

502

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 03-1021-1206

ELECTIONS: UNIT FF-37
(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 December 15, 2003 which was recorded at Deed Book 898, Page 254 in the Office of the Clerk of the Circuit Court of Tazewell County, Virginia, on December 22, 2003, and also recorded at Deed Book 598, Page 996 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on December 23, 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 FF-37;

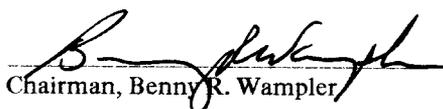
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate 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 8th day of October, 2004, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA
COUNTY OF WISE

Acknowledged on this 8th day of October, 2004, 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: 7-31-06

DONE AND PERFORMED THIS 13th day of October, 2004, by Order of the Board.

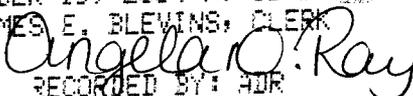

B. R. Wilson,
Principal Executive to the Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 13th day of October, 2004, 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 Recipient #040005700
RECORDED IN THE CLERK'S OFFICE OF
TAZEWELL COUNTY ON
OCTOBER 19, 2004 AT 02:22PM
JAMES E. BLEVINS, CLERK

RECORDED BY: ADR

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 FF-37
VGOB 03-1021-1206 in the Maiden Springs District of Tazewell County and 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 December 15, 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 December 22, 2003 in Tazewell County and on
December 23, 2003 in Russell County;

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
December 15, 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:

See attached Exhibit E

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, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

Nenet I. Gonet

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.

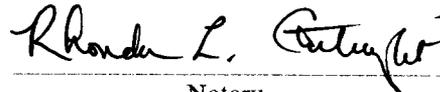
See attached Exhibit EE

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 Tazewell, Virginia, this 29th day of SEPTEMBER, 2004


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 29th day of September, 2004.


Notary

My commission expires: 10/31/05

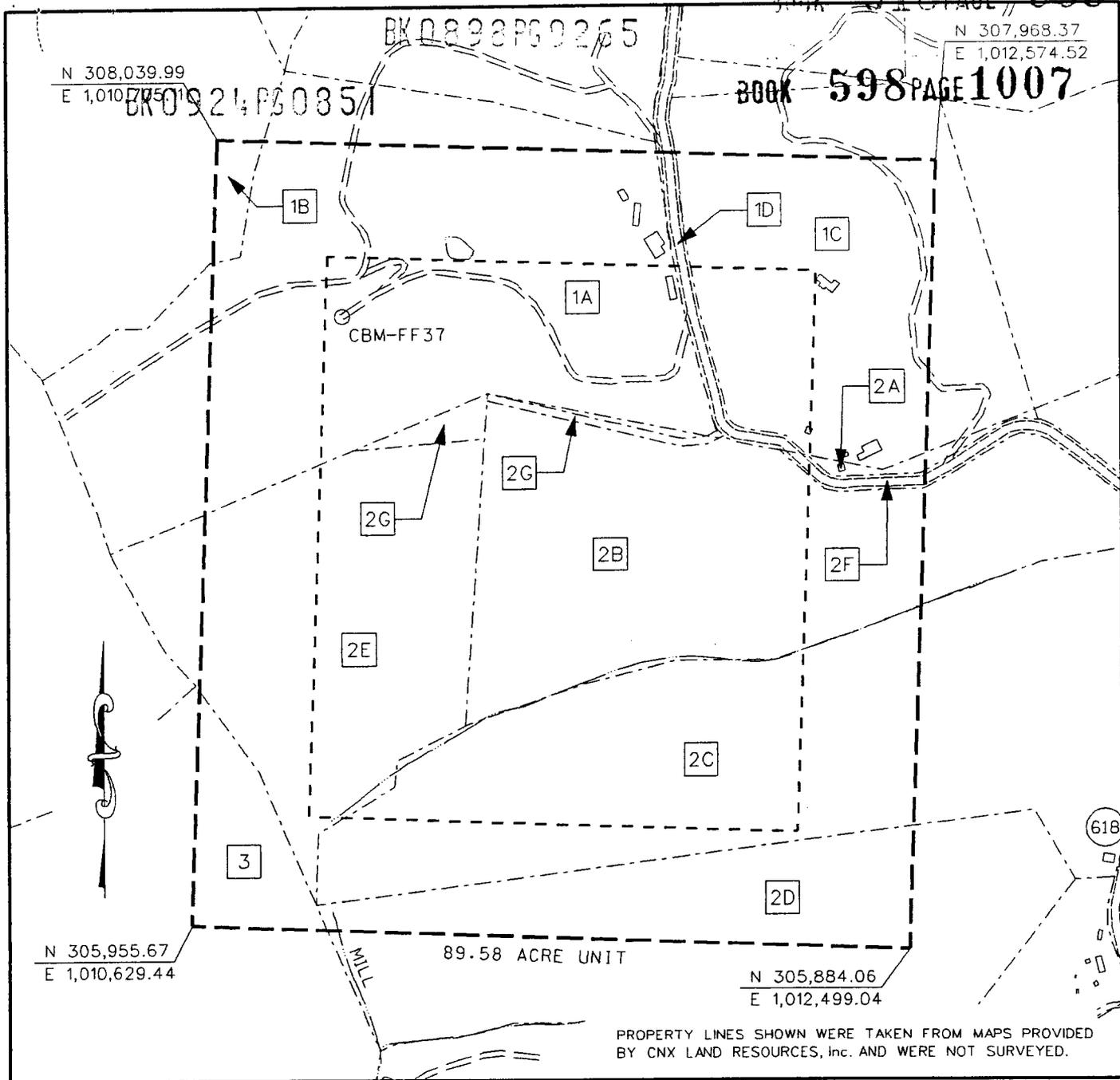
BK 0898 PG 0265

N 307,968.37
E 1,012,574.52

N 308,039.99
E 1,010,705.01

BOOK 524 PG 0351

BOOK 598 PAGE 1007



N 305,955.67
E 1,010,629.44

89.58 ACRE UNIT

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 FF37
 Tract No. _____ Elevation _____ Quadrangle Keen Mountain
 County Tazewell/Russell District Maiden Springs/New Garden Scale: 1" = 400' Date 9/14/83
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91

Claude A. May
 Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

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%**

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 %

BK 0924 PG 0854

Exhibit B-2
Unit FF-37

BOOK 618 PAGE 936

Docket #VGOB 03-1021-1206
List of Respondents to be Added and/or Dismissed
(89.58 Acre Unit)

	Acres in Unit	Interest in Unit	Reason for Dismissal
II. <u>OIL & GAS FEE OWNERSHIP</u>			
<u>Tract #2E, 13.66 acres</u>			
(1) Nena I. Gonet 3643 Blayton Street New Port Richey, FL 34652	13.66 acres	15.2489%	Purchased

Exhibit B-3
 Unit FF-37
 Docket #VGOB 03-1021-1206
 List of Unleased Owners/Claimants
 (89.58 Acre Unit)

	Acres in Unit	Interest in Unit
II. <u>OIL & GAS FEE OWNERSHIP</u>		
<u>Tract #1B, 0.66 acres</u>		
(1) James M. McGlothlin, et ux. RR1 Box 627 Swords Creek, VA 24649	0.66 acres	0.7368%
<u>Tract #2B, 15.33 acres</u>		
(1) Russell J. Short, et ux. P.O. Box 363 Swords Creek, VA 24649	15.33 acres	17.1132%
<u>Tract #2C, 16.20 acres</u>		
(1) Johnie H. Short P.O. Box 227 Richlands, VA 24641	16.20 acres	18.0844%
<u>Tract #2D, 6.95 acres</u>		
(1) Buford E. Short 3929 Road Ridge Turnpike Raven, VA 24639	6.95 acres	7.7584%
<u>Tract #2F, 0.33 acres</u>		
(1) Russell J. Short, et ux. P.O. Box 363 Swords Creek, VA 24649	0.33 acres	0.3684%

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

BK0924660356
98JK 618 PAGE 938

	Acres in Unit	Interest in Unit
<u>Tract #1B, 0.66 acres</u>		
<u>COAL FEE 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 FEE 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 FEE 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 FEE OWNERSHIP</u>		
(1) Jerry T. Absher, et ux. Rt.1 Box 24A Raven, VA 24639	10.66 acres	11.9000%
<u>Tract #1D, 0.86 acres</u>		
<u>COAL FEE 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 FEE OWNERSHIP</u>		
(1) Jerry T. Absher, et ux. Rt.1 Box 24A Raven, VA 24639	0.86 acres	0.9600%
<u>Tract #2A, 0.20 acres</u>		
<u>COAL FEE 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%

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

BR0924860857

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	Acres in Unit	Interest in Unit
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Jerry T. Absher, et ux. Rt.1 Box 24A Raven, VA 24639	0.20 acres	0.2233%
<u>Tract #2B, 15.33 acres</u>		
<u>COAL FEE 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%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Russell J. Short, et ux. P.O. Box 363 Swords Creek, VA 24649	15.33 acres	17.1132%
<u>Tract #2C, 16.20 acres</u>		
<u>COAL FEE 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%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Johnie H. Short P.O. Box 227 Richlands, VA 24641	16.20 acres	18.0844%
<u>Tract #2D, 6.95 acres</u>		
<u>COAL FEE 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%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Buford E. Short 3929 Road Ridge Turnpike Raven, VA 24639	6.95 acres	7.7584%

Exhibit E EK0924PG0858

Unit FF-37

Docket #VGOB 03-1021-1206

BOOK 618 PAGE 940

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

	Acres in Unit	Interest in Unit
<u>Tract #2F, 0.33 acres</u>		
<u>COAL FEE 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%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Russell J. Short, et ux. P.O. Box 363 Swords Creek, VA 24649	0.33 acres	0.3684%

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

	Acres in Unit	Interest in Unit
<u>Tract #1A, 20.98 acres</u>		
<u>COAL FEE 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%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Harold D. McGlothlin, et ux. Rt.1 Box 26 Raven, VA 24639	20.98 acres	23.4204%
<u>Tract #2E, 13.66 acres</u>		
<u>COAL FEE 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%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) CNX Gas Company LLC P.O. Box 947 Bluefield, VA 24605	13.66 acres	15.2489%
<u>Tract #2G, 0.89 acres</u>		
<u>COAL FEE 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%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Harold D. McGlothlin, et ux. Rt.1 Box 26 Raven, VA 24639	0.89 acres	0.9935%

040,800

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 10-19, 2004. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 10:17 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: Ann V. McReynolds D. CLERK