

1157

082-110001

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 03-0513-1147

ELECTIONS: UNIT AW-118
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on April 19, 2005 which was recorded at Deed Book 629, Page 779 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on April 20, 2005, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates whether or not the escrow of funds is required with regard to Unit AW-118;

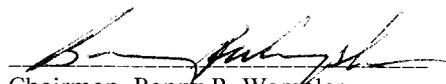
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, N.A., VA7515, P.O. Box 14061 Roanoke, VA 24038, Attn: Judy Barger or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

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

DONE AND EXECUTED this 5th day of December, 2007, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA
COUNTY OF ~~WISE~~

Washington

Acknowledged on this 5th day of December, 2007, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


~~Susan G. Garrett~~
Notary 174394

My commission expires: 9/30/09.

DONE AND PERFORMED THIS 5th day of December, 2007, by Order of the Board.


B. R. Wilson,
Principal Executive to the Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 5th day of December, 2007, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.


Diane J. Davis, Notary 174394

My commission expires: 9/30/09.

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit AW-118
VGOB 03-05 13-1147 in the New Garden District of Russell County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING ELECTIONS,
ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Gas Company LLC, as a Manager – Environmental Permitting and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on April 19, 2005 by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the counties identified above; that said Order was recorded on April 20, 2005;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of April 19, 2005;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have entered into a voluntary agreement with the Designated Operator:

None

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

See attached Exhibit EE

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

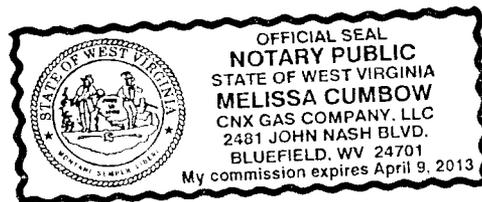
Dated at Mercer, West Virginia, this 24th day of October, 2007.

Leslie K. Arrington
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as a Manager - Environmental / Permitting for CNX Gas Company LLC, on behalf of the corporate Designated Operator, this 24th day of October, 2007.

Melissa Cumbow
Notary

My commission expires: April 9, 2013



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

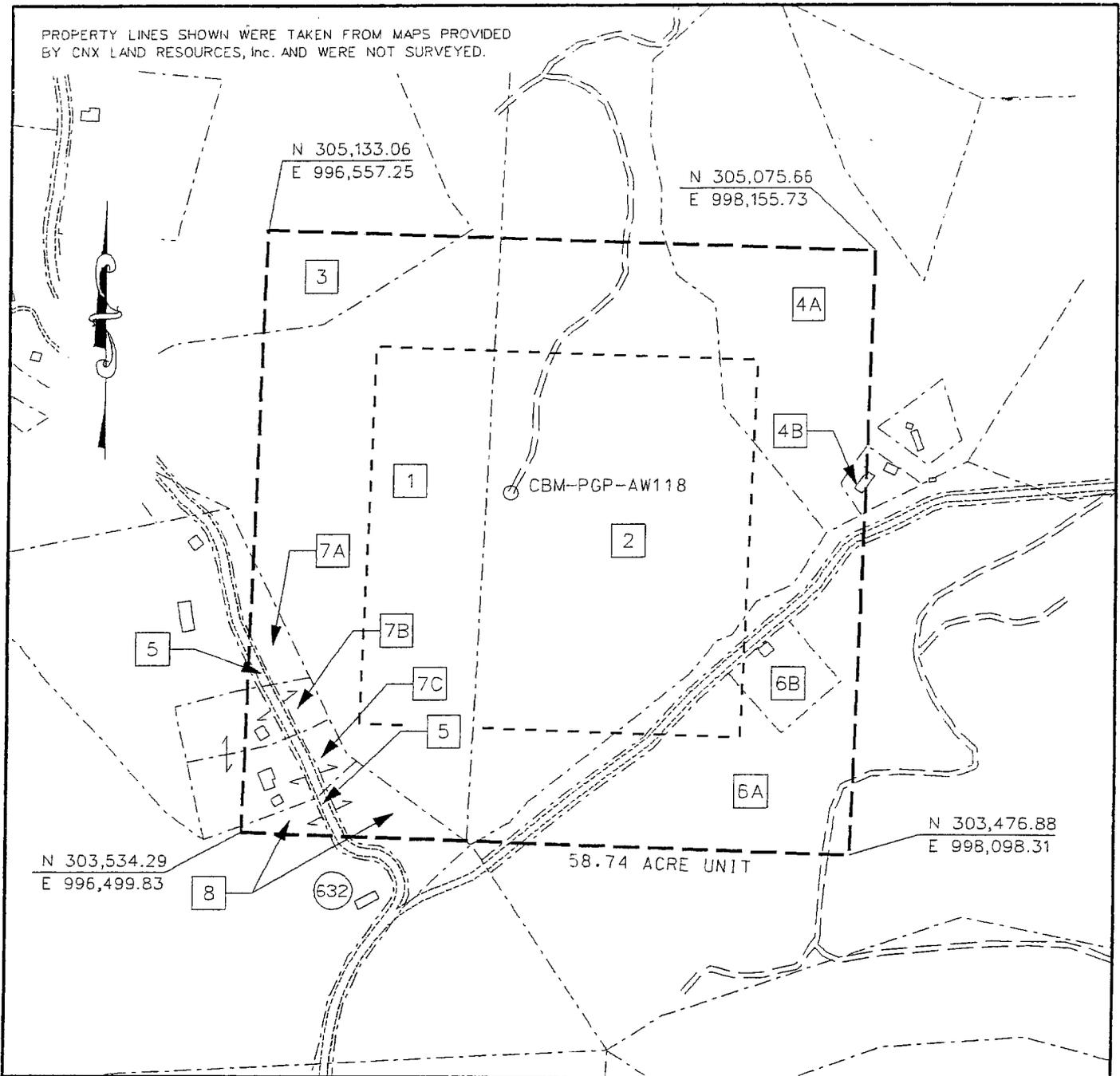
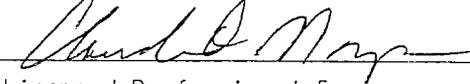
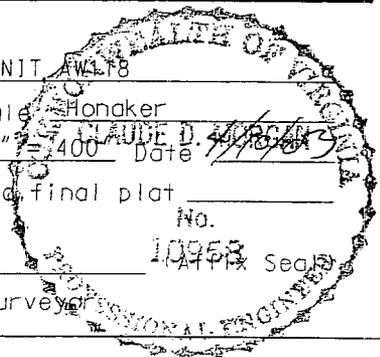


EXHIBIT A
 MIDDLE RIDGE 1 FIELD
 UNIT AW-118
 FORCE POOLING
 VGOB-03-0513-1147

Company CNX Gas Company LLC Well Name and Number UNIT AW118
 Tract No. _____ Elevation _____ Quadrangle Honaker
 County Russell District New Garden Scale: 1" = 400' Date: 4/18/03
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
 Rev. 9/91

 Licensed Professional Engineer or Licensed Land Surveyor



CNX GAS COMPANY LLC

Unit AW-118

Tract Identifications
(58.74 Acre Unit)

- 7A. Swords Creek Land Partnership Tr. 17 – Coal
Reserve Coal Properties Company – Coal Below Tiller Seam Leased
Knox Creek Coal Corporation – Coal In Tiller and Above Leased
CNX Gas Company LLC – CBM Leased
James A. Hale, et ux – Surface and All Minerals except Coal
0.56 acres 0.9534%
- 7B. Swords Creek Land Partnership Tr. 17 – Coal
Reserve Coal Properties Company – Coal Below Tiller Seam Leased
Knox Creek Coal Corporation – Coal In Tiller and Above Leased
CNX Gas Company LLC – CBM Leased
Tivis P. Brown, et ux – Surface and All Minerals except Coal
0.54 acres 0.9193%
- 7C. Swords Creek Land Partnership Tr. 17 – Coal
Reserve Coal Properties Company – Coal Below Tiller Seam Leased
Knox Creek Coal Corporation – Coal In Tiller and Above Leased
CNX Gas Company LLC – CBM Leased
Tivis P. Brown, et ux or James A. Hale, et ux – Surface and All Minerals except Coal
0.97 acres 1.6513%
8. Swords Creek Land Partnership Tr. 17 – Coal
Reserve Coal Properties Company – Coal Below Tiller Seam Leased
Knox Creek Coal Corporation – Coal In Tiller and Above Leased
Jearldine Whited – Surface and All Minerals except Coal
CNX Gas Company LLC – Oil, Gas and CBM Leased
1.18 acres 2.0089%

