

*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:** FF-34  
**TRACT(S):** Tracts 1B and 1C  
**LOCATION:** Russell County, Virginia

**DOCKET NUMBER:** VGOB-02-0618-1033-01

**APPLICANTS:** CNX Production Company on behalf of Swords Creek Land Partnership, CNX  
and Nellie J. Stilwell

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
August 21, 2012

**APPEARANCES:** Mark Swartz on behalf of CNX, Sharon M. B. Pigeon on Behalf of the Virginia Gas  
and Oil Board

**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 10/04/2002, Recorded 10/09/2002, Deed Book 566
2. Supplemental Order Executed 02/18/2003, Recorded 02/25/2003, Deed Book 576

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the August 21, 2012 hearing and consider whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tracts 1B and 1C identified in the attached miscellaneous petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tracts 1B and 1C 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 owner of the coal estate for Tracts 1B and 1C is Swords Creek Land Partnership for the subject drilling unit.

- The owner of the gas estate for Tract 1B is CNX Gas Company, and for Tract 1C is Nellie J. Stilwel for the subject drilling unit.
- The aforementioned owners have entered into a royalty split agreement consisting of a 50/50 split agreement as referenced in the attached miscellaneous petition, as shown in Table 1.

**RELIEF GRANTED:**

		VGOB Approved Disbursement FF34 VGOB-02-0618-1033-01 Table 1 Tracts 1B & 1C	Fractional Ownership in Tract	Net Acreage Ownership in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed
Item	Tract	Disbursement Table					
		Total acreage in escrow before disbursement				66.8800	
	1B	Tract 1B (total acreage)		5.1900			
1	1B	CNX Gas Company, LLC 2481 John Nash Blvd., Bluefield, WV 24701		5.1900	50.0%	2.5950	3.8801%
2	1B	Swords Creek Land Partnership (coal) P. O. Box 29, Tazewell, VA 24651		5.1900	50.0%	2.5950	3.8801%
	1C	Tract 1C (total acreage)		4.8			
3	1C	Nellie J. Stilwel 4200 Miller Creek Road, Rayon, VA 24779		4.8000	50.0%	2.4000	3.5885%
4	2.000	Swords Creek Land Partnership (coal) P. O. Box 29, Tazewell, VA 24651		4.800	50.0%	2.4000	3.5885%

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 may be filed by an adversely affected party within thirty days after service of the Order, pursuant to the provisions of Va. Code Ann. § 45.1-361.9 that provides that any order or decision of the Board may be appealed to the appropriate circuit court where interlocutory relief may also be sought. Any appeal shall be filed in compliance with the provisions of the Administrative Process Act (Va. Code Ann. §§ 2.2-4000 et seq.) and the Rules of the Supreme Court of Virginia.

**Effective Date:**

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

DONE AND EXECUTED this 18 day of Sept., 2012, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Bradley C. Lambert, Chairman  
Virginia Gas and Oil Board

DONE AND PERFORMED this 18<sup>th</sup> day of Sept., 2012 BY Order of the Virginia Gas and Oil Board.

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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL)

Acknowledged on this 18<sup>th</sup> day of Sept., 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  
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  
DOCKET NO: VGOB 02-0618-1033-01RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING TRACT(S) 1B & 1C  
(2) AND AUTHORIZATION FOR DIRECT  
PAYMENT OF ROYALTIES

HEARING DATE: August 21, 2012

DRILLING UNIT: FF34

RUSSELL 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) 1B & 1C as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Swords Creek Land Partnership & Nellie J. Stilwell and CNX Gas Company LLC

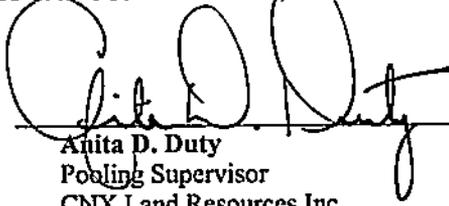
3. Legal Authority: Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

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

5. Factual basis for relief requested: Swords Creek Land Partnership & Nellie J. Stilwell and CNX Gas Company LLC have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be divided and paid.

