

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

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

APPLICANTS: CNX Gas Company on behalf of Torch Oil & Gas Company, Ernest L. Mutter Heirs including Ruby G Mutter, Marcus E. Mutter, Brenda M. Skidmore, and Bruce V Mutter, plus Ira C. Mutter, Andrew D. Mutter, Wanda Padgett, Ema M. Mutter, Dallas Hess, Monta Mutter, Ferrell Mutter, and Lydia M. Coleman et vir.

DOCKET NO.
01-0918-0923-01

RELIEF SOUGHT:

Issuance: A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending Prior Orders Affecting Drilling Unit Y26;
Tracts 1A, 1B, 1C, 1D, 1E, 1G, 1H, 1I, 1J, and 3B
(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 Y26 by Tract Sub-accounts:
- (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 Unit's Escrow Subaccount for VGOB Tract(s) identified in Table 1.

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 November 16, 2010, at the Russell County Conference Center, 135 Highland Drive, Lebanon, Virginia.
2. **Appearances:** Mark A. Swartz of Swartz Law Office appeared for the Applicant; and Sharon M.B. Pigeon, Sr. Senior 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 subaccounts, 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 subaccounts. 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. **Proceedings:**

- 4.1 On September 18, 2001, 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 January 11, 2002, in Deed Book 537, Pages 654 to 672, Instrument 020000201. The Supplemental Order was executed and recorded in with the Clerk of the Circuit Court Buchanan County on July 8, 2002; Deed Book 550 Pages 82 to 93, Instrument 020002607.
- 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 Pooling Order and testimony, the coal estate ownership interests Torch Oil and Gas Company and the gas ownership of Ernest L Mutter Heris, Ira C Mutter, Andrew D Mutter, Wanda Padgett, Ema M. Mutter, Dallas Hess, Monta Mutter, Ferrell Mutter, and Lydia M. Coleman et vir 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 Tracts 1A, 1B, 1C, 1D, 1F, 1G, 1H, 1I, 1J and 3B a copy of which is attached to and made a part hereof, states under oath that Summary Judgement from the Buchanan County Circuit Court has decided an ownership split between Torch Oil and Gas Company coal ownership and the gas ownership of Ernest L Mutter Heris, Ira C Mutter, Andrew D Mutter, Wanda Padgett, Ema M. Mutter, Dallas Hess, Monta Mutter, Ferrell Mutter, and Lydia M. Coleman et vir with regard to each of the Tracts.
- 4.4 The Unit Operator gave notice to Torch Oil and Gas Company and the Ernest L Mutter Heris, Ira C Mutter, Andrew D Mutter, Wanda Padgett, Ema M. Mutter, Dallas Hess, Monta Mutter, Ferrell Mutter, and Lydia M. Coleman et vir that the Board would consider this disbursement authorization at its hearing on November 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 Tracts 1A, 1B, 1C, 1D, 1F, 1G, 1H, 1I 1J and 3B identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to said Tracts 1A, 1B, 1C, 1D, 1F, 1G, 1H, 1I 1J and 3B relative to 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 in other tracts under this order subject to continued payment 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) A Circuit Court decision exists for the coal ownership of Torch Oil and Gas Company and the gas ownership interests of Ernest L Mutter Heris, Ira C Mutter, Andrew D Mutter, Wanda Padgett, Ema M. Mutter, Dallas Hess, Monta Mutter, Ferrell Mutter, and Lydia M. Coleman et vir of the Subject Drilling Unit Y26;
- (2) Net interests attributable and to be disbursed to each Applicant is shown in Table 1,

VGOB Approved Disbursement
VGOB-01-0918-0923-01
Y26
Table 1

Item	Tract	Disbursement Table	Average Fraction	Acreage Interest	Split Agreement	Acres	% of Escrowed Funds
		Tract 1					
						52.95000	
	1A	Torch Oil & Gas Company		21.90		21.90	
1	1A	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	21.9000	7.5%	1.6425	3.1020%
	1A	Ernest L. Mutter Heirs - O&G&CBM					
2	1A	Ruby G. Mutter / PO Box 132 / Peterstown, WV 24963	1/4	5.4750	92.5%	5.0644	9.5644%
3	1A	Marcus E. Mutter / PO Box 861 / Bluefield, WV 24701	1/4	5.4750	92.5%	5.0644	9.5644%
4	1A	Brenda M. Skidmore / 279 Hidden Meadow Drive / Pearisburg, VA 24134	1/4	5.4750	92.5%	5.0644	9.5644%
5	1A	Bruce V. Mutter / 25 Crestview Drive / Princeton, WV 24740	1/4	5.4750	92.5%	5.0644	9.5644%
	1B	Torch Oil & Gas Company		17.99		17.99	
1	1B	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	17.9900	7.5%	1.3493	2.5482%
2	1B	Ira C. Mutter / Box 326 / Rich Creek, VA 24147	1	17.9900	92.5%	16.6408	31.4273%
	1C	Torch Oil & Gas Company		9.44		9.44	
1	1C	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	9.4400	7.5%	0.7080	1.3371%
2	1C	Andrew D. Mutter / PO Box 86 / Oakwood, VA 24631	1	9.4400	92.5%	8.7320	16.4910%
	1D	Torch Oil & Gas Company		1.10		1.10	
1	1D	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	1.1000	7.5%	0.0825	0.1558%
2	1D	Wanda Padgett / POA Christine S Braun / 811 Victoria Hills Drive South / Defand, FL	1	1.1000	92.5%	1.0175	1.9216%
	1F	Torch Oil & Gas Company		0.19		0.19	
1	1F	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	0.1900	7.5%	0.0143	0.0269%
2	1F	Ema M. Mutter / PO Box 191 / Grundy, VA 24614	1	0.1900	92.5%	0.1758	0.3319%
	1G	Torch Oil & Gas Company		0.89		0.89	
1	1G	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	0.8900	7.5%	0.0668	0.1261%
2	1G	Dallas Hess / 670 south Canfield Niles Rd. / Youngstown, OH 44515	1	0.8900	92.5%	0.8233	1.5548%
	1H	Torch Oil & Gas Company		0.22		0.22	
1	1H	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	0.2200	7.5%	0.0165	0.0312%
2	1H	Monta Mutter / 1989 Bellewood Dr. / Mansfield, OH 44904	1	0.2200	92.5%	0.2035	0.3843%
	1I	Torch Oil & Gas Company		0.09		0.09	
1	1I	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	0.0900	7.5%	0.0068	0.0127%
2	1I	Ferrell Mutter (Tamara L. Murray) / 2626 Chambers Road / Oakwood VA 24631	1	0.0900	92.5%	0.0833	0.1572%
	1J	Torch Oil & Gas Company		0.40		0.40	
1	1J	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	0.4000	7.5%	0.0300	0.0567%
2	1J	Lydia M. Coleman et vir / 56 N. Brookwood Way / Mansfield, OH 44906	1	0.4000	92.5%	0.3700	0.6988%
	3B	Torch Oil & Gas Company		0.15		0.15	
1	3B	Torch Oil & Gas Co / Gentry, Locke, Rakes & Moore / Attn J Scott Sexton Esq / PO Bo	1	0.1500	7.5%	0.0113	0.0212%
	3B	Ernest L. Mutter Heirs		1			
2	3B	Ruby G. Mutter / PO Box 132 / Peterstown, WV 24963	1/4	0.0375	92.5%	0.0347	0.0655%
3	3B	Marcus E. Mutter / PO Box 861 / Bluefield, WV 24701	1/4	0.0375	92.5%	0.0347	0.0655%
4	3B	Brenda M. Skidmore / 279 Hidden Meadow Drive / Pearisburg, VA 24134	1/4	0.0375	92.5%	0.0347	0.0655%
5	3B	Bruce V. Mutter / 25 Crestview Drive / Princeton, WV 24740	1/4	0.0375	92.5%	0.0347	0.0655%

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 to 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:**

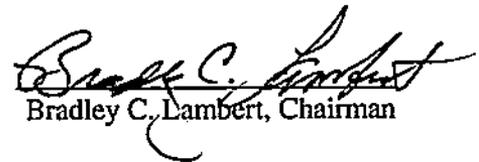
Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and **IT IS SO ORDERED.**

8. **Appeals:**

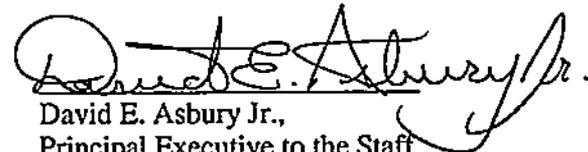
Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated 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 17 day of Dec, 2010, by a majority of the Virginia Gas and Oil Board.


Bradley C. Lambert, Chairman

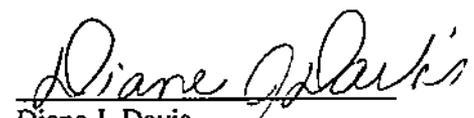
DONE AND PERFORMED this 17 day of Dec, 2010, by an Order of this Board.


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

COMMONWEALTH OF VIRGINIA)
COUNTY OF RUSSELL

Acknowledged on this 17th day of December, 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
Notary Public #174394

My commission expires: 09/30/2013

VIRGINIA:

IN THE CIRCUIT COURT OF BUCHANAN COUNTY

IRA C. MUTTER

and

ERNEST L. MUTTER

and

ANDREW D. MUTTER

and

DANNY BLANKENSHIP

and

FERN DUECASTER, FERREL W. MUTTER,
WILLIAM S. MUTTER, LYDIA COLEMAN,
MONDA G. MUTTER, WANDA PADGETTE,
OLGA DAVIS, and DALLAS HBSS, Equal share heirs of
Roy C. Mutter, deceased,

Plaintiffs

v.

HUGH McCRAE LAND TRUST,

TORCH ENERGY ADVISERS, INC.,

and

CNX GAS COMPANY, LLC,

Defendants

Case No. 07000420-00

FINAL ORDER

THIS DAY came the parties to this action, by counsel, upon Plaintiffs' Motion for Judgment pursuant to Declaratory Judgment Act, Virginia Code 8.01-184, whereby Plaintiffs moved the Court to declare their collective ownership of CBM gas (hereinafter, "CBM"), and represented to the Court the following findings:

(a) Plaintiffs, Ira C. Mutter *et al* (hereinafter, "Plaintiffs"), are each owners, either individually or in conjunction with each other, of all those certain tracts of land (hereinafter, "the Real Estate") described by vesting deeds submitted as Exhibits A through D to Plaintiffs' Motion for Declaratory Judgment in this matter and attached hereto, or as heirs, devisees, and successors or assigns thereof; and said Plaintiffs are also each the owners, either individually or in conjunction with each other, of all the surface, oil and gas, and other mineral rights incident thereto (hereinafter, "the Subject Rights"), with the exception of the severance of coal rights pursuant to a certain coal severance deed (hereinafter, "the Severance Deed"), also submitted as Exhibit E to Plaintiffs' said motion and attached hereto; and said lands are the Real Estate contained wholly or partially within Drilling Unit Y-26, the subject drilling unit herein, as indicated in the Virginia Gas and Oil Board Report, VGOB 01-918-0923, filed in the Buchanan County Circuit Court Clerk's Office at Deed Book 537, Page 654, and recorded in said office on January 11, 2002 (hereinafter, "the Subject Drilling Unit"); and as said owners of the Real Estate and Subject Rights, Plaintiffs claim ownership of the disputed CBM gas fee rights (hereinafter, "CBM Rights") and currently escrowed funds associated with said rights (hereinafter, "the Funds").

(b) William B. Cocks, Jr., Esq. and Alan Siegel, Esq., Trustees for Defendant Hugh McCrae Land Trust (hereinafter, "HMLT"), are the successors in title to the coal rights described in the Severance Deed, where the grantors therein conveyed to the grantees therein all the coal on and under the Real Estate, except for ten acres around the dwelling house, as described in the

Severance Decd, whereby HMLT owns the coal on and under the Real Estate together with the rights incident thereto.

c) As coal owner, HMLT entered into a CBM lease for the production of CBM on acreage that includes the Real Estate. HMLT subsequently assigned its rights to receive payment for royalties on CBM production to Defendant, Torch Energy Advisers, Inc. (hereinafter, "TEA"), pursuant to Acquisition Agreement by and between HMLT and TEA dated December 29, 1997. A conflict exists as to the ownership of the CBM produced from the Real Estate and the royalties associated therewith.

