

*Instrument prepared by:***VIRGINIA GAS AND OIL BOARD***Order recorded under:***CODE OF VIRGINIA  
§ 45.1-361.26****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)

**UNIT/WELL NAME:** AY-98  
**TRACT(S):** a portion of Tract 3  
**LOCATION:** Buchanan County, Virginia

**DOCKET NUMBER:** VGOB-05-12131-1542-02

**APPLICANTS:** CNX Production Company on behalf of Beatrice Jane MacCormac and  
Harrison-Wyatt, L.L.C.

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
October 25, 2011 and continued to November 15, 2011.

**APPEARANCES:** Mark Swartz on behalf of CNX.**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 02/02/06, Recorded 02/07/06, Deed Book 399.
2. Supplemental Order Executed 01/15/08, Recorded 01/23/08, Instrument 080000285.
3. Disbursement Order Executed 03/24/11, Recorded 03/30/11, Instrument 110000747.

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the October 25, 2011 and November 15, 2011 hearings and consider whether to:

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

**FINDINGS:** *Code of Virginia* § 45.1-361.22

Applicant has certified and represented to the Board that:

1. The owner of the coal estate for Tract 3 is Harrison-Wyatt, L.L.C. for the subject drilling unit.
2. The owner of the gas estate for Tract 3 is Beatrice Jane MacCormac for the subject drilling unit.

- The aforementioned owners have entered into a CBM cross deed to each other and divided the royalty 50/50, as referenced in the attached miscellaneous petition, as shown in Table 1.

**RELIEF GRANTED:**

VGOB Approved Disbursement  
 Unit ~~2-98~~ **AY-98**  
 VGOB-05-1213-1542-02

Table 1  
 A portion of Tract 3

Item	Tract	Disbursement Table	Fractional Ownership in Tract	Net Acreage Ownership in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed
		Total acreage in escrow before disbursement				0.0489	
	3	Tract 3 (total acreage)	0.1600				
	3	Fielden Sanders Heirs, et al -O & G					
1	3	Beatrice Jane MacCormac 6185 Willow Place #208, Bealeton, VA 22712	1/42	0.0038	50.0%	0.0019	3.8960%
2	3	Harrison-Walt, L.L.C. - Coal P.O. Box 11000, Danville, VA, 24543-5017	combined	0.0038	50.0%	0.0019	3.8960%

- 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.
- 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.**

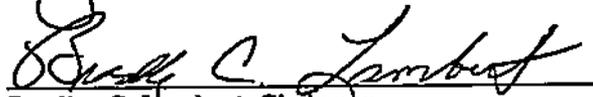
**APPEALS:**

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.

**Effective Date:**

**This Order shall be effective on the date of its execution.**

DONE AND EXECUTED this 31 day of May, 2012, by a majority of the Virginia Gas and Oil Board.

  
Bradley C. Lambert, Chairman  
Virginia Gas and Oil Board

DONE AND PERFORMED this 31<sup>ST</sup> day of May, 2012 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 31 day of May, 2012, 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 Rick Cooper, being duly sworn did depose and say that he is Acting 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, Notary Public #174394

My commission expire: 09/30/2013



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL  
DOCKET NO: VGOB 05-1213-1542-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING a portion of TRACT(S) 3  
(2) AND AUTHORIZATION FOR DIRECT  
PAYMENT OF ROYALTIES

HEARING DATE: October 18, 2011

DRILLING UNIT: AY-98

BUCHANAN COUNTY, VIRGINIA

MISCELLANEOUS PETITION

1. Petitioner and its counsel: Petitioner is CNX Gas Company LLC, 2481 John Nash Boulevard, Bluefield, WV 24701, 304/323-6500. Petitioner's counsel is Mark A. Swartz, SWARTZ LAW OFFICES, PLLC., 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.

2. Relief sought: (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to a portion of Tract(s) 3 as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the parties to CBM deed between Harrison-Wyatt L.L.C. and Beatrice Jane MacCormac

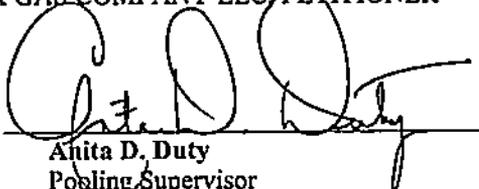
3. Legal Authority: Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of well(s): Coalbed methane.

