

905

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 04-1019-1343

ELECTIONS: UNIT C-29
(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 executed in the captioned matter on February 15, 2005 which was recorded at Deed Book 612, Page 204 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on February 18, 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 C-29;

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.

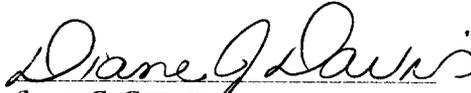
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 19th day of April, 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 19th day of April, 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 19th day of April, 2005, by Order of the Board.


B. R. Wilson,
Principal Executive to the Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 19th day of April, 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 C-29
VGOB 04-1019-1343 in the Garden District of Buchanan 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 February 15, 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 February 18, 2005;

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:

Clyde Lyndell Horn, Charles J. Horne and Nancy G. Harrison

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 February 15, 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 added and/or dismissed as respondents (see Exhibit B-2 for explanation); the Operator requests that the following persons be added and/or dismissed as Respondents:

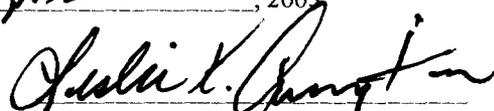
None

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.

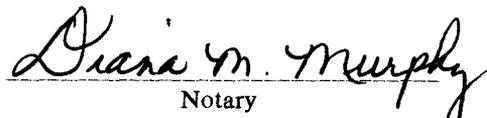
None

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 19th day of April, 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 19th day of April, 2005.


Notary

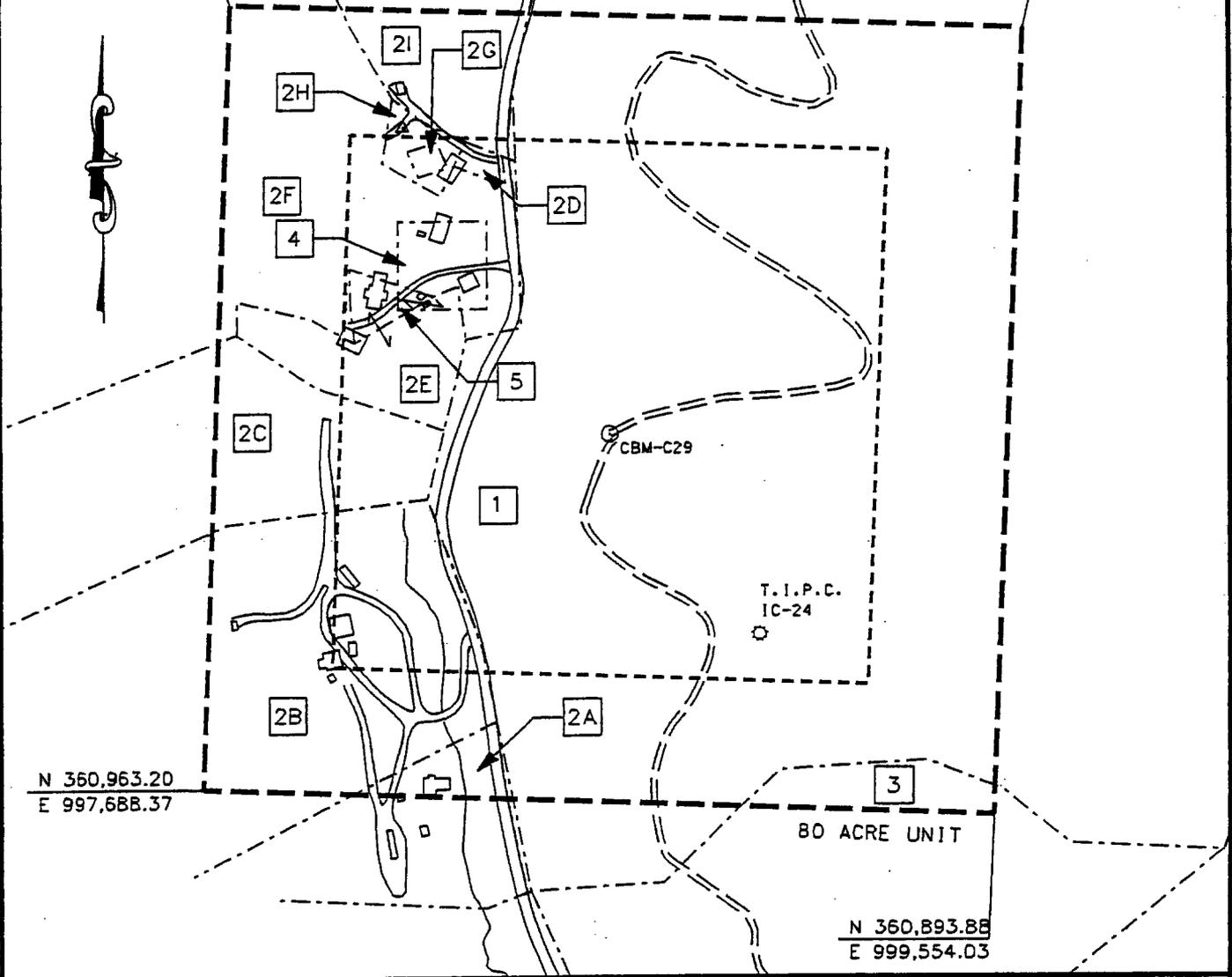
My commission expires: June 30, 2008.

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

BOOK 0616 PAGE 0764

N 362,833.53
E 997,757.05

N 362,764.28
E 999,622.63



N 360,963.20
E 997,688.37

N 360,893.88
E 999,554.03

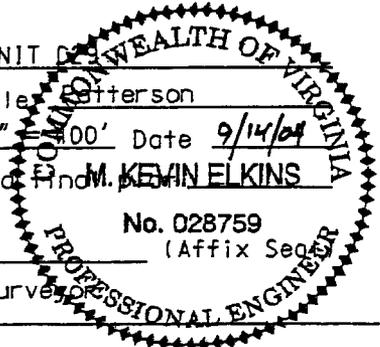
80 ACRE UNIT

EXHIBIT A
OAKWOOD FIELD
UNIT C-29
FORCE POOLING
VGOB-04-1019-1343

Company CNX Gas Company LLC Well Name and Number UNIT C-29
 Tract No. _____ Elevation _____ Quadrangle Patterson
 County Buchanan District Garden Scale: 1" = 100' Date 9/14/04
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91

M. Kevin Elkins
Licensed Professional Engineer or Licensed Land Surveyor



No. 028759
(Affix Seal)

CNX Gas Company LLC
BOOK 0616 PAGE 02965
Tract Identifications

1. Yukon Pocahontas Coal Co. et al - Tr. 34-2 - Fee
Island Creek Coal Company/Consol Energy, Inc. - Below Drainage Coal Leased
Jewell Smokeless Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
51.00 acres 63.7500%

2. Yukon Pocahontas Coal Co. et al - Tr. 34-1 - All Minerals
Island Creek Coal Company/Consol Energy, Inc. - Below Drainage Coal Leased
Jewell Smokeless Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
26.75 acres 33.4375%

- 2A. Unknown Surface Owner
- 2B. Unknown Surface Owner
- 2C. Unknown Surface Owner
- 2D. Unknown Surface Owner
- 2E. Clyde Lyndell Horn - Surface
- 2F. Unknown Surface Owner
- 2G. Unknown Surface Owner (Cemetery)
- 2H. Unknown Surface Owner
- 2I. Unknown Surface Owner

3. C. L. Ritter Lumber Company Tr. 27 - All Minerals
Island Creek Coal Company/Consol Energy, Inc. - Below Tiller Seam Leased
Jewell Smokeless Coal Corporation - Tiller Seam and Above Coal Leased
CNX Gas Company LLC - CBM Leased
Island Creek Coal Co./Consolidation Coal Company - Surface
1.25 acres 1.5625%

4. Clyde Lyndell Horn, et al - Coal
CNX Gas Company LLC - CBM Leased (25%)
Yukon Pocahontas Coal Co., et al - All Minerals except Coal
CNX Gas Company LLC - CBM Leased
Unknown Surface Owner
0.85 acres 1.0625%

5. Clyde Lyndell Horn - Coal
Yukon Pocahontas Coal Co., et al - All Minerals except Coal
CNX Gas Company LLC - CBM Leased
Unknown Surface Owner
0.15 acres 0.1875%

Docket # VGOB 04-1019-1343
 List of Unleased Owners/Claimants

	Acres in Unit	Percent of Unit	Election
I. <u>COAL FEE OWNERSHIP</u>			
<u>Tract #4, 0.85 Acres</u>			
(1) Clyde Lyndell Horne, et al.	0.85 acres	1.0625%	
(a) Clyde Lyndell Horne HC67 Box 110A Pilgrims Knob, VA 24634	0.2125 acres 1/4 of 0.85 acres	0.2656%	Participate
(b) Charles J. Horne 7025 Dizon Street Sunset Valley Mansions Angeles City, Phillipines 2009	0.2125 acres 1/4 of 0.85 acres	0.2656%	Participate
(d) Nancy G. Harrison P.O. Box 242 Repton, AL 36475	0.2125 acres 1/4 of 0.85 acres	0.2656%	Participate
<u>Tract #5, 0.15 Acres</u>			
(1) Clyde Lyndell Horne HC67 Box 110A Pilgrims Knob, VA 24634	0.15 acres	0.1875%	Participate

List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
<u>Tract #4, 0.85 Acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Clyde Lyndell Horne, et al.	0.85 acres	1.0625%
(a) Clyde Lyndell Horne HC67 Box 110A Pilgrims Knob, VA 24634	0.2125 acres 1/4 of 0.85 acres	0.2656%
(b) Charles J. Horne 7025 Dizon Street Sunset Valley Mansions Angeles City, Phillipines 2009	0.2125 acres 1/4 of 0.85 acres	0.2656%
(c) Wilma Danforth P.O. Box 308 Walhalla, MI 49458	0.2125 acres 1/4 of 0.85 acres	0.2656%
(d) Nancy G. Harrison P.O. Box 242 Repton, AL 36475	0.2125 acres 1/4 of 0.85 acres	0.2656%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Yukon Pocahontas Coal Company, et al.	0.85 acres	1.0625%
(a) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.43 acres 1/2 of 0.85 acres	0.5313%
(b) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.09 acres 1/9 of 0.85 acres	0.1181%
(c) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.05 acres 1/18 of 0.85 acres	0.0590%
(d) Plum Creek Timberlands, L.P. Natural Resources Department One Concourse Parkway, Suite 755 Atlanta, GA 30328	0.28 acres 1/3 of 0.85 acres	0.3542%
<u>Tract #5, 0.15 Acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Clyde Lyndell Horne HC67 Box 110A Pilgrims Knob, VA 24634	0.15 acres	0.1875%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Yukon Pocahontas Coal Company, et al.	0.15 acres	0.1875%

Docket # VGOB 04-1019-1343

List of Conflicting Owners/Claimants that require escrow

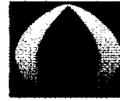
	Acres in Unit	Percent of Unit
(a) Yukon Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.08 acres 1/2 of 0.15 acres	0.0938%
(b) Buchanan Coal Company P.O. Box 187 Tazewell, VA 24651	0.02 acres 1/9 of 0.15 acres	0.0208%
(c) Sayers-Pocahontas Coal Company P.O. Box 187 Tazewell, VA 24651	0.01 acres 1/18 of 0.15 acres	0.0104%
(d) Plum Creek Timberlands, L.P. Natural Resources Department One Concourse Parkway, Suite 755 Atlanta, GA 30328	0.05 acres 1/3 of 0.15 acres	0.0625%

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 27th day of April, 2005 at 2:01 P. M. The tax imposed by §587.1-802 of the Code has been paid in the amount of \$.
 Deed Book No. 416 and Page No. 760 TESTE: James M. Bevins, Jr., Clerk
 Returned to: Amme TESTE: Jenny S. Allen Deputy Clerk

ENTERED

BU
618
DB

INSTRUMENT #050001237
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY, ON
APRIL 27, 2005 AT 02:01PM
JAMES M. BEVINS, CLERK
RECORDED BY: AKT



CNX GAS
CNX Gas Company LLC

P.O. Box 947
Bluefield, Virginia 24605
Voice: (276) 988-1034
Fax: (276) 988-1050

May 1, 2006

Mr. Bob Wilson
Division of Gas & Oil
P.O. Box 1416
Abingdon, VA 24212

Dear Mr. Wilson,

Per our phone conversation, please find attached a copy of the letter and check that was forwarded to Wachovia Bank on behalf of Clyde L. Horne, Nancy G. Harrison and Charles J. Horne. The individual checks that were tendered by the owners were made payable to "CNX Gas Company LLC" and were not accepted by Wachovia. In order to get the funds deposited, we requested a check for the total amount tendered of \$2,068.25 and sent it to Wachovia on their behalf. I have also enclosed a copy of the individual checks that were tendered by the owners for your records.

As previously discussed, we request that these funds are not included in any future disbursement that may take place from this account.

If you have any questions, please call.

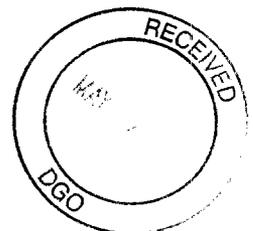
Sincerely,

Anita D. Duty
Senior Land Records Analyst

Enclosure(s)

Fedex

60-2624



 **CNX GAS**
CNX Gas Company LLC
P.O. Box 947
Bluefield, Virginia 24605
Phone: (276) 988-1034
Fax: (276) 988-1050

October 21, 2005

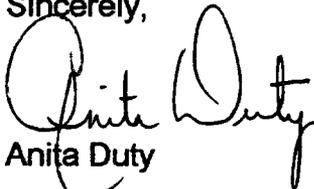
Wachovia Bank
Corporate Trust PA 1328
123 South Broad Street
Philadelphia, PA 19109-1199
Attn: Rachel Rafferty

Dear Rachel:

Please find enclosed Check #9001103025 in the amount of \$2,068.25 to be deposited into the escrow account for VGOB 04-1019-1343, Unit C-29. This is the total amount that was previously tendered for owner participation costs, but were not made payable to Wachovia.

If you have any questions, please call me at the number above.

Sincerely,


Anita Duty

Enclosure(s)

Certified Mail: 7004 1160 0000 6291 3068

26713 8
2068.25
45.67

Wachovia Bank, N.A.
Employee Sharehold. vice
PA1328
123 South Broad Street
Philadelphia, PA 19109



September 12, 2005

WACHOVIA

Anita Duty
CNX Gas Co. LLC
Route 460
North Tazewell, VA 24630

Hi Anita

Schwartz & Stump sent the enclosed checks to Wachovia in August 2005 for deposit. Unfortunately, we are unable to deposit these checks because they are not made payable to Wachovia Bank. In addition, I have checked our records, and we do not show an account established for VGOB # 04-1019-1341.

I contacted Mark Schwarz and he requested that the checks be mailed directly to you. If you have any questions, please feel free to contact me at 215-670-6468.

Thank you,

Rachel Rafferty
Relationship Manager
Wachovia Bank, N.A.

Check request
\$

Owners' participation checks
given to G. Chmura 9/14/05

REC

SEP 13 2005

