

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC ) VIRGINIA GAS  
 ) AND OIL BOARD  
RELIEF SOUGHT: RE-POOLING OF INTERESTS IN )  
DRILLING UNIT C-39 LOCATED ) DOCKET NO.  
IN THE OAKWOOD COALBED METHANE GAS ) 06-1114-1806-01  
FIELD I PURSUANT TO VA. CODE )  
§§ 45.1-361.21 AND 45.1-361.22, FOR )  
THE PRODUCTION OF OCCLUDED NATURAL )  
GAS PRODUCED FROM COALBEDS AND ROCK )  
STRATA ASSOCIATED THEREWITH (herein )  
Collectively referred to as )  
"Coalbed Methane Gas" or "Gas") )  
LEGAL DESCRIPTION: )  
 )  
 )  
DRILLING UNIT NUMBER C-39 )  
(herein "Subject Drilling Unit") )  
IN THE OAKWOOD COALBED METHANE GAS FIELD I )  
GARDEN MAGISTERIAL DISTRICT, )  
PATERSON QUADRANGLE )  
BUCHANAN COUNTY, VIRGINIA )

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came for final hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on **February 20, 2007** at the Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, Virginia.

2. Appearances: Mark Swartz, Esquire, appeared for the Applicant; Tom Mullins, Esquire, appeared for respondent GeoMet Operating Company, George Mason, Esquire, appeared for respondent LBR Holdings, LLC, and Sharon M. B. Pigeon, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of due process.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.22, including the applicable portions of Va. Code § 45.1-361.21, the Board pool all the rights, interests and estates in and to the Gas in Subject Drilling Unit, including the pooling of the interests of the Applicant and of the known and unknown persons and

that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas, produced from or allocated to the Subject Drilling Unit established for the Subject Formation underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "Well Development and/or Operation in the Subject Drilling Unit"), and (2) that the Board designate **CNX Gas Company LLC** as Unit Operator.

7. Relief Denied: By majority vote of the Board, the Applicant's requested relief in this cause shall be and hereby is denied.

8. Special Findings: The Board specifically and specially finds:

8.1. The Board has previously approved pooling of the Subject Drilling Unit and has named GeoMet Operating Company as unit operator.

8.2 GeoMet is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia.

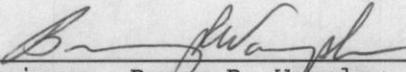
8.3 The Board finds no compelling cause for re-pooling the Subject Drilling Unit or for changing it's previously designated operator.

8. Conclusion: The requested relief is hereby denied and IT IS SO ORDERED.

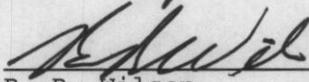
9. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.

10. Effective Date: This Order shall be effective as of the date of the Board's denial of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 4<sup>th</sup> day of April, 2008, by a majority of the Virginia Gas and Oil Board.

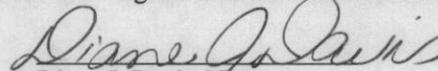
  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 4<sup>th</sup> day of April, 2008, by Order of this Board.

  
B. R. Wilson  
Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 4<sup>th</sup> day of April, 2008, 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, and appeared B. R. Wilson, 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, Notary  
174394

My commission expires: September 30, 2009