

1451

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

100001302

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 09-0721-2550

ELECTIONS: UNIT K-3
(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 November 4, 2009 which was recorded at Document 090003759 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on December 4, 2009, (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 K-3;

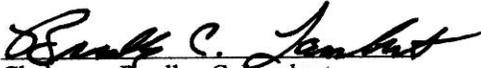
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company 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.

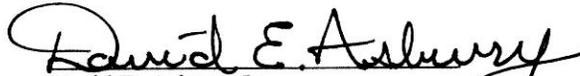
Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

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

DONE AND EXECUTED this 8 day of April, 2010, by a majority of the Virginia Gas and Oil Board.


Chairman, Bradley C. Lambert

DONE AND PERFORMED THIS 8 day of April, 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 8th day of April, 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 K-3
VGOB 09-0721-2550 in the South 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 Gas Company LLC, 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 November 4, 2009, 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 December 4, 2009;

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:

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 November 4, 2009;

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:

See attached Exhibit B-2

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:

Doris C. Zang

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 19th day of February, 2010.

Anita D. Duty
Anita D. Duty

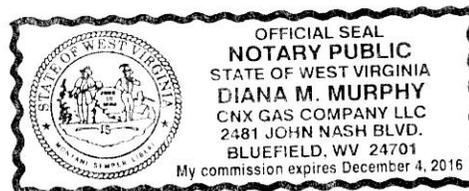
STATE OF WEST VIRGINIA
COUNTY OF MERCER

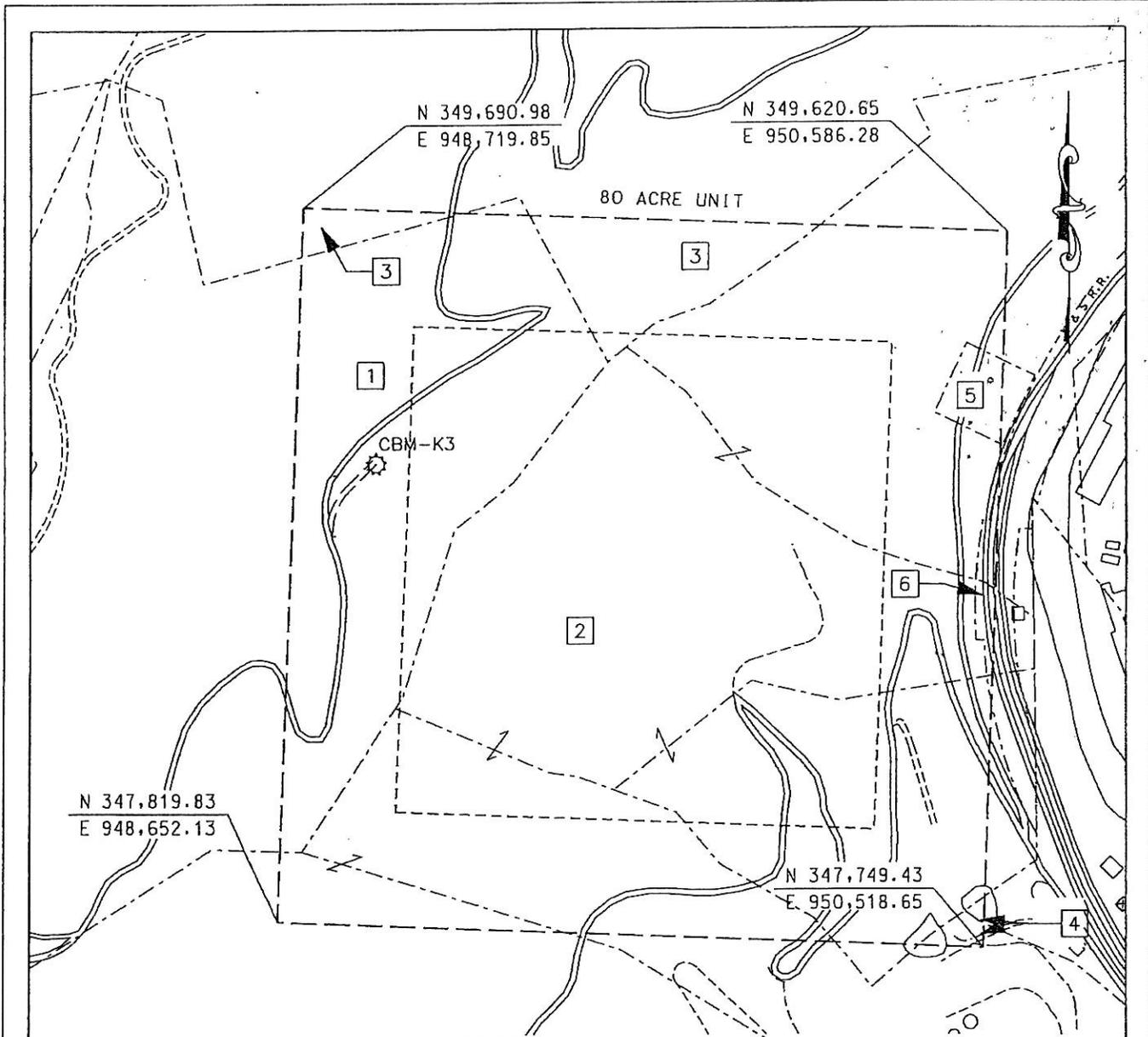
Taken, subscribed and sworn to before me by Anita D. Duty as a Pooling Supervisor for CNX Gas Company

LLC, on behalf of the corporate Designated Operator, this 19th day of February, 2010.

Diana M. Murphy
Notary

My commission expires: December 4, 2016





BEARING & DISTANCE TO NEAREST EXISTING WELLS WITHIN 2500' RADIUS FROM CBM-K3
 NO EXISTING WELLS WITHIN 2500' RADIUS

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 K3
 FORCE POOLING
 VGOB-09-0721-2550

Company CNX Gas Company LLC Well Name and Number UNIT K3
 Tract No. _____ Elevation _____ Quadrangle VANSANT
 County BUCHANAN District SOUTH GRUNDY Scale: 1" = 400' Date 7/22/09
 This plat is a new plat _____ ; an updated plat X ; or a final plat _____

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

CNX Gas Company LLC
UNIT K3
Tract Identification

1. Amy Lee Powers, et al (57.99 Acre Tract) – All Minerals
Jewell Smokeless Coal Corporation – Tiller and above Coal Leased
Island Creek Coal Company/Consol Energy, Inc. – Coal below Tiller Seam Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
Island Creek Coal Company – Surface
17.68 Acres 22.1000%

2. George Belcher Heirs, et al (153.00 Acre Tract) – All Minerals
Jewell Smokeless Coal Corporation – Coal above Tiller Seam Leased
Island Creek Coal Company/Consol Energy, Inc. – Coal below Tiller Seam Leased
Equitable Production Company – Oil and Gas Leased (1/4)
CNX Gas Company LLC - CBM Leased
Norfolk & Western Railway Company – Surface
57.08 Acres 71.3500%

3. Charles S. Perkins Heirs (110.75 Acre Tract) – All Minerals except Oil and Gas
Island Creek Coal Company/Consol Energy, Inc. – Below Drainage Coal Leased
CNX Gas Company LLC – CBM Leased
Coreen Charles Heirs – All Minerals except Coal
Chesapeake Appalachia LLC – Oil, Gas and CBM Leased
Charles S. Perkins Heirs – Surface
3.99 Acres 4.9875%

4. Norfolk & Western Railway Company (20.30 Acre Tract) – Fee
Island Creek Coal Company/Consol Energy, Inc. – Pocahontas No.3 Seam Leased
0.09 Acres 0.1125%

5. Norfolk & Western Railway Company (1.00 Acre Tract) – All Minerals except Oil and Gas
George Belcher Heirs, et al - All Minerals except Coal
Equitable Production Company – Oil and Gas Leased (1/4)
CNX Gas Company LLC - CBM Leased
Norfolk & Western Railway Company – Surface
0.71 Acres 0.8875%

6. Norfolk & Western Railway Company – Fee (Except Coal Below 800')
George Belcher Heirs, et al – Coal Below 800 Feet
Island Creek Coal Company/Consol Energy, Inc. – Coal Below 800' Leased
Equitable Production Company – Oil and Gas Leased (1/4)
CNX Gas Company LLC - CBM Below 800' Leased
0.45 Acres 0.5625%

