

Instrument prepared by:

BK-1-1-05PG0727
VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA
§ 45.1-361.26

VIRGINIA:

BEFORE THE GAS AND OIL BOARD

APPLICANTS:

CNX Gas Company on behalf of Jerry T. Absher
relative to Case No: CL 11-461.

DOCKET NO.

03-1021-1206-02

RELIEF SOUGHT:

Issuance: A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending Prior Orders Affecting Drilling Unit FF-37, Tracts 1C, 1D, 2A
(Referenced herein as "the Subject Drilling Unit")Location: Russell & Tazewell County, Virginia

TAX MAP #'S ON TAX Identification Sheet

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 BOARDFINDINGS 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 June 14, 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 December 18, 2003 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, Deed Book 898, Pages 254 to 271.

(b) The Supplemental Order was executed and recorded 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.

(c) On April 28, 2011 the Board executed its disbursement order. The Order was recorded with the Clerk of the Court Russell County on June 24, 2011 at Deed Book 736, Page 70 to 83.

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, Jerry T. Absher is entitled to 100% of the Royalties according to the final order which was entered by the court, Case Number CL 10-1036 on February 23, 2011, adjudicating the ownership of coalbed methane gas.

4.3 The Unit Operator gave notice to Jerry T. Absher and Coal Mountain Mining Co. Limited Partnership, LLC that the Board would consider a disbursement authorization at its hearing on June 14, 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 1C, 1D and 2A 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 1C, 1D and 2A, 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.

YGOB Approved Disbursement
Unit FF-37
YGOB-03-1021-1206-02

Table 1
Tracts 1C, 1D & 2A

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				12.3800	
		1C Tract 1C Total Acreage	10.66				
1	1C	Jerry T. Absher, 4276 Roadridge TPK, Raven, VA 24639 (Send Check to Shea Cook)	1	10.6600	100.0%	10.6600	86.1066%
		1D Tract 1D Total Acreage	0.86				
2	1D	Jerry T. Absher, 4276 Roadridge TPK, Raven, VA 24639 (Send Check to Shea Cook)	1	0.86000	100.0%	0.860	6.9467%
		2A Tract 2A Total Acreage	0.20				
3	2A	Jerry T. Absher, 4276 Roadridge TPK, Raven, VA 24639 (Send Check to Shea Cook)	1	0.20000	100.0%	0.200	1.6155%

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 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.

DONE AND EXECUTED this 29 day of Nov, 2011, 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 29th day of November, 2011, by an Order of this Board.

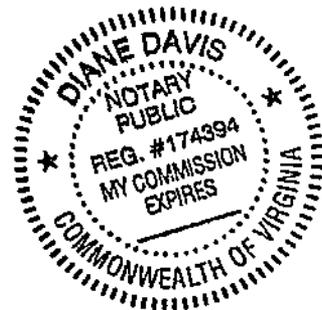
Rick Cooper
Rick Cooper.,
Principal Executive to the Staff
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA)
COUNTY OF RUSSELL)

Acknowledged on this 29th day of November, 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 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 he executed the same and was authorized to do so.

Diane J. Davis
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 03-1021-1206-02

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

HEARING DATE: June 14, 2011

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) 1C, 1D, and 2A as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the prevailing plaintiffs; Jerry T. Absher, et ux

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: Jerry T. Absher, et ux is entitled to 100% of the royalties according to the Order which was entered on May 6, 2011. Case No:CL11-461, 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
Anita D. Duty
Pooling Supervisor
CNX Land Resources, Inc.
2481 John Nash Blvd.
Bluefield, West Virginia 24701

~~0663011~~
1102990

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 12-13, 2011. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 2:30 o'clock P. M. after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: Sharon Hagy