(d) Defendant CNX Gas Company, LLC (hereinafter, "CNX") is the unit operator authorized to drill and operate the CBM well(s) on the Subject Drilling Unit and is the successor lessee of gas, including CBM and certain other extraction rights in said drilling unit, and has no claim of ownership to the Funds or future royalties produced from CBM gas sales attributed to the Real Estate.

(e) For a period of years, CBM has been commercially produced and attributed to the Real Estate at issue; and, pursuant to Virginia law, the royalties from the sale of such CBM have been escrowed under the direction of the Virginia Gas and Oil Board (hereinafter, "VGOB") pending a determination as to the ownership of the CBM in the Subject Drilling Unit.

(f) With regard to the Real Estate at issue, the ownership of CBM is simply a question of whether it is owned by Plaintiffs in this matter, who, along with their predecessors in title, have never separately severed the gas or mineral interests associated with the Real Estate except for the coal.

(g) In settlement of the dispute in this matter, Defendant TEA relinquishes its claim to the CBM Rights and the Funds, and Plaintiffs and Defendant TEA agree that 7.5% of the Funds, escrowed as of the date that such funds are distributed pursuant to this Order, shall be made payable

and distributed to TEA. Plaintiffs and Defendant TEA further agree that the remainder of the Funds, as well as all future royalty payments from the sale of CBM gas production attributed to the Real Estate, shall be paid to Plaintiffs in proportion to their individual ownership. TEA waives and releases any further claim to said royalties and funds.

(h) Defendants HMLT and CNX make no claim to the CBM Rights, the Funds currently escrowed, nor to any future royalties related to the sale of CBM attributed to the Real Estate.*

UPON CONSIDERATION of the aforementioned findings, it is hereby ADJUDGED, ORDERED, AND DECREED as follows:

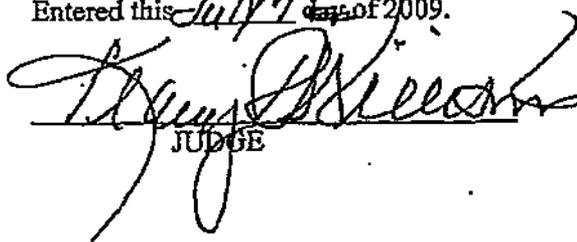
1. As between the parties hereto, and in the acreage amounts reflected in the attached deeds, Plaintiffs are the owners of CBM and natural gas on, under or produced from the Real Estate.

2. This Order is the final order adjudicating and declaring Plaintiffs' rights to the CBM associated with the Real Estate at issue. Upon application to VGOB and presentation of this Order to said Board, TEA shall be paid 7.5% of the Funds held in escrow at the time of such application and Plaintiffs shall be paid the remainder of such Funds and all future funds and royalties from the production of CBM attributable to the Real Estate according to each Plaintiff's individual interest as shown in any existing or revised Pooling Order by VGOB. Distribution of escrowed funds shall be made on or before the time period specified by Virginia law, and all future funds and royalties shall inure only to Plaintiffs according to each Plaintiff's aforementioned individual interest.

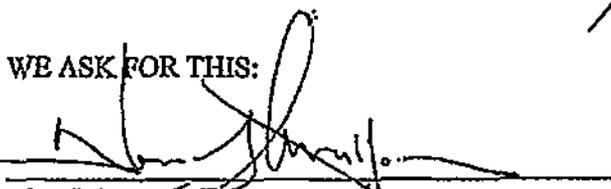
There being nothing further for consideration in this matter, the Court hereby FURTHER ORDERS the Clerk to provide attested copies of this Order to all counsel of record and this matter is stricken from the docket.

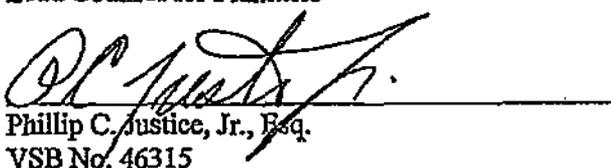
*except that CNX claims such rights as successor lessee of the CBM estate and as unit operator for the subject drilling unit as to which it is entitled and the royalty rights associated therewith.

Entered this July 7 day of 2009.

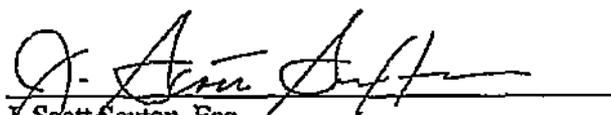

JUDGE

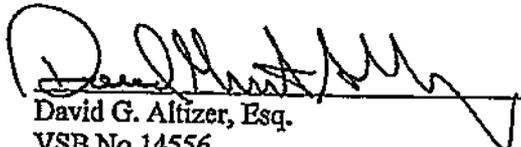
WE ASK FOR THIS:


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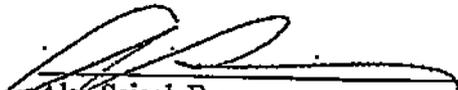

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Co-Counsel for Plaintiffs

SEEN WITHOUT OBJECTION:

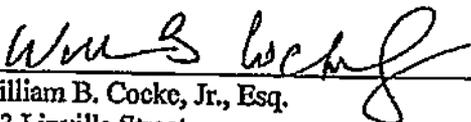

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Counsel for Defendant Torch Energy Advisers, Inc.



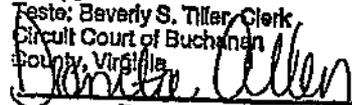
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Counsel for Defendant CNX Gas Company



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Phone: 845/679-7045
Trustee for Hugh McCrae Land Trust



William B. Cocke, Jr., Esq.
443 Linville Street
Newland, NC 28657
Phone: 828/733-6061
Trustee for Hugh McCrae Land Trust

A Copy
Teste: Beverly S. Tiller, Clerk
Circuit Court of Buchanan
County, Virginia

Deputy Clerk

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO.: VGOB 01-0918-0923-~~7~~

01 & 02

RELIEF SOUGHT: a) Revise acreages and interest in unit percentages based on revised mapping; and
b) Direct disbursements from escrow account consistent with the Circuit Court Order

LOCATION: SEE EXHIBIT "A1"

HEARING DATE: November 16, 2010

UNIT: Y-26

BUCHANAN COUNTY, VIRGINIA

NOTICE OF HEARING

HEARING DATE: November 16, 2010
PLACE: Russell County Conference Center
135 Highlands Drive
Lebanon, Virginia 24266
TIME: 9:00 AM



COMMONWEALTH OF VIRGINIA: To all persons owning or claiming an interest in oil and gas, coalbed methane gas, coal or other minerals and to all other persons who have or claim to have an interest in the coalbed methane underlying and within Unit Y-26 and the lands described on Exhibit A to the Application and Exhibit A1 hereto, in the Garden & Hurricane Districts of Buchanan County, Virginia (hereinafter "Subject Lands") and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, assigns and successors, both immediate and remote:

Ruby G. Mutter, Marcus E. Mutter, Brenda M. Skidmore, Bruce V. Mutter, Ira C. Mutter, Andrew D. Mutter, Wanda Padgettte c/o Christine S. Braun, POA, Raleigh D. Blankenship, Fern Duecaster, Erna M. Mutter, Herbert & Dallas Hess, Monta Mutter, Tamara L. Murray, Ferrell W. Mutter, Lydia M. Coleman, Olga Davis, Torch Oil & Gas Company, CNX Gas Company LLC, Hugh MacRae Land Trust

NOTICE IS HEREBY GIVEN that Applicant is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order as follows:

- a) Revise acreages and interest in unit percentage based on revised mapping; and
- b) Direct disbursements from escrow account consistent with Circuit Court Order
- c) Authorize the Operator to make direct payments of royalty thereafter

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 November 16, 2010, 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: 10-15-10

CNX Gas Company LLC
Applicant
By:
Anita D. Duty
Pooling Supervisor
CNX Land Resources Inc.
2481 John Nash Blvd.
Bluefield, WV 24701

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO.: VGOB 01-0918-0923-01

RELIEF SOUGHT: a) Revise acreages and interests in unit percentages based on revised mapping; and
b) Direct disbursements from escrow account consistent with Circuit Court Order

LOCATION: SEE EXHIBIT "A1"

HEARING DATE: November 16, 2010

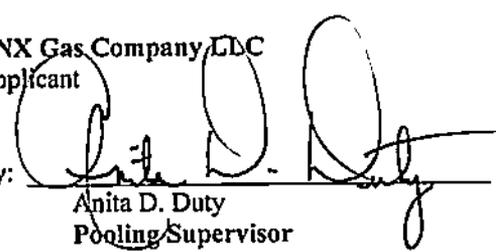
UNIT: Y-26

BUCHANAN COUNTY, VIRGINIA

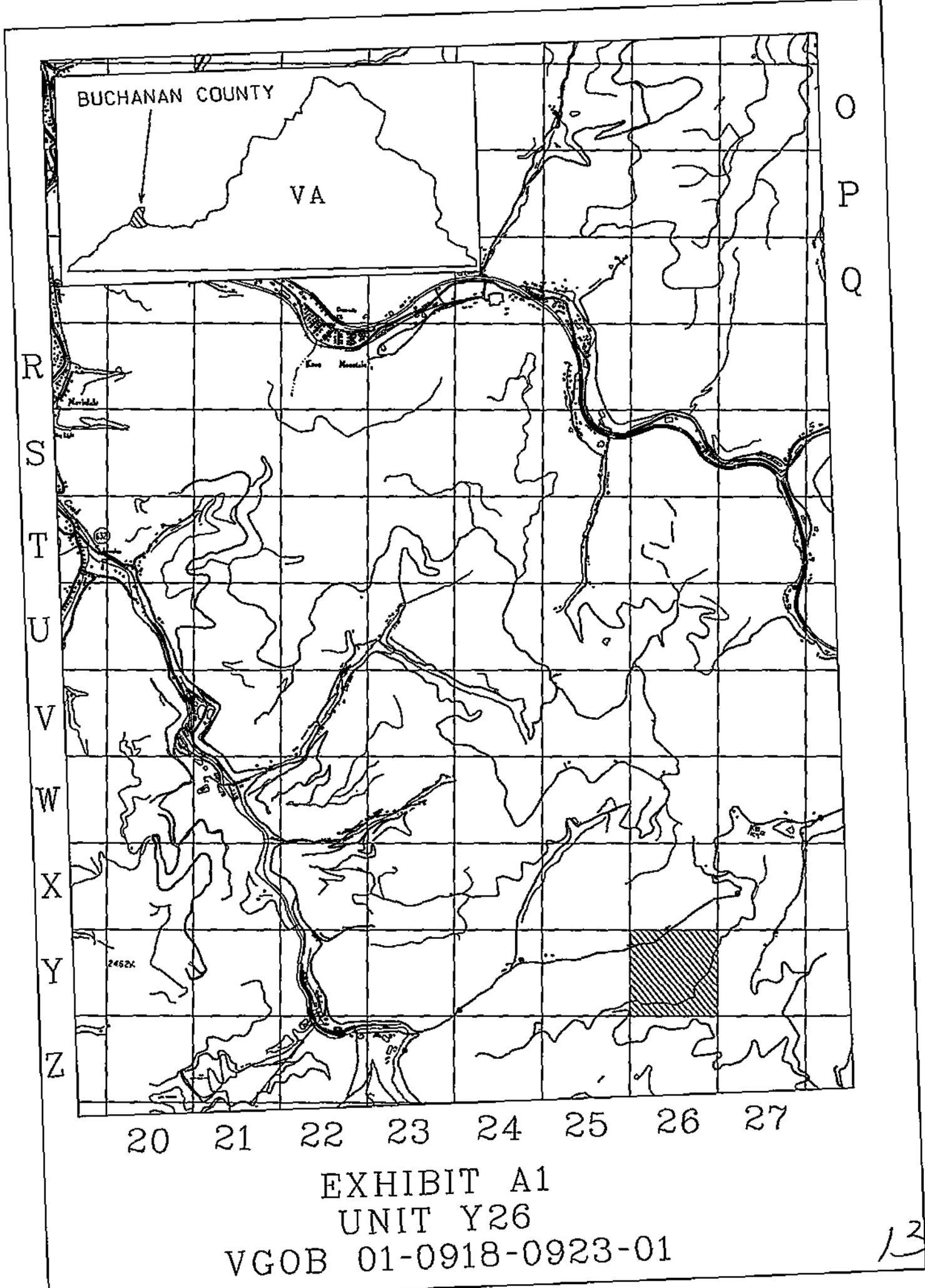
APPLICATION

1. **Applicant and its counsel:** Applicant is CNX Gas Company LLC, 2481 John Nash Blvd., Bluefield, WV 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:** a) revise acreages and interests in unit percentages; and b) direct disbursements from escrow and authorize operator to make direct payments of royalty.
3. **Legal Authority:** Va. Code Ann. §45.1-361.20, §45.1-361.17, 4 VAC 25-160-50 and 4 VAC 25-160-60.
4. **Type of well(s):** Coalbed methane.
5. **Permit numbers, if any:** CBM-Y26 Permit #4755, CBM-Y26A Permit #9204
6. **Exhibits:** Exhibit A hereto shows the revised mapping. The Tract Identifications for Exhibit A are also attached. The Unit is 100% leased so there is no Exhibit B-3. The annexed tract by tract escrow disbursement exhibit provides the percentages to be used by the escrow agent when making the requested disbursements. As noted in the escrow disbursement exhibit, the Board order should provide for an escrow payout allocation of 92.5%/7.5% of the balance on deposit as of August 31, 2010. The dollar amounts set forth in the disbursement exhibit shall be used to make this disbursement. For disbursement of funds deposited after said date, the escrow agent shall use the percentages set forth in the escrow disbursement exhibit. The order should then further provide that the operator make direct payments as indicated in the Circuit Court Order. The funds on deposit pertaining to Tract 1E shall remain on deposit. 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.
7. **Unit description:** Oakwood 80 acre Unit.
8. **Applicant's standing:** The Applicant is the Unit Operator under the terms of the Pooling Order entered in the referenced matter.
9. **Attestation:** The foregoing application, to the best of my knowledge, information, and belief, is true and correct.

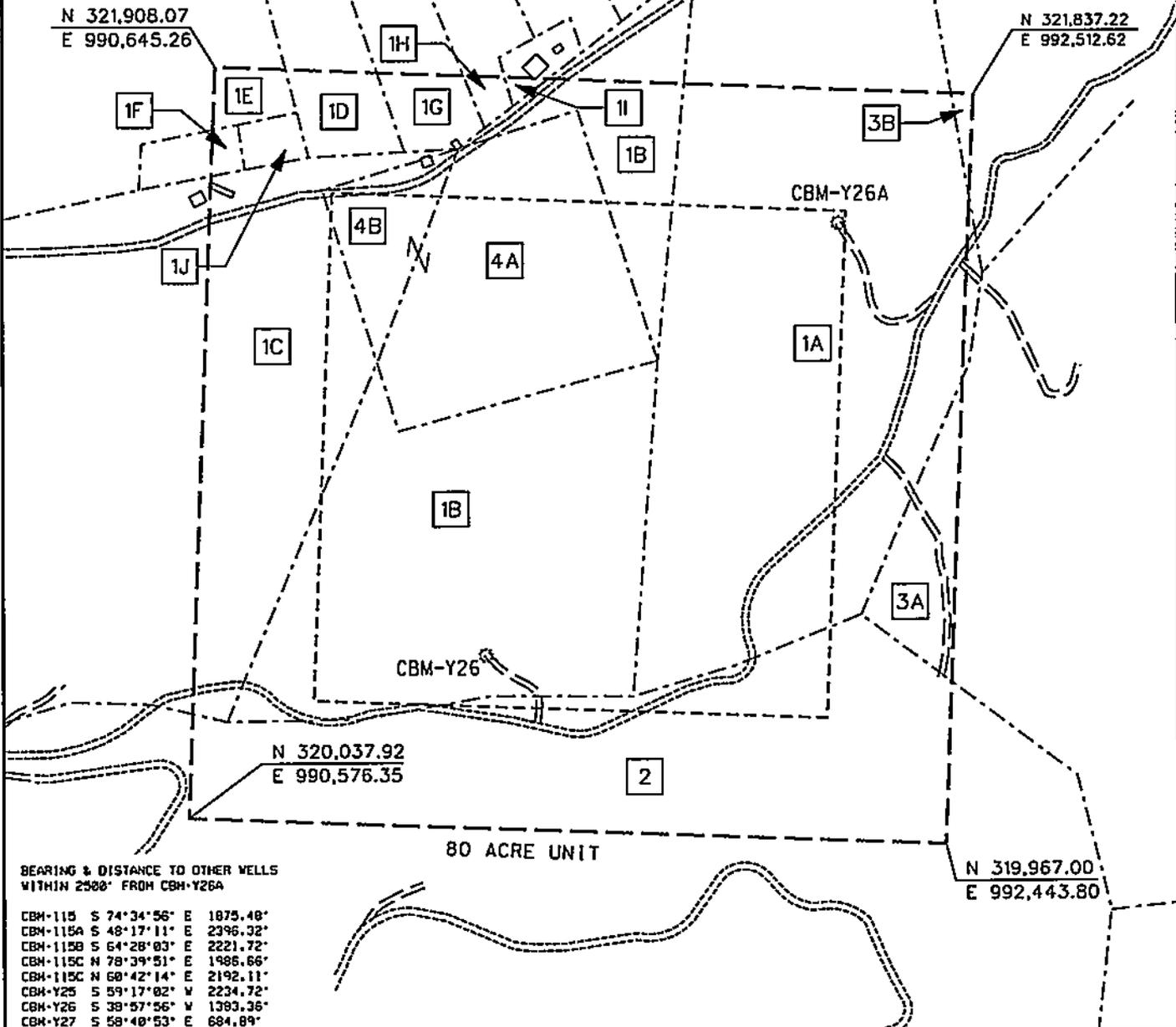
CNX Gas Company LLC
Applicant

By: 

Anita D. Duty
Pooling Supervisor
CNX Land Resources Inc.
2481 John Nash Blvd.
Bluefield, WV 24701



Property lines shown on this plot 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.