Exhibit B-2
Unit K-3
Docket #VGOB 09-0721-2550
List of Respondents to be Added/Dismissed

	Acres in Unit	Percent of Unit	Reason for Dismissal	Reason for Addition
II. OIL & GAS OWNERSHIP				
<u>Tract #3, 3.99 acres</u>				
Miles & Green Charles Heirs, Devisees, Successors or Assigns (Coreen Charles Heirs)	3.99 acres	4.98750%		
(1) Miles Charles Heirs				
(b) Doris C. Zang		<i>Deed of Gift to b.1 thru b.3</i>	Deeded Interest	
(b.1) Charles H. Zang 616 Hunting Ridge Dr. Frederick, MD 21703	0.22 acres 1/18 of 3.99 acres	0.27708%		Owner
(b.2) Richard A. Zang 93 High St. Candia, NH 03034	0.22 acres 1/18 of 3.99 acres	0.27708%		Owner
(b.3) Elizabeth Wentz 93 Bay View Ave. Winthrop, MA 021502	0.22 acres 1/18 of 3.99 acres	0.27708%		Owner

**Exhibit B-3
Unit K-3
Docket #VGOB 09-0721-2550
List of Unleased Owners/Claimants**

	Acres in Unit	Percent of Unit
I. <u>COAL OWNERSHIP</u>		
<u>Tract #3, 3.99 acres</u>		
(1) Charles S. Perkins Heirs (110.75 Acre Tract)	3.99 acres	4.9875%
(a) Ralph & Carolyn Perkins P.O. Box 325 Clintwood, VA 24228	1.00 acres 1/4 of 3.99 acres	1.24688%
(b) Neal C. Perkins 10485 Highway 293 North Princeton, KY 42445	1.00 acres 1/4 of 3.99 acres	1.24688%
(c) Nell P. Bethany 618 Roger Sayers Circle Tuscaloosa, AL 35401-3212	1.00 acres 1/4 of 3.99 acres	1.24688%
(d) Edward & Dorothy Tieche 1503 South Street Road 227 Union City, IN 47390	1.00 acres 1/4 of 3.99 acres	1.24688%
II. <u>OIL & GAS OWNERSHIP</u>		
<u>Tract #3, 3.99 acres</u>		
Miles & Green Charles Heirs, Devisees, Successors or Assigns (Coreen Charles Heirs)	3.99 acres	4.98750%
(2) Green Charles Heirs		
(a) Nora & Willis Current 10 Wilmington Avenue, Apt. 142E Dayton, OH 45420	0.11 acres 1/36 of 3.99 acres	0.13854%
(b) George & Jean Charles 1653 Lawrence Ave. Ashland, KY 41102	0.11 acres 1/36 of 3.99 acres	0.13854%
(c) Luella Mason Charles 23 Honeysuckle Dr. Norwalk, CT 06851-3204	0.11 acres 1/36 of 3.99 acres	0.13854%
(d) Edith & Charles Huber 3901 Green Haven Ln. Goshen, KY 40026	0.06 acres 1/72 of 3.99 acres	0.06927%
(e) Nancy & Douglas Justice, Jr. P. O. Box 2883 Pikeville, KY 41502	0.11 acres 1/36 of 3.99 acres	0.13854%
(f) William J. Baird, III Box 351 Pikeville, KY 41502	0.04 acres 1/96 of 3.99 acres	0.05195%

