

VIRGINIA:

BEFORE THE GAS AND OIL BOARD

APPLICANTS:

CNX Gas Company on behalf of Russell J. Short et ux, Johnie H. Short, and Buford E. Short, relative to Case No: CL 10-1036.

DOCKET NO.

03-1021-1206-01

BOOK - 736 PAGE 0070

RELIEF SOUGHT:

Issuance: A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending Prior Orders Affecting Drilling Unit FF-37, Tracts 2B, 2C, 2D & 2F (Referenced herein as "the Subject Drilling Unit")

Location: Russell & Tazewell County, Virginia

Action Details:

- (1) To provide a calculation of funds, Unit Operator has deposited into the Escrow Account for Drilling Unit FF-37 by Tract Subaccounts;
- (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 April 26, 2011, at the Russell County Government Conference Center, 139 Highland Drive Lebanon, VA
- 2. **Appearances:** Mark A. Swartz of Swartz Law Offices appeared for the Applicant; and Sharon M.B. Pigeon, 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 or a decision from a court appointed Arbitrator.

4. Prior Proceedings:

- 4.1 (a) On June 19, 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 Russell County on December 23, 2003, in Deed Book 598, Pages 996 to 1013 and Tazewell County on December 22, 2003, 1 Deed Book 898, Pages 254 to 271, Instrument 030007186. The Supplemental Order was executed and recorded in with the Clerk of the Court, Russell County on October 19, 2004, in Deed Book 618, Pages 929 to 941 and Tazewell County on October 19, 2004, in Deed Book 924, Pages 847 to 859 Instrument 040005700.
- 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 the Pooling Orders and testimony, Russell J. Short. Et ux, Johnie H. Short, and Buford E. Short is entitled to 100% of the Royalties according to the final corrected order which was entered by the Judge on February 23, 2011, Case No: CL 10-1036, adjudicating the ownership of coalbed methane gas.
- 4.3 The Unit Operator gave notice to Mr. Russell J. Short, Mr. Johnie H. Short and Mr. Buford E. Short that the Board would consider a disbursement authorization at its hearing on April 19, 2011, 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 2B, 2C, 2D and 2F, as identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to a portion of said Tracts 2B, 2C, 2D and 2F, the interests of Applicant identified in the miscellaneous petition in the Escrow Account, and (3) continue the escrow account under this docket number because parties other than those seeking disbursement under this order are subject to continued payments in the escrow.
- 4.4 The Unit Operator filed the attached accounting (Exhibit A-1) 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) Net interests attributable and to be disbursed to Applicants are shown in Table 1.

VGOB Approved Disbursement
VGOB-03-1021-1206-01
FF-37

As Given		Split Agreement	Acres	% of Escrowed to be Paid
Acreage Fraction	Acreage Interest			

Table 1

Tracts 2b, 2c, 2d, and 2f							
Item	Tract	Disbursement Table					
						51.19000	
1	2B	Coal Mountain Mining Co. Limited Partnership, LLP - Coal		1	0.0%	-	0.0000%
2	2B	Russell J. Short, et ux, P.O. Box 363, Swords Creek, VA 24649	15.33000	1	100.0%	15.33	29.9473%
3	2C	Coal Mountain Mining Co. Limited Partnership, LLP - Coal		1	0.0%	-	0.0000%
4	2C	Johnie H. Short, P.O. Box 227, Richlands, VA 24641	16.20000	1	100.0%	16.20	31.6468%
5	2D	Coal Mountain Mining Co. Limited Partnership, LLP - Coal		1	0.0%	-	0.0000%
5	2D	Buford E. Short, 3929 Road Ridge Turnpike, Raven, VA 24639	6.95000	1	100.0%	6.95	13.5769%
6	2F	Coal Mountain Mining Co. Limited Partnership, LLP - Coal		1	0.0%	-	0.0000%
7	2F	Russell J. Short, et ux, P.O. Box 363, Swords Creek, VA 24649	0.33000	1	100.0%	0.33	0.6447%

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:**

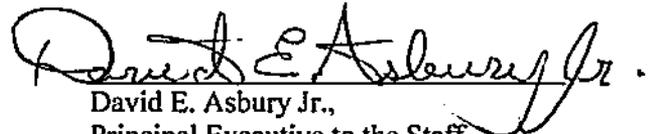
Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated 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. BOOK - 736 PAGE 0073

DONE AND EXECUTED this 24 day of April, 2011, by a majority of the Virginia Gas and Oil Board.


