

Order recorded under:
CODE OF VIRGINIA
§ 45.1-361.26

Instrument prepared by:
VIRGINIA GAS AND OIL BOARD

BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds (and Authorization for Direct Payment of Royalties)

JURISDICTION: Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq) AND § 45.1-361.22:2

UNITWELL NAME: AV127

TRACT(S): 1C, 1D, 1E

LOCATION: RUSSELL, TAZEWELL County, Virginia

TAX ID NUMBERS: Tax Map Identification Numbers for all parcels affected by this order are shown on: Tract Identification Sheet

DOCKET NUMBER: VGOB-04-1214-1365-04

APPLICANTS: CNX Gas Company LLC on behalf of Carol Sims, Paul Osborne

HEARING DATE AND LOCATION: On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

APPEARANCES: Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

- 1. Original Pooling Order Executed 07/21/2005, Recorded on 07/25/2005, Deed Book/Instrument No. 635, Page 540.
- 2. Supplemental Order, Recorded on 04/02/2008, Deed Book/Instrument No. 1025, Page 396.
- 3. Modification Order -02 Executed 06/20/2015, Recorded on 07/06/2015, Deed Book/Instrument No. 0791, Page 0094.

4. Modification Order -02 Executed 06/20/2015, Recorded on 07/06/2015, Deed Book/Instrument No. 0791, Page 0094.
5. Supplemental Order -02, Recorded on 10/26/2015, Deed Book/Instrument No. 2015, Page 1616.
6. Supplemental Order -02, Recorded on 10/26/2015, Deed Book/Instrument No. 2015, Page 1616.
7. Disbursement Order -03 Executed 03/03/2016, Recorded on 03/24/2016, Deed Book/Instrument No. 2016, Page 3771.
8. Disbursement Order -03 Executed 03/03/2016, Recorded on 03/24/2016, Deed Book/Instrument No. 2016, Page 3771.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1C, 1D, 1E identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1C, 1D, 1E relative to the interests of the Applicants identified in the attached petition.
- (3) Continue the escrow account under this docket number.

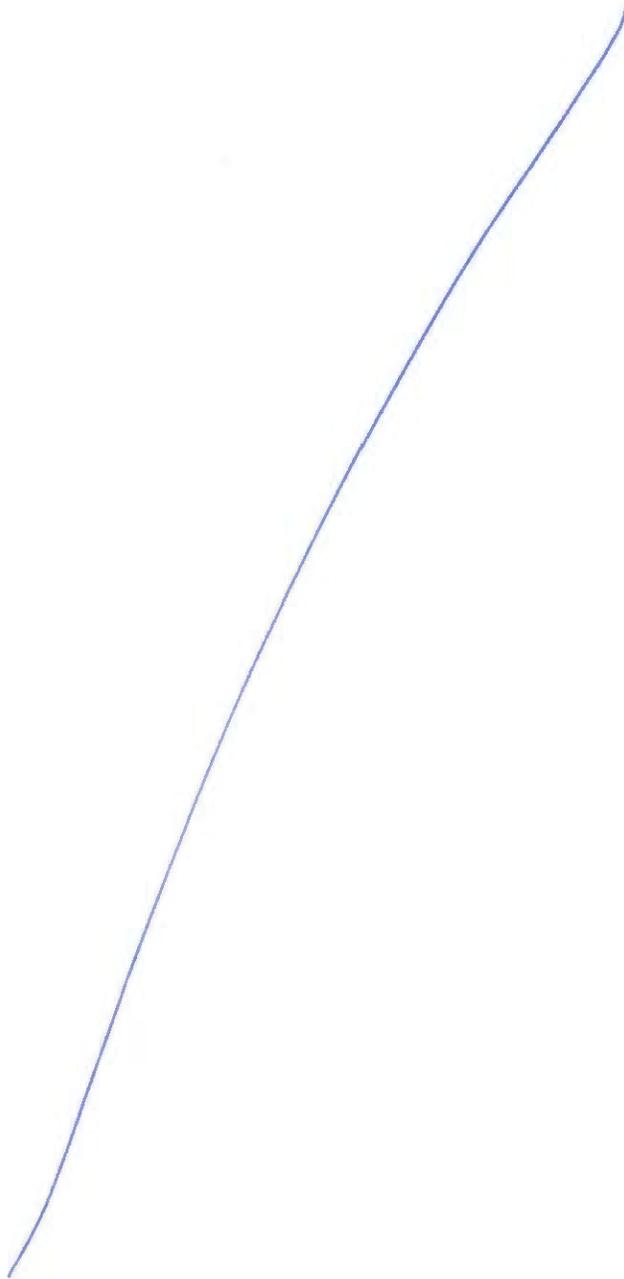
FINDINGS: Code of Virginia § 45.1-361.22 AND § 45.1-361.22:2

