

1537

100003096

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 07-0515-1923

ELECTIONS: UNIT F-10
(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 in the captioned matter on January 15, 2008 which was recorded at Document 080000267 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on January 23, 2008, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein ADesignated 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 F-10;

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.

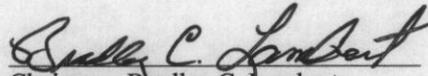


Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

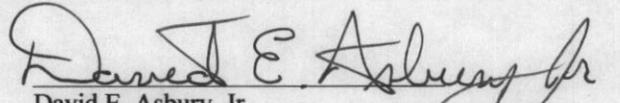
Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

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

DONE AND EXECUTED this 3 day of Nov, 2010, by a majority of the Virginia Gas and Oil Board.

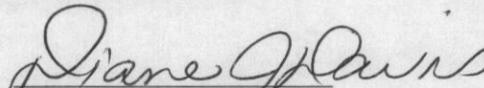

Chairman, Bradley C. Lambert

DONE AND PERFORMED THIS 3 day of Nov, 2010, by Order of the Board.


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

STATE OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 3rd day of November, 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, Notary
174394

My commission expires: September 30, 2013



VIRGINIA:

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 F-10
VGOB 07-0515-1923 in the Grundy District of Buchanan County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein A 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 Land Resources, Inc., 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 January 15, 2008, 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 Lebanon, 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 counties identified above; that said Order was recorded on January 23, 2008;

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:

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of January 15, 2008;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

None

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

None

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 5th day of October, 2010.

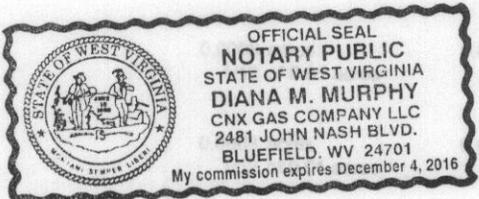
Anita D. Duty
Anita D. Duty

STATE OF WEST VIRGINIA
COUNTY OF MERCER

Taken, subscribed and sworn to before me by Anita D. Duty as a Pooling Supervisor for CNX Land Resources, Inc., on behalf of the corporate Designated Operator, this 5th day of October, 2010.

Diana M. Murphy
Notary

My commission expires: December 4, 2016



* The Oil & Gas interest is leased by Appalachian Energy
** The Oil & Gas interest is leased by Chesapeake. CNX has a GDM lease.

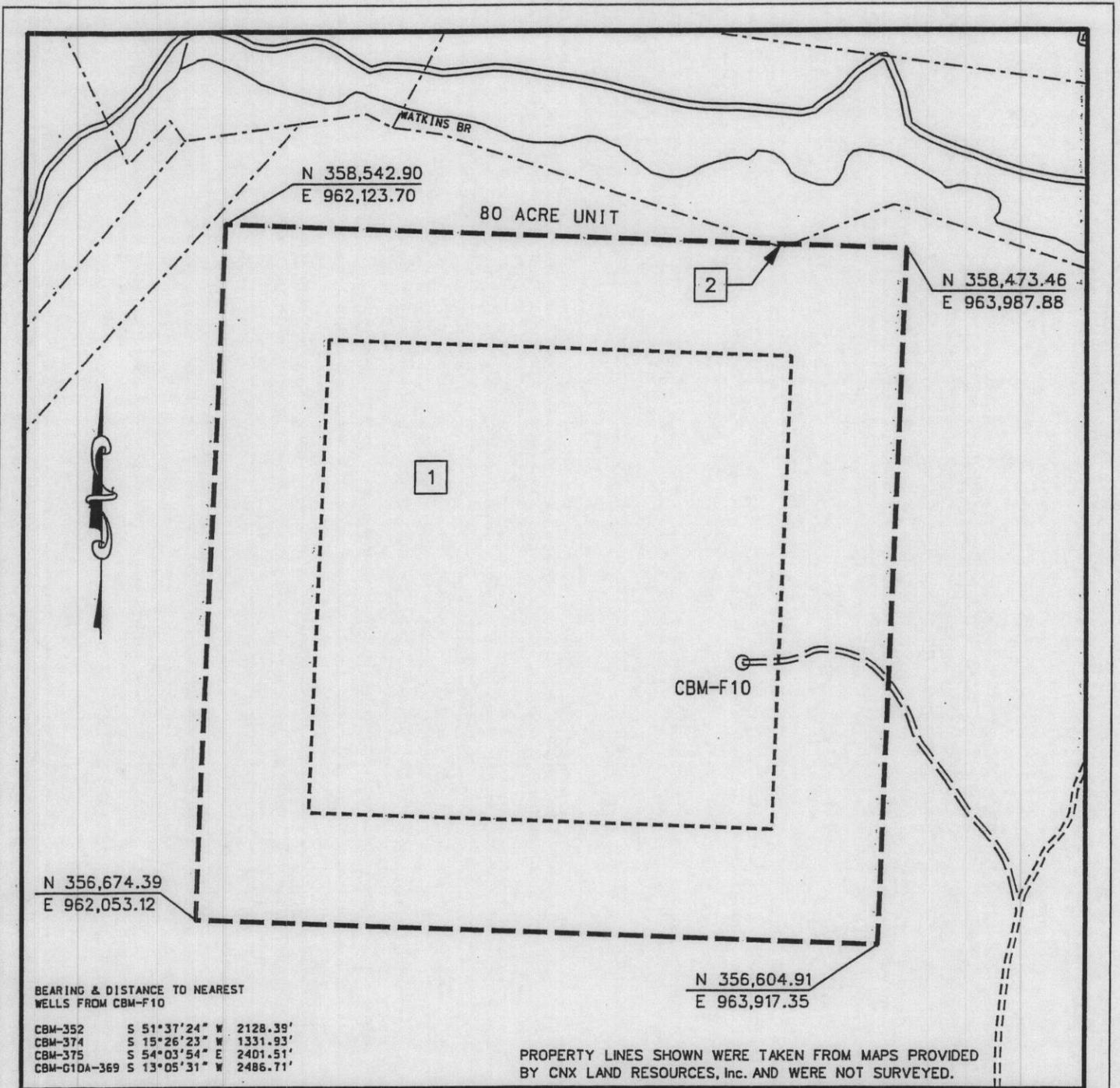
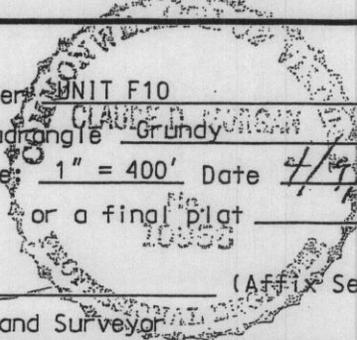