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

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



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

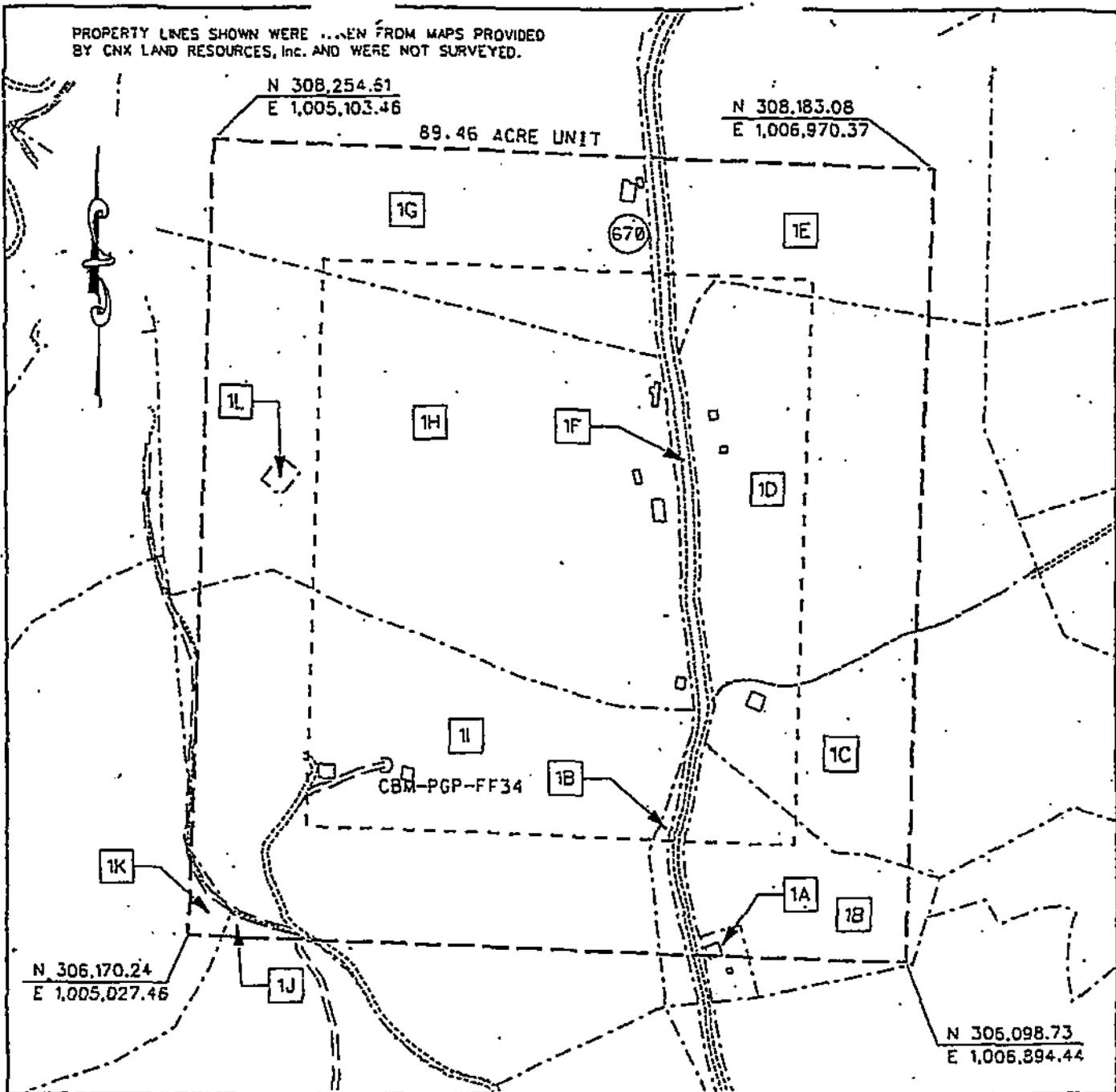


EXHIBIT A  
 OAKWOOD FIELD UNIT FF-34  
 FORCE POOLING  
 VGOB-02-0618-1033

Company Pocahontas Gas Partnership Well Name and Number UNIT FF34  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Keen Mountain  
 County Russell District New Garden Scale: 1" = 400' Date 5/16/02  
 This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-60-7  
 Rev. 9/91  
*Charles A. May*  
 Licensed Professional Engineer or Licensed Land Surveyor

