

120002243

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: P(-3)
TRACT(S): Tract 4
LOCATION: Buchanan County, Virginia

DOCKET NUMBER: VGOB-06-0718-1669-02

APPLICANTS: CNX Gas Company LLC on behalf of Fairview Limited Partnership, Carol C. Irvin, F. H. Combs Testamentary Trust, Martha E. Combs c/o Benjamin F. Edwards & Company, John W. Pobst, Jr., Virginia Lee Linwick, Richard K. Pobst, Catherine Pobst and Meredith E. Jennings.

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
October 18, 2011 and November 15, 2011.

APPEARANCES: Mark Swartz, of Swartz Law Offices, PLLC, on behalf of CNX.

PRIOR PROCEEDINGS:

1. Original Pooling Order, Executed 06/06/1991; Recorded 06/06/1991, Deed Book 375, Page 812.
2. Supplemental Order, Executed 06/07/1993; Recorded 06/10/1993, Deed Book 409, Page 372.
3. Amended Supplemental Order, Executed 05/23/1997; Recorded 06/04/1997, Deed Book 463, Page 279
4. Re-Pooling (01), Executed 07/20/09, Recorded 07/27/09, Instrument No. 090002580
5. Revised 01 Supplemental, Executed 07/14/11, Recorded 07/27/11, Instrument No. 110001753

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the May 15, 2012 hearing where the Board considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 4 identified in the attached miscellaneous petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract 4 relative to the interests of the Applicants identified in the attached miscellaneous petition.
- (3) Close the escrow account under this docket number.

FINDINGS: *Code of Virginia* § 45.1-361.22

Applicant has certified and represented to the Board that Fairview Limited Partnership, Carol Irvin, F. H. Combs Testamentary Trust, Martha E. Combs, John W. Pobst, Jr., Virginia Linwick, Richard Pobst, Catherine Pobst and Meredith E. Jennings are entitled to 100% of the royalties according to the Order

which was entered on December 7, 2011, Case No. 486-08, adjudicating the ownership of coalbed methane gas. This order allows the Applicant and Designated Operator to pay royalties directly to the prevailing plaintiffs identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, specifies how said royalties are to be paid.

RELIEF GRANTED:

YCOB Approval Debarment
YCOB-06-0710-1669-02
P-0)

Table 1
Tract 1

Tract	Debarment Title	Fractional Ownership in Tract	Net Acctg Ownership in Tract	Royalty Split Agreement	Escrowed Acres Debarred	Percent of Escrowed Funds Disbursed
					3.55	
1	Total Tract 1 acreage to receive	3.55				
2	John W. Polak, Jr. et al (I, G & CM)					
3	Fairview Limited Partnership c/o John Irvin, Managing Partner: 4710 Hesterwood Circle, Richmond, TX 77406	1.01	0.39	50%	0.41	12.5000%
4	Carol Irvin 4710 Hesterwood Circle, Richmond, TX 77406	0.13	0.30	50%	0.15	4.1667%
5	F. El. Childs Testamentary Trust P.O. Box 241, Yearwood, VA 24651	0.13	0.30	50%	0.15	4.1667%
6	Martin E. Chumbley Benjamin Edwards Co. 285 W. Main St., Suite 200, Thomas, VA 24641	0.13	0.30	50%	0.15	4.1667%
7	John W. Polak, Jr. Box 84, Marver, PA 18953	0.13	0.30	50%	0.15	4.1667%
8	Virginia Edwick 4324 South Bell Dr., Verdale, WA 99837	0.13	0.30	50%	0.15	4.1667%
9	Richard K. Polak 29 Waterline Dr., Cartersville, GA 30121	0.13	0.30	50%	0.15	4.1667%
10	Cherise Polak c/o Louis O'Leary, 131 Peachie St., Cartersville, GA 30129	0.13	0.30	50%	0.15	4.1667%
11	Elizabeth Jennings 542 Butler S.W.Rd., Marver, TN 37583	0.16	0.59	50%	0.30	8.3333%
12	Larissa Chad Co.* c/o John Irvin, Managing Partner: 4710 Hesterwood Circle, Richmond, TX 77406				1.750	50.0000%

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 close 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 may be filed by an adversely affected party within thirty days after service of the Order, pursuant to the provisions of Va. Code Ann. § 45.1-361.9 that provides that any order or decision of the Board may be appealed to the appropriate circuit court where interlocutory relief may also be sought. Any appeal shall be filed in compliance with the provisions of the Administrative Process Act (Va. Code Ann. §§ 2.2-4000 et seq.) and the Rules of the Supreme Court of Virginia.

Effective Date:

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

DONE AND EXECUTED this 25 day of Aug, 2012, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Bradley C. Lambert, Chairman
Virginia Gas and Oil Board

DONE AND PERFORMED this 25th day of Aug, 2012 BY Order of the Virginia Gas and Oil Board.

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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL)

Acknowledged on this 25th day of August, 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
Diane J. Davis, Notary Public #174394

My commission expire: 09/30/2013

[Rev. Date 7/14/11]



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO: VGOB 06-0718-1669-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 4
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: May 15, 2012

DRILLING UNIT: P(-3)

BUCHANAN COUNTY, VIRGINIA

MISCELLANEOUS PETITION

1. Petitioner and its counsel: Petitioner is CNX Gas Company LLC, 2481 John Nash Boulevard, Bluefield, West Virginia 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 Tract(s) 4 as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the prevailing plaintiffs; Fairview Limited Partnership, Carol C. Irvin, F.H. Combs Testamentary Trust, Martha E. Combs c/o Benjamin F. Edwards & Company, John W. Pobst, Jr., Virginia Lee Linwick, Richard K. Pobst, Catherine Pobst, and Meredith E. Jennings

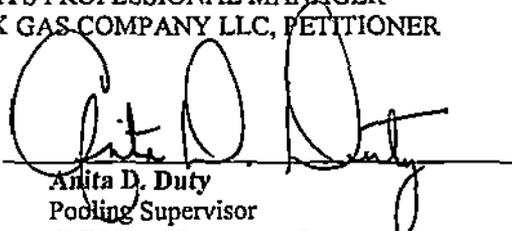
3. Legal Authority: Va. Code Ann. § 45.1-361.1 *et seq.*, 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

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

5. Factual basis for relief requested: Fairview Limited Partnership, Carol C. Irvin, F.H. Combs Testamentary Trust, Martha E. Combs c/o Benjamin F. Edwards & Company, John W. Pobst, Jr., Virginia Lee Linwick, Richard K. Pobst, Catherine Pobst, and Meredith E. Jennings is entitled to 100% of the royalties according to the Order which was entered on December 7, 2011, Case No:486-08, adjudicating the ownership of coalbed methane gas. This order allows the Applicant and Designated Operator to pay royalties directly to the prevailing plaintiffs identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be 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 ON THIS PLAT WERE TAKEN FROM DEED DESCRIPTIONS AND CHAIN OF TITLE AND DOES NOT REPRESENT A CURRENT FIELD SURVEY.

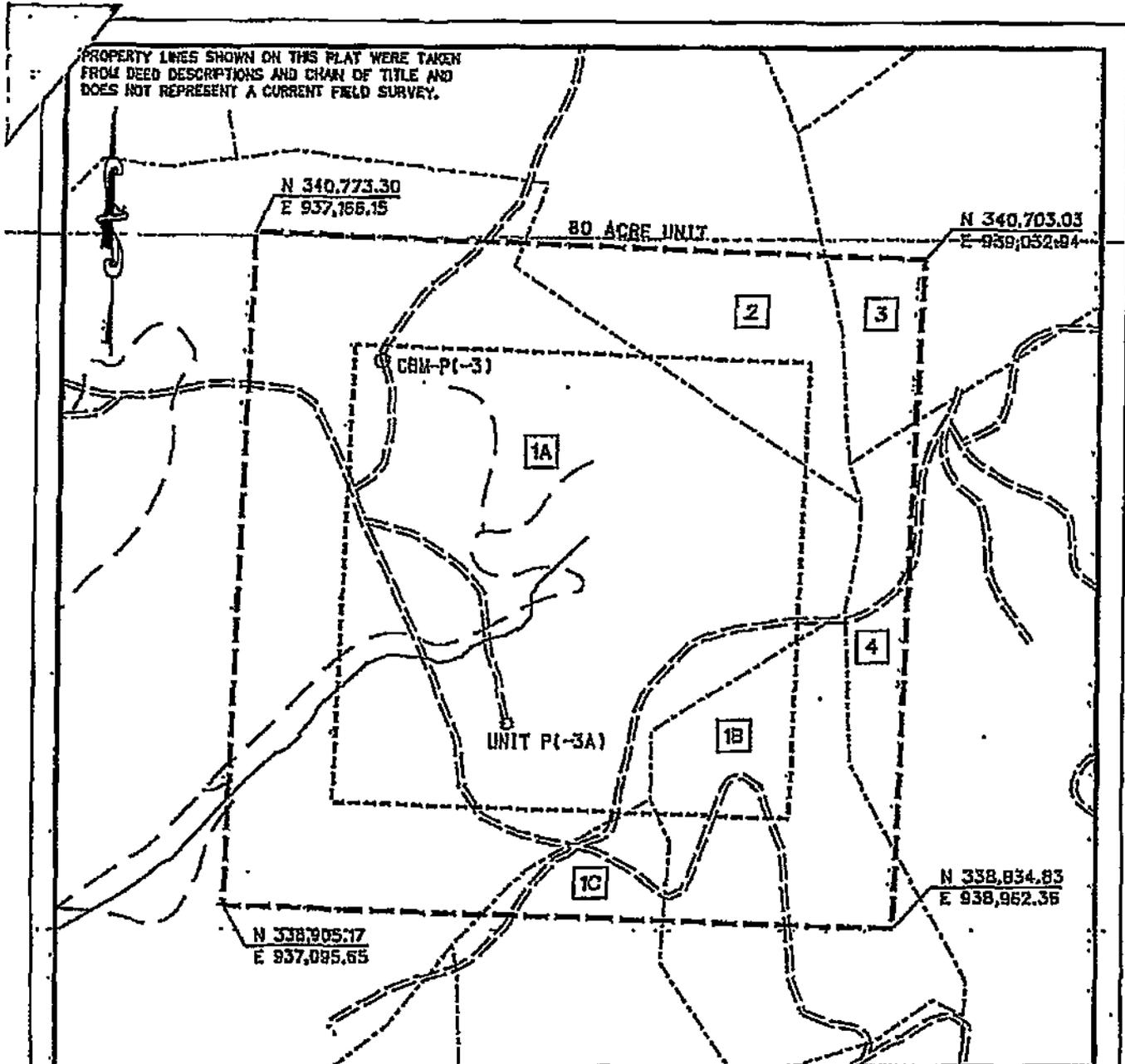
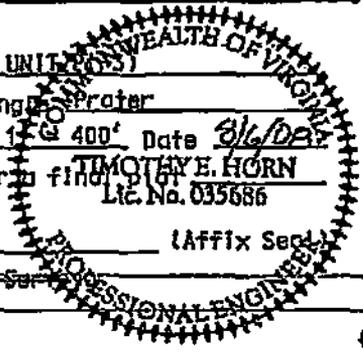


