

1598

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 07-0717-1965

ELECTIONS: UNIT BF-123
(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 Deed Book 684, Page 689 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on January 28, 2008, (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 BF-123;

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 28 day of April, 2011, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Chairman, Bradley C. Lambert

DONE AND PERFORMED THIS 28 day of April, 2011, 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 28th day of April, 2011, 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



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 BF-123
VGOB 07-0717-1965 in the New Garden District of Russell County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein ADesignated 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 28, 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 to the Unit Operator, within the thirty day elections period:

None

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:

See attached Exhibit E

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.

See attached Exhibit EE

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 January, 2011.

Anita D. Duty
Anita D. Duty

STATE OF ~~WEST VIRGINIA~~ *Virginia*
COUNTY OF ~~MERCER~~ *Russell*

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 January, 2011.

Diane J Davis
Notary

My commission expires: 9/30/13.



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

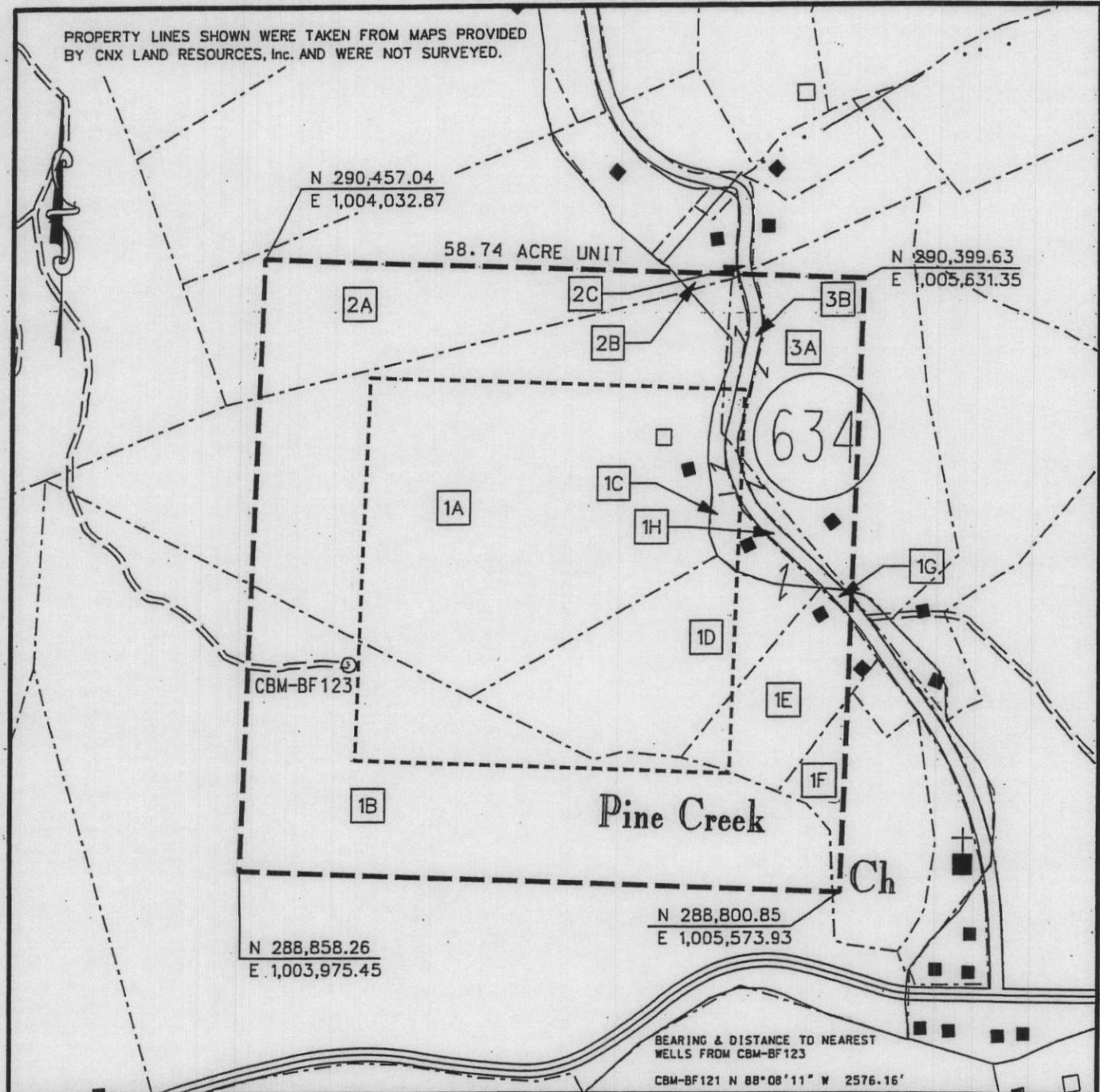
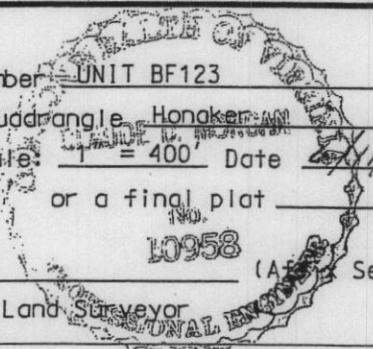