BEARING & DISTANCE TO OTHER WELLS WITHIN 2500' FROM CBM-Y26A

CBM-115	S 74°34'56"	E 1875.48'
CBM-115A	S 48°17'11"	E 2396.32'
CBM-115B	S 64°28'03"	E 2221.72'
CBM-115C	N 78°39'51"	E 1986.66'
CBM-115C	N 68°42'14"	E 2192.11'
CBM-Y25	S 59°17'02"	W 2234.72'
CBM-Y26	S 38°57'56"	W 1383.36'
CBM-Y27	S 58°40'53"	E 684.89'

CBM WELL
 PROPOSED HORIZONTAL WELL
 PROPOSED CBM WELL

EXHIBIT A
 OAKWOOD FIELD
 UNIT Y26
 FORCE POOLING
 VGOB 01-0918-0923-01

Company CNX Gas Company LLC Well Name and Number UNIT Y26
 Tract No. _____ Elevation _____ Quadrangle KEEN MOUNTAIN
 County BUCHANAN District HURRICANE/GARDEN Scale: 1" = 400'
 This plot is a new plot _____ ; an updated plot X ; or a final plat _____

Form DGO-GO-7
 Rev. 9/91

Licensed Professional Engineer or Licensed Land Surveyor

COMMONWEALTH OF VIRGINIA

 Lic. No. 041898
 (Affix Seal)
 10/14/16
 PROFESSIONAL ENGINEER

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CNX Gas Company LLC
Unit Y 26
Tract Identifications

- 1A. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal
Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Jill Skidmore (a.k.a Brenda M. Skidmore) (Ernest L. Mutter Heirs) (26.50 Acre Tract) – Surface, Oil,
Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
21.90 Acres 27.3750%
- 1B. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal
Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Ira C. Mutter – Surface, Oil, Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
17.99 Acres 22.4875%
- 1C. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal
Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Andrew Mutter – Surface, Oil, Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
9.44 Acres 11.8000%
- 1D. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal
Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Christine S. Braun, et al - Surface, Oil, Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
1.10 Acres 1.3750%
- 1E. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal
Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
R.D. Blankenship - Surface, Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.58 Acres 0.7250%
- 1F. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal
Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Erna M. Mutter – Oil, Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
Lydia Coleman - Surface
0.19 Acres 0.2375%

"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."

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- 1G. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Herbert Hess, et ux - Surface, Oil, Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.89 Acres 1.1125%
- 1H. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Monta Mutter - Surface, Oil, Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.22 Acres 0.2750%
- 1I. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Tamara L. Murray, et al – Surface, Oil, Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.09 Acres 0.1125%
- 1J. Hugh MacRae Land Trust Tr. 10 (Reese R. Mutter, et ux 398.00 Acre) – Coal Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Lydia M. Coleman, et vir - Surface, Oil, Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.40 Acres 0.5000%
2. Hugh MacRae Land Trust Tr. 21 (George A. Warder 687.00 Acre) – Fee Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
15.44 Acres 19.3000%
- 3A. Hugh MacRae Land Trust Tr. 17 (D.G. Rakes, et ux 632.50 Acre) – Coal Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
CNX Gas Company LLC – Oil, Gas and CBM
Consolidation Coal Company – Surface
1.90 Acres 2.3750%
- 3B. Hugh MacRae Land Trust Tr. 17 (D.G. Rakes, et ux 632.50 Acre) – Coal Consolidation Coal Company – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Jill Skidmore (a.k.a Brenda M. Skidmore) (Ernest L. Mutter Heirs) (29.20 Acre Tract) – Surface, Oil, Gas and CBM
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.15 Acres 0.1875%
- 4A. Ernest L. Mutter, et al (Jacob Mutter Heirs) (10.00 Acre Tract) – All Minerals Consolidation Coal Company – Below Tiller Seam Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Ira C. Mutter – Surface
7.90 Acres 9.8750%

"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."

- 4B. Ernest L. Mutter, et al (Jacob Mutter Heirs) (10.00 Acre Tract) – All Minerals
Consolidation Coal Company – Below Tiller Seam Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Andrew Mutter – Surface
1.81 Acres 2.2625%

"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 Y-26
Docket # VGOB 01-0918-0923-01
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
<u>Tract #1E - 0.58 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hugh MacRae Land Trust, Tr. 10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022	0.58 acres	0.7250%
<i>CBM Royalty owner (from the Coal Owner only):</i>		
Torch Oil & Gas Company c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030		
<u>OIL & GAS OWNERSHIP</u>		
(1) R.D. Blankenship 6707 Melville Drive Chesterfield, VA 23832	0.58 acres	0.7250%

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Exhibit EE
Unit Y-26
Docket # VGOB 01-0918-0923-01
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Percent of Escrow based on 7.5%- 92.5% Split
<u>Tract #1A - 21.90 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			
<i>Although the deed from Hugh Macrae Land Trust to Torch Operating Company conveyed the Coal owners' claim to CBM, CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 07000420-00 executed on July 7, 2009 Torch Operating Company will receive a one-time payout of 7.5% from escrow. After this one-time payment, royalties will be paid 100% to the prevailing plaintiffs.</i>			
Torch Oil & Gas Company (Torch Energy Advisors, Inc. c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	21.90 acres	27.3750%	3.1020%
<u>OIL & GAS OWNERSHIP</u>			
(1) Jill Skidmore (aka Brenda M. Skidmore) (Ernest L. Mutter Heirs 26.50 Acre Tract)	21.90 acres	27.3750%	
(a) Ruby G. Mutter P.O. Box 132 Peterstown, WV 24963	5.4750 acres 1/4 of 21.90 acres	6.8438%	9.5644%
(b) Marcus E. Mutter P.O. Box 861 Bluefield, WV 24701	5.4750 acres 1/4 of 21.90 acres	6.8438%	9.5644%
(c) Brenda M. Skidmore 279 Hidden Meadow Drive Pearisburg, VA 24134	5.4750 acres 1/4 of 21.90 acres	6.8438%	9.5644%
(d) Bruce V. Mutter 25 Crestview Drive Princeton, WV 24740	5.4750 acres 1/4 of 21.90 acres	6.8438%	9.5644%
<u>Tract #1B - 17.99 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			
<i>Although the deed from Hugh Macrae Land Trust to Torch Operating Company conveyed the Coal owners' claim to CBM, CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 07000420-00 executed on July 7, 2009 Torch Operating Company will receive a one-time payout of 7.5% from escrow. After this one-time payment, royalties will be paid 100% to the prevailing plaintiffs.</i>			
Torch Oil & Gas Company (Torch Energy Advisors, Inc. c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	17.99 acres	22.4875%	2.5482%
<u>OIL & GAS OWNERSHIP</u>			
(1) Ira C. Mutter Box 326 Rich Creek, VA 24147	17.99 acres	22.4875%	31.4273%

