

898

VIRGINIA:

BOOK 627 PAGE 060

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 03-0819-1171

ELECTIONS: UNIT BB-108  
(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 executed in the captioned matter on September 16, 2003 which was re-recorded at Deed Book 593, Page 200 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on September 19, 2003, (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 BB-108;

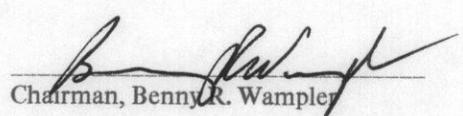
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty 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.

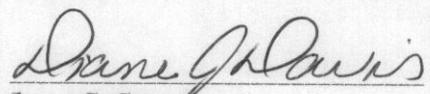
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 8<sup>th</sup> day of March, 2005, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

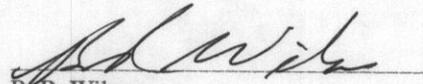
STATE OF VIRGINIA  
COUNTY OF ~~WISE~~

Washington  
Acknowledged on this 8<sup>th</sup> day of March, 2005, 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

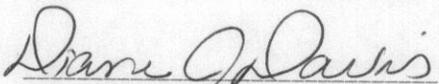
My commission expires: 9/30/05.

DONE AND PERFORMED THIS 11<sup>th</sup> day of March, 2005, by Order of the Board.

  
B. R. Wilson,  
Principal Executive to the Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 11<sup>th</sup> day of March, 2005, 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

My commission expires: 9/30/05.

Order Recorded Under Code of  
Virginia Section 45.1-361.26

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 BB-108  
VGOB 03-0819-1171 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 September 16, 2003, 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 September 19, 2003;

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:

Fred B. Gent (Carried Operator)

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 September 16, 2003;

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:

None

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

See attached Exhibit B-2

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow and/ or they are no longer an owner, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

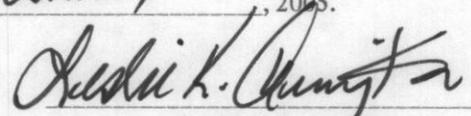
Frank J. Gent, Harvey D. Gent, Charles H. Gent, Jr., Robert A. Gent, Sara Maria P. Rafter, David Hardwick, Margaret P. Perley, Fred A. Perley, Alice P. Perley, Jane P. Collier, Paul S. Perley, Collis R. Meehan, Helen P. Campbell, Frank T. Perley, Jr., Julia P. McAlwain, Jeanie P. Sagar and Lillian MacMillian Deorge

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.

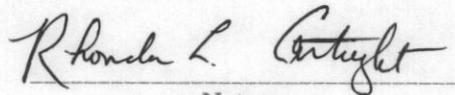
None

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 Tazewell, Virginia, this 24<sup>th</sup> day of February, 2005.

  
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 24<sup>th</sup> day of February, 2005.

  
Notary

My commission expires: OCT 31 2005.

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

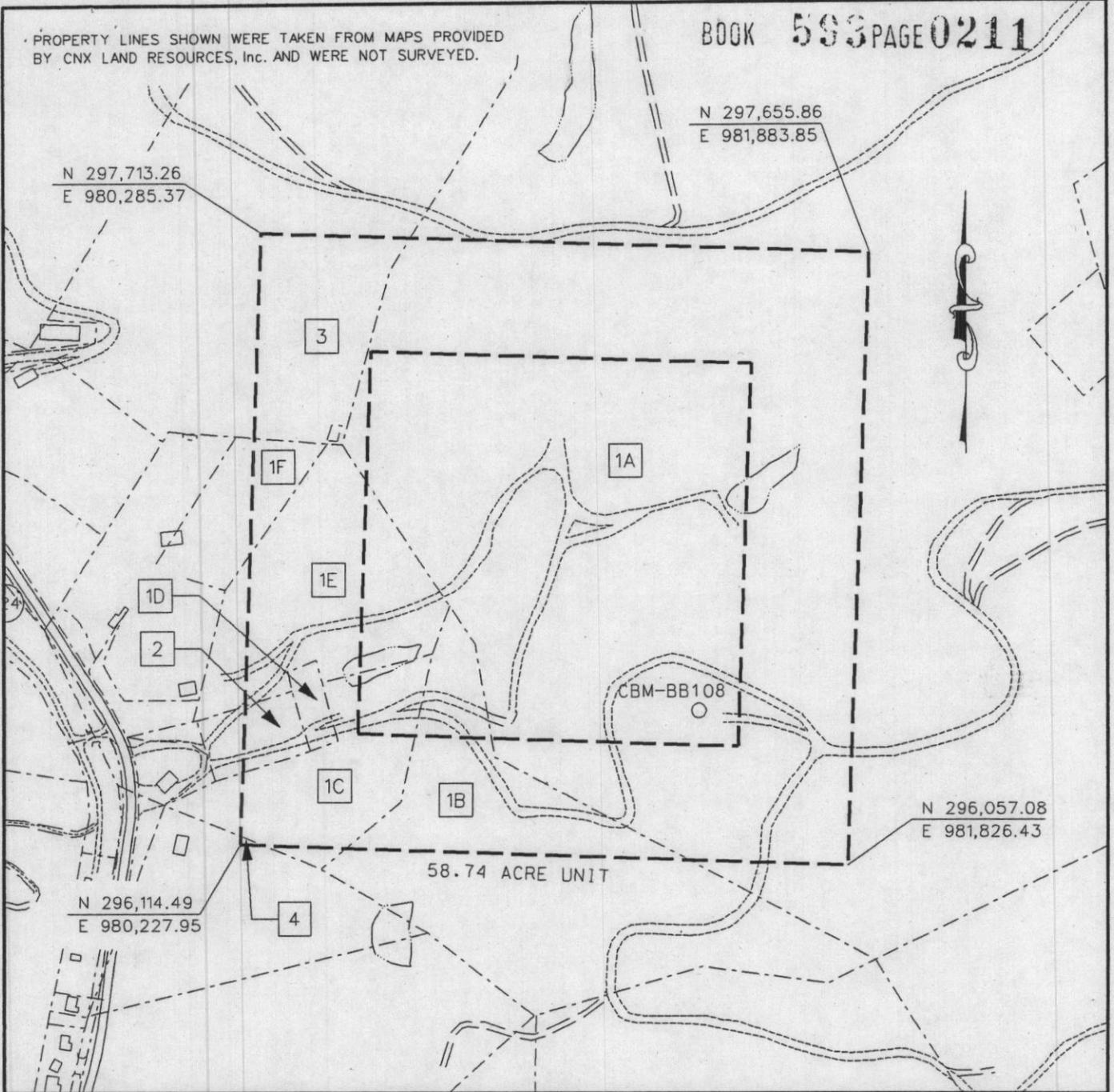


EXHIBIT A  
 MIDDLE RIDGE 1 FIELD  
 UNIT BB-108  
 FORCE POOLING  
 VGOB-03-0819-1171

Company CNX Gas Company LLC Well Name and Number UNIT BB108  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Honaker  
 County Russell District New Garden Scale: 1" = 400' Date 7/17/03  
 This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-GO-7  
 Rev. 9/91

*Charles J. May* (Affix Seal)  
 Licensed Professional Engineer or Licensed Land Surveyor

**CNX GAS COMPANY LLC**  
**Unit BB-108**  
**Tract Identifications**  
**(58.74 Acre Unit)**

1. Buckhorn Coal Company (Joseph & Lewis Cox 143.84 Acre Tract) – All Minerals  
Reserve Coal Properties Company – Below Drainage Coal Leased  
Knox Creek Coal Corporation – Above Drainage Coal Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
54.38 acres                      92.5775%
- 1A. Fred B. Gent, et al – Surface
- 1B. Fred Gent, et al - Surface
- 1C. Fred Gent, et al – Surface
- 1D. Unknown Surface Owner
- 1E. Fred B. Gent, et al - Surface
- 1F. Unknown Surface Owner
2. Fred B. Gent, et al – Fee  
0.60 acres                      1.0215%
3. Heirs of Fred A. Perley and Allen P. Perley, Jr. – All Minerals  
CNX Gas Company LLC – Oil, Gas and CBM Leased (21%)  
3.74 acres                      6.3670%
4. Buckhorn Coal Company (H. C. Stuart 5 Acre Tract) – All Minerals  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
Fred Gent, et al - Surface  
0.02 acres                      0.0340%

Exhibit B-2  
Unit BB-108  
Docket #VGOB 03-0819-1171  
List of Respondents to be Dismissed  
(58.74 Acre Unit)

BOOK 627 PAGE 066

	Acres in Unit	Interest in Unit	Reason for Dismissal
<b>I. COAL FEE OWNERSHIP</b>			
<b><u>Tract #2, 0.60 acres</u></b>			
(1) Fred B. Gent, et al.	0.60 acres	1.0215%	
(b) Frank J. Gent P.O. Box 330 Honaker, VA 24260	0.10 acres 1/6 of 0.60 acres	0.1702%	Leased
(c) Harvey D. Gent P.O. Box 330 Honaker, VA 24260	0.10 acres 1/6 of 0.60 acres	0.1702%	Leased
(d) Charles H. Gent, Jr. P.O. Box 330 Honaker, VA 24260	0.10 acres 1/6 of 0.60 acres	0.1702%	Leased
(e) Robert A. Gent P.O. Box 330 Honaker, VA 24260	0.10 acres 1/6 of 0.60 acres	0.1702%	Leased
<b><u>Tract #3, 3.74 acres</u></b>			
Fred A. Perley Heirs, Devisees, Successors or Assigns, et al.	3.74 acres	6.3670%	
(1) Allen P. Perley, Jr. Heirs, Devisees, Successors or Assigns			
(a) Sara Marcia P. Rafter 132 N. Dougherty Street Black Mountain, NC 28711	0.94 acres 1/4 of 3.74 acres	1.5918%	Leased
(b) Katherine P. Hardwick Heirs, Devisees, Successors or Assigns			
(b.3) David Hardwick 815 Fayetteville Road Rockingham, NC 28379	0.31 acres 1/12 of 3.74 acres	0.5306%	Leased
(2) Fred A. Perley Heirs, Devisees, Successors or Assigns			
(a) Franklin T. Perley Heirs, Devisees, Successors or Assigns			
(a.1) Margaret P. Perley 75 Wagon Trail Black Mountain, NC 28711	0.62 acres 1/6 of 3.74 acres	1.0611%	Leased
(b) Albert S. Perley Heirs, Devisees, Successors or Assigns			

Exhibit B-2  
Unit BB-108

BOOK 627 PAGE 067

Docket #VGOB 03-0819-1171  
List of Respondents to be Dismissed  
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit	Reason for Dismissal
(b.1) Fred A. Perley 5800 Lancelot Drive Charlotte, NC 28270	0.16 acres 17/396 of 3.74 acres	0.2733%	Leased
(b.2) Alice P. Perley 75 Many Lane Black Mountain, NC 28711	0.16 acres 17/396 of 3.74 acres	0.2733%	Leased
(b.3) Jane P. Collier 53 Poplar Lane Vernon, VT 05354	0.16 acres 17/396 of 3.74 acres	0.2733%	Leased
(b.5) Paul S. Perley P.O. Box 12155 Aspen, CO 81611	0.16 acres 17/396 of 3.74 acres	0.2733%	Leased
(b.6) Collis R. Meehan 28-33 202nd Street Bayside, NY 11360	0.10 acres 1/36 of 3.74 acres	0.1769%	Leased
(c) Marion P. Casstevens Heirs, Devises, Successors or Assigns			
(c.1) Helen P. Campbell 126 Connelly Street Black Mountain, NC 28711	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased
(c.2) Frank T. Perley, Jr. 12063 Summer Meadow Lane Reston, VA 20194-2790	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased
(c.3) Julia P. McAlwain 75 Wagon Trail Black Mountain, NC 28711	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased
(c.4) Jeanie P. Sagar 290 Maple Street Brevard, NC 28712	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased
(c.5) Lillian MacMillian Deorge 191 Miller Drive Tyron, NC 28782	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased

II. OIL & GAS FEE OWNERSHIP

Tract #2, 0.60 acres

(1) Fred B. Gent, et al.	0.60 acres	1.0215%	
(b) Frank J. Gent P.O. Box 330 Honaker, VA 24260	0.10 acres 1/6 of 0.60 acres	0.1702%	Leased
(c) Harvey D. Gent P.O. Box 330 Honaker, VA 24260	0.10 acres 1/6 of 0.60 acres	0.1702%	Leased

Exhibit B-2  
 Unit BB-108  
 Docket #VGOB 03-0819-1171  
 List of Respondents to be Dismissed  
 (58.74 Acre Unit)

BOOK 627 PAGE 068

	Acres in Unit	Interest in Unit	Reason for Dismissal
(d) Charles H. Gent, Jr. P.O. Box 330 Honaker, VA 24260	0.10 acres 1/6 of 0.60 acres	0.1702%	Leased
(e) Robert A. Gent P.O. Box 330 Honaker, VA 24260	0.10 acres 1/6 of 0.60 acres	0.1702%	Leased
<b><u>Tract #3, 3.74 acres</u></b>			
Fred A. Perley Heirs, Devisees, Successors or Assigns, et al.	3.74 acres	6.3670%	
(1) Allen P. Perley, Jr. Heirs, Devisees, Successors or Assigns			
(a) Sara Marcia P. Rafter 132 N. Dougherty Street Black Mountain, NC 28711	0.94 acres 1/4 of 3.74 acres	1.5918%	Leased
(b) Katherine P. Hardwick Heirs, Devisees, Successors or Assigns			
(b.3) David Hardwick 815 Fayetteville Road Rockingham, NC 28379	0.31 acres 1/12 of 3.74 acres	0.5306%	Leased
(2) Fred A. Perley Heirs, Devisees, Successors or Assigns			
(a) Franklin T. Perley Heirs, Devisees, Successors or Assigns			
(a.1) Margaret P. Perley 75 Wagon Trail Black Mountain, NC 28711	0.62 acres 1/6 of 3.74 acres	1.0611%	Leased
(b) Albert S. Perley Heirs, Devisees, Successors or Assigns			
(b.1) Fred A. Perley 5800 Lancelot Drive Charlotte, NC 28270	0.16 acres 17/396 of 3.74 acres	0.2733%	Leased
(b.2) Alice P. Perley 75 Many Lane Black Mountain, NC 28711	0.16 acres 17/396 of 3.74 acres	0.2733%	Leased
(b.3) Jane P. Collier 53 Poplar Lane Vernon, VT 05354	0.16 acres 17/396 of 3.74 acres	0.2733%	Leased
(b.5) Paul S. Perley P.O. Box 12155 Aspen, CO 81611	0.16 acres 17/396 of 3.74 acres	0.2733%	Leased

**Exhibit B-2**  
**Unit BB-108**  
**Docket #VGOB 03-0819-1171**  
**List of Respondents to be Dismissed**  
**(58.74 Acre Unit)**

**BOOK 627 PAGE 069**

	Acres in Unit	Interest in Unit	Reason for Dismissal
(b.6) Collis R. Meehan 28-33 202nd Street Bayside, NY 11360	0.10 acres 1/36 of 3.74 acres	0.1769%	Leased
(c) Marion P. Casstevens Heirs, Devisees, Successors or Assigns			
(c.1) Helen P. Campbell 126 Connelly Street Black Mountain, NC 28711	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased
(c.2) Frank T. Perley, Jr. 12063 Summer Meadow Lane Reston, VA 20194-2790	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased
(c.3) Julia P. McAlwain 75 Wagon Trail Black Mountain, NC 28711	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased
(c.4) Jeanie P. Sagar 290 Maple Street Brevard, NC 28712	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased
(c.5) Lillian MacMillian Deorge 191 Miller Drive Tyron, NC 28782	0.06 acres 1/66 of 3.74 acres	0.0965%	Leased

Exhibit B-2  
Unit EE-35  
Docket #VGOB 02-0820-1056  
List of Respondents to be Dismissed

BOOK 627 PAGE 070

	Acres in Unit	Interest in Unit	Reason for Dismissal
<b>I. COAL FEE OWNERSHIP</b>			
<u>Tract #7, 1.22 acres</u>			
(1) Lida J. Holzgrefe 5005 Saddlebrook Drive Fayetteville, NY 13066	1.22 acres	1.5250%	Leased
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>			
<u>Tract #2B, 1.23 acres</u>			
(1) Paul E. Richardson, et al.	1.23 acres	1.5375%	
(b) Laudy Richardson Heirs, Devisees, Successors or Assigns			
(b.3) Lonnie Richardson 6169 Turner Drive Clayton, IN 46118	0.410 acres 1/3 of 1.23 acres	0.5125%	Not an owner
(b.4) Barbara Huesman 111 Woodlawn Avenue Aurora, IN 47001	0.410 acres 1/3 of 1.23 acres	0.5125%	Not an owner
<u>Tract #7, 1.22 acres</u>			
(1) Lida J. Holzgrefe 5005 Saddlebrook Drive Fayetteville, NY 13066	1.22 acres	1.5250%	Leased

Exhibit B-3  
 Unit BB-108  
 Docket #VGOB 03-0819-1171  
 List of Unleased Owners/Claimants  
 (58.74 Acre Unit)

BOOK 627 PAGE 071

	Acres in Unit	Interest in Unit	Election
<b>I. COAL FEE OWNERSHIP</b>			
<u>Tract #2, 0.60 acres</u>			
(1) Fred B. Gent, et al.	0.60 acres	1.0215%	
(a) Fred B. Gent, DVM 18159 Lee Highway Abingdon, VA 24210-7961	0.20 acres 1/3 of 0.60 acres	0.3405%	Carried Operator
<u>Tract #3, 3.74 acres</u>			
Fred A. Perley Heirs, Deviseses, Successors or Assigns, et al.	3.74 acres	6.3670%	
(2) Fred A. Perley Heirs, Deviseses, Successors or Assigns			
(c) Marion P. Casstevens Heirs, Deviseses, Successors or Assigns			
(c.6) Scott MacMillian 2400 NW 40th Circle Boca Raton, FL 33431	0.06 acres 1/66 of 3.74 acres	0.0965%	Deemed Leased
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>			
<u>Tract #2, 0.60 acres</u>			
(1) Fred B. Gent, et al.	0.60 acres	1.0215%	
(a) Fred B. Gent, DVM 18159 Lee Highway Abingdon, VA 24210-7961	0.20 acres 1/3 of 0.60 acres	0.3405%	Carried Operator
<u>Tract #3, 3.74 acres</u>			
Fred A. Perley Heirs, Deviseses, Successors or Assigns, et al.	3.74 acres	6.3670%	
(2) Fred A. Perley Heirs, Deviseses, Successors or Assigns			
(c) Marion P. Casstevens Heirs, Deviseses, Successors or Assigns			
(c.6) Scott MacMillian 2400 NW 40th Circle Boca Raton, FL 33431	0.06 acres 1/66 of 3.74 acres	0.0965%	Deemed Leased

0500812

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 3-14, 2005. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:33 o'clock A.M, after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: DOLLIE M. COMPTON, CLERK  
 BY: Ans. McReynolds D. CLERK

3/05