Exhibit B-3
Unit AW-118
Docket #VGOB 03-0513-1147
List of Unleased Owners/Claimants
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
I. <u>COAL FEE OWNERSHIP</u>		
<u>Tract #5, 0.51 acres</u>		
(1) Commonwealth of Virginia Dept. of Transportation P.O. Box 1768 Bristol, VA 24203	0.51 acres	1.0222%
II. <u>OIL & GAS FEE OWNERSHIP</u>		
<u>Tract #5, 0.51 acres</u>		
(1) Commonwealth of Virginia Dept. of Transportation P.O. Box 1768 Bristol, VA 24203	0.51 acres	1.0222%
<u>Tract #7A, 0.56 acres</u>		
(1) James A. Hale, et ux. RR1 Box 259 Swords Creek, VA 24649	0.56 acres	1.1225%
<u>Tract #7B, 0.54 acres</u>		
(1) Tivis P. Brown, et ux. Rt.1 Box 257 Swords Creek, VA 24649	0.54 acres	1.0824%
<u>Tract #7C, 0.97 acres</u>		
(1) Tivis P. Brown, et ux. Rt.1 Box 257 Swords Creek, VA 24649	0.97 acres	1.9443%
-OR-		
(1) James A. Hale, et ux. RR1 Box 259 Swords Creek, VA 24649	0.97 acres	1.9443%

Exhibit E
Unit AW-118
Docket #VGOB 03-0513-1147
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #1, 16.52 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(2) Myrtle Donohoe Dye Heirs, Deviseses, Successors or Assigns (Pocahontas Seam)	16.52 acres	33.1128%
(a) James R. Grace 1812/8 Brekenridge Court Abingdon, VA 24211	5.51 acres 1/3 of 16.52 acres	11.0376%
(b) Bill & Helen McReynolds 151 Star Lake Forest Hawthorn, FL 32642	5.51 acres 1/3 of 16.52 acres	11.0376%
(c) Peggy Arnett 2590 Lester Court Mansfield, OH 44903	5.51 acres 1/3 of 16.52 acres	11.0376%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) H.C. Bostic Coal Company P.O. Box 220 Swords Creek, VA 24649	16.52 acres	33.1128%
<u>Tract #7A, 0.56 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.17 P.O. Box 29 Tazewell, VA 24651	0.56 acres	1.1225%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) James A. Hale, et ux. RR1 Box 259 Swords Creek, VA 24649	0.56 acres	1.1225%
<u>Tract #7B, 0.54 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.17 P.O. Box 29 Tazewell, VA 24651	0.54 acres	1.0824%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Tivis P. Brown, et ux. Rt.1 Box 257 Swords Creek, VA 24649	0.54 acres	1.0824%

Exhibit E
Unit AW-118
Docket #VGOB 03-0513-1147
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #7C, 0.97 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.17 P.O. Box 29 Tazewell, VA 24651	0.97 acres	1.9443%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Tivis P. Brown, et ux. Rt.1 Box 257 Swords Creek, VA 24649	0.97 acres	1.9443%
-OR-		
(1) James A. Hale, et ux. RR1 Box 259 Swords Creek, VA 24649	0.97 acres	1.9443%

Exhibit EE
Unit AW-118
Docket #VGOB 03-0513-1147
List of Conflicting Owners/Claimants with Royalty Split Agreements
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #8, 1.18 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.17 P.O. Box 29 Tazewell, VA 24651	1.18 acres	2.3652%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Jeraldine Whited Rt.1 Box 256A Swords Creek, VA 24649	1.18 acres	2.3652%

100.35

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 12-13, 2007. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 9:35 o'clock AM, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: DOLLIE M. COMPTON, CLERK
BY: Jennie Radloff D. CLERK