Exhibit EE
Unit Y-26
Docket # VGOB 01-0918-0923-01
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Percent of Escrow based on 7.5%- 92.5% Split
<u>Tract #1C - 9.44 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			
<i>Although the deed from Hugh Macrae Land Trust to Torch Operating Company conveyed the Coal owners' claim to CBM, CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 07000420-00 executed on July 7, 2009 Torch Operating Company will receive a one-time payout of 7.5% from escrow. After this one-time payment, royalties will be paid 100% to the prevailing plaintiffs.</i>			
Torch Oil & Gas Company (Torch Energy Advisors, Inc. c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	9.44 acres	11.8000%	1.3371%
<u>OIL & GAS OWNERSHIP</u>			
(1) Andrew D. Mutter P.O. Box 86 Oakwood, VA 24631	9.44 acres	11.8000%	16.4910%
<u>Tract #1D - 1.10 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			
<i>Although the deed from Hugh Macrae Land Trust to Torch Operating Company conveyed the Coal owners' claim to CBM, CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 07000420-00 executed on July 7, 2009 Torch Operating Company will receive a one-time payout of 7.5% from escrow. After this one-time payment, royalties will be paid 100% to the prevailing plaintiffs.</i>			
Torch Oil & Gas Company (Torch Energy Advisors, Inc. c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	1.10 acres	1.3750%	0.1558%
<u>OIL & GAS OWNERSHIP</u>			
(1) Christine S. Braun et al 1426 John Anderson Drive Ormond Beach, FL 32176 <i>Wanda Pageatte conveyed by deed to Christine S. Braun April 27, 2004. Wanda retained her CBM rights</i>			
(a) Wanda Padgette POA Christine S. Braun 811 Victoria Hills Drive South Deland, FL 32724-8844	1.10 acres	1.3750%	1.9216%
<u>Tract #1F - 0.19 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			

Exhibit EE
Unit Y-26
Docket # VGOB 01-0918-0923-01
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Percent of Escrow based on 7.5%- 92.5% Split
<i>Although the deed from Hugh Macrae Land Trust to Torch Operating Company conveyed the Coal owners' claim to CBM, CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 07000420-00 executed on July 7, 2009 Torch Operating Company will receive a one-time payout of 7.5% from escrow. After this one-time payment, royalties will be paid 100% to the prevailing plaintiffs.</i>			
Torch Oil & Gas Company (Torch Energy Advisors, Inc. c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	0.19 acres	0.2375%	0.0269%
<u>OIL & GAS OWNERSHIP</u>			
(1) William Mutter Heirs, Devisees Successors or Assigns			
(a) Erna M. Mutter P.O. Box 191 Grundy, VA 24614	0.19 acres	0.2375%	0.3319%
<u>Tract #1G - 0.89 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			
<i>Although the deed from Hugh Macrae Land Trust to Torch Operating Company conveyed the Coal owners' claim to CBM, CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 07000420-00 executed on July 7, 2009 Torch Operating Company will receive a one-time payout of 7.5% from escrow. After this one-time payment, royalties will be paid 100% to the prevailing plaintiffs.</i>			
Torch Oil & Gas Company (Torch Energy Advisors, Inc. c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	0.89 acres	1.1125%	0.1261%
<u>OIL & GAS OWNERSHIP</u>			
(1) Herbert and Dallas Hess 670 South Canfield Niles Rd. Youngstown, OH 44515	0.89 acres	1.1125%	1.5548%
<u>Tract #1H - 0.22 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			
<i>Although the deed from Hugh Macrae Land Trust to Torch Operating Company conveyed the Coal owners' claim to CBM, CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 07000420-00 executed on July 7, 2009 Torch Operating Company will receive a one-time payout of 7.5% from escrow. After this one-time payment, royalties will be paid 100% to the prevailing plaintiffs.</i>			
Torch Oil & Gas Company (Torch Energy Advisors, Inc. c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	0.22 acres	0.2750%	0.0312%

Exhibit EE
Unit Y-26
Docket # VGOB 01-0918-0923-01
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Percent of Escrow based on 7.5%- 92.5% Split
<u>OIL & GAS OWNERSHIP</u>			
(1) Monta Mutter 1989 Bellewood Dr. Mansfield, OH 44904	0.22 acres	0.2750%	0.3843%
<u>Tract #1I - 0.09 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			
<i>Although the deed from Hugh Macrae Land Trust to Torch Operating Company conveyed the Coal owners' claim to CBM, CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 07000420-00 executed on July 7, 2009 Torch Operating Company will receive a one-time payout of 7.5% from escrow. After this one-time payment, royalties will be paid 100% to the prevailing plaintiffs.</i>			
Torch Oil & Gas Company (Torch Energy Advisors, Inc. c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	0.09 acres	0.1125%	0.0127%
<u>OIL & GAS OWNERSHIP</u>			
(1) Tamara L. Murray, et al			
(a) Tamara L. Murray Rt. 2 Box 36 Oakwood, VA 24631			
(b) Ferrell Mutter 2626 Chambers Road Oakwood, VA 24631 <i>Retained a Life Estate but signed a lease November 25, 1991. Ferrell will receive the benefit of CBM royalties for his lifetime</i>	0.09 acres	0.1125%	0.1572%
<u>Tract #1J - 0.40 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh Macrae Land Trust, Tr.10 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			
<i>Although the deed from Hugh Macrae Land Trust to Torch Operating Company conveyed the Coal owners' claim to CBM, CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 07000420-00 executed on July 7, 2009 Torch Operating Company will receive a one-time payout of 7.5% from escrow. After this one-time payment, royalties will be paid 100% to the prevailing plaintiffs.</i>			
Torch Oil & Gas Company (Torch Energy Advisors, Inc. c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	0.40 acres	0.5000%	0.0567%
<u>OIL & GAS OWNERSHIP</u>			
(1) Lydia M. Coleman, et vir 56 N. Brookwood Way Mansfield, OH 44906	0.40 acres	0.5000%	0.6988%