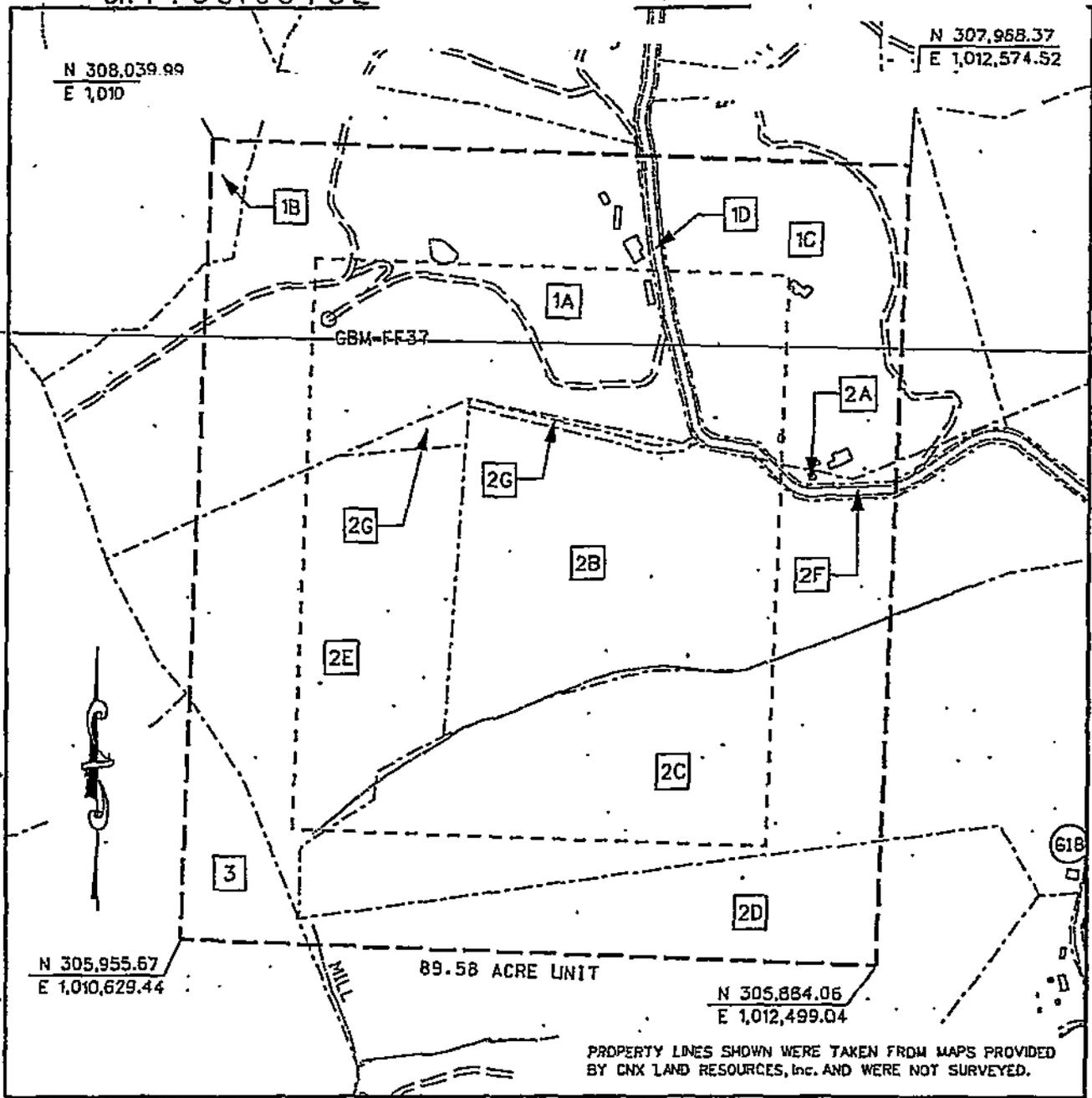
TESTE: ANN S. McREYNOLDS, CLERK
BY: Merzelle Cook D. CLERK

