%	
(a) Bernadine R. Lisburg 1418 First Avenue South Fargo, ND 58103	0.3154 acres 1/24 of 7.57 acres	0.3943%	0.02266%	0.06446%	<i>n/a</i>
(b) Gladys E. Pollert 1121 29 Street NW Fargo, ND 58102	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	<i>n/a</i>
(c) David W. Stilwell 507 E. Minnesota #107 Rapid City, SD 57701	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	<i>n/a</i>
(d) Thomas H. Stilwell 27 Horseshoe Bend Fargo, ND 58104	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	<i>n/a</i>
(e) Quentin A. Stilwell P. O. Box 154 Rhome, ND 58651	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	<i>n/a</i>
(f) Daniel J. Stilwell D77 El Rancho Trailer Ct. Mandan, ND 58554	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	<i>n/a</i>
(g) Bernice R. Lamb 2124 County Road 116 International Falls, MN 56649	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	<i>n/a</i>

**Exhibit A  
Tract-by-Tract Escrow Calculation  
Account Balances as of 12/31/09**

**Unit S36  
VGOB 98-0915-0681-06  
Acres Escrowed: 33.039530**

Owners	Tract #	Acres	Interest	Owners' Percent of Escrow (50%)	Amount Due Owners \$359,039.08
Hurt McGuire Land Trust - Coal	3	24.2387		12.6885%	\$45,556.69
Linkous Horn Heirs - O&G		27.44			
Patricia Horton			1/180	0.2307%	\$828.30
Nancy Ann Stilwell			1/10	4.1526%	\$14,909.46
Martha Smith			1/10	4.1526%	\$14,909.46
Sarah Day			1/10	4.1526%	\$14,909.46
Hurt McGuire Land Trust - Coal	4	0.63083		0.1591%	\$571.27
Thomas Stilwell Heirs - O&G		7.57			
Theodore Stilwell			1/72	0.1591%	\$571.27

**Wells contributing to the escrow account:**

S36

INSTRUMENT #100001525  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
JUNE 10, 2010 AT 01:39PM

BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB