

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC	)	VIRGINIA GAS
	)	AND OIL BOARD
RELIEF SOUGHT: CREATION OF THE DRILLING UNIT	)	
DEPICTED IN EXHIBIT A HERETO	)	DOCKET NO.
TO BE SERVED BY WELL G43SH	)	VGOB 10-0216-2676
(herein "Subject Drilling Unit"	)	
PURSUANT TO VA. CODE	)	
§ 45.1-361.20; AND APPROVAL OF WELL	)	
DENSITY AND WELL LOCATION IN	)	
SUBJECT DRILLING UNIT	)	

LEGAL DESCRIPTION:

SUBJECT DRILLING UNIT SERVED BY	)
WELL G43SH	)
TO BE DRILLED IN THE LOCATION	)
DEPICTED ON EXHIBIT A HERETO,	)
BRADSHAW QUADRANGLE	)
GARDEN MAGISTERIAL DISTRICT	)
BUCHANAN COUNTY, VIRGINIA	)

REPORT OF THE BOARD

FINDINGS AND ORDER

1. **Hearing Date and Place:** This matter came before the Virginia Gas and Oil Board (hereafter "Board") for final hearing at 9:00 a.m. on February 16, 2010 at the Russell County Conference Center, Lebanon, Virginia.
2. **Appearances:** Mark Swartz, Esquire, of the firm Swartz Law Offices, PLLC, appeared for the Applicant. 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. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner entitled by the VA. Code and Board Rules to Notice hereof; and (2) has represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of the Application filed herein; Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of due process.
4. **Relief Requested:** Applicant requests (1) that pursuant to Va. Code § 45.1-361.20, the Board establish Subject Drilling Unit to be served by G43SH; (2) that the proposed location of G43SH be approved.
5. **Relief Granted:** The relief requested above shall be and hereby is granted.
  - 5.1 The Board hereby: (1) establishes Subject Drilling Unit pursuant to Va. Code § 45.1-361.20; (2) allows multiple wells within the drilling unit established hereby as depicted on Exhibit A; and (3) approves the location of G43SH as depicted on Exhibit A.

6. **Special Findings:** The Board specifically and specially finds:

6.1 The proposed drilling unit is not an unreasonable or arbitrary exercise of a gas or oil owner's right to explore for or produce gas or oil.

6.2 Proposed drilling unit will not unreasonably interfere with the present or future mining of coal or other minerals.

6.3 The conventional unit for horizontal well production is a combination of **Oakwood Units F41, F42, G41 and G42**, containing approximately **320.00** acres.

The boundaries of the proposed drilling unit are depicted on Exhibit A. Said boundaries are described using the State Plane Coordinate System as required by 4 VAC 25-160-50.5.c. and are as follows:

Beginning at a point, Virginia State Plane NAD 27 coordinate of N:356389.720 E:1019929.700; feet to a point; S87°52'01"E :3725.70 feet to a point; S 02°03'01"W: 3744.61 feet to a point; N 87°51'45"W: 3726.71 feet to a point; N 02°03'56"E: 3744.33 feet to a point of beginning, containing +/- **320.00** acres.

6.4 The acreage mentioned above is to be embraced within the said drilling unit and which shall have the shape depicted in Exhibit A and further described in the Application.

6.5 The proposed **G43SH** may be drilled in the subject drilling unit at the locations indicated.

6.6 The said well shall not be subject to an allowable production.

6.7 The Board finds the subject drilling unit conforms to the mine development plan and corresponds with mine operations, including, without limitation, the drilling of multiple coalbed methane gas wells in the subject drilling unit.

7. **Mailing Of Order And Filing Of Affidavit:** Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt by the Applicant to each Respondent named in the Notice of hearing and whose address is known.

8. **Conclusion:** Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted 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 approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 28<sup>th</sup> day of Feb., 2014, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Bradley Lambert, Chairman

DONE AND EXECUTED this 28<sup>th</sup> day of Feb, 2014, by a majority of the Virginia Gas and Oil Board.

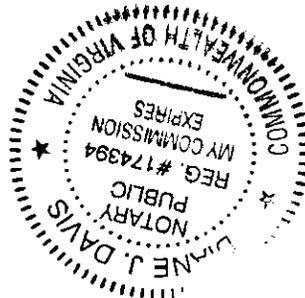
Rick Cooper  
Rick Cooper  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF RUSSELL:

Acknowledged this 28<sup>th</sup> day of Feb, 2014, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board and Rick Cooper 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 same and were authorized to do so.

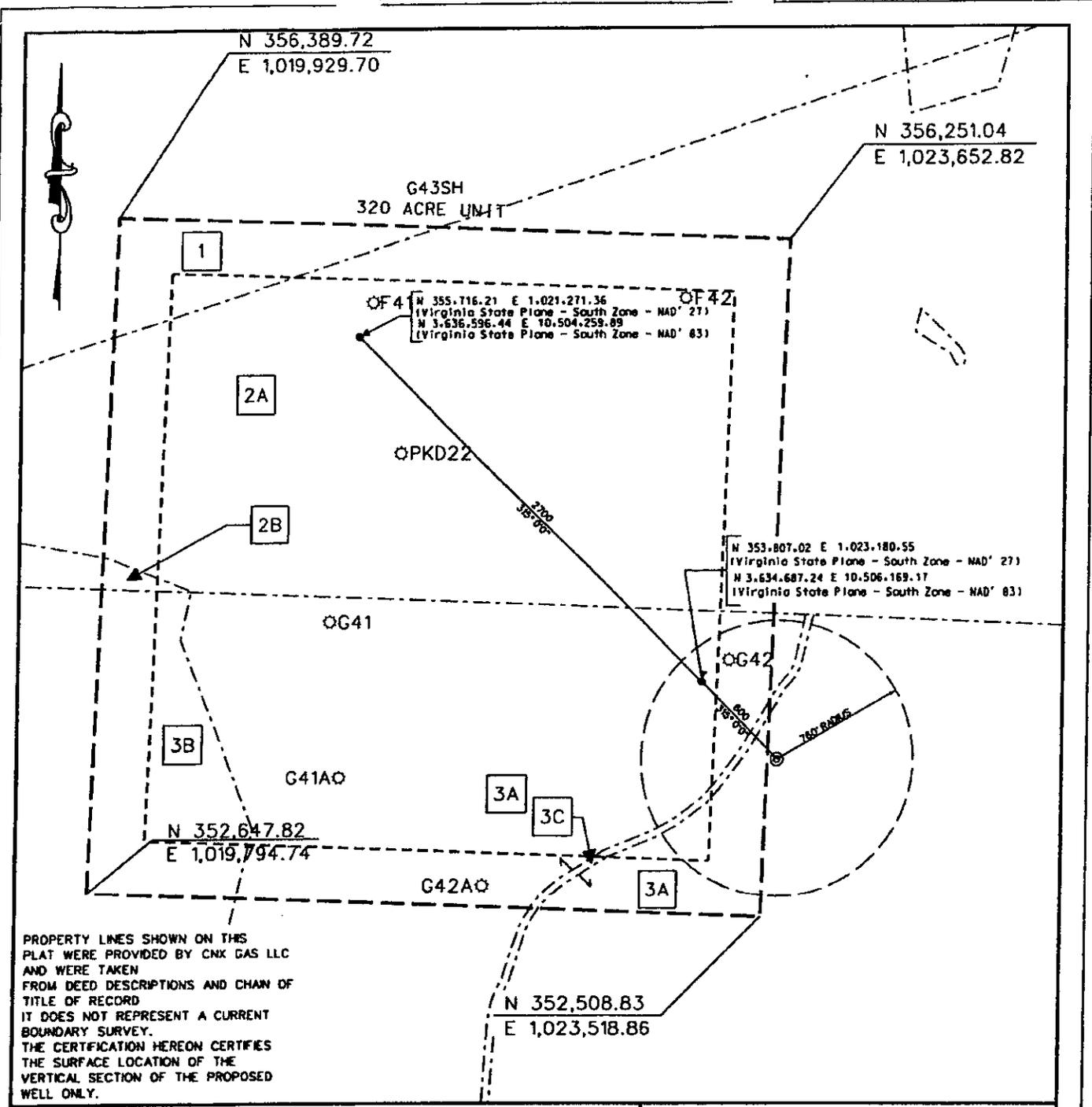
Diane J. Davis  
Diane J. Davis

My Commission Expires September 30, 2017



**Exhibit B**  
**Unit G43SH - Provisional Horizontal Drilling Unit**  
**Docket #VGOB 10-0216-2676**  
**List of all Owners/Claimants**  
**(320 Acre Unit)**