Exhibit EE
Unit Y-26
Docket # VGOB 01-0918-0923-01
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres In Unit	Percent of Unit	Percent of Escrow based on 7.5%- 92.5% Split
<u>Tract #3A - 1.90 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh MacRae Land Trust, Tr. 17 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022	1.90 acres	2.3750%	
<u>CBM Royalty owner (from the Coal Owner only):</u>			
Torch Oil & Gas Company c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030			
<u>OIL & GAS OWNERSHIP</u>			
(1) CNX Gas Company LLC 2481 John Nash Blvd Bluefield, WV 24701	1.90 acres	2.3750%	N/A
<u>Tract #3B - 0.15 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hugh MacRae Land Trust, Tr. 17 c/o Akin, Gump, et al. 590 Madison Avenue, 20th Floor New York, NY 10022			
<u>CBM Royalty owner (from the Coal Owner only):</u>			
Torch Oil & Gas Company c/o Sue Ann Craddock 670 Dona Ana Road SW Deming, NM 88030	0.15 acres	0.1875%	0.0212%
<u>OIL & GAS OWNERSHIP</u>			
(1) Jill Skidmore (aka Brenda M. Skidmore) (Ernest L. Mutter Heirs 29.20 Acre Tract)	0.15 acres	0.1875%	
(a) Ruby G. Mutter P.O. Box 132 Peterstown, WV 24963	0.0375 acres 1/4 of 0.15 acres	0.0469%	0.0655%
(b) Marcus E. Mutter P.O. Box 861 Bluefield, WV 24701	0.0375 acres 1/4 of 0.15 acres	0.0469%	0.0655%
(c) Brenda M. Skidmore 279 Hidden Meadow Drive Pearisburg, VA 24134	0.0375 acres 1/4 of 0.15 acres	0.0469%	0.0655%
(d) Bruce V. Mutter 25 Crestview Drive Princeton, WV 24740	0.0375 acres 1/4 of 0.15 acres	0.0469%	0.0655%

Exhibit A1
Tract-by-Tract Escrow Calculation
Account Balances as of 8/31/10

Unit Y26
 VGOB 01-0918-0923-01
 Acres Escrowed: 52.950000

Owners	Tract #	Acres	Owner Acres	Interest	Total Tract Percent of Escrow	Muttler Heirs Percent of Escrow (92.5%)	Torch Percent of Escrow (7.5%)	Total Amount Due Owners	Total Owners' Percent of Escrow (100%)
Torch Oil & Gas Company									
Ernest L. Muttler Heirs - O.G&CBM	1A	21.9000			41.3588%		3.1020%	\$2,957.37	
			5.4750	1/4		9.5844%		\$9,118.56	10.3399%
			5.4750	1/4		9.5844%		\$9,118.56	10.3399%
			5.4750	1/4		9.5844%		\$9,118.56	10.3399%
			5.4750	1/4		9.5844%		\$9,118.56	10.3399%
Torch Oil & Gas Company									
Ira C. Muttler - O.G&CBM	1B	17.99			33.9754%		2.5482%	\$2,420.36	
			33.9754%			31.4273%		\$28,962.16	33.9754%
Torch Oil & Gas Company									
Andrew D. Muttler - O.G&CBM	1C	9.44			17.8281%		1.3371%	\$1,274.77	
			17.8281%			16.4910%		\$15,722.22	17.8281%
Torch Oil & Gas Company									
Wanda Padgelle - O.G&CBM	1D	1.10			2.0774%		0.1558%	\$148.54	
			2.0774%			1.9216%		\$1,832.04	2.0774%
Torch Oil & Gas Company									
Ema M. Muttler - O.G&CBM	1F	0.19			0.3588%		0.0269%	\$25.66	
			0.3588%			0.3319%		\$316.44	0.3588%
Torch Oil & Gas Company									
Dallas Hess - O.G&CBM	1G	0.89			1.6808%		0.1261%	\$120.19	
			1.6808%			1.5548%		\$1,482.29	1.6808%
Torch Oil & Gas Company									
Monta Muttler - O.G&CBM	1H	0.22			0.4155%		0.0312%	\$29.71	
			0.4155%			0.3843%		\$366.41	0.4155%
Torch Oil & Gas Company									
Ferrell Muttler (Tamara L. Murray) - O.G&CBM	1I	0.09			0.1700%		0.0127%	\$12.15	
			0.1700%			0.1572%		\$149.89	0.1700%
Torch Oil & Gas Company									
Lydia M. Coleman, et vir - O.G&CBM	1J	0.40			0.7554%		0.0567%	\$54.02	
			0.7554%			0.6988%		\$666.20	0.7554%
Torch Oil & Gas Company									
Ernest L. Muttler Heirs - O.G&CBM	3B	0.1500			0.2833%		0.0212%	\$20.26	
			0.15			0.0655%		\$62.46	0.0708%
			0.0375		0.0375	0.0655%		\$62.46	0.0708%
			0.0375		0.0375	0.0655%		\$62.46	0.0708%
			0.0375		0.0375	0.0655%		\$62.46	0.0708%

Wells contributing to the escrow account:

Y26 & Y26A

Payment for Torch Oil & Gas Company should be mailed to:

Gentry, Locke, Rakes & Moore
 Attn: J. Scott Sexton, Esq
 P.O. Box 40013
 Roanoke, VA 24022-0013

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DECEMBER 21, 2010 AT 12:13PM

BEVERLY S. TILLER, CLERK
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