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BK 1105PG0732

N 308,039.99
E 1,010

N 307,968.37
E 1,012,574.52



GBM-FF37

89.58 ACRE UNIT

N 305,955.67
E 1,010,629.44

N 305,884.06
E 1,012,499.04

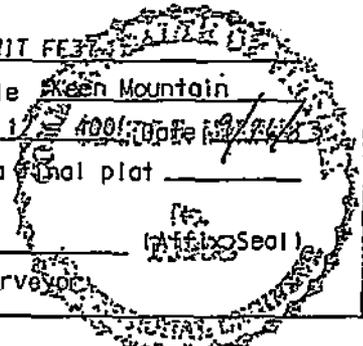
PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

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

Company CNX Gas Company LLC Well Name and Number UNIT FF-37
 Tract No. _____ Elevation _____ Quadrangle Keen Mountain
 County Tazewell/Russell District Maiden Springs/New Garden Scale: 1" = 400' Date 12/14/03
 This plat is a new plot X ; on updated plat _____ ; or a final plot _____

Form DGO-60-7
Rev. 9/91

Charles D. May
 Licensed Professional Engineer or Licensed Land Surveyor



le

le

BK 1105PG0733

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% *Taxmap 84A, parcel 4*
- 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% *Taxmap 84A, parcel 1*
- 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% *Taxmap 84A, parcel 13A*
- 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% *Taxmap 84A, parcel 2D*
- 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% *Taxmap 84A, parcel C*
- 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% *Taxmap 84A, parcel 17*

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% *Tax map 84th page 7*
- 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% *Tax map 84th page 10*
- 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% *Tax map 84th page 6*
- 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% *Tax map 84th page 11*
- 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% *Tax map 84th page 5*
- 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% *Tax map 84th page 10*

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BK 1105PG0735

Exhibit E

Unit FF-37

Docket #VGOB 03-1021-1206-02

List of Conflicting Owners/Claimants that require escrow
(89.58 Acre Unit)

BOOK - 742 PAGE 0678

	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%

Docket #VGOB 03-1021-1206-02
List of Conflicting Owners/Claimants with Royalty Split Agreements
(89.68 Acre Unit)

	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 #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%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Jerry T. Absher, et ux. 4276 Roadridge TPK Raven, VA 24639	10.66 acres	11.9000%	86.1066%
Note: CBM ownership was adjudicated to the prevailing plaintiffs under Case no. CL 11-461 The Order was executed May 6, 2011 and plaintiffs were awarded 100% of the Coalbed Methane Gas underlying this tract.			
<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%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Jerry T. Absher, et ux. 4276 Roadridge TPK Raven, VA 24639	0.86 acres	0.9600%	6.9467%
Note: CBM ownership was adjudicated to the prevailing plaintiffs under Case no. CL 11-461 The Order was executed May 6, 2011 and plaintiffs were awarded 100% of the Coalbed Methane Gas underlying this tract.			

Docket #VGOB 03-1021-1206-02
List of Conflicting Owners/Claimants with Royalty Split Agreements
(89.58 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<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%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Jerry T. Absher, et ux. 4276 Roadridge TPK Raven, VA 24639	0.20 acres	0.2233%	1.6155%
Note: CBM ownership was adjudicated to the prevailing plaintiffs under Case no. CL 11-461 The Order was executed May 6, 2011 and plaintiffs were awarded 100% of the Coalbed Methane Gas underlying this tract.			
<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%	n/a
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.			
<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%	n/a
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.			

List of Conflicting Owners/Claimants with Royalty Split Agreements
(89.58 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #2D, 6.95 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	6.95 acres	7.7584%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Buford E. Short 3929 Road Ridge Turnpike Raven, VA 24639	6.95 acres	7.7584%	n/a
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.			
<u>Tract #2E, 13.66 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	13.66 acres	15.2489%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	13.66 acres	15.2489%	n/a
<u>Tract #2F, 0.33 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	0.33 acres	0.3684%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Russel J. Short, et ux. P.O. Box 363 Swords Creek, VA 24649	0.33 acres	0.3684%	n/a
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.			