Bradley C. Lambert, Chairman
Virginia Gas and Oil Board

DONE AND PERFORMED this 28 day of April, 2011, 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 28th day of April, 2011, 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



PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO: VGOB 03-1021-1206-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 2B, 2C, 2D, 2F
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: April 19, 2011
26

DRILLING UNIT: FF-37

RUSSELL & TAZEWELL COUNTIES, VIRGINIA

MISCELLANEOUS PETITION

1. Petitioner and its counsel: Petitioner is CNX Gas Company LLC, 2481 John Nash Boulevard, 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) 2B, 2C, 2D, and 2F as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the prevailing plaintiffs; Russel J. Short, et ux, Johnie H. Short, and Buford E. Short

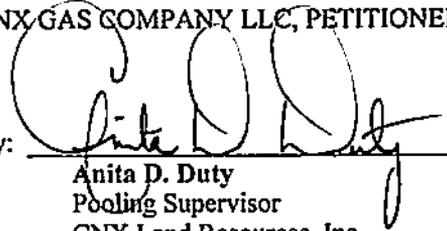
3. Legal Authority: Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

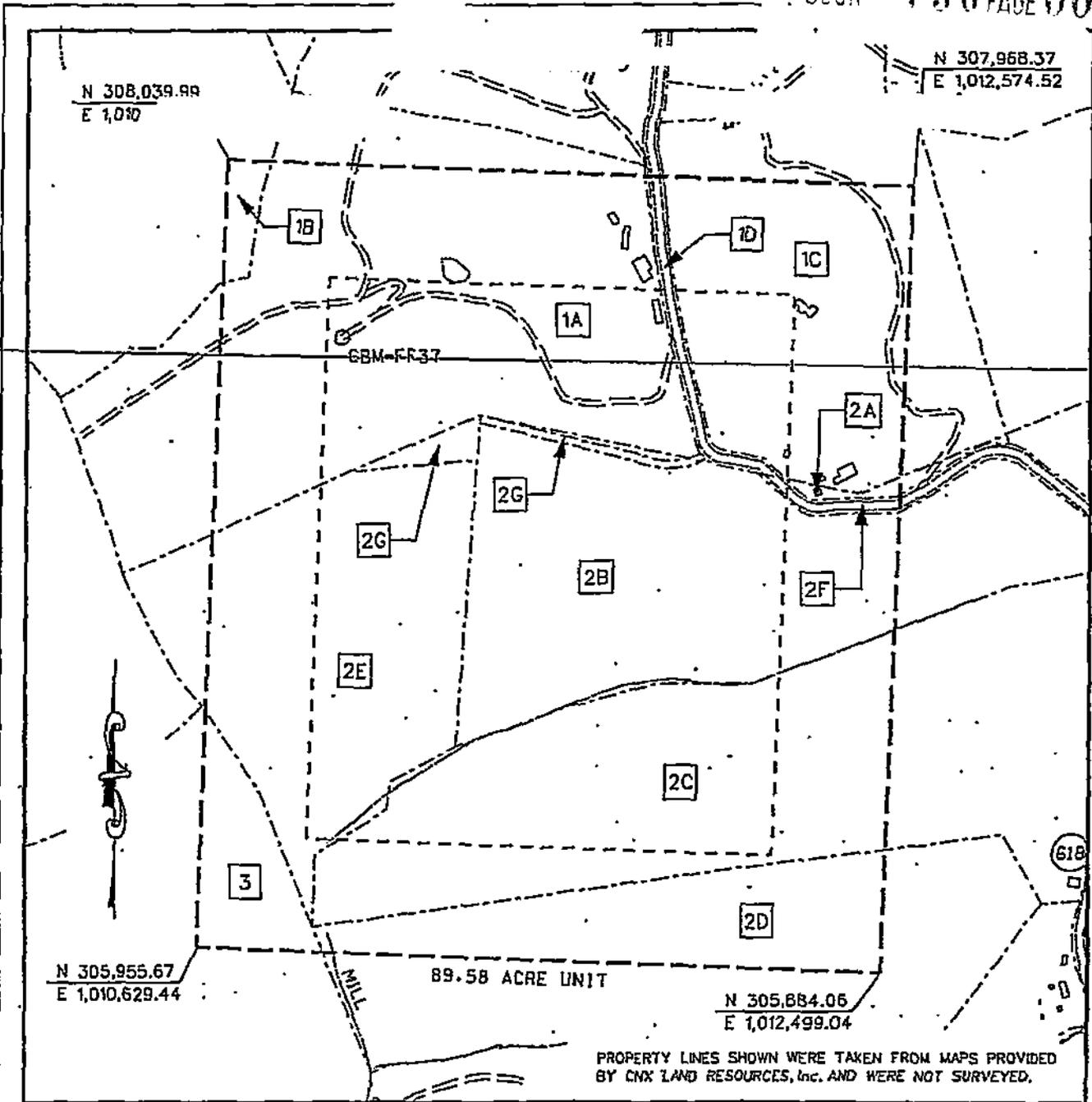
4. Type of well(s): Coalbed methane.