**Exhibit B-3
Unit K-3
Docket #VGOB 09-0721-2550
List of Unleased Owners/Claimants**

	Acres in Unit	Percent of Unit
(g) John H. Baird Box 351 Pikeville, KY 41502	0.04 acres 1/96 of 3.99 acres	0.05195%
(h) Charles J. Baird Box 351 Pikeville, KY 41502	0.04 acres 1/96 of 3.99 acres	0.05195%
(i) Jane C. Baird Box 351 Pikeville, KY 41502	0.04 acres 1/96 of 3.99 acres	0.05195%
(j) Eloise & Jack May 416 Third St. Pikeville, KY 41502	0.33 acres 1/12 of 3.99 acres	0.41563%
(k) J.K. & Sadie Charles Park Street Pikeville, KY 41502	0.33 acres 1/12 of 3.99 acres	0.41563%
(l) Betty Jane & Ralph Clevinger Rt. 3 Box 320 Pikeville, KY 41502	0.11 acres 1/36 of 3.99 acres	0.13854%
(m) Emma Joe Johnson <i>Address Unknown</i> Ivel, KY 41642	0.11 acres 1/36 of 3.99 acres	0.13854%
(n) Eugene & Cherith Charles 705 Hammond Rd. York, PA 17402-1324	0.11 acres 1/36 of 3.99 acres	0.13854%
(o) Ruth & James A. Friend 203 Hickory St. Nitro, WV 25143	0.17 acres 1/24 of 3.99 acres	0.20781%
(p) Blanche E. Charles 129 Wellington Court, Suite 109 Amherst, VA 24521	0.06 acres 1/72 of 3.99 acres	0.06927%
(q) James & Carol Charles 356 Montrose Rd. Monroe, VA 24574	0.06 acres 1/72 of 3.99 acres	0.06927%
(r) John & Laura K. Charles 703 Suntree Drive Westerville, OH 43081	0.06 acres 1/72 of 3.99 acres	0.06927%

Exhibit E
Unit K-3
Docket #VGOB 09-0721-2550
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
<u>Tract #3, 3.99 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Charles S. Perkins Heirs (110.75 Acre Tract)	3.99 acres	4.9875%
(a) Ralph & Carolyn Perkins P.O. Box 325 Clintwood, VA 24228	1.00 acres 1/4 of 3.99 acres	1.24688%
(b) Neal C. Perkins 10485 Highway 293 North Princeton, KY 42445	1.00 acres 1/4 of 3.99 acres	1.24688%
(c) Nell P. Bethany 618 Roger Sayers Circle Tuscaloosa, AL 35401-3212	1.00 acres 1/4 of 3.99 acres	1.24688%
(d) Edward & Dorothy Tieche 1503 South Street Road 227 Union City, IN 47390	1.00 acres 1/4 of 3.99 acres	1.24688%
<u>OIL & GAS OWNERSHIP</u>		
Miles & Green Charles Heirs, Devisees, Successors or Assigns (Coreen Charles Heirs)	3.99 acres	4.98750%
(1) Miles Charles Heirs		
(a) Miles Charles Jr. Heirs, Devisees, Successors or Assigns		
(a.1) Raymond Charles 4180 Foxglove Rd. Richmond, VA 23235	0.67 acres 1/6 of 3.99 acres	0.83125%
(b) Doris C. Zang	Deed of Gift to b.1 thru b.3	
(b.1) Charles H. Zang 616 Hunting Ridge Dr. Frederick, MD 21703	0.22 acres 1/18 of 3.99 acres	0.27708%
(b.2) Richard A. Zang 93 High St. Candia, NH 03034	0.22 acres 1/18 of 3.99 acres	0.27708%
(b.3) Elizabeth Wentz 93 Bay View Ave. Winthrop, MA 021502	0.22 acres 1/18 of 3.99 acres	0.27708%
(c) Jimmie Lou Breeding PO Box 713 Kaufman, TX 75142-0713	0.22 acres 1/18 of 3.99 acres	0.27708%
(d) Melony Elizabeth Cates 6358 Taylor Rd. Kaufman, TX 75142	0.22 acres 1/18 of 3.99 acres	0.27708%
(e) Rex & Andra Lee Evans 17101 Northavens Cove Pflugersville, TX 78660	0.22 acres 1/18 of 3.99 acres	0.27708%

Exhibit E
Unit K-3
Docket #VGOB 09-0721-2550
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(2) Green Charles Heirs		
(a) Nora & Willis Current 10 Wilmington Avenue, Apt. 142E Dayton, OH 45420	0.11 acres 1/36 of 3.99 acres	0.13854%
(b) George & Jean Charles 1653 Lawrence Ave. Ashland, KY 41102	0.11 acres 1/36 of 3.99 acres	0.13854%
(c) Luella Mason Charles 23 Honeysuckle Dr. Norwalk, CT 06851-3204	0.11 acres 1/36 of 3.99 acres	0.13854%
(d) Edith & Charles Huber 3901 Green Haven Ln. Goshen, KY 40026	0.06 acres 1/72 of 3.99 acres	0.06927%
(e) Nancy & Douglas Justice, Jr. P. O. Box 2883 Pikeville, KY 41502	0.11 acres 1/36 of 3.99 acres	0.13854%
(f) William J. Baird, III Box 351 Pikeville, KY 41502	0.04 acres 1/96 of 3.99 acres	0.05195%
(g) John H. Baird Box 351 Pikeville, KY 41502	0.04 acres 1/96 of 3.99 acres	0.05195%
(h) Charles J. Baird Box 351 Pikeville, KY 41502	0.04 acres 1/96 of 3.99 acres	0.05195%
(i) Jane C. Baird Box 351 Pikeville, KY 41502	0.04 acres 1/96 of 3.99 acres	0.05195%
(j) Eloise & Jack May 416 Third St. Pikeville, KY 41502	0.33 acres 1/12 of 3.99 acres	0.41563%
(k) J.K. & Sadie Charles Park Street Pikeville, KY 41502	0.33 acres 1/12 of 3.99 acres	0.41563%
(l) Betty Jane & Ralph Clevinger Rt. 3 Box 320 Pikeville, KY 41502	0.11 acres 1/36 of 3.99 acres	0.13854%
(m) Emma Joe Johnson <i>Address Unknown</i> Ivel, KY 41642	0.11 acres 1/36 of 3.99 acres	0.13854%
(n) Eugene & Cherith Charles 705 Hammond Rd. York, PA 17402-1324	0.11 acres 1/36 of 3.99 acres	0.13854%
(o) Ruth & James A. Friend 203 Hickory St. Nitro, WV 25143	0.17 acres 1/24 of 3.99 acres	0.20781%
(p) Blanche E. Charles 129 Wellington Court, Suite 109 Amherst, VA 24521	0.06 acres 1/72 of 3.99 acres	0.06927%

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Exhibit E
Unit K-3
Docket #VGOB 09-0721-2550
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
(q) James & Carol Charles 356 Montrose Rd. Monroe, VA 24574	0.06 acres 1/72 of 3.99 acres	0.06927%
(r) John & Laura K. Charles 703 Suntree Drive Westerville, OH 43081	0.06 acres 1/72 of 3.99 acres	0.06927%

Tract #5, 0.71 acres

COAL OWNERSHIP

(1) Norfolk Southern Railway Company	0.71 acres	0.8875%
<i>Royalties paid to:</i>		
Pocahontas Land Corporation Treasurer, Pocahontas Land Corporation P. O. Box 1517 Bluefield, WV 24701		

OIL & GAS OWNERSHIP

(1) George Belcher Heirs, et al (aka - Erma R. Runals, et al.)	0.71 acres	0.8875%
(a) George Belcher Estate c/o John H. Belcher 524 Maxfield Road Big Stone Gap, VA 24219	0.18 acres 1/4 of 0.71 acres	0.22188%
(b) Runals Trust c/o Andrew W. Runals, Trustee 11453 Davis Road Middleville, MI 49333	0.36 acres 1/2 of 0.71 acres	0.44375%
(c) Buchanan Realty Limited Partnership c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	0.18 acres 1/4 of 0.71 acres	0.22188%

Tract #6, 0.45 acres

COAL OWNERSHIP

(1) George Belcher Heirs, et al (aka - Erma R. Runals, et al.)	0.45 acres	0.5625%
(a) George Belcher Estate c/o John H. Belcher 521 Maxfield Road Big Stone Gap, VA 24219	0.11 acres 1/4 of 0.45 acres	0.14063%
(b) Runals Trust c/o Andrew W. Runals, Trustee 11453 Davis Road Middleville, MI 49333	0.23 acres 1/2 of 0.45 acres	0.28125%
(c) Buchanan Realty Limited Partnership c/o John C. Irvin 4710 Hunterwood Circle Richmond, TX 77469	0.11 acres 1/4 of 0.45 acres	0.14063%

Exhibit E
Unit K-3
Docket #VGOB 09-0721-2550
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
<u>OIL & GAS OWNERSHIP</u>		
(1) Norfolk Southern Railway Company	0.45 acres	0.5625%
<i>Royalties paid to:</i> Pocahontas Land Corporation Treasurer, Pocahontas Land Corporation P. O. Box 1517 Bluefield, WV 24701		

INSTRUMENT #100001302
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MAY 19, 2010 AT 02:56PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLE