

885

BK0935830036

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

#1120

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 04-0120-1249

ELECTIONS: UNIT AX-135
(herein "Subject Drilling Unit")

TAX MAP IDENTIFICATION NUMBERS:

Tax map identification numbers for all parcels affected by this order are shown on Exhibit marked "Tract Identifications" which is attached to and a part of this order.

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 21, 2004 which was re-recorded at Deed Book 922, Page 505 in the Office of the Clerk of the Circuit Court of Tazewell County, Virginia, on September 23, 2004, (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 AX-135;

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 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 8th 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 11th day of March, 2005, by Order of the Board.


B. R. Wilson,
Director of the Division of Gas & Oil Board and
Principal Executive to the Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 11th 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 AX-135
VGOB 04-0120-1249 in the Maiden Springs District of Tazewell 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 21, 2004, 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 23, 2004;

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 September 21, 2004;

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:

None

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:

None

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

See attached Exhibit EE

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

Dated at Tazewell, Virginia, this 24th 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 24th 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.

D\0935PG0040

N 302,558.35
E 1,023,673.96

N 302,500.94
E 1,025,272.44

58.74 ACRE UNIT



2

1

CBM-AX135

N 300,959.57
E 1,023,616.54

N 300,902.16
E 1,025,215.02

EXHIBIT A
MIDDLE RIDGE 1 FIELD
UNIT AX-135
FORCE POOLING
VG0B-04-0120-1249

Company CNX Gas Company LLC Well Name and Number UNIT AX-135

Tract No. _____ Elevation _____ Quadrangle 15R-4000-1000

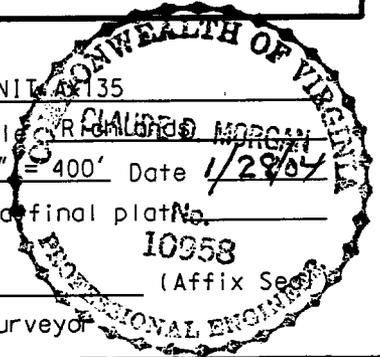
County Tazewell District Maiden Springs Scale: 1" = 400' Date 1/29/04

This plat is a new plat X ; an updated plat _____ ; or a final plat No. _____

Form DGO-GD-7
Rev. 9/91

Claude D. Morgan

Licensed Professional Engineer or Licensed Land Surveyor



CNX Gas Company LLC
Unit AX-135
Tract Identifications
(58.74 Acre Unit)

1. **Reserve Coal Properties Company (Harman-Huffman 1,031.53 Acre Tract) -
Tiller and Above Coal Seams**
**Mary A. Huffman, et al (13/60), Reserve Coal Properties Company (47/60) (Harman-
Huffman 1,031.53 Acre Tract) - Coal Below Tiller Seam Except P-3 Seam**
CNX Gas Company LLC - CBM Leased
**Mary A Huffman, et al (13/60), James W. Harman, Jr., et al. (47/60) (Harman-Huffman
1,031.53 Acre Tract) - P-3 Seam**
CNX Gas Company LLC – All Minerals except Coal
Reserve Coal Properties Company – Surface
(Tax Map 85 Parcel 18)
32.50 acres 55.3286%

2. **Coal Creek Coal Company Tr. 3 (Alexander P. McGlothlin 180 Acre Tract) – Coal**
Reserve Coal Properties Company – All Coal Leased
Knox Creek Coal Company – Tiller Seam Sublessee
CNX Gas Company LLC – Oil, Gas and CBM Leased
Emma Jean Vance – Surface and All Minerals except Coal
(Tax Map 85 Parcel 39)
26.24 acres 44.6714%

EX0935PG0042

Exhibit B-3
Unit AX-135
Docket #VGOB 04-0120-1249
List of Unleased Owners/Claimants
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
II. <u>OIL & GAS FEE OWNERSHIP</u>		
<u>Tract #2, 26.24 acres</u>		
(1) Emma Jean Vance c/o Kenneth Anders P.O. Box 558 Doran, VA 24612	26.24 acres	44.6714%

Exhibit E
Unit AX-135

BK0935PG0043

Docket #VGOB 04-0120-1249
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #2, 26.24 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Coal Creek Coal Company, Tr.3 P.O. Box 323 Tazewell, VA 24651	26.24 acres	44.6714%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Emma Jean Vance c/o Kenneth Anders P.O. Box 558 Doran, VA 24612	26.24 acres	44.6714%

BK0935PS0044

Exhibit EE
Unit AX-135

Docket #VGOB 04-0120-1249

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

	Acres in Unit	Interest in Unit
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Tract #1, 32.50 acres

COAL FEE OWNERSHIP

(1) Mary A. Huffman, et al.	32.50 acres	55.3286%	Pay 87.0690% of their interest in the unit.
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(Coal below Tiller Seam exc. P3)

- | | | | |
|---|-------------------------------------|----------|--|
| (a) Mary A. Huffman
P. O. Box 926
Richlands, VA 24641 | 1.76 acres
13/240 of 32.50 acres | 2.9970% | |
| (b) James W. Huffman
c/o Mary A. Huffman
P. O. Box 926
Richlands, VA 24641 | 1.76 acres
13/240 of 32.50 acres | 2.9970% | |
| (c) Jacob H. & Dana Huffman, III
P.O. Box 9
McGuady, KY 40153 | 1.76 acres
13/240 of 32.50 acres | 2.9970% | |
| (d) A & R Holdings, Inc.
111 Monte Vista Drive
Glade Springs, VA 24340 | 1.76 acres
13/240 of 32.50 acres | 2.9970% | |
| (2) Reserve Coal Properties
P. O. Box 947
Bluefield, VA 24605 | 25.46 acres
47/60 of 32.50 acres | 43.3407% | |

(P3 Seam Only)

- | | | | |
|--|-------------------------------------|----------|--|
| (1) Mary A. Huffman & James W. Harman, Jr., et al.
(Harman-Huffman Heirs 1,031.53 ac. tract) | 32.5 acres | 55.3286% | Pay
12.9310%
of their interest in the unit. |
| (a) James W. Harman Jr.
c/o Diana Coulthard, Trust Officer
First Community Bank
P.O. Box 950
Bluefield, WV 24701 | 3.64 acres
47/420 of 32.50 acres | 6.1915% | |
| (b) S. Laird Harman
233 Grace Lane NE
Riner, VA 24149 | 3.64 acres
47/420 of 32.50 acres | 6.1915% | |
| (c) Bettie H. St Clair
104 Dial Rock Road
North Tazewell, VA 24630 | 3.64 acres
47/420 of 32.50 acres | 6.1915% | |
| (d) The Estate of Minnie E. Harman, Inc.
P.O. Box 323
Tazewell, VA 24651 | 3.64 acres
47/420 of 32.50 acres | 6.1915% | |
| (e) Evelyn H. Harman
1924 Glenwood Park Road
Princeton, WV 24740 | 3.64 acres
47/420 of 32.50 acres | 6.1915% | |

BK093560045

Exhibit EE
Unit AX-135
Docket #VGOB 04-0120-1249
List of Conflicting Owners/Claimants with Royalty Split Agreements
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
(f) James W. Harman, III Rt.3 Box 803 Tazewell, VA 24651	3.64 acres 47/420 of 32.50 acres	6.1915%
(g) Jonathan H. Harman 2727 Mountain View Avenue Bluefield, WV 24701	3.64 acres 47/420 of 32.50 acres	6.1915%
(h) Mary A. Huffman P. O. Box 926 Richlands, VA 24641	1.76 acres 13/240 of 32.50 acres	2.9970%
(i) James W. Huffman c/o Mary A. Huffman P. O. Box 926 Richlands, VA 24641	1.76 acres 13/240 of 32.50 acres	2.9970%
(j) Jacob H. & Dana Huffman, III P.O. Box 9 McGuady, KY 40153	1.76 acres 13/240 of 32.50 acres	2.9970%
(k) A & R Holdings, Inc. 111 Monte Vista Drive Glade Springs, VA 24340	1.76 acres 13/240 of 32.50 acres	2.9970%

OIL & GAS FEE OWNERSHIP

(1) CNX Gas Company LLC P. O. Box 947 Bluefield, VA 24605	32.50 acres	55.3286%
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INSTRUMENT #050001120
 RECORDED IN THE CLERK'S OFFICE OF
 TAZEWELL COUNTY ON
 MARCH 14, 2005 AT 01:06PM
 JAMES E. BLEVINS, CLERK

Judy S. Shaver, DC
 RECORDED BY: JMS