

1384

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER – VACATE ORDER  
VGOB 05-0517-1449

ELECTIONS: UNIT BE-111  
(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 June 22, 2006 which was recorded at Deed Book 655, Page 758 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on July 6, 2006, (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 BE-111;

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, First Bank & Trust Company PO Box 3860 Kingsport, TN 37664, Attn: Debbie Davis 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 (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 9 day of Feb, 2010, by a majority of the Virginia Gas and Oil Board.

*Bradley C. Lambert*  
Chairman, Bradley C. Lambert

DONE AND PERFORMED THIS 9<sup>th</sup> day of February, 2010, by Order of the Board.

*David E. Asbury Jr.*  
David E. Asbury, Jr.,  
Principal Executive to the Staff of the Board

STATE OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 9<sup>th</sup> day of February, 2010, 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 Chairman of the Virginia Gas and Oil Board, and appeared David E. Asbury Jr., 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 were authorized to do so.

*Diane J. Davis*  
Diane J. Davis, Notary  
174394

My commission expires: September 30, 2013



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 BE-111  
VGOB 05-0514-1449 in the New Garden District of Russell County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING  
ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Anita D. Duty, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Gas Company LLC, as a Pooling Supervisor and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on June 22, 2006, 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 county identified above; that said Order was recorded on July 6, 2006;

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:

Fred B. Gent, II (Joint Operating Agreement)

That all of the Respondents identified in Exhibit B-3 hereto have entered into voluntary agreements whereby they have leased and/or otherwise agreed with Applicant to a plan to develop their interests and claims within the unit to CBM. Hence, said unit may be voluntarily pooled.

See attached Exhibit B-2 and B-3 (Unit is 100% under Lease and/or Agreement).

That in light of the Agreement(s) described above, it is no longer necessary for the Board to maintain an escrow account/sub accounts pertaining to the above referenced CBM Unit, if applicable.

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 Bluefield, West Virginia, this 21<sup>st</sup> day of January, 2010.

Anita D. Duty  
Anita D. Duty

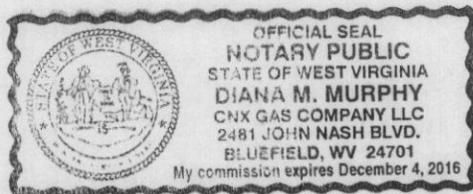
STATE OF WEST VIRGINIA  
COUNTY OF MERCER

Taken, subscribed and sworn to before me by Anita D. Duty as a Pooling Supervisor for CNX Gas Company

LLC, on behalf of the corporate Designated Operator, this 21<sup>st</sup> day of January, 2010.

Diana M. Murphy  
Notary

My commission expires: December 4, 2016



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

BOOK 718 PAGE 0686

N 292,744.71  
E 984,908.55

N 292,687.30  
E 986,507.03

58.74 ACRE UNIT



1

CBM-BE111

4

3

2

N 291,145.93  
E 984,851.13

N 291,088.53  
E 986,449.61

EXHIBIT A  
MIDDLE RIDGE 1 FIELD  
UNIT BE-111  
FORCE POOLING  
VGOB-05-0517-1449

Company CNX Gas Company LLC Well Name and Number UNIT BE111

Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Wabaker

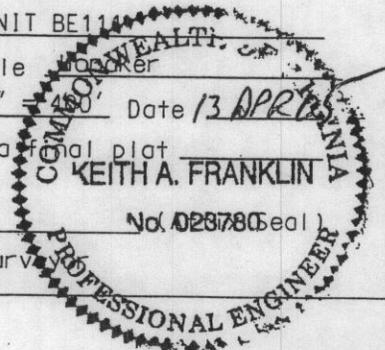
County Russell District New Garden Scale: 1" = 400' Date 13 APR 2005

This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGO-GO-7  
Rev. 9/91

*Keith A. Franklin*

Licensed Professional Engineer or Licensed Land Surveyor



**CNX Gas Company LLC**  
**UNIT BE111**  
**Tract Identifications**  
**(58.74 Acre Unit)**

1. Buckhorn Coal Company Tr. 14 (W.P. Compton 291.61 Acre Tract) – Coal, O&G Reserve Coal Properties Company – Below Drainage Coal Leased  
Knox Creek Coal Corporation – Above Drainage Coal Leased  
CNX Gas Company LLC – Oil, Gas & CBM Leased  
43.08 acres 73.3401%
- 1A. Gent Enterprises – Surface
- 1B. Gent Enterprises - Surface
2. Gent Royalty Partners, L.L.C., et al (400.00 Acre Tract) – Fee  
CNX Gas Company LLC – Oil, Gas and CBM Leased (94.44%)  
Harold Keen Coal Co. Inc., - Coal Leased (Big Fork & Kennedy Seams)  
10.04 acres 17.0922%
3. Gent Enterprises (147 Acre Tract) - Fee  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
H.C. Bostic & E.A. Bostic – Coal Leased (Upper Banner & Widow Kennedy Seams)  
Harold Keen Coal Co. Inc. – Coal Leased (Big Fork & Kennedy Seams)  
5.26 acres 8.9547%
4. C.H. Gent Jr. et al (147 Acre Tract) – Fee  
CNX Gas Company LLC – Oil, Gas & CBM Leased (2/3 Leased)  
0.36 acres 0.6128%

**Exhibit B-2**  
**Unit BE-111**  
**Docket #VGOB 05-0517-1449**  
**List of Respondents to be Dismissed**  
**(58.74 Acre Unit)**

BOOK 718 PAGE 0688

	Acres in Unit	Interest in Unit	Reason for Dismissal
<b>I. COAL OWNERSHIP</b>			
<b><u>Tract #2, 10.04 acres</u></b>			
(1) Gent Royalty Partners, L.L.C., et al. (400 Acre Tract)	10.04 acres	17.0923%	
(b) Fred B. Gent, II 18159 Lee Highway Abingdon, VA 24210-7961	0.56 acres 1/18 of 10.04 acres	0.9496%	Joint Operating Agreement
<b><u>Tract #4, 0.36 acres</u></b>			
(1) C. H. Gent, Jr., et al. (147 Acre Tract)	0.36 acres	0.6129%	
(b) Fred B. Gent, II 18159 Lee Highway Abingdon, VA 24210-7961	0.12 acres 1/3 of 0.36 acres	0.2043%	Joint Operating Agreement
<b>II. OIL &amp; GAS OWNERSHIP</b>			
<b><u>Tract #2, 10.04 acres</u></b>			
(1) Gent Royalty Partners, L.L.C., et al. (400 Acre Tract)	10.04 acres	17.0923%	
(b) Fred B. Gent, II 18159 Lee Highway Abingdon, VA 24210-7961	0.56 acres 1/18 of 10.04 acres	0.9496%	Joint Operating Agreement
<b><u>Tract #4, 0.36 acres</u></b>			
(1) C. H. Gent, Jr., et al. (147 Acre Tract)	0.36 acres	0.6129%	
(b) Fred B. Gent, II 18159 Lee Highway Abingdon, VA 24210-7961	0.120 acres 1/3 of 0.36 acres	0.2043%	Joint Operating Agreement

Exhibit B-3  
Unit BE-111  
Docket #VGOB 05-0517-1449  
List of Unleased Owners/Claimants  
(58.74 Acre Unit)

BOOK 718 PAGE 0689

Acres in Unit Interest in Unit

This Unit is 100% leased or has a Joint Operating Agreement in place

1000603

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 3-10, 2010. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:18 o'clock P.M, after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to: David Asbury

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

#17