**POCAHONTAS GAS PARTNERSHIP**  
**UNIT FF-34**  
 Tract Identifications

- 1A. Swords Creek Land Partnership Tr. 21 - Coal  
 Reserve Coal Properties Company - Below Tiller Seam Leased  
 Knox Creek Coal Corporation - Tiller and Above Coal Leased  
 Pocahontas Gas Partnership - CBM Gas Leased  
 Barrie R. Hess - Surface and All Minerals except Coal  
 Pocahontas Gas Partnership - Oil, Gas and CBM Leased  
 0.17 acres 0.1900 %
- 1B. Swords Creek Land Partnership Tr. 21 - Coal  
 Reserve Coal Properties Company - Below Tiller Seam Leased  
 Knox Creek Coal Corporation - Tiller and Above Coal Leased  
 Pocahontas Gas Partnership - CBM Gas Leased  
 Harold Wilson, et ux. - Surface and All Minerals except Coal  
 5.19 acres 5.8015 %
- 1C. Swords Creek Land Partnership Tr. 21 - Coal  
 Reserve Coal Properties Company - Below Tiller Seam Leased  
 Knox Creek Coal Corporation - Tiller and Above Coal Leased  
 Pocahontas Gas Partnership - CBM Gas Leased  
 Nellie J. Stillwell - Surface and All Minerals except Coal  
 Pocahontas Gas Partnership - Oil, Gas and CBM Leased  
 4.80 acres 5.3655 %
- 1D. Swords Creek Land Partnership Tr. 21 - Coal  
 Reserve Coal Properties Company - Below Tiller Seam Leased  
 Knox Creek Coal Corporation - Tiller and Above Coal Leased  
 Pocahontas Gas Partnership - CBM Gas Leased  
 Ruby Ball Lawson - Surface and All Minerals except Coal  
 13.26 acres 14.8223 %
- 1E. Swords Creek Land Partnership Tr. 21 - Coal  
 Reserve Coal Properties Company - Below Tiller Seam Leased  
 Knox Creek Coal Corporation - Tiller and Above Coal Leased  
 Pocahontas Gas Partnership - CBM Gas Leased  
 Paul Richardson, et ux. - Surface and All Minerals except Coal  
 5.53 acres 6.1815 %
- 1F. Swords Creek Land Partnership Tr. 21 - Coal  
 Reserve Coal Properties Company - Below Tiller Seam Leased  
 Knox Creek Coal Corporation - Tiller and Above Coal Leased  
 Pocahontas Gas Partnership - CBM Gas Leased  
 Dollie S. Belcher and/or Paul E. Richardson, et al - All Minerals except Coal  
 Commonwealth of Virginia - Surface  
 2.33 acres 2.6045 %