5. Factual basis for relief requested: Harrison-Wyatt L.L.C. and Beatrice Jane MacCormac have entered into a 50/50 CBM deed. Said deed allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be divided and paid.

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

CNX GAS COMPANY LLC  
BY ITS PROFESSIONAL MANAGER  
CNX GAS COMPANY LLC, PETITIONER

By:   
Anita D. Duty  
Pooling Supervisor  
CNX Land Resources, Inc.  
2481 John Nash Blvd.  
Bluefield, West Virginia 24701



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

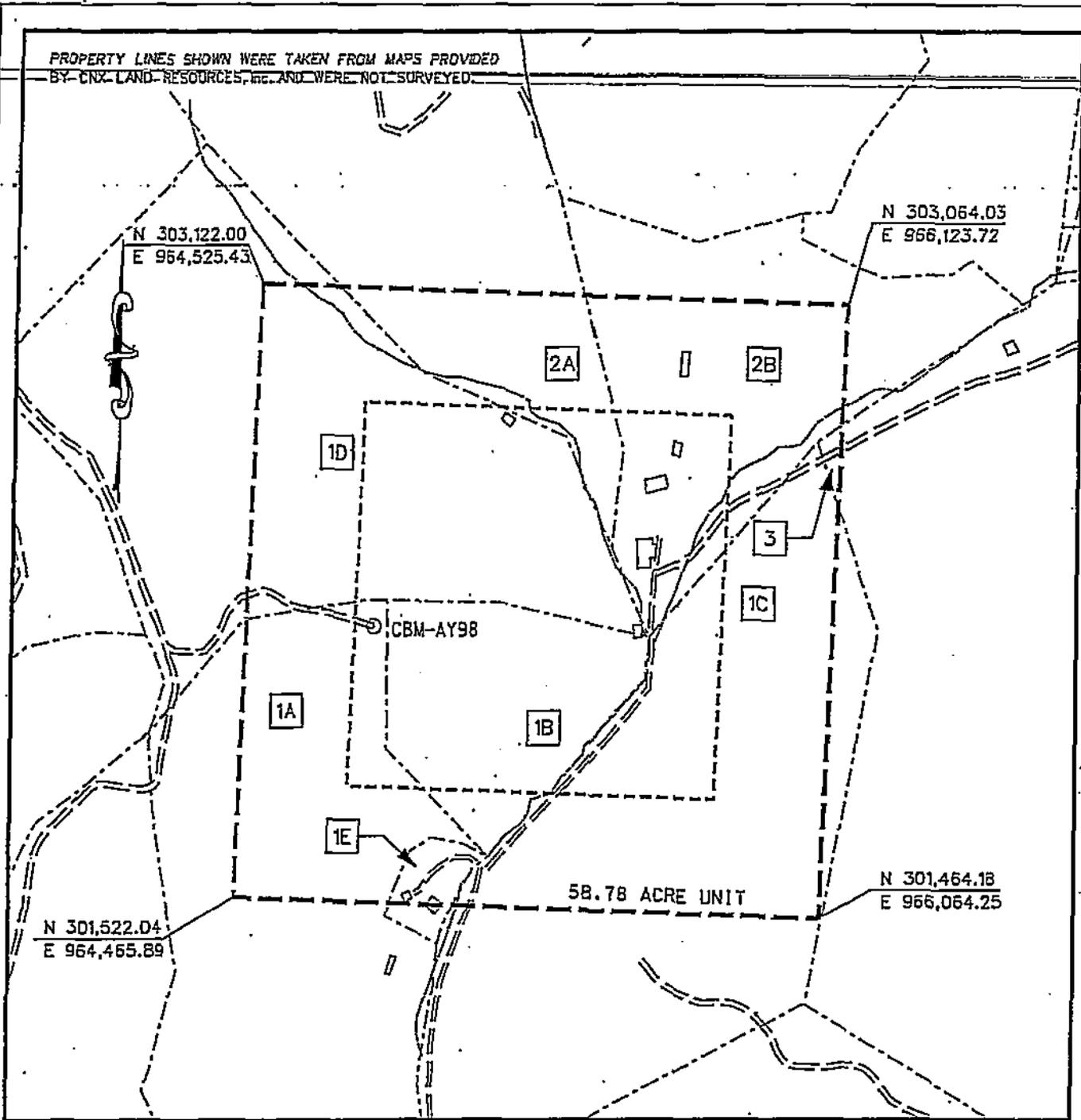
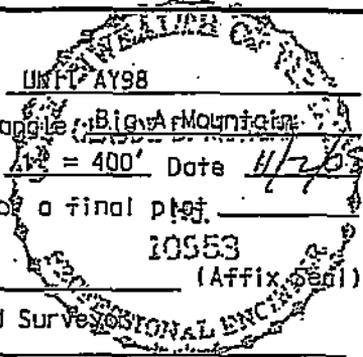


EXHIBIT A  
NORA FIELD  
UNIT AY-98  
FORCE POOLING  
VGOB-05-1213-1542

Company CNX Gas Company LLC Well Name and Number UNIT AY98  
Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Big A Mountain  
County Buchanan District Hurricane Scale: 1" = 400' Date 11/26/05  
This plot is a new plot X ; an updated plot \_\_\_\_\_ ; of a final plot \_\_\_\_\_

Form DGO-60-7  
Rev. 9/91

Charles D. Moore  
Licensed Professional Engineer or Licensed Land Surveyor



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## CNX Gas Company LLC

UNIT-AY-98

Tract Identifications

(58.78 Acres)

1. Harrison-Wyatt, LLC Big Axe Tr. 2 (176.25 Acre Tract) - Coal (50%)  
Buchanan Realty Limited Partnership - Coal (50%)  
Harrison-Wyatt, LLC (Big Axe Tr. 2) - All Minerals except Coal  
Jewell Smokeless Coal Corporation - Coal Above Jawbone Seam Leased  
CNX Gas Company LLC - Oil, Gas and CBM Leased  
45.05 acres                      76.6417%
  
- 1A. Teresa Harris, et al - Surface
- 1B. Gregory Austin et ux - Surface
- 1C. Emma Janè Harris - Surface
- 1D. Diane Howard Austin, et al - Surface
- 1E. Brian Hess, et al - Surface
  
2. Harrison-Wyatt, LLC. (Big Axe Tr. 12) - All Minerals  
Jewell Smokeless Coal Corporation - Coal Above Jawbone Seam Leased  
CNX Gas Company LLC - Oil, Gas and CBM Leased  
13.57 acres                      23.0861
  
- 2A. Wesley Carl Hess, et al. - Surface
- 2B. Diane Howard Austin, et al - Surface
  
3. Harrison-Wyatt, L.L.C. (Big Axe Tr. 4) - Coal  
Jewell Smokeless Coal Corp. - Coal Above Jawbone Seam Leased  
CNX Gas Company LLC - CBM Leased  
Fielden Sanders Heirs, et al. - Surface and All Minerals except Coal  
CNX Gas Company LLC - Oil, Gas and CBM Leased (85%)  
0.16 acres                      0.2722%

Exhibit E  
Unit AY-98  
Docket #VGOB 05-1213-1542-02  
Listing of Conflicting Owners/Claimants that require Escrow  
(58.78 Acre Unit)

	Acres in Unit	Percent of Unit
<b><u>Tract #3 - 0.16 acres</u></b>		
<b><u>COAL OWNERSHIP</u></b>		
(1) Harrison-Wyatt, LLC Big Axe Tr #4 (1575.50 acre tract) P.O. Box 11000 Danville, VA 24543-5017	0.16 acres	0.2722%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>		
Fielden Sanders Heirs, Devisees, Successors or Assigns, et al.	0.16 acres	0.2722%
(1) Ora Sanders Heirs, Devisees, Successors or Assigns (1/3)		
(a) Oma Sanders Tiller Heirs, Devisees, Successors or Assigns (1/21)		
(a.1) Edward V. Tiller 7491 Red Bud Highway Honaker, VA 24260	0.003810 1/42 of 0.16 acres	0.0065%
(a.2) Loeita Austin 7509 Red Bud Highway Honaker, VA 24260	0.003810 1/42 of 0.16 acres	0.0065%
(b) Leafy Sanders Tiller 231 Hales Road Jonesborough, TN 37659-4639	0.007619 1/21 of 0.16 acres	0.0130%
(c) Lena Sanders Sutarka HC4 Box 563 Council, VA 24260	0.007619 1/21 of 0.16 acres	0.0130%
(d) Dan Sanders P.O. Box 18 Thaxton, VA 24174	0.007619 1/21 of 0.16 acres	0.0130%
(e) Julia Sanders O'Quinn PO Box 184 Davenport, VA 24299	0.007619 1/21 of 0.16 acres	0.0130%
(g) Walter Sanders Heirs, Devisees, Successors or Assigns (1/21)		
(g.4) Terry Sanders 271 Pleasant Ridge Road Franklinville, NC 27248	0.001905 1/84 of 0.16 acres	0.0032%
(2) Fielden Sanders Heirs, Devisees, Successors or Assigns (2/3)		