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List of Conflicting Owners/Claimants with Royalty Split Agreements
(89.58 Acre Unit)

	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

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Unit FF37
VGOB 03-1021-1206-02
Acres Escrowed: 12.38000

Owners	Tract #	Acres	Total Owners' Percent of Escrow	Amount Due Owners \$41,439.30
Coal Mountain Mining Co. Limited Partnership, LLP - Coal Jerry T. Absher, et ux. - O, G, & CBM	1c	10.66	86.1066%	\$35,681.98
Coal Mountain Mining Co. Limited Partnership, LLP - Coal Jerry T. Absher, et ux. - O, G, & CBM	1d	0.86	6.9467%	\$2,878.66
Coal Mountain Mining Co. Limited Partnership, LLP - Coal Jerry T. Absher, et ux. - O, G, & CBM	2a	0.20	1.6155%	\$669.46

**Note: Tracts 2b, 2c, 2d, and 2f have been subtracted from the total amount in escrow.
 These tracts were approved for disbursement April 26, 2011 by the Board**

Wells contributing to the escrow account: FF37 and FF37A

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BK 1105PG0741

T. SHEA COOK, P.C.

ATTORNEY AT LAW

2411 Second Street

Post Office Box 507

Richlands, Virginia 24641

Phone (276)963-4332~Facsimile (276) 963 6271

April 19, 2011

304-729-0099

Mark Swartz

601 6th Ave #200

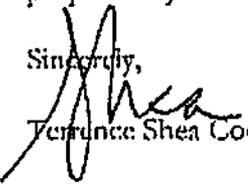
Saint Albans, WV 25177

RE: Buford Short and Elaine Short, Johnie Short and Russell Short Linda Short and David Short
Unit # 37 and Unit # 38

Dear Mark:

The above matter is scheduled for approval of distribution on April 26, 2011. I request that prior to that date, I be provided a detailed accounting of the gross royalties generated for each unit, along with a detailed accounting of all post-production deductions made, with an explanation of each deduction made. This information is necessary in order to determine the accuracy of the distribution proposed by CNX, and the reasonableness of the post production deductions.

Sincerely,


Terrence Shea Cook

TSC/sls

cc: Johnie Short
Buford Short
Russell Short
David Short
David Asbury

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VIRGINIA: IN THE CIRCUIT COURT OF TAZEWELL COUNTY

JOHNIE HAROLD SHORT, BUFORD E. SHORT
and JESSIE ELAINE SHORT, RUSSELL JENNINGS SHORT
and LINDA SUE SHORT and DAVID E. SHORT,
Plaintiff,

v.

Case No.: CL 10-1036

COAL MOUNTAIN MINING
COMPANY, LLP.,
Defendants.

TAZEWELL COUNTY FIELD UNIT FF-37, FORCED POOLED VGOB-03-1021-1206
Plaintiffs, in this unit, Johnie Herald Short, Buford E. Short and Jessie Elaine Short, Russell
Jennings Short and Linda Sue Short.

TAZEWELL COUNTY FIELD UNIT FF-38, FORCED POOLED VGOB-03-1207
Plaintiffs, in this unit, Johnie Herald Short, Buford E. Short and Jessie Elaine Short, Russell
Jennings Short and Linda Sue Short, and David E. Short.

CORRECTED ORDER

This date came the parties to this action, by counsel, upon Plaintiff's Petition filed October 20, 2010 pursuant to Declaratory Judgment Act, Virginia Code Section 8.01-184, whereby Plaintiff's moved the Court to declare their collective ownership of coal bed methane. The parties hereto, by counsel, represented unto the Court that they had reached a compromise in this matter to the effect that as between the Plaintiff's and the Defendant, the Plaintiff's are the owners of the coal bed methane gas pursuant to their ownership of the natural gas under the lands described in said Petition and that said Plaintiff's, as and between the parties hereto, are entitled to any funds held in escrow by the Virginia Gas and Oil Board, and any royalties which may accrue in the future as a result of the production of said coal bed methane gas or natural gas.

It appearing that Johnie Harold Short, not "Johnnie Herald Short" as stated in the original order, is the owner of a 19.10 acre tract of property located on the west side of Ridge Road in the Doran

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section of Tazewell County by Deed of Conveyance dated July 13, 1998 and recorded at Deed Book 580, page 840, in the Tazewell County Circuit Court; that Buford E. Short and Jessie Elaine Short, husband and wife, are the owners of a 20 acre tract of property located on the west side of Ridge Road in the Doran section of Tazewell County by Deed of Conveyance dated February 25, 1974, and recorded at Deed Book 391, page 303, in the Tazewell County Circuit Court; that Russell Jennings Short and Linda Sue Short, husband and wife, are the owners of a 21.02 acre tract of property located on the west side of Ridge Road in the Doran section of Tazewell County by Deed of Conveyance dated February 25, 1974, and recorded at Deed Book, 391, Page 476, in the Tazewell County Circuit Court Clerks Office; that Buford E. Short and Jessie Elaine Short, husband and wife are the owners of a 1.5 acre tract of property located on the West side of Ridge Road in the Doran Section of Tazewell County by Deed of Conveyance dated June 17, 1968, and recorded at Deed Book 341, page 553, in the Tazewell County Court Clerks Office; that David E. Short is the owner of two tracts of land totaling 13 acres located on Ridge Road in the Doran section of Tazewell County, by Deed of Conveyance dated July 18, 2001, and recorded at Deed Book 836, page 412, in the Tazewell County Circuit Court Clerks Office; that all of the forgoing tracts of property are contiguous to each other and were once part of larger tract of property from which the coal was severed by Deed dated November 11, 1886 at Deed Book 21, Page 283 in the Tazewell County Circuit Court Clerks Office; that the Defendant, Coal Mountain Mining Company, LLP is the successor entitled to the interest conveyed by the Severance Deed referenced in the preceding paragraph where the Grantors therein were conveyed coal on and under the real estate described therein; that portions of the Plaintiff's property described above were forced pooled by Order of the Virginia Oil and Gas Board dated March 8, 2005 VGOB 0310221-1207, and Order dated October 8, 2005, VGOB 0310221-1206; and that pursuant to 4VAC25-160-100(B) the Virginia Oil and Gas Board has collected certain escrow payments for a period of time since the passage of the Act as a result of royalties being generated as result of the production of coal bed methane on said tracts, and

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these funds are being held on account for disbursement pursuant to the above described statute pending a final determination of ownership.

Upon consideration of the aforesaid representations, it is hereby ADJUDGED, ORDERED AND DECREED as follows:

1. As between the Plaintiffs and the Defendant, the Plaintiffs are the owners of the coal bed methane gas under the land described above, and are entitled to any funds held in escrow by the Virginia Oil and Gas Board as the units described above, as well as being entitled to any royalties generated in the future arising from the production of coal bed methane or other natural gas produced pursuant to the previously referenced pooling orders.

2. The Virginia Oil and Gas Board is directed to forthwith order payment of all principle sums and accrued interest on royalties previously deposited into the escrow account maintained by the Virginia Oil and Gas Board.

There being nothing further for consideration this matter, the Court orders the Clerk to provide a tested copy of this Order to Counsel for the Plaintiffs and for the Defendant, in this matter is stricken from the active docket.

Entered this 23rd day of February 2011.

[Signature]
JUDGE

REQUESTED:

[Signature]

Terrence Shea Cook
Counsel for Plaintiff

INSTRUMENT #110004223
RECORDED IN THE CLERK'S OFFICE OF
TAZEWELL COUNTY ON
DECEMBER 16, 2011 AT 04:07PM

[Signature]
David Grant Altizer

JAMES E. BLEVINS, CLERK
Counsel for Defendant RECORDED BY: ADR

A COPY, TESTE:
JAMES E. BLEVINS, CLERK OF THE
CIRCUIT COURT OF TAZEWELL COUNTY
[Signature]
DEPUTY CLERK

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