

110000805

VIRGINIA:

## BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 10-0316-2684ELECTIONS: UNIT W-83  
(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 July 30, 2010 which was recorded at Document 100002224 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on August 11, 2010, (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 W-83;

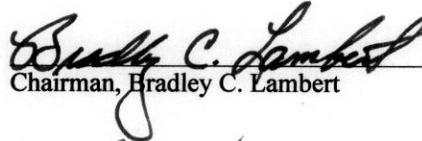
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company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

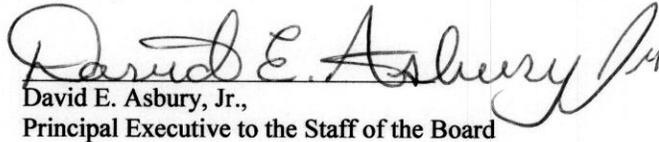
Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

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

DONE AND EXECUTED this 16 day of March, 2011, by a majority of the Virginia Gas and Oil Board.

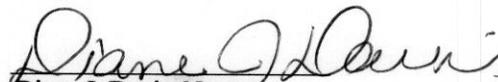
  
Chairman, Bradley C. Lambert

DONE AND PERFORMED THIS 16 day of March, 2011, 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 16<sup>th</sup> day of March, 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, 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 W-83  
VGOB 10-0316-2684 in the South Grundy District of Buchanan County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (herein "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 July 30, 2010, 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 August 11, 2010;

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 July 30, 2010;

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:

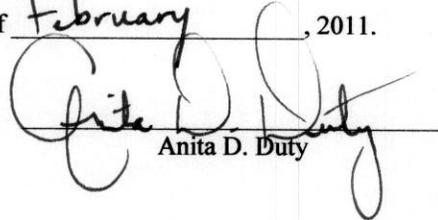
None

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

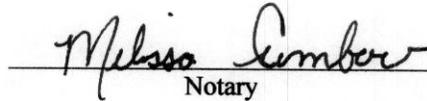
That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Bluefield, West Virginia, this 24<sup>th</sup> day of February, 2011.

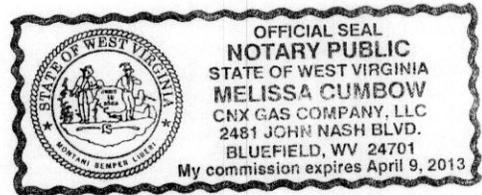
  
Anita D. Duty

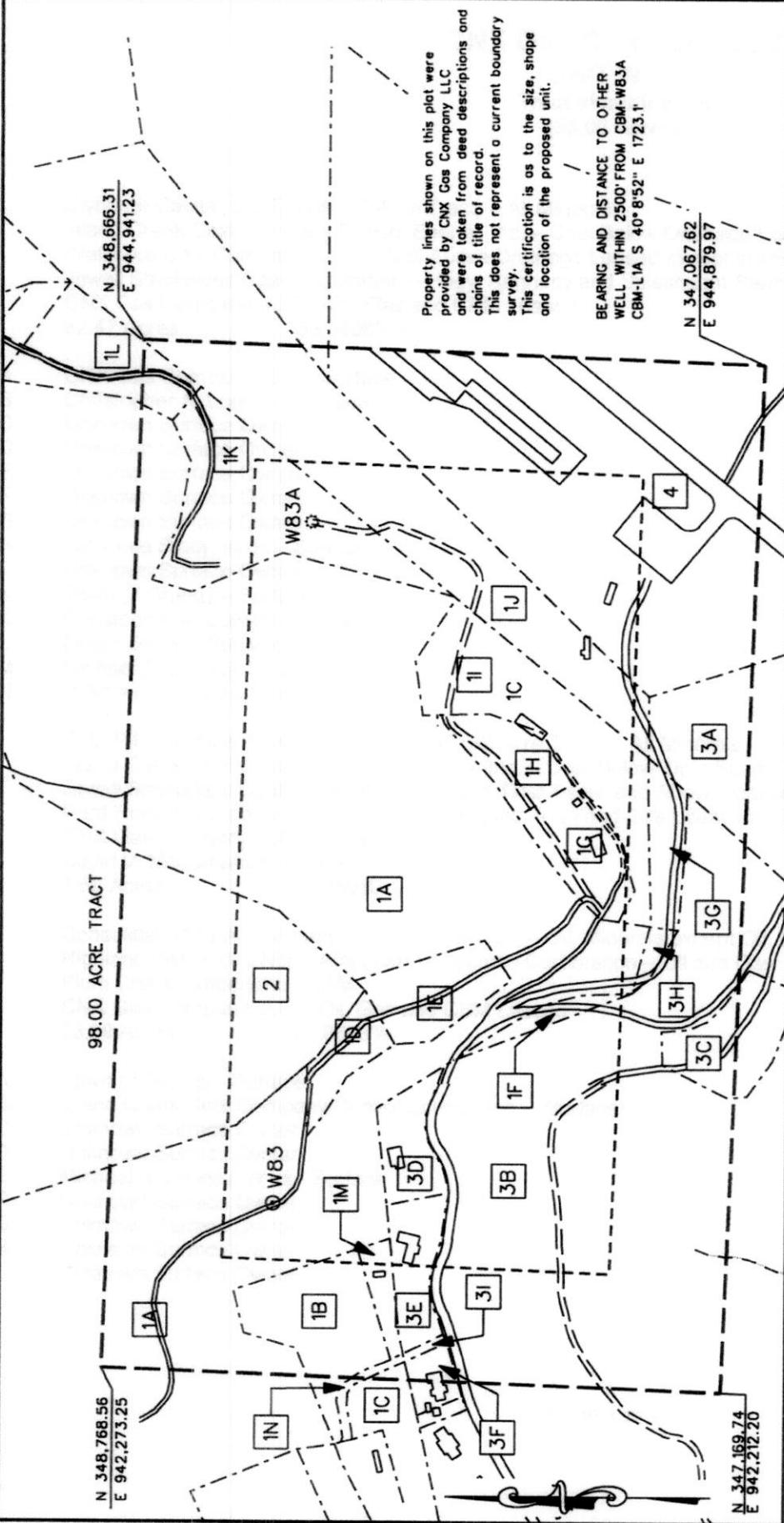
STATE OF WEST VIRGINIA  
COUNTY OF MERCER