**POCAHONTAS GAS PARTNERSHIP**  
**UNIT FF-34**  
**Tract Identifications**

- 1G. Swords Creek Land Partnership Tr. 21 - Coal**  
**Reserve Coal Properties Company - Below Tiller Seam Leased**  
**Knox Creek Coal Corporation - Tiller and Above Coal Leased**  
**Pocahontas Gas Partnership - CBM Gas Leased**  
**Dollie S. Belcher - Surface and All Minerals except Coal**  
**10.34 acres                      11.5582 %**
- 1H. Swords Creek Land Partnership Tr. 21 - Coal**  
**Reserve Coal Properties Company - Below Tiller Seam Leased**  
**Knox Creek Coal Corporation - Tiller and Above Coal Leased**  
**Pocahontas Gas Partnership - CBM Gas Leased**  
**Doris E. Dye - Surface and All Minerals except Coal**  
**25.14 acres                      28.1019 %**
- 1I. Swords Creek Land Partnership Tr. 21 - Coal**  
**Reserve Coal Properties Company - Below Tiller Seam Leased**  
**Knox Creek Coal Corporation - Tiller and Above Coal Leased**  
**Pocahontas Gas Partnership - CBM Gas Leased**  
**Pocahontas Gas Partnership - Surface and All Minerals except Coal**  
**22.05 acres                      24.6480 %**
- 1J. Swords Creek Land Partnership Tr. 21 - Coal**  
**Reserve Coal Properties Company - Below Tiller Seam Leased**  
**Knox Creek Coal Corporation - Tiller and Above Coal Leased**  
**Pocahontas Gas Partnership - CBM Gas Leased**  
**Dennis Richardson, et al. - All Minerals except Coal**  
**Roy H. Meadows, et ux. - Surface**  
**0.17 acres                      0.1900 %**
- 1K. Swords Creek Land Partnership Tr. 21 - Coal**  
**Reserve Coal Properties Company - Below Tiller Seam Leased**  
**Knox Creek Coal Corporation - Tiller and Above Coal Leased**  
**Pocahontas Gas Partnership - CBM Gas Leased**  
**Edith R. Plaster, et al. - Surface and All Minerals except Coal**  
**Pocahontas Gas Partnership - Oil, Gas and CBM Leased (50%)**  
**0.36 acres                      0.4024 %**
- 1L. Swords Creek Land Partnership Tr. 21 - Coal**  
**Reserve Coal Properties Company - Below Tiller Seam Leased**  
**Knox Creek Coal Corporation - Tiller and Above Coal Leased**  
**Pocahontas Gas Partnership - CBM Gas Leased**  
**Doris E. Dye - Surface and All Minerals except Coal**  
**0.12 acres                      0.1342 %**

Exhibit E  
Unit FF34  
Docket #VGOB 02-0618-1033-01  
List of Conflicting Owners/Claimants that require escrow  
(89.46 Acre Unit)

	Acres in Unit	Interest in Unit
<b><u>Tract #1D, 13.26 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	13.26 acres	14.8223%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) Ruby Ball Lawson RR1 Box 277A Raven, VA 24639	13.26 acres	14.8223%
<b><u>Tract #1E, 5.53 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	5.53 acres	6.1815%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) Paul Richardson, et ux. 8444 S. County Road 350W Stilesville, IN 46180	5.53 acres	6.1815%
<b><u>Tract #1F, 2.33 acres</u></b>		
<i>Escrow due to Title Conflict</i>		
<b><u>COAL OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	2.33 acres	2.6045%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) Paul Richardson, et al.	2.33 acres	2.6045%
(a) Paul E. Richardson 8444 S. County Road 350W Stilesville, IN 46180	0.78 acres 1/3 of 2.33 acres	0.8682%
(b) Laudy Richardson Heirs, Devisees, Successors or Assigns		
(a.1) Shelby Ruth Richardson, Widow 6169 Turner Drive Clayton, IN 46118	<i>Life Estate</i>	
(a.2) Lonnie Richardson 6169 Turner Drive Clayton, IN 46118	0.39 acres 1/6 of 2.33 acres	0.4341%

Exhibit E  
Unit FF34Docket #VGOB 02-0618-1033-01  
List of Conflicting Owners/Claimants that require escrow  
(89.46 Acre Unit)

	Acres in Unit	Interest In Unit
(a.3) Barbara Huesman 111 Woodlawn Avenue Aurora, IN 47001	0.39 acres 1/6 of 2.33 acres	0.4341%
(c) Leonard Richardson 502 S. Holt Road Indiapolis, IN 46241	0.78 acres 1/3 of 2.33 acres	0.8682%
- OR -		
(1) Dollie S. Belcher 178 Mill Creek Rd. Raven, VA 24639	2.33 acres	2.6045%
<u>Tract #1G, 10.34 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	10.34 acres	11.5582%
<u>OIL &amp; GAS OWNERSHIP</u>		
(1) Dollie S. Belcher 178 Mill Creek Rd. Raven, VA 24639	10.34 acres	11.5582%
<u>Tract #1H, 25.14 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	25.14 acres	28.1019%
<u>OIL &amp; GAS OWNERSHIP</u>		
(1) Doris E. Dye 292 Arch Barrett Drive Rosedale, VA 24280	25.14 acres	28.1019%
<u>Tract #1J, 0.17 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	0.17 acres	0.1900%
<u>OIL &amp; GAS OWNERSHIP</u>		
(1) Dennis Richardson, et al. 3563 Monnen Chapel Road Bucyrus, OH 44820	0.17 acres	0.1900%

Docket #VGOB 02-0618-1033-01  
List of Conflicting Owners/Claimants that require escrow  
(89.46 Acre Unit)

	Acres in Unit	Interest in Unit
<b><u>Tract #1L, 0.12 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	0.12 acres	0.1341%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) Doris E. Dye 292 Arch Barrett Drive Rosedale, VA 24280	0.12 acres	0.1341%
<b><u>TOTAL CONFLICTS:</u></b>		
Acreege in Unit	56.89	
Percentage of Unit		63.5927%

Exhibit EE  
Unit FF34  
Docket #VGOB 02-0618-1033-01  
List of Conflicting Owners/Claimants with Royalty Split Agreements  
(89.46 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<b><u>Tract #1A, 0.17 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	0.17 acres	0.1900%	
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Barrie R. Hess RR1 Box 58 Swords Creek, VA 24649 (Prev. owner - Edgar Wilson)	0.17 acres	0.1900%	
<b><u>Tract #1B, 5.19 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	5.19 acres	5.8015%	3.8801%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317 Previously Harold Wilson, et ux Conveyed to CNX June 27, 2003 Db 586 Pg 026	5.19 acres	5.8015%	3.8801%
<b><u>Tract #1C, 4.80 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	4.80 acres	5.3655%	3.5885%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Nellie J. Stillwell 4200 Miller Creek Rd. Raven, VA 24639	4.80 acres	5.3655%	3.5885%
<b><u>Tract #1I, 22.05 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	22.05 acres	24.6479%	

Exhibit EE  
 Unit FF34  
 Docket #VGOB 02-0618-1033-01  
 List of Conflicting Owners/Claimants with Royalty Split Agreements  
 (89.46 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>(Prev. owners - Edgar Wilson, Glen Wilson, Hubert Wilson)</i>	22.05 acres	24.6479%	
<b><u>Tract #1K, 0.36 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	0.36 acres	0.4024%	
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Edith R. Plaster, et al.	0.36 acres	0.4024%	
(a) Edith Plaster 103 Nickle Road Swords Creek, VA 24649	0.18 acres 1/2 of 0.36 acres	0.2012%	
(b) Rosa Lee Jackson 2517 Pine Creek Rd Swords Creek, VA 24649	0.04 acres 1/10 of 0.36 acres	0.0402%	
(c) Jewell N. Casey PO Box 1711 Cedar Bluff, VA 24609	0.04 acres 1/10 of 0.36 acres	0.0402%	
(d) Shirley Jamison 3414 Pine Creek Road Swords Creek, VA 24649	0.04 acres 1/10 of 0.36 acres	0.0402%	
(e) Linda L. Cruet PO Box 75 Bandy, VA 24602	0.04 acres 1/10 of 0.36 acres	0.0402%	
(f) Janet L. McGlothlin 731 Donald C. Moore Dr. Lebanon, VA 24266	0.04 acres 1/10 of 0.36 acres	0.0402%	
<b><u>TOTAL CONFLICTS RESOLVED:</u></b>			
	Acreage in Unit	32.57	
	Percentage of Unit		36.4073%

**Exhibit A-1**  
**Tract-by-Tract Escrow Calculation**  
 Account Balances as of 5/31/12

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Unit FF-34  
 VGOB 02-0618-1033-01  
 Acres Escrowed: 66.880000

Owners	Tract #	Acres	Owner Acres	Owners' Percent of Escrow (50%)	Amount Due Owners \$109,066.57
Swords Creek Land Partnership - Coal	1B	5.19	7.7602%	3.8801%	\$4,231.87
CNX Gas Company LLC - O&G				3.8801%	\$4,231.87
Swords Creek Land Partnership - Coal	1C	4.80	7.1770%	3.5885%	\$3,913.87
Nellie J. Stilwell - Oil & Gas				3.5885%	\$3,913.87

Wells contributing to the escrow account: FF34

1202435

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 10-22- 2012. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:30 o'clock AM, after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: ANN S. McREYNOLDS, CLERK  
 BY: Kendra Cook D. CLERK