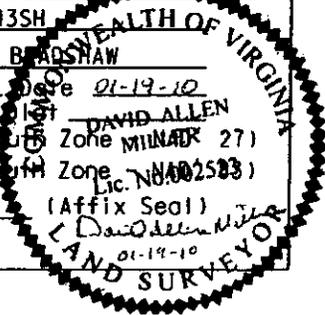
	Acres in Unit	Percent of Unit	1/8 Percent of Unit	O&G Doc. #
<b>I. OIL &amp; GAS OWNERSHIP</b>				
<b><u>Tract #1, 13.70 acres</u></b>				
(1) Pocahontas Mining LLC, Tr.69 (938.57 Acre Tract) P. O. Box 1837 Abingdon, VA 24211	13.70 acres	4.2813%	0.00535156	180341
<b><u>Tract #2, 162.69 acres</u></b>				
(1) Pocahontas Mining LLC, Tr.79 (424.29 Acre Tract) P. O. Box 1837 Abingdon, VA 24211	162.69 acres	50.8406%	0.06355078	180341
<b><u>Tract #3, 143.61 acres</u></b>				
(1) Tazewell Coal & Iron Company (1570.19 Acre Tract) c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	143.61 acres	44.8781%	0.05609766	180769



PROPERTY LINES SHOWN ON THIS  
 PLAT WERE PROVIDED BY CNX GAS LLC  
 AND WERE TAKEN  
 FROM DEED DESCRIPTIONS AND CHAIN OF  
 TITLE OF RECORD  
 IT DOES NOT REPRESENT A CURRENT  
 BOUNDARY SURVEY.  
 THE CERTIFICATION HEREON CERTIFIES  
 THE SURFACE LOCATION OF THE  
 VERTICAL SECTION OF THE PROPOSED  
 WELL ONLY.

EXHIBIT A  
 OAKWOOD FIELD  
 UNIT G43SH  
 PROVISIONAL  
 HORIZONTAL DRILLING UNIT  
 VGDB-10-0216-2676

Company CNX Gas Company LLC Well Name and Number G43SH  
 Tract No. \_\_\_\_\_ Elevation 1843.39' Quadrangle BRADSHAW  
 County BUCHANAN District GARDEN Scale: 1" = 800' Date 01-19-10  
 This plat is a new plat X; an updated plat \_\_\_\_\_; or a final plat \_\_\_\_\_  
 Well Coordinates N 353,382.76 E 1,023,604.81 (Virginia State Plane - South Zone - NAD' 27)  
 Well Coordinates N 3,634,262.98 E 10,506,593.45 (Virginia State Plane - South Zone - NAD' 83)  
 Form DGD-GD-7 David Allen Miller  
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor



**CNX Gas Company LLC**  
**UNIT G 43SH**  
**Tract Identifications**  
**(320 Acre Unit)**

1. Pocahontas Mining Limited Liability Company, Tract 69 (938.57 Acre Tract) – Fee  
Reserve Coal Properties Company – Coal in P-3 Seam and 250' Above Leased  
Jewell Smokeless Coal Corporation – Coal Above Drainage Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
13.70 acres 4.2813%
  
2. Pocahontas Mining Limited Liability Company, Tract 79 (424.29 Acre Tract) – All Minerals  
Reserve Coal Properties Company – Coal in P-3 Seam and 250' Above Leased  
Jewell Ridge Coal Corporation – Coal Above Drainage Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
162.69 acres 50.8406%
  
- 2A. Pocahontas Mining Limited Liability Company – Surface Owner  
2B. Unknown Surface Owner
  
3. Tazewell Coal & Iron Company (1570.19 Acre Tract) – All Minerals  
Reserve Coal Properties Company – Coal Below Drainage Leased  
Jewell Smokeless Coal Corp. – Jewell and Jawbone Seams Leased  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
143.61 acres 44.8781%
  
- 3A. Tazewell Coal & Iron Company – Surface Owner  
3B. Unknown Surface Owner  
3C. Commonwealth of Virginia – Surface Owner

INSTRUMENT #140000428  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
MARCH 20, 2014 AT 11:35AM

BEVERLY S. TILLERY, CLERK  
RECORDED BY: GSD