EXHIBIT A
OAKWOOD FIELD
UNIT F-10
FORCE POOLING
VGDB-07-0515-1923

Company CNX Gas Company LLC Well Name and Number UNIT F10
 Tract No. _____ Elevation _____ Quadrangle Grundy
 County Buchanan District South Grundy Scale: 1" = 400' Date 7/19/07
 This plat is a new plat ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7 _____ (Affix Seal)
 Rev. 9/91 Claude D. Morgan
 Licensed Professional Engineer or Licensed Land Surveyor



U

**Exhibit B-3
Unit F-10
Docket #VGOB 07-0515-1923
List of all Unleased Owners/Claimants**

	Acres in Unit	Percent of Unit
I. COAL OWNERSHIP		
<u>Tract #2, 0.01 Acres</u>		
(1) Buchanan Realty Limited Partnership, et al. <i>(157.83 Acre Tract)</i>	0.01 acres	0.0125%
(b) John A. Blakemore Heirs * c/o Hicok, Fern, Brown & Garcia CPA's P.O. Box 821 Abingdon, VA 24212	0.0017 acres 1/6 of 0.01 acres	0.0021%
(d) Clark Scholarship Trust** Bank of America, TX1-492-17-01 Attn: Barry L. Dominick, CPL VP P. O. Box 830308 Dallas, TX 75283-0308	0.0002 acres 1/48 of 0.01 acres	0.0003%
(e) Walker Trust * c/o James S. Thompson, Trustee and/or Robert S. Thompson, Alt. Trustee 284 Mowery Ln., NW Charleston, TN 37310-7013	0.0008 acres 1/12 of 0.01 acres	0.0010%
(f) Bran Investments, LLC * 516 Holston Avenue, Suite 100 Bristol, TN 37620-2177	0.0008 acres 1/12 of 0.01 acres	0.0010%
(g) Robert S. Powers * 439 Cypress St. Mt. Carmel, TN 37645	0.0008 acres 1/12 of 0.01 acres	0.0010%
II. OIL & GAS OWNERSHIP		
<u>Tract #2, 0.36 Acres</u>		
(1) Buchanan Realty Limited Partnership, et al. <i>(157.83 Acre Tract)</i>	0.01 acres	0.0125%
(b) John A. Blakemore Heirs * c/o Hicok, Fern, Brown & Garcia CPA's P.O. Box 821 Abingdon, VA 24212	0.0017 acres 1/6 of 0.01 acres	0.0021%
(d) Clark Scholarship Trust** Bank of America, TX1-492-17-01 Attn: Barry L. Dominick, CPL VP P. O. Box 830308 Dallas, TX 75283-0308	0.0002 acres 1/48 of 0.01 acres	0.0003%
(e) Walker Trust * c/o James S. Thompson, Trustee and/or Robert S. Thompson, Alt. Trustee 284 Mowery Ln., NW Charleston, TN 37310-7013	0.0008 acres 1/12 of 0.01 acres	0.0010%
(f) Bran Investments, LLC * 516 Holston Avenue, Suite 100 Bristol, TN 37620-2177	0.0008 acres 1/12 of 0.01 acres	0.0010%
(g) Robert S. Powers * 439 Cypress St. Mt. Carmel, TN 37645	0.0008 acres 1/12 of 0.01 acres	0.0010%