EXHIBIT A
MIDDLE RIDGE FIELD
UNIT BF-123
FORCE POOLING
VGOB-07-0717-1965

Company CNX Gas Company LLC Well Name and Number UNIT BF123
 Tract No. _____ Elevation _____ Quadrangle Honaker
 County Russell District New Garden Scale 1" = 400' Date 6/1/07
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91

Charles O. May
 Licensed Professional Engineer or Licensed Land Surveyor (Aff. Seal)



CNX Gas Company LLC
Unit BF-123
Tract Identifications
(58.74 Acre Unit)

- 1A. Swords Creek Land Partnership Tr. 29 (91.52 Acre Tract) – All Minerals
 Reserve Coal Properties Company - Coal Below Tiller Seam Leased
 Knox Creek Coal Corporation - Tiller and Above Coal Leased
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 48.25 acres 82.1416%
- 1A. Geraldine Hubbard – Surface
 1B. Swords Creek Land Partnership - Surface
 1C. Unknown Surface Owner
 1D. Unknown Surface Owner
 1E. Unknown Surface Owner
 1F. Unknown Surface Owner
 1G. Commonwealth of Virginia - Surface
 1H. Commonwealth of Virginia - Surface
- 2A. Swords Creek Land Partnership Tr. 28 (53.37 Acre Tract) - Coal
 Reserve Coal Properties Company - Coal Below Tiller Seam Leased
 Knox Creek Coal Corporation - Tiller and Above Coal Leased
 CNX Gas Company LLC - CBM Leased
 Edith Plaster – Surface and All Minerals except Coal
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 5.34 acres 9.0909%
- 2B. Swords Creek Land Partnership Tr. 28 (53.37 Acre Tract) - Coal
 Reserve Coal Properties Company - Coal Below Tiller Seam Leased
 Knox Creek Coal Corporation - Tiller and Above Coal Leased
 CNX Gas Company LLC - CBM Leased
 Pansy B. Bostic – Surface and All Minerals except Coal
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 0.11 acres 0.1873%
- 3A. Swords Creek Land Partnership Tr. 40 (185.25 Acre Tract) – Coal
 Reserve Coal Properties Company – Coal Below Tiller Seam Leased
 CNX Gas Company LLC – CBM Leased
 James Robert Grace, et al – All Minerals except Coal
 James Robert Grace – Surface
 4.59 acres 7.8141%
- 3B. Swords Creek Land Partnership Tr. 40 (185.25 Acre Tract) – Coal
 Reserve Coal Properties Company – Coal Below Tiller Seam Leased
 CNX Gas Company LLC – CBM Leased
 James Robert Grace, et al – All Minerals except Coal
 Commonwealth of Virginia – Surface
 0.45 acres 0.7661%

Exhibit B-3
 Unit BF-123
 Docket #VGOB 07-0717-1965
 List of all Unleased Owners/Claimants
 (58.74 Acre Unit)

BOOK - 734 PAGE 0622

	Acres in Unit	Interest in Unit
II. OIL & GAS OWNERSHIP		
<u>Tract #3A, 4.59 acres</u>		
(1) James Robert Grace, et al	4.59 acres	7.8141%
(a) James Robert Grace 18128 Brekenridge Court Abingdon, VA 24211	4.02 acres 7/8 of 4.59 acres	6.8373%
(b) Richard Lynn Reedy 6834 Boston Ave. Baltimore, MD 21222	0.29 acres 1/16 of 4.59 acres	0.4884%
(c) David Allen Reedy 55 J. Wilson Rd. Swords Creek, VA 24649	0.29 acres 1/16 of 4.59 acres	0.4884%
<u>Tract #3B, 0.45 acres</u>		
(1) James Robert Grace, et al	0.45 acres	0.7661%
(a) James Robert Grace 18128 Brekenridge Court Abingdon, VA 24211	0.39 acres 7/8 of 0.45 acres	0.6703%
(b) Richard Lynn Reedy 6834 Boston Ave. Baltimore, MD 21222	0.03 acres 1/16 of 0.45 acres	0.0479%
(c) David Allen Reedy 55 J. Wilson Rd. Swords Creek, VA 24649	0.03 acres 1/16 of 0.45 acres	0.0479%

**Exhibit E
Unit BF-123
Docket #VGOB 07-0717-1965
List of Conflicting Owners/Claimants that require escrow
(58.74 Acre Unit)**

	Acres in Unit	Interest in Unit
<u>Tract #2B, 0.11 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.28 (53.37 Acre Tract) P.O. Box 187 Tazewell, VA 24651	0.11 acres	0.1873%
<u>OIL & GAS OWNERSHIP</u>		
(1) Pansy B. Bostic Rt. 1 Box 297 Swords Creek, VA 24639	0.11 acres	0.1873%
<u>Tract #3A, 4.59 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.40 (185.25 Acre Tract) P.O. Box 187 Tazewell, VA 24651	4.59 acres	7.8141%
<u>OIL & GAS OWNERSHIP</u>		
(1) James Robert Grace, et al	4.59 acres	7.8141%
(a) James Robert Grace 18128 Brekenridge Court Abingdon, VA 24211	4.02 acres 7/8 of 4.59 acres	6.8373%
(b) Richard Lynn Reedy 6834 Boston Ave. Baltimore, MD 21222	0.29 acres 1/16 of 4.59 acres	0.4884%
(c) David Allen Reedy 55 J. Wilson Rd. Swords Creek, VA 24649	0.29 acres 1/16 of 4.59 acres	0.4884%
<u>Tract #3B, 0.45 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Swords Creek Land Partnership, Tr.40 (185.25 Acre Tract) P.O. Box 187 Tazewell, VA 24651	0.45 acres	0.7661%
<u>OIL & GAS OWNERSHIP</u>		
(1) James Robert Grace, et al	0.45 acres	0.7661%
(a) James Robert Grace 18128 Brekenridge Court Abingdon, VA 24211	0.39 acres 7/8 of 0.45 acres	0.6703%
(b) Richard Lynn Reedy 6834 Boston Ave. Baltimore, MD 21222	0.03 acres 1/16 of 0.45 acres	0.0479%
(c) David Allen Reedy 55 J. Wilson Rd. Swords Creek, VA 24649	0.03 acres 1/16 of 0.45 acres	0.0479%

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Davis, Diane (DMME)

From: VITASHARE System [vitashare@vita.virginia.gov]
Sent: Thursday, May 26, 2011 3:34 PM
To: Davis, Diane (DMME)
Subject: New Transaction 23JB9J2W0IR3NZ8X
Transaction details for Diane Davis(user djd)

Job Id: 23JB9J2W0IR3NZ8X

Date: Thu, May 26, at 15:34

Transaction Details:

Acknowledge Security Policy: I understand that this system is not intended for sensitive data.

Recipient's Email
example-
user1@virginia.gov, anitaduty@cnxgas.com,HilareyMullins@consolenergy.com,MelissaCumbo
user2@virginia.gov:

Message - Describe file attachment: Orders recorded

Notify me when the file is downloaded?: Yes

Pin: 74095

Files:

- 1944_Supplemental-Original.tif
- 1226_Supplemental.Original.tif
- 1672_Supplemental-Original.tif
- 2553_Supplemental-Original.tif
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- 1896_Supplemental-Original.tif

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Total Number of Files: 8
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5/26/2011

Exhibit EE
 Unit BF-123
 Docket #VGOB 07-0717-1965
 List of Conflicting Owners/Claimants with Royalty Split Agreements
 (58.74 Acre Unit)

	Acres in Unit	Interest in Unit
Tract #2A, 5.34 acres		
COAL OWNERSHIP		
(1) Swords Creek Land Partnership, Tr.28 (53.37 Acre Tract) P.O. Box 187 Tazewell, VA 24651	5.34 acres	9.0909%
OIL & GAS OWNERSHIP		
(1) Edith Plaster 3883 Pine Creek Rd. Swords Creek, VA 24649	5.34 acres	9.0909%

1101302

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 5-19-, 2011. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:50 o'clock P.M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to Diane Davis

TESTE: ANN S. McREYNOLDS, CLERK
 BY: Mendie Cook D. CLERK

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