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**Exhibit E**  
**Unit AY-98**  
**Docket #VGOB 05-1213-1542-02**  
**Listing of Conflicting Owners/Claimants that require Escrow**  
**(58.78 Acre Unit)**

	<b>Acres in Unit</b>	<b>Percent of Unit</b>
(d) Estil Sanders Heirs, Devisees, Successors or Assigns (1/6)		
(d.4) Harley Sanders 172 Vantage Drive Tazewell, VA 24651	0.002540 1/63 of 0.16 acres	0.0043%
(d.7) Allen Sanders P.O. Box 2254 Lebanon, VA 24266	0.002540 1/63 of 0.16 acres	0.0043%

Exhibit EE  
Unit AY-98  
Docket #VGOB 05-1213-1542-02  
List Conflictin Owners/Claimants with Royalty Split Agreements  
(58.78 Acre Unit)

	Acres In Unit	Percent of Unit	Percent of Escrow
<b><u>Tract #1 - 45.05 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
<i>Tract was never escrowed. According to the Supplemental Order it should have been placed in escrow Conflicts have been resolved</i>			
(1) Harrison-Wyatt, LLC, et al. **	45.05 acres	76.6417%	
(a) Harrison-Wyatt, LLC Big Axe Tr #2 (176.25 acre tract) P.O. Box 11000 Danville, VA 24543-5017	22.525 acres 1/2 of 45.05 acres	38.3209%	n/a
** NOTE: In order to resolve the CBM conflict, by Quitclaim Deed dated 5/31/06, Harrison-Wyatt, LLC conveys an undivided one-fourth (1/4) interest in the CBM Estate to Buchanan Realty.			
(b) Buchanan Realty Limited Partnership c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	22.525 acres 1/2 of 45.05 acres	38.3209%	n/a
** NOTE: In order to resolve the CBM conflict, by Quitclaim Deed dated 5/31/06, Buchanan Realty conveys an undivided three-fourths (3/4) interest in the CBM Estate to Harrison-Wyatt.			
<i>Royalties paid to: Buchanan Realty Limited Partnership P. O. Box 1756 Grundy, VA 26414-1756</i>			
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) Harrison-Wyatt, LLC ** Big Axe Tr #2 (176.25 acre tract) P.O. Box 11000 Danville, VA 24543-5017	45.05 acres	76.6417%	n/a
** NOTE: In order to resolve the CBM conflict, by Quitclaim Deed dated 5/31/06, Harrison-Wyatt, LLC conveys an undivided one-fourth (1/4) interest in the CBM Estate to Buchanan Realty.			
<i>25% of CBM Royalties are to be paid to: Buchanan Realty Limited Partnership P. O. Box 1756 Grundy, VA 26414-1756</i>			
<b><u>Tract #3 - 0.16 acres</u></b>			
<b><u>Tract #3 - 0.16 acres</u></b>			
(1) Harrison-Wyatt, LLC Big Axe Tr #4 (1575.50 acre tract) P.O. Box 11000 Danville, VA 24543-5017	0.16 acres	0.2722%	3.8961%
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
Fielden Sanders Heirs, Devisees, Successors or Assigns, et al.	0.16 acres	0.2722%	
(1) Ora Sanders Heirs, Devisees, Successors or Assigns (1/3)			
(f) Ellis Sanders Heirs, Devisees, Successors or Assligns (1/21)			

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Exhibit EE  
Unit AY-98  
Docket #VGOB 05-1213-1542-02  
List Conflictin Owners/Claimants with Royalty Split Agreements  
(58.78 Acre Unit)

	Acres In Unit	Percent of Unit	Percent of Escrow
(f.1) Beatrice Jane MacCormac 6185 Willow Place #208 Bealeton, VA 22712	0.003810 1/42 of 0.16 acres	0.0065%	3.8961%
(f.2) Betty Sue Fletcher P.O. Box 691 Marion, VA 24354	0.003810 1/42 of 0.16 acres	0.0065%	n/a
(g) Walter Sanders Heirs, Devisees, Successors or Assigns (1/21)			
(g.1) Nadine Sanders Hurley 1219 Swords Creek Road Honaker, VA 24260	0.001905 1/84 of 0.16 acres	0.0032%	n/a
(g.2) Adrina Vandyke Horn P. O. Box 324 Richland, VA 24641	0.001905 1/84 of 0.16 acres	0.0032%	n/a
(g.3) Roger Sanders P.O. Box 82 Pilgrims Knob, VA 24634	0.001905 1/84 of 0.16 acres	0.0032%	n/a
(2) Fielden Sanders Heirs, Devisees, Successors or Assigns (2/3)			
(a) Chester Sanders 408W Dartmouth Avenue Melbourne, FL 32901	0.026667 1/6 of 0.16 acres	0.0454%	n/a
(b) Dave Sanders 590 Bailey Switch Road Bluefield, VA 24605	0.026667 1/6 of 0.16 acres	0.0454%	n/a
(c) Norman Sanders 2013 Otterdale Road Midlothian, VA 23112	0.026667 1/6 of 0.16 acres	0.0454%	n/a
(d) Estil Sanders Heirs, Devisees, Successors or Assigns (1/6)			
(d.1) Goldie Sanders Heirs, Devisees, Successors or Assigns (1/18) **			
<i>*Note: 1/18 interest divided among heirs listed below - Heir will be paid for Goldie's portion because she had a Royalty Split agreement, but their original 1/63 interest will remain escrowed. Unless an individual agreement has been signed</i>			
(d.1.1) James Sanders 96 1st Street Cleveland, VA 24225	0.001270 1/126 of 0.16 acres	0.0022%	n/a
(d.1.2) Judy Sanders Israel 5136 Drill Road Honaker, VA 24260	0.001270 1/126 of 0.16 acres	0.0022%	n/a
(d.1.3) Harley Sanders 172 Vantage Drive Tazewell, VA 24651	0.001270 1/126 of 0.16 acres	0.0022%	n/a
(d.1.4) Jerry Sanders 110 Roydon Street Pounding Mill, VA 24637-4122	0.001270 1/126 of 0.16 acres	0.0022%	n/a
(d.1.5) Larry Sanders P.O. Box 996 Honaker, VA 24260	0.001270 1/126 of 0.16 acres	0.0022%	n/a

**Exhibit EE**  
**Unit AY-98**  
**Docket #VGOB 05-1213-1542-02**  
**List Conflictin Owners/Claimants with Royalty Split Agreements**  
**(58.78 Acre Unit)**

	Acres in Unit	Percent of Unit	Percent of Escrow
(d.1.6) Allen Sanders P.O. Box 2254 Lebanon, VA 24266	0.001270 1/126 of 0.16 acres	0.0022%	n/a
(d.1.7) Evelyn Sanders Nash 19 Heritage Drive Honaker, VA 24260	0.001270 1/126 of 0.16 acres	0.0022%	n/a
(d.2) James Sanders 96 1st Street Cleveland, VA 24225	0.002540 1/63 of 0.16 acres	0.0043%	n/a
(d.3) Judy Sanders Israel 5136 Drill Road Honaker, VA 24260	0.002540 1/63 of 0.16 acres	0.0043%	n/a
(d.5) Jerry Sanders 110 Roydon Street Pounding Mill, VA 24637-4122	0.002540 1/63 of 0.16 acres	0.0043%	n/a
(d.6) Larry Sanders P.O. Box 996 Honaker, VA 24260	0.002540 1/63 of 0.16 acres	0.0043%	n/a
(d.8) Evelyn Sanders Nash 19 Heritage Drive Honaker, VA 24260	0.002540 1/63 of 0.16 acres	0.0043%	n/a

**Exhibit A-1  
Tract-by-Tract Escrow Calculation  
Account Balances as of 8/31/11**

Unit AY-98  
Docket VGOB# 05-1213-1542-02  
Acres Escrowed: 0.048889

Owners	Tract #	Acres	Owner Acres	Interest	Owners' Percent of Escrow (50%)	Amount Due Owners \$542.79
Harrison-Wyatt, L.L.C. - Coal	3	0.048889			3.8961%	\$21.15
Fielden Sanders Heirs, et al. - Oil & Gas		0.16				
Beatrice Jane MacCormac previously Janie Sanders Rife			0.003810	1/42	3.8961%	\$21.15

*Wells contributing to the escrow account:*      AY98

INSTRUMENT #120001257  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
JUNE 25, 2012 AT 02:06PM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB

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