Applicant has certified and represented to the Board that:

- a. Paul Osborne and Carol J. Sims are the gas claimants in tract(s) 1C, 1D & 1E. As such Paul Osborne and Carol J. Sims are entitled to 100% of the CBM royalties attributable to their gas claims that are now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- b. That CNX Gas Company LLC has previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 04-1214-1365-03, it dismissed the coal claimant Coal Mountain Mining Company as a Respondent to these proceedings. Accordingly, Island Creek Coal Company was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- d. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- e. That an Exhibit identified as Table 1 is annexed hereto, and it specifies how the disbursement(s) is to be calculated and paid by the escrow agent.
- f. That Va. Code Ann. § 45.1-361.22:2.A, further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant Paul Osborne and Carol J. Sims and shall not escrow same. See Exhibit EE annexed hereto.

BK 2016 PG 15576

BOOK 0808 PAGE 0945



1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.
2. The Escrow Agent is ordered to continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:

Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

APPEALS:

Appeals of this Order are governed by the provisions of the Code of Virginia § 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.

DONE AND EXECUTED this 23 day of September, 2016 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

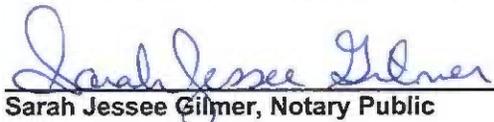
DONE AND PERFORMED this 23 day of September, 2016 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 23rd day of September, 2016, 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 appeared 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 they executed the same and was authorized to do so.



Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2017



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 04-1214-1365-04

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1C, 1D, 1E (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES (3) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.1-361.22:2.

HEARING DATE: On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

DRILLING UNIT: AV127

RUSSELL, TAZEWELL COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS**1. Petitioner and its counsel**

Petitioner is CNX Gas Company LLC, PO Box 570, Pounding Mill, VA 24637, (276)596-5075. Petitioner's counsel is Mark A. Swartz, Hillard & Swartz, LLP, 122 Capital Street, Suite 201, Charleston, WV 25301.

2. Relief Sought

(1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 1C, 1D & 1E as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to Paul Osborne and Carol J. Sims.

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

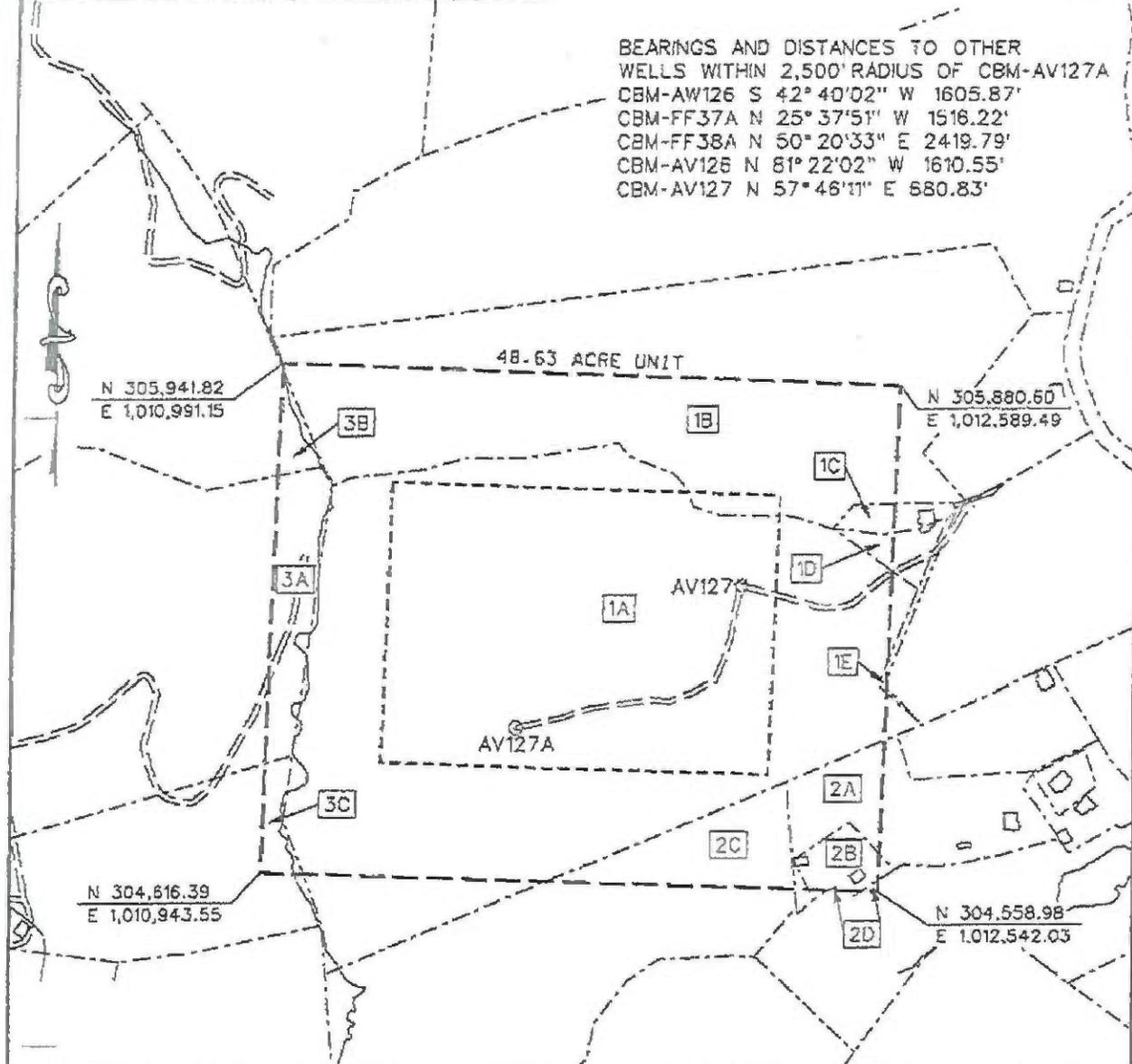
- a. Paul Osborne and Carol J. Sims are the gas claimants in tract(s) 1C, 1D & 1E. As such Paul Osborne and Carol J. Sims are entitled to 100% of the CBM royalties attributable to their gas claims that are now in escrow and as may be hereafter payable. See Va. Code Ann. § 45.1-361.22:2.A.
- b. That CNX Gas Company LLC has previously given the notice(s) required by § 45.1-361.22:2.A to all conflicting coal claimants identified in the above referenced pooling Order and any supplemental Orders pertaining thereto.
- c. That when the Board granted Petitioner's Miscellaneous Petition in VGOB 04-1214-1365-03, it dismissed the coal claimant Coal Mountain Mining Company as a Respondent to these proceedings. Accordingly, Island Creek Coal Company was not provided further notice under § 45.1-361.19 and 22 of the hearing set on this Petition.
- d. That a detailed accounting in accordance with the applicable provisions of § 45.1-361.22 is submitted herewith and identified as Exhibit J.
- e. That an Exhibit identified as Table 1 is annexed hereto, and it specifies how the disbursement (s) is to be calculated and paid by the escrow agent.
- f. That Va. Code Ann. § 45.1-361.22:2.A. further provides that the Operator shall pay such royalties as may hereafter be payable directly to the gas claimant Paul Osborne and Carol J. Sims and shall not escrow same. See Exhibit EE annexed hereto.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

Property lines shown on this plat were provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.

BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CBM-AV127A
CBM-AW126 S 42° 40' 02" W 1605.87'
CBM-FF37A N 25° 37' 51" W 1516.22'
CBM-FF38A N 50° 20' 33" E 2419.79'
CBM-AV126 N 81° 22' 02" W 1610.55'
CBM-AV127 N 57° 46' 11" E 680.83'



- CBM WELL
- ⊙ PROPOSED CBM WELL

EXHIBIT A
MIDDLE RIDGE FIELD
UNIT AV127
FORCE POOLING
VG08-04-1214-1365-02

Company CNX Gas Company LLC Well Name and Number UNIT AV127

Tract No. _____ Elevation _____ Quadrangle RDNAKER

County RUSSELL/TAZEWELL District NEW GARDEN/MAIDEN SPRINGS

This plat is a new plat X : an updated plat _____

Form DGO-CO-7
Rev. 9/91

Licensed Professional Engineer or Licen



100% signed by James R. Dills, Jr.
DN: cn=US, o=IdenTrust ACES
[Signature]
PRICE ENGINEERING AND LAND
SURVEYING INC PC, c=James R.
Dills, Jr. (Affix Seal)
05224219200300.100.1.1-A01095
98000012E0170175300027EA
Date: 2015.03.11.143077.0000

CNX Gas Company LLC
UNIT AV 127
Tract Identifications

- 1A. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – Surface, Oil and Gas
 Tax Map 84A Parcel 14
 31.56 Acres 64.8982%
- 1B. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Buford Short, et ux – Surface, Oil and Gas
 Tax Map 84A Parcel 10
 9.84 Acres 20.2344%
- 1C. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Paul Osborne – Surface, Oil and Gas
 Tax Map 84A Parcel 11
 0.22 Acres 0.4525%
- 1D. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Paul Osborne – Surface, Oil and Gas
 Tax Map 84A Parcel 12
 0.17 Acres 0.3496%
- 1E. Coal Mountain Mining Company Limited Partnership, LLP Tr. 40 (288.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Carol Sims, et vir – Surface, Oil and Gas
 Tax Map 84A Parcel 18
 0.01 Acres 0.0206%
- 2A. Coal Mountain Mining Company Limited Partnership, LLP Tr. 21 (86.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Dale Salyers, et ux – Surface, Oil and Gas
 Tax Map 84A Parcel 25B
 1.25 Acres 2.5704%

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

CNX Gas Company LLC
UNIT AV 127
Tract Identifications

- 2B. Coal Mountain Mining Company Limited Partnership, LLP Tr. 21 (86.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Dale Salyers, et ux – Surface, Oil and Gas
 Tax Map 84A Parcel 25B
 0.65 Acres 1.3366%
- 2C. Coal Mountain Mining Company Limited Partnership, LLP Tr. 21 (86.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Jackie Davis, et ux – Surface, Oil and Gas
 Tax Map 84A Parcel 26
 2.15 Acres 4.4211%
- 2D. Coal Mountain Mining Company Limited Partnership, LLP Tr. 21 (86.00 Acre Tract) – Coal
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Tammy Widener – Surface, Oil and Gas
 Tax Map 84A Parcel 24
 0.05 Acres 0.1028%
3. Coal Mountain Mining Company Limited Partnership, LLP Tr. 41 (158.50 Acre Tract) – Minerals
 CONSOL Buchanan Mining Company LLC - Below Drainage Coal Leased
 Knox Creek Coal Corporation – Above Drainage Coal Leased
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 Tax Map 84A Parcel 15
 2.73 Acres 5.6138%
- 3A. Unknown Surface Owner
 3B. Unknown Surface Owner
 3C. Unknown Surface Owner

(This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coalbed methane ownership and should not be relied upon for such purpose.)

	Acres in Unit	Interest in Unit
<u>Tract #2C, 2.15 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 21 (86.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	2.15 acres	4.4211%
<u>OIL & GAS OWNERSHIP</u>		
<i>The respondent(s) listed below did not respond timely to the W9 request and will continue to be escrowed.</i>		
(1) Jackie & Christine Sue Davis, T/E 3595 Road Ridge Turnpike Raven, VA 24639	2.15 acres	4.4211%
<u>Tract #2D, 0.05 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 21 (86.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	0.05 acres	0.1028%
<u>OIL & GAS OWNERSHIP</u>		
<i>The respondent(s) listed below did not respond timely to the W9 request and will continue to be escrowed.</i>		
(1) Tammy Widener 243 Valley St Wise, VA 24293	0.05 acres	0.1028%
		<u>TOTALS:</u>
Acreage in Unit	2.2000	
Percentage of Unit		4.5240%

Docket #VGOB 04-1214-1365-04
List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(48.63 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1A, 31.56 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 40 (288.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	31.56 acres	35.3139%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Nena I. Gonet <i>Conveyed by Deed dated 7/19/2004 and recorded in Tazewell Co under DB918 / PG566 on 8/11/2004</i>			
(a) CNX Gas Company LLC P.O. Box 643830 Pittsburgh, PA 15264-3830	31.56 acres	35.3139%	n/a
<u>Tract #1B, 9.84 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651			
<u>OIL & GAS OWNERSHIP</u>			
(1) Buford E. Short, et ux. 3929 Road Ridge Turnpike Raven, VA 24639	9.84 acres	20.2344%	n/a
Note: CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 11-301 executed in the order dated March 30, 2011 they were awarded 100% of the Coalbed Methane Gas underlying this tract. Royalties will be paid 100% to the prevailing plaintiffs.			
<u>Tract #1C, 0.22 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 40 (288.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	0.22 acres	0.4524%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) John McClanahan, et ux. <i>Conveyed by Deed dated 3/28/2008 and recorded in Tazewell Co under DB1025 / PG297 on 4/1/2008</i>			
(a) Paul Osborne PO Box 60 Richlands, VA 24641	0.22 acres	0.4524%	8.4615% HB2058
<u>Tract #1D, 0.17 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 40 (288.00 Acre Tract) P.O. Box 675 Tazewell, VA 24651	0.17 acres	0.3496%	n/a

BK 2016 0015587

Exhibit EE
Unit AV-127

Docket #VGOB 04-1214-1365-04

List of Respondents with Royalty Split Agreements/Court Orders/HB2058
(48.63 Acre Unit)

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	Acres in Unit	Interest in Unit	Percent of Escrow
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OIL & GAS OWNERSHIP

(1) John McClanahan, et ux.

Conveyed by Deed dated 3/28/2008 and recorded in Tazewell Co under DB1025 / PG297 on 4/1/2008

(a) Paul Osborne
PO Box 60
Richlands, VA 24641

0.17 acres
0.3496% 6.5385%
HB2058

Tract #1E, 0.01 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Company
Limited Partnership, L.L.P.
Tr. 40 (288.00 Acre Tract)
P.O. Box 675
Tazewell, VA 24651

0.01 acres
0.0206% n/a

OIL & GAS OWNERSHIP

(1) Carol J Sims
277 Stella Lane
Raven, VA 24639

0.01 acres
0.0206% 0.3846%
HB2053

(previously James & Carol Sims, TE - James deceased 8/25/92)

Tract #2A, 1.25 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Company
Limited Partnership, L.L.P.
Tr. 21 (86.00 Acre Tract)
P.O. Box 675
Tazewell, VA 24651

1.25 acres
1.3987% n/a

OIL & GAS OWNERSHIP

(1) Gladys Salyers

Conveyed by Deed of Gift dated 4/30/1999 and recorded in Tazewell Co at DB773 / PG107 on 4/30/1999

(a) Dale & Elizabeth Salyers, T/E
484 Stella Lane
Raven, VA 24639

1.25 acres
1.3987% n/a

Tract #2B, 0.65 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Company
Limited Partnership, L.L.P.
Tr. 21 (86.00 Acre Tract)
P.O. Box 675
Tazewell, VA 24651

0.65 acres
0.7273% n/a

OIL & GAS OWNERSHIP

(1) Dale & Elizabeth Salyers, T/E
484 Stella Lane
Raven, VA 24639

0.65 acres
0.7273% n/a

INSTRUMENT #160002879
RECORDED IN THE CLERK'S OFFICE OF
TAEWELL COUNTY ON
OCTOBER 5, 2016 AT 03:06PM
TAMM B. ALLISON, CLERK
RECORDED BY: ERD

1601931

TOTAL CONFLICTS RESOLVED
Acres 43.70
Percent 58.4968%

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 10-3, 2016. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:26 o'clock P M, after payment of \$ _____ tax imposed by Sec. 58.1-802. 15/16

Original returned this date to: Sara Gilmer

TESTE: ANN S. McREYNOLDS, CLERK
BY: Jennifer Kendrick D. CLERK