* The Oil & Gas Interest is leased by Appalachian Energy

** The Oil & Gas Interest is leased by Chesapeake, CNX has a CBM lease.

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Hagy, Sharon (DMME)

From: Asbury, David (DMME)
Sent: Wednesday, December 01, 2010 7:41 PM
To: DGODistributionList
Subject: FW: Governor McDonnell Receives Full Report from Commission on Government Reform & Restructuring

Attachments: image001.jpg



image001.jpg (7
KB)

FYI

From: Governors Update Mailing List [mailto:govupdate@governor.virginia.gov]
Sent: Wednesday, December 01, 2010 4:53 PM
To: GovernorsUpdate mailing list
Subject: Governor McDonnell Receives Full Report from Commission on Government Reform & Restructuring

Commonwealth of Virginia
Office of Governor Bob McDonnell

FOR IMMEDIATE RELEASE
December 1, 2010

Contact: Stacey Johnson
Phone: (804) 225-4260
E-mail: Stacey.Johnson@Governor.Virginia.Gov

Governor McDonnell Receives Full Report from Commission on Government Reform & Restructuring

Report Includes Recommendations to Require State Agencies to Review Current Mandates; Provide a More Flexible Work Schedule for Government Employees; and Encouraging the Use of High Deductible Health Insurance Plans

RICHMOND- Governor McDonnell was presented today with the full report from his Commission on Government Reform and Restructuring for his review. An interim report was submitted to the Governor for his review in October. The full report contains 133 recommendations including requiring state agencies to review current mandates; privatizing the sale of distilled spirits; encouraging the use of high deductible health insurance plans; and providing a more flexible work schedule for government employees such as telecommuting, instituting a 4 day/ 10 hour work week at selected agencies, and encouraging Q-status, which provides an option for state employees to receive health benefits and retirement if they work a minimum of 32 hours per week. In addition, the Operational Review Task Force,

comprised of private sector leaders and state and local government officials, proposed 79 recommendations for reducing expenses including travel, energy consumption, document/ printer/ copier management, and water usage.

The Governor will review the Commission's recommendations in greater detail over the coming weeks to determine which ones will be advocated for administrative implementation or legislative action. The Commission will continue its work for the remainder of the administration; its next meeting will be in the spring of 2011. The Commission was established by Executive Order #2

<<http://www.governor.virginia.gov/Issues/ExecutiveOrders/2010/EO-2.cfm>> , which was signed by the Governor immediately after taking the oath of office on January 16, 2010.

Speaking about the full report, Governor McDonnell remarked, "The Commission has done an exceptional job at looking through current processes and procedures within state government to come up with ways to make it more effective and efficient for the citizens of Virginia. In this tough economy, it is essential to find ways to save time and money. I, again, thank the entire Commission and its leaders, Chairman Fred Malek, Vice Chairmen Speaker William J. Howell and former Senator Benjamin Lambert, for their efforts over the last six months. I look forward to reviewing these recommendations."

Chairman Malek commented, "I'm pleased that your administration is already acting on some of the Commission's recommendations. We applaud your request of agency heads to propose spending cuts of 2%, 4%, and 6%. We were encouraged that VDOT has consolidated its local toll-free numbers into one centralized call center, reducing its staff from 100 down to 25 employees. We are also pleased that state agencies are increasing telecommuting and implementing strategies to decrease energy consumption by 5%. The way forward is to abolish and consolidate programs that are ineffective or duplicative and restructure state government to more efficiently deliver core services to Virginians."

The full report can be found here: http://www.reform.virginia.gov/docs/12-01-10_GovernorsCommissionReport.pdf

The following recommendations are among the list that have been endorsed by the full Commission after consideration and approval by the committees:

• Privatization of the Virginia Department of Alcoholic Beverage Control (ABC) Distribution and Retail System- privatizing ABC in Virginia will invest over half a billion dollars into transportation by eliminating a 76-year old state monopoly.

* Require State Agencies to Review Current Mandates- Challenging economic times and significant budget reductions are cause to review current mandates placed on localities with an eye towards eliminating or suspending those considered to be obsolete and/or those that cannot be implemented.

* 4 Day/ 10-hour Work Week for Government Employees- Expanding this schedule beyond the existing pilot program at the Virginia Department of Forestry. The Commonwealth could save considerable amounts of money on overtime, energy costs and increased productivity by implementing this initiative in certain state agencies.