5. Factual basis for relief requested: Russel J. Short, et ux, Johnie H. Short, and Buford E. Short is entitled to 100% of the Royalties according to the final corrected order which was entered by the Judge on February 23, 2011, Case No:CL10-1036, adjudicating the ownership of coalbed methane gas. This order allows the Applicant and Designated Operator to pay royalties directly to the prevailing plaintiffs identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be 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

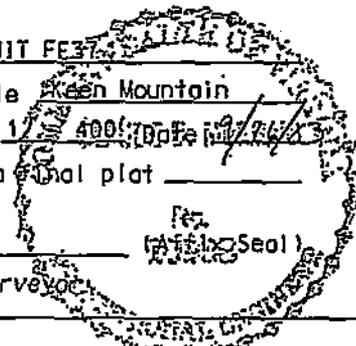


PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

EXHIBIT A
 OAKWOOD FIELD UNIT FF-37
 FORCE POOLING
 VGOB-03-1021-1206

Company CNX Gas Company LLC Well Name and Number UNIT FF37
 Tract No. _____ Elevation _____ Quadrangle Keen Mountain
 County Tazewell/Russell District Maiden Springs/New Garden Scale: 1" = 400' Date 11/26/13
 This plat is a new plat X; an updated plat _____; or a final plat _____

Form DGO-GO-7 _____
 Rev. 5/91 _____
 Licensed Professional Engineer or Licensed Land Surveyor



6e

**CNX GAS COMPANY LLC
UNIT FF-37
Tract Identifications**

- 1A. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 18 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased

Harold D. McGlothlin, et ux -- Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
20.98 acres 23.4204%
- 1B. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 18 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
James M. McGlothlin, et ux -- Surface and All Minerals except Coal
0.66 acres 0.7368%
- 1C. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 18 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Jerry T. Absher, et ux -- Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
10.66 acres 11.9000%
- 1D. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 18 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Jerry T. Absher, et ux - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
Commonwealth of Virginia - Surface
0.86 acres 0.9600%
- 2A. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Jerry T. Absher, et ux -- Surface and All Minerals except Coal
0.20 acres 0.2233%
- 2B. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Russell J. Short, et ux -- Surface and All Minerals except Coal
15.33 acres 17.1132%

7

CNX GAS COMPANY LLC
UNIT FF-37
 Tract Identifications

- 2C. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased Knox Creek Coal Corporation - Above Drainage Coal Leased
~~CNX Gas Company LLC - CBM Leased~~
 Johnie H. Short - Surface and All Minerals except Coal
 16.20 acres 18.0844%
-
- 2D. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased Knox Creek Coal Corporation - Above Drainage Coal Leased CNX Gas Company LLC - CBM Leased
 Buford E. Short, et ux - Surface and All Minerals except Coal
 6.95 acres 7.7584%
- 2E. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased Knox Creek Coal Corporation - Above Drainage Coal Leased CNX Gas Company LLC - CBM Leased
 CNX Gas Company LLC - Surface and All Minerals except Coal
 13.66 acres 15.2489%
- 2F. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased Knox Creek Coal Corporation - Above Drainage Coal Leased CNX Gas Company LLC - CBM Leased
 Russell J. Short, et ux - All Minerals except Coal
 Commonwealth of Virginia - Surface
 0.33 acres 0.3684%
- 2G. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Reserve Coal Properties Company - Below Drainage Coal Leased Knox Creek Coal Corporation - Above Drainage Coal Leased CNX Gas Company LLC - CBM Leased
 Harold D. McGlothlin, et ux - Surface and All Minerals except Coal
 CNX Gas Company LLC - Oil, Gas and CBM Leased
 0.89 acres 0.9935%
3. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 41 - All Minerals Reserve Coal Properties Company - Below Drainage Coal Leased Knox Creek Coal Corporation - Above Drainage Coal Leased Reserve Coal Properties Company - Oil and Gas Leased CNX Gas Company LLC - CBM Leased
 Unknown Surface Owner
 2.86 acres 3.1927 %

8

Exhibit E
 Unit FF-37
 Docket #VGOB 03-1021-1206-01
 List of Conflicting Owners/Claimants that require escrow
 (89.68 Acre Unit)

BOOK - 736 PAGE 0078

	Acres in Unit	Interest in Unit
<u>Tract #1B, 0.66 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.18 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.66 acres	0.7368%
<u>OIL & GAS OWNERSHIP</u>		
(1) James M. McGlothlin, et ux. RR1 Box 627 Swords Creek, VA 24649	0.66 acres	0.7368%
<u>Tract #1C, 10.66 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.18 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	10.66 acres	11.9000%
<u>OIL & GAS OWNERSHIP</u>		
(1) Jerry T. Absher, et ux. 4276 Roadridge TPK Raven, VA 24639	10.66 acres	11.9000%
<u>Tract #1D, 0.86 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.18 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.86 acres	0.9600%
<u>OIL & GAS OWNERSHIP</u>		
(1) Jerry T. Absher, et ux. 4276 Roadridge TPK Raven, VA 24639	0.86 acres	0.9600%
<u>Tract #2A, 0.20 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.20 acres	0.2233%

9

Exhibit E
Unit FF-37
Docket #VGOB 03-1021-1206-01
List of Conflicting Owners/Claimants that require escrow
(89.58 Acre Unit)

BOOK - 736 PAGE 0079

	Acres in Unit	Interest in Unit
<u>OIL & GAS OWNERSHIP</u>		
(1) Jerry T. Absher, et ux. 4276 Roadridge TPK Raven, VA 24639	0.20 acres	0.2233%

10

Exhibit EE
Unit FF-37
Docket #VGOB 03-1021-1206-01
List of Conflicting Owners/Claimants with Royalty Split Agreements
(89.58 Acre Unit)

BOOK - 736 PAGE 0080

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1A, 20.98 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.18 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	20.98 acres	23.4204%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Harold D. & Letha J. McGlothlin 4495 Road Ridge Turnpike Raven, VA 24639	20.98 acres	23.4204%	n/a
<u>Tract #2B, 15.33 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	15.33 acres	17.1132%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Russel J. Short, et ux. P.O. Box 363 Swords Creek, VA 24649	15.33 acres	17.1132%	29.9473%
Note: <i>CBM ownership was adjudicated to the prevailing plaintiffs under Case no. CL 10-1036 executed in the corrected order dated February 23, 2011 they were awarded 100% of the Coalbed Methane Gas underlying this tract. Royalties will be paid 100% to the prevailing plaintiffs.</i>			
<u>Tract #2C, 16.20 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	16.20 acres	18.0844%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Johnie H. Short P.O. Box 227 Richlands, VA 24641	16.20 acres	18.0844%	31.6466%
Note: <i>CBM ownership was adjudicated to the prevailing plaintiffs under Case no. CL 10-1036 executed in the corrected order dated February 23, 2011 they were awarded 100% of the Coalbed Methane Gas underlying this tract. Royalties will be paid 100% to the prevailing plaintiffs.</i>			

Exhibit EE
Unit FF-37
Docket #VGOB 03-1021-1206-01
List of Conflicting Owners/Claimants with Royalty Split Agreements
(89.58 Acre Unit)

BOOK - 736 PAGE 0081

	Acres in Unit	Interest in Unit	Percent of Escrow
--	---------------	------------------	-------------------

Tract #2D, 6.95 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	6.95 acres	7.7584%	n/a
--	------------	---------	-----

OIL & GAS OWNERSHIP

(1) Buford E. Short 3929 Road Ridge Turnpike Raven, VA 24639	6.95 acres	7.7584%	13.5769%
--	------------	---------	----------

Note: *CBM ownership was adjudicated to the prevailing plaintiffs under Case no. CL 10-1036 executed in the corrected order dated February 23, 2011 they were awarded 100% of the Coalbed Methane Gas underlying this tract. Royalties will be paid 100% to the prevailing plaintiffs.*

Tract #2E, 13.66 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	13.66 acres	15.2489%	n/a
--	-------------	----------	-----

OIL & GAS OWNERSHIP

(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	13.66 acres	15.2489%	n/a
---	-------------	----------	-----

Tract #2F, 0.33 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.33 acres	0.3684%	n/a
--	------------	---------	-----

OIL & GAS OWNERSHIP

(1) Russel J. Short, et ux. P.O. Box 363 Swords Creek, VA 24649	0.33 acres	0.3684%	0.6447%
---	------------	---------	---------

Note: *CBM ownership was adjudicated to the prevailing plaintiffs under Case no. CL 10-1036 executed in the corrected order dated February 23, 2011 they were awarded 100% of the Coalbed Methane Gas underlying this tract. Royalties will be paid 100% to the prevailing plaintiffs.*

12

Exhibit EE
Unit FF-37
Docket #VGOB 03-1021-1206-01
List of Conflicting Owners/Claimants with Royalty Split Agreements
(89.58 Acre Unit)

BOOK - 736 PAGE 0082

	Acres In Unit	Interest in Unit	Percent of Escrow
<u>Tract #2G, 0.89 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.89 acres	0.9935%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Harold D. & Letha J. McGlothlin 4495 Road Ridge Turnpike Raven, VA 24639	0.89 acres	0.9935%	n/a

Exhibit A-1
Tract-by-Tract Escrow Calculation
 Account Balances as of 1/31/2011

BOOK - 736 PAGE 0083

Unit FF37
 VGOB 03-1021-1206-01
 Acres Escrowed: 51.19000

Owners	Tract #	Acres	Total Tract Percent of Escrow	Amount Due Owners \$154,450.37
Coal Mountain Mining Co. Limited Partnership, LLP - Coal Russel J. Short, et ux - O,G & CBM	2b	15.33	29.9473%	\$46,253.65
Coal Mountain Mining Co. Limited Partnership, LLP - Coal Johnie H. Short - O,G & CBM	2c	16.20	31.6468%	\$48,878.61
Coal Mountain Mining Co. Limited Partnership, LLP - Coal Buford E. Short - O,G & CBM	2d	6.95	13.5769%	\$20,969.53
Coal Mountain Mining Co. Limited Partnership, LLP - Coal Russel J. Short, et ux - O,G & CBM	2f	0.33	0.6447%	\$995.68

Wells contributing to the escrow account: FF37 and FF37A

1101607

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 10-24, 2011. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:13 o'clock P. M, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: ANN S. McREYNOLDS, CLERK
 BY: Shelia Ketha D. CLERK