

080001207

1248
VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 04-0817-1321ELECTIONS: UNIT BF-104
(herein "Subject Drilling Unit")REPORT OF BOARDFINDINGS 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 January 13, 2005 which was recorded at Deed Book 610, Page 715 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on January 21, 2005, and also recorded at Deed Book 610, Page 715 and in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on January 20, 2005 (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 BF-104;

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, N.A., VA7515, P.O. Box 14061, Roanoke, VA 24038, Attn: Judy Barger 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.

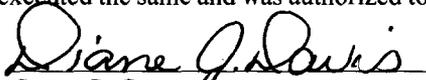
DONE AND EXECUTED this 15th day of January, 2008, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA
COUNTY OF ~~WISE~~

Washington

Acknowledged on this 15th day of January, 2008, 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 174394

My commission expires: 9/30/09.

DONE AND PERFORMED THIS 15th day of January, 2008, by Order of the Board.


B. R. Wilson,
Principal Executive to the Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 15th day of January, 2008, 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 174394

My commission expires: 9/30/09.

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 BF-104
VGOB 04-0817-1321 in the Hurricane & New Garden Districts of Buchanan and Russell Counties, 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 January 13, 2005, 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 January 21, 2005 and January 20, 2005 respectively;

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 January 13, 2005;

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, 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 Mercer, West Virginia, this 8th day of JANUARY, 2008.

Leslie K. Arrington
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 8th day of January, 2008.

Melissa Cumbow
Notary

My commission expires: April 9, 2013.



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

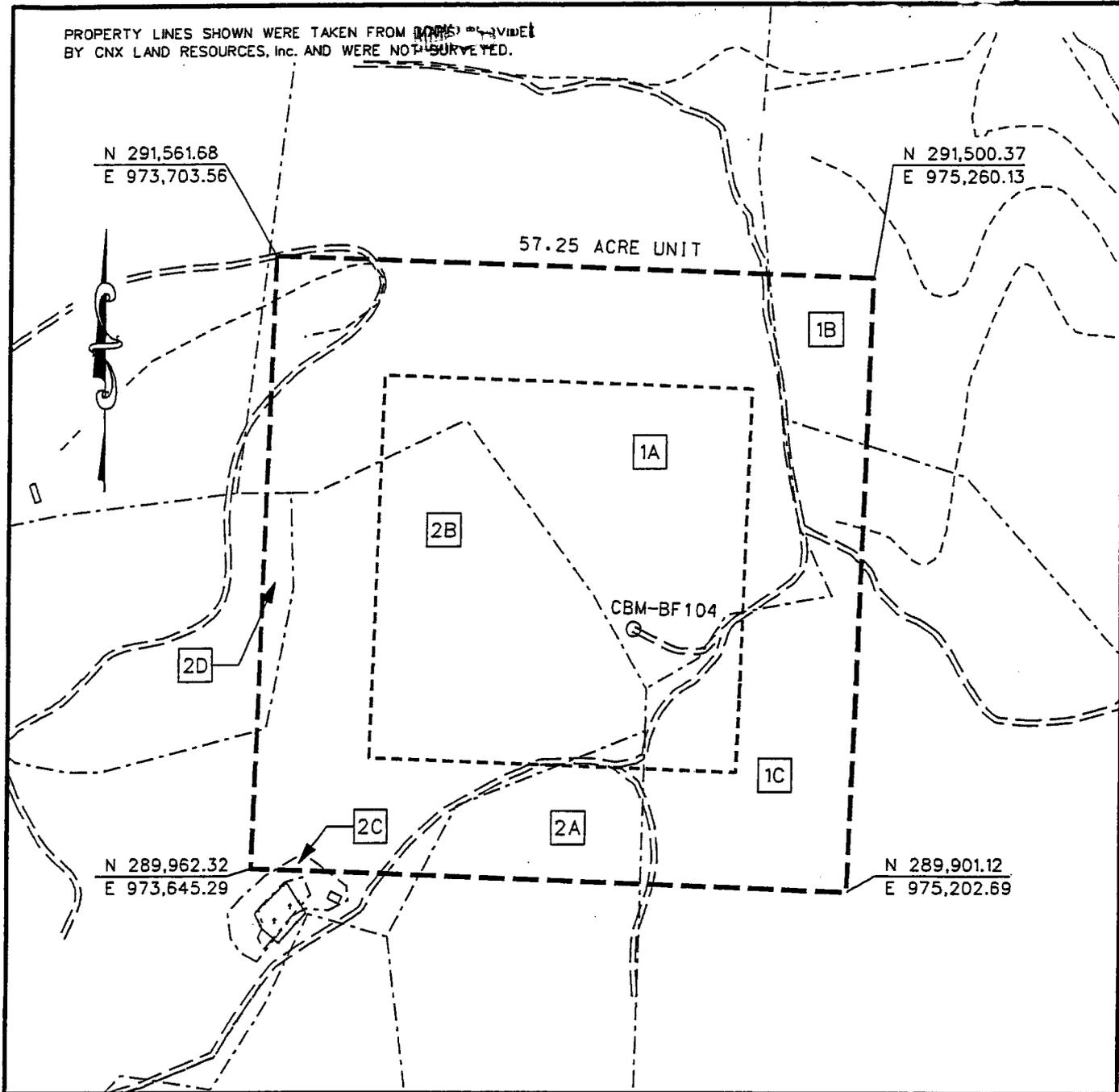
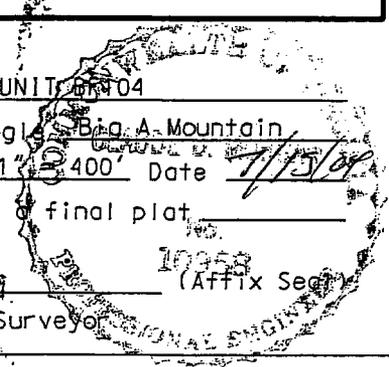


EXHIBIT A
 NORA FIELD
 UNIT BF-104
 FORCE POOLING
 VGOB-04-0817-1321

Company CNX Gas Company LLC Well Name and Number UNIT BF-104
 Tract No. _____ Elevation _____ Quadrangle S. Big A Mountain
 County Buchanan/Russell District Hurricane/New Garden Scale: 1" = 400' Date 7/15/04
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7 _____
 Rev. 9/91 _____
 Licensed Professional Engineer or Licensed Land Surveyor



0005

CNX Gas Company LLC**UNIT BF-104****Tract Identifications
(57.25 Acre Unit)**

1. Tazewell Coal and Iron Company (James H. Smith 290.77 Acre Tract) – All Minerals
CNX Gas Company LLC – Oil, Gas and CBM Leased
34.73 acres 60.6638%

- 1A. Gent Enterprises – Surface
- 1B. Gent Enterprises – Surface
- 1C. Gent Enterprises – Surface

- 2A. Tazewell Coal and Iron Company (Andrew J. Owens 205.75 Acre Tract) – Coal
CNX Gas Company LLC – CBM Leased
Gent Enterprise OR Tazewell Coal and Iron Company – All Minerals except Coal
CNX Gas Company LLC – Oil, Gas and CBM Leased
Gent Enterprise - Surface
3.42 acres 5.9738%

- 2B. Tazewell Coal and Iron Company (Andrew J. Owens 205.75 Acre Tract) – Coal
CNX Gas Company LLC – CBM Leased
Randall Hillman, et al OR Tazewell Coal and Iron Company – All Minerals except Coal
CNX Gas Company LLC – Oil, Gas and CBM Leased
Randall Hillman, et al - Surface
18.15 acres 31.7031%

- 2C. Tazewell Coal and Iron Company (Andrew J. Owens 205.75 Acre Tract) – Coal
CNX Gas Company LLC – CBM Leased
Louisa Clark Heirs OR Tazewell Coal and Iron Company – All Minerals except Coal
CNX Gas Company LLC – Oil, Gas and CBM Leased
Louisa Clark Heirs - Surface
0.07 acres 0.1223%

- 2D. Tazewell Coal and Iron Company (Andrew J. Owens 205.75 Acre Tract) – Coal
CNX Gas Company LLC – CBM Leased
Nadyne K. Combs OR Tazewell Coal and Iron Company – All Minerals except Coal
CNX Gas Company LLC – Oil, Gas and CBM Leased (If owned by Tazewell Coal and Iron Company)
Nadyne K. Combs – Surface
0.88 acres 1.5371%

Exhibit B-3
Unit BF-104
Docket #VGOB 04-0817-1321
List of Unleased Owners/Claimants
(57.25 Acre Unit)

	Acres in Unit	Percent of Unit
II. <u>OIL & GAS FEE OWNERSHIP</u>		
<u>Tract #2C, 0.07 acres</u>		
(1) Louisa Clark Heirs, Devisees, Successors or Assigns	0.07 acres	0.1223%
(h) Timmy Lockhart <i>Address Unknown</i>	0.0019 1/36 of 0.07 acres	0.0034%
(i) Michelle Lockhart Connell 168 School Lane Toano, VA 23168	0.0019 1/36 of 0.07 acres	0.0034%

Exhibit E
Unit BF-104
Docket #VGOB 04-0817-1321
List of Conflicting Owners/Claimants that require escrow
(57.25 Acre Unit)

	Acres in Unit	Percent of Unit
<u>Tract #2C, 0.07 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Tazewell Coal & Iron Company c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	0.07 acres	0.1223%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Louisa Clark Heirs, Devisees, Successors or Assigns	0.07 acres	0.1223%
(a) Lester Clark P.O. Box 897 Honaker, VA 24260	0.0233 1/3 of 0.07 acres	0.0408%
(b) Lola Gay Childress P.O. Box 1204 Honaker, VA 24260	0.0233 1/3 of 0.07 acres	0.0408%
(c) Dallas Wayne Thomas P.O. Box 1622 Honaker, VA 24260	0.0039 1/18 of 0.07 acres	0.0068%
(d) Ronald Lee Thomas P.O. Box 1981 Honaker, VA 24260	0.0039 1/18 of 0.07 acres	0.0068%
(e) Ricky Jay Thomas Rt.2 Box 581 Honaker, VA 24260	0.0039 1/18 of 0.07 acres	0.0068%
(f) Harold Dean Thomas Rt.2 Box 583 Honaker, VA 24260	0.0039 1/18 of 0.07 acres	0.0068%
(g) Connie Lloyd Box 13504 Fall Hill Road Abingdon, VA 24210	0.0039 1/18 of 0.07 acres	0.0068%
(h) Timmy Lockhart Address Unknown	0.0019 1/36 of 0.07 acres	0.0034%
(i) Michelle Lockhart Connell 168 School Lane Toano, VA 23168	0.0019 1/36 of 0.07 acres	0.0034%
- OR -		
(1) Tazewell Coal & Iron Company c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	0.07 acres	0.1223%

Exhibit EE
Unit BF-104
Docket #VGOB 04-0817-1321
List of Conflicting Owners/Claimants with Royalty Split Agreements
(57.25 Acre Unit)

BOOK 69 PAGE 0979

	Acres in Unit	Percent of Unit
<u>Tract #2A, 3.42 acres</u>		
<i>Royalty split agreement resolves title issue, split 50/50</i>		
<u>COAL FEE OWNERSHIP</u>		
(1) Tazewell Coal & Iron Company c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	3.42 acres	5.9738%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Gent Enterprises P.O. Box 330 Honaker, VA 24260	3.42 acres	5.9738%
- OR -		
(1) Tazewell Coal & Iron Company c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	3.42 acres	5.9738%
<u>Tract #2B, 18.15 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Tazewell Coal & Iron Company c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	18.15 acres	31.7031%
<u>OIL & GAS FEE OWNERSHIP</u>		
<i>Royalty split agreement resolves title issue, split 50/50</i>		
(1) Randall Hillman, et al.	18.15 acres	31.7031%
(a) Randall Hillman P.O. Box 1076 Honaker, VA 24260	9.08 1/2 of 18.15 acres	15.8515%
(b) Michael Hillman P.O. Box 1945 Lebanon, VA 24266	9.08 1/2 of 18.15 acres	15.8515%
- OR -		
(1) Tazewell Coal & Iron Company c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651 (Title issue resolved)	18.15 acres	31.7031%

Exhibit EE
Unit BF-104
Docket #VGOB 04-0817-1321
List of Conflicting Owners/Claimants with Royalty Split Agreements
(57.25 Acre Unit)

BOOK 69 PAGE 1180

	Acres in Unit	Percent of Unit
--	---------------	-----------------

Tract #2D, 0.88 acres

COAL FEE OWNERSHIP

(1) Tazewell Coal & Iron Company c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	0.88 acres	1.5371%
--	------------	---------

OIL & GAS FEE OWNERSHIP

Royalty split agreement resolves title issue, split 50/50

(1) Nadyne K. Combs Heirs, Devisees, Successors or Assigns	0.88 acres	1.5371%
(a) Gerald P. Combs 25484 Watauga Road Abingdon, VA 24211	0.18 1/5 of 6.38 acres	0.3074%
(b) Patsy Ruth Lockwood 1310 South Braddock Street Winchester, VA 22601	0.18 1/5 of 6.38 acres	0.3074%
(c) Peggy Jean Combs Mitchell P.O. Box 2423 Lebanon, VA 24266	0.18 1/5 of 6.38 acres	0.3074%
(d) Priscilla Combs McCall 19310 Old Jonesboro Road Abingdon, VA 24211	0.18 1/5 of 6.38 acres	0.3074%
(e) Dwight David Combs 110 Bogey Drive Abingdon, VA 24211	0.18 1/5 of 6.38 acres	0.3074%

- OR -

(1) Tazewell Coal & Iron Company c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651 (Title issue resolved)	0.88 acres	1.5371%
---	------------	---------

0501764

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 6-10, 2008, This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 9:15 o'clock A M, after payment of \$ — tax imposed by Sec. 58.1-802.

TESTE: ANN S. McREYNOLDS, CLERK
BY: Sarah Helm D. CLERK

Original returned this date to: Dept of Minerals

BU RU
\$20 \$20

ETL

INSTRUMENT #080001207
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MARCH 27, 2008 AT 03:02PM

BEVERLY S. TILLER, CLERK
RECORDED BY: NKE

BU RU
\$20 \$20

ENTERED

INSTRUMENT #080001207
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MARCH 27, 2008 AT 03:02PM
BEVERLY S. TILLER, CLERK
RECORDED BY: NKE