EXHIBIT A
 OAKWOOD FIELD
 UNIT P-(-3)
 FORCE POOLING
 VGDB-06-0718-1669-01

Company CNX Gas Company LLC Well Name and Number UNIT P(-3)
 Tract No. _____ Elevation _____ Quadrangle Prater
 County Buchanan District Prater Scale: 1" = 400' Date 3/16/09
 This plat is a new plat X; an updated plat _____; or a final plat _____
 TIMOTHY E. HORN
 Lic. No. 035686

Form DGO-60-7 _____ (Affix Seal)
 Rev. 9/94 _____ Licensed Professional Engineer or Licensed Land Surveyor



5



CNX Gas Company LLC
Unit P (-3)
Tract Identifications

1. F.H. Combs, II, Testamentary Trust, et al (1010 Acre Tract) -- All Minerals
Pyxis Resources Company/Paramont Coal Corp. -- Coal In Clinwood, Eagle and Blair Seams Leased
CNX Gas Company, LLC -- Oil, Gas and CBM Leased
66.30 acres 82.8760%
- 1A. Paulette Sullivan -- Surface Owner
- 1B. Heartland Forestland Fund, IV, LP -- Surface Owner
- 1C. Heartland Forestland Fund, IV, LP -- Surface Owner
2. ACIN LLC -- All Coal except the Splash Dam Seam
Penn Virginia Operating Co., LLC -- Splash Dam Seam
Alpha Land Reserves, LLC -- All Coal Leased except the Splash Dam Seam
Range Resources -- Pine Mountain, Inc. -- Oil and Gas
Heartwood Forestland Fund, IV, LP -- Surface
7.67 acres 9.4626%
3. Bran Investments, LLC, et al (263.47 Acre Tract) - Coal Below Drainage, Oil and Gas
Bran Investments, LLC, et al -- Coal Above Drainage
Island Creek Coal Company/Consol Energy Inc. -- Coal Below Tiller Seam Leased
Jewell Smokeless Coal Corporation -- Coal Above Drainage Leased
CNX Gas Company LLC -- CBM Leased
Jess O'Quinn, et al -- Surface Owner
2.58 Acres 3.2260%
4. Garden Realty Corporation (250.22 Acre Tract) -- Coal and Metals
Island Creek Coal Company/Consol Energy, Inc. -- Coal Below Tiller Seam Leased
Motivation Coal Company/ Alpha Land and Reserves, LLC -- All Coal Outcropping Above Water Level
John W. Fobst, Jr., et al -- All Minerals except Coal and Metals
CNX Gas Company LLC -- CBM Leased (16.6667%)
3.55 acres 4.4376%
- 4A. Sandy Valley Explosives Company, Inc./Mountain Valley Explosives -- Surface
- 4B. Unknown Surface Owner

Exhibit E
Unit P(-3)
Docket #VGOB 06-0718-1669-02
List of Conflicting Owners/Claimants that require escrow

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

All Conflicts have been resolved. Escrowing is not longer required

**Exhibit EE
Unit P(-3)**

Docket #VGOB 06-0718-1669-02

List of Conflicting Owners/Claimants with Royalty Split Agreements and/or Court Decisions

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Tract #4 - 3.55 acres</u>			
<i>Note: CBM ownership was adjudicated to the prevailing plaintiffs under Case no. 486-08 The Order was executed December 7, 2011 and plaintiffs were awarded 100% of the Coalbed Methane Gas underlying this tract.</i>			
<u>COAL OWNERSHIP</u>			
(1) Garden Realty Corporation (250.22 Acre Tract) c/o Margaret Bums 108 Bexley Road Mooresville, NC 28117	3.55 acres	4.4375%	
<u>OIL & GAS OWNERSHIP</u>			
(1) John W. Pobst, Jr., et al. (250.22 Acre Tract)	3.55 acres	4.4375%	
(a) Fairview Limited Partnership c/o John C. Irvin, Managing Partner 4710 Hunterwood Circle Richmond, TX 77406	0.89 acres 1/4 of 3.55 acres	1.1094%	12.5000%
(b) Carol C. Irvin 4710 Hunterwood Circle Richmond, TX 77406	0.30 acres 1/12 of 3.55 acres	0.3698%	4.1667%
(c) F.H. Combs Testamentary Trust P.O. Box 841 Tazewell, VA 24651	0.30 acres 1/12 of 3.55 acres	0.3698%	4.1667%
(d) Martha E. Combs c/o Benjamin F. Edwards & Company 208 West Main Street, Suite 400 Tazewell, VA 24651	0.30 acres 1/12 of 3.55 acres	0.3698%	4.1667%
(e) John W. Pobst, Jr. Box 86 Revere, PA 18953	0.30 acres 1/12 of 3.55 acres	0.3698%	4.1667%
(f) Virginia Lee & Phillip Linwick 4324 South Bell Drive Veradale, WA 99037	0.30 acres 1/12 of 3.55 acres	0.3698%	4.1667%
(g) W. Kent Pobst Trust			
(g.1) Richard K. Pobst 39 Waterside Dr. Cartersville, GA 30121	0.30 acres 1/12 of 3.55 acres	0.3698%	4.1667%
(g.2) Catherine Pobst c/o Lynn R. Quick 111 Postelle Street Cartersville, GA 30120	0.30 acres 1/12 of 3.55 acres	0.3698%	4.1667%
(j) Meredith E. Jennings 542 Butler Mill Rd. Maryville, TN 37803	0.59 acres 1/6 of 3.55 acres	0.7396%	8.3333%

Exhibit EE
Unit P(-3)

Docket #VGOB 06-0718-1669-02

List of Conflicting Owners/Claimants with Royalty Split Agreements and/or Court Decisions

	Acres in Unit	Percent of Unit	Percent of Escrow
<u>Entitled to 50% of the Royalties per Royalty Division Agreement:</u>			
(2) Levisa Coal Company c/o John C. Irvin, Managing Partner 4710 Hunterwood Circle Richmond, TX 77406	3.55 acres	4.4375%	50.0000%

TOTAL CONFLICTS RESOLVED:

Acreage in Unit	3.55
Percentage of Unit	4.4375%

**Exhibit A-1
Tract-by-Tract Escrow Calculation
Account Balances as of 3/31/12**

Unit P(-3)
VGOB 06-0718-1669-02
Acres Escrowed: 3.55000

Owners	Tract #	Acres	Owner Acres	Interest	Owners' Percent of Escrow	Amount Due Owners \$2,116.42
Garden Realty Corporation - Coal						
John W. Pobst, Jr. et al - O,G, & CBM	4	3.55				
Falrview Limited Partnership			0.89	1/4	12.5000%	\$264.55
Carol C. Irvin			0.30	1/12	4.1667%	\$88.18
F.H. Combs Testamentary Trust			0.30	1/12	4.1667%	\$88.18
Martha E. Combs c/o Benjamin F. Edwards Company			0.30	1/12	4.1667%	\$88.18
John W. Pobst, Jr.			0.30	1/12	4.1667%	\$88.18
Virginia Lee Linwick			0.30	1/12	4.1667%	\$88.18
Richard K. Pobst			0.30	1/12	4.1667%	\$88.18
Catherine Pobst			0.30	1/12	4.1667%	\$88.18
Meredith E. Jennings			0.59	1/6	8.3333%	\$176.37
Levisa Coal Company					(Royalty Only - Entitled to 50% per Royalty Division Agreement)	\$1,058.21

Wells contributing to the escrow account: P(-3) & P(-3)A

The disbursement will close the account

INSTRUMENT #120002243
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
OCTOBER 1, 2012 AT 08:55AM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB