

*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-35  
TRACT(S): Tract 2E  
LOCATION: Russell County, Virginia
- DOCKET NUMBER:** VGOB-02-0820-1057-01
- APPLICANTS:** CNX Production Company on behalf of Swords Creek Land Partnership 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 07/11/2003, Recorded 07/14/2003, Deed Book 587
  2. Supplemental Order Executed 11/07/2003, Recorded 11/17/2003, Deed Book 596
- 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 Tract 2E identified in the attached miscellaneous petition.
  - (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract 2E 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 Tract 2E is Swords Creek Land Partnership for the subject drilling unit.
  2. The owner of the gas estate for Tract 2E 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 Unit FF-35 VGOB-02-0810-1057-01 Table 1 Tract 2E					
Item	Tract	Disbursement Table	Fractional Ownership in Tract	Net Acreage Ownership in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed
		Total acreage in escrow before disbursement				18.9900	
	2E	Tract 2E	9.2900				
1	2E	Nelly Stewart R.R. 1, Box 371, Rappahannock, VA 22639		9.2900	50.0%	4.6450	24.4602%
2	2E	Swords Creek Land Partnership P.O. Box 29, Tazewell, VA 22651		9.2900	50.0%	4.6450	24.4602%

- 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.
- 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.

DONE AND EXECUTED this 14 day of Sept, 2012, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 18<sup>th</sup> day of Sept, 2012 by Order of this Board.

Rick Cooper  
Rick Cooper  
Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE 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 Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

Diane J. Davis  
Diane J. Davis, Notary  
174394

My commission expires: September 30, 2013



## BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL  
DOCKET NO: VGOB 02-0820-1057-01RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING TRACT(S) 2E  
(2) AND AUTHORIZATION FOR DIRECT  
PAYMENT OF ROYALTIES

HEARING DATE: August 21, 2012

DRILLING UNIT: FF35

RUSSELL COUNTY, VIRGINIA

Received  
JUL 2012  
DGO - LeasingMISCELLANEOUS 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) 2E 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

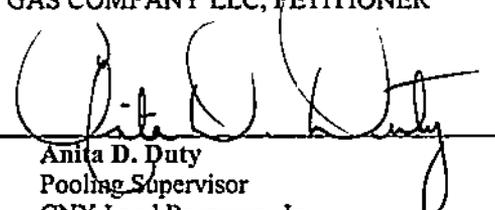
3. **Legal Authority:** Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

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

5. **Factual basis for relief requested:** Swords Creek Land Partnership & Nellie J. Stilwell 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.

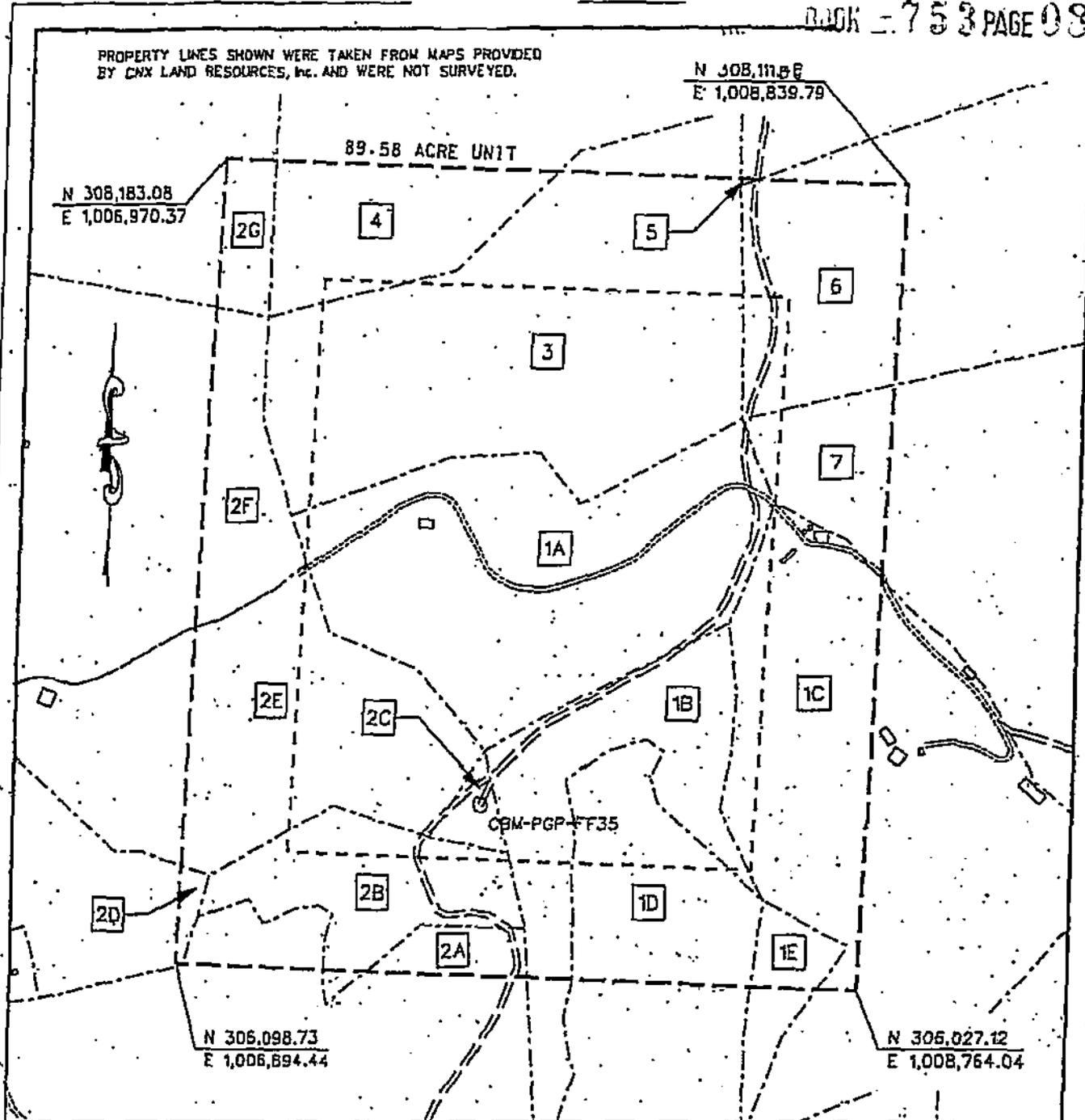
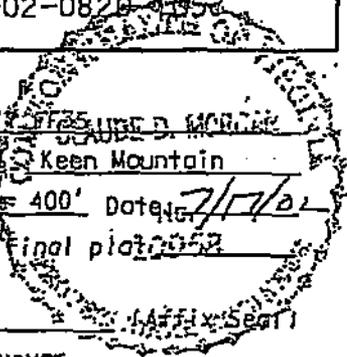


EXHIBIT A  
 OAKWOOD FIELD UNIT FF-35  
 FORCE POOLING  
 VGOB-02-0820-1852

Company Pocahontas Gas Partnership Well Name and Number UNIT FF-35 WPT D. MONROE  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Keen Mountain  
 County Russell District New Garden Scale: 1" = 400' Date 7/17/01  
 This plat is a new plat  ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-GO-7  
 Rev. 9/91  
Charles D. King  
 Licensed Professional Engineer or Licensed Land Surveyor



**POCAHONTAS GAS PARTNERSHIP****UNIT FF-35**

Tract Identifications

(89.58 Acre Unit)

1. William R. McCall, et al (McCall-Horton Tract) - Coal, Oil and Gas  
Pocahontas Gas Partnership - CBM Leased  
35.80 acres 39.9643%
- 1A. Nellie J. Stillwell - Surface  
1B. John A. Richardson, et ux - Surface  
1C. William H. Byrd, et al - Surface  
1D. Melvin J. Stillwell - Surface  
1E. Melvin J. Stillwell - Surface
- 2A. Swords Creek Land Partnership Tr. 21 - Coal  
Reserve Coal Properties Company - Below Tiller Seam Leased  
Sandy Ridge Energy Company - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Gas Leased  
Mary Richardson, et al - Surface, Oil and Gas  
Pocahontas Gas Partnership - Oil, Gas and CBM Leased  
2.37 acres 2.6457%
- 2B. Swords Creek Land Partnership Tr. 21 - Coal  
Reserve Coal Properties Company - Below Tiller Seam Leased  
Sandy Ridge Energy Company - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Gas Leased  
Albert Richardson, et ux - Surface, Oil and Gas  
Pocahontas Gas Partnership - Oil, Gas and CBM Leased  
4.81 acres 5.3695%
- 2C. Swords Creek Land Partnership Tr. 21 - Coal  
Reserve Coal Properties Company - Below Tiller Seam Leased  
Sandy Ridge Energy Company - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Gas Leased  
Pocahontas Gas Partnership - Surface, Oil and Gas  
0.64 acres 0.7144%
- 2D. Swords Creek Land Partnership Tr. 21 - Coal  
Reserve Coal Properties Company - Below Tiller Seam Leased  
Sandy Ridge Energy Company - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Gas Leased  
Harold Wilson, et ux - Surface, Oil and Gas  
0.28 acres 0.3126%

## POCAHONTAS GAS PARTNERSHIP

## UNIT FF-35

## Tract Identifications

(89.58 Acre Unit)

- 2E. Swords Creek Land Partnership Tr. 21 - Coal  
Reserve Coal Properties Company - Below Tiller Seam Leased  
Sandy Ridge Energy Company - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Gas Leased  
Nettie J. Stillwell- Surface, Oil and Gas  
Pocahontas Gas Partnership - Oil, Gas and CBM Leased  
9.29 acres                    10.3706%
- 2F. Swords Creek Land Partnership Tr. 21 - Coal  
Reserve Coal Properties Company - Below Tiller Seam Leased  
Sandy Ridge Energy Company - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Gas Leased  
Ruby B. Lawson - Surface, Oil and Gas  
3.58 acres                    3.9964%
- 2G. Swords Creek Land Partnership Tr. 21 - Coal  
Reserve Coal Properties Company - Below Tiller Seam Leased  
Sandy Ridge Energy Company - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Gas Leased  
Paul E. Richardson, et al - Surface, Oil and Gas  
1.31 acres                    1.4624%
3. Lida J. Holzgrefe - Fee  
18.36 acres                    20.4956%
4. Beulah Halé, et al - Coal, Oil and Gas  
Reserve Coal Properties Company - Coal In and Below Tiller Seam Leased  
Pocahontas Gas Partnership - CBM Leased  
Paul E. Richardson, et al - Surface  
4.81 acres                    5.3695%
5. Avis Belle Plaster, et al - Fee  
Pocahontas Gas Partnership - CBM Leased (100%)  
0.01 acres                    0.0112%
6. William R. McCall - Fee  
Pocahontas Gas Partnership - CBM Leased  
5.58 acres                    6.2291%
7. William R. McCall, et al (McCall-Wilson 25 Acre Tract) - Coal, Oil and Gas  
Pocahontas Gas Partnership - CBM Leased  
William H. Byrd, et al - Surface  
2.74 acres                    3.0587%

Exhibit E  
Unit FF-35  
Docket #VGOB 02-0820-1057-01  
List of Conflicting Owners/Claimants that require escrow  
(89.58 Acre Unit)

	Acres in Unit	Interest in Unit
<b><u>Tract #2B, 4.81 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	4.81 acres	5.3695%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) (John) Albert Richardson, et ux. 416 Mill Creek Road Raven, VA 24639	4.81 acres	5.3695%
<b><u>Tract #2F, 3.58 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	3.58 acres	3.9964%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) Ruby Ball Lawson RR1 Box 277A Raven, VA 24639	3.58 acres	3.9964%
<b><u>Tract #2G, 1.31 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	1.31 acres	1.4624%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
(1) Paul E. Richardson, et al.	1.31 acres	1.4624%
(a) Paul Eugene Richardson 8444 S. County Rd. 350W Stilesville, IN 46180	0.44 acres 1/3 of 1.31 acres	0.4875%
(b) Laudy Richardson Heirs, Devisees, Successors or Assigns		
(b.1) Shelby Ruth Richardson, widow 1669 Turner Street Clayton, IN 46118	0.44 acres 1/3 of 1.31 acres	0.4875%
(c) Leonard Richardson Heirs, Devisees, Successors or Assigns		
(c.1) Loretta Mae Richardson P.O. Box 1282 Honaker, VA 24260-1282	0.44 acres 1/3 of 1.31 acres	0.4875%

Exhibit EE  
Unit FF-35  
Docket #VGOB 02-0820-1057-01  
List of Conflicting Owners/Claimants with Royalty Split Agreements  
(89.58 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<b><u>Tract #2A, 2.37 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	2.37 acres	2.6457%	
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Mary Richardson 3921 Mill Creek Road Raven, VA 24639 Previously Mary Richardson, et al	2.37 acres	2.6457%	
<b><u>Tract #2C, 0.64 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	0.64 acres	0.7144%	
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317 Previously Pocahontas Gas Partnership	0.64 acres	0.7144%	
<b><u>Tract #2D, 0.28 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	0.28 acres	0.3126%	
<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	0.28 acres	0.3126%	
<b><u>Tract #2E, 9.29 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) Swords Creek Land Partnership, Tr.21 P.O. Box 29 Tazewell, VA 24651	9.29 acres	10.3706%	24.4602%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Nellie J. Stillwell RR1 Box 321 Raven, VA 24639	9.29 acres	10.3706%	24.4602%

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

BOOK - 753 PAGE 0866

Unit FF-35  
 VGOB 02-0820-1057-01  
 Acres Escrowed: 18.990000

Owners	Tract #	Acres	Owners' Percent of Escrow (50%)	Amount Due Owners \$42,171.30
Swords Creek Land Partnership - Coal	2E	9.29	24.4602%	\$10,315.20
Nellie J. Stilwell - Oil & Gas			24.4602%	\$10,315.20

**Wells contributing to the escrow account:** FF35 & FF35A

1202438

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 11:19 o'clock A.M. 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