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 24<sup>th</sup> day of February, 2011.

  
Notary

My commission expires: April 9, 2013.

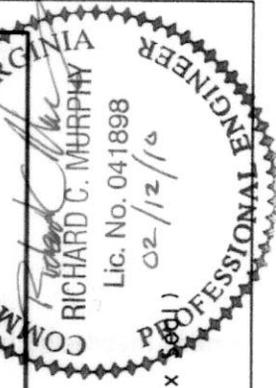




Property lines shown on this plat were provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.

BEARING AND DISTANCE TO OTHER WELL WITHIN 2500' FROM CBM-WB3A  
CBM-L1A S 40° 8' 52" E 1723.1'

EXHIBIT A  
DAKWOOD FIELD  
UNIT WB3  
FORCE OF LENGTH OF VIRGINIA  
VGOB-10-0016-2684



Company CNX Gas Company LLC Well Name and Number UNITWB3  
 Tract No.                      Elevation                      Quadrangle PRATER  
 County BUCHANAN District SOUTH GRUNDY/PRATER Scale: 1" = 400' Date                       
 This plat is a new plat X ; an updated plat                      ; or a final plat                     

(Affix Seal)

*Richard C. Murphy*  
 Licensed Professional Engineer or Licensed Land Surveyor

Form D60-G0-7  
 Rev. 9/91

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# CNX Gas Company LLC

## UNIT W-83

Tract Identification  
(98.00 Acres)

1. Clyborne Capital, L.L.C. (485.50 Acre Tract) – All Minerals  
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Drainage Leased  
Wellmore Coal Company, LLC – Coal Above Drainage Leased except the Hagy, Kennedy and Splashdam Seams  
Jewell Smokeless Coal Corporation – Hagy, Kennedy and Splashdam Seams Leased  
CNX Gas Company, LLC – Oil, Gas and CBM Leased  
52.47 Acres                      53.5408%
  
- 1A. CNX Gas Company LLC – Surface
- 1B. Christopher A. Looney - Surface
- 1C. Unknown Surface Owner
- 1D. Unknown Surface Owner
- 1E. Unknown Surface Owner
- 1F. Unknown Surface Owner
- 1G. Unknown Surface Owner
- 1H. Jerry Lee Stacy, et ux – Surface
- 1I. Unknown Surface Owner
- 1J. Town of Grundy – Surface
- 1K. Christopher A. Looney – Surface
- 1L. Dustin Stacy – Surface
- 1M. Michael A. Looney, et ux – Surface
- 1N. Unknown Surface Owner
  
2. C. L. Ritter Lumber Company, et al Tr. 47 (42 Acre Tract) – All Minerals  
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased  
Jewell Smokeless Coal Corporation – Coal In Tiller Seam and Above Leased  
Hard Rock Exploration and Carter Oil & Gas, Inc. – Oil and Gas Leased (2/3)  
CNX Gas Company LLC – CBM Leased (2/3)  
David V. McClanahan – Surface  
7.69 Acres                      7.8469%
  
3. Consolidation Coal Company (105.53 Acre Tract) – All Minerals except Oil, Gas and CBM  
Highland Resources/North American Resources Corporation – Oil and Gas  
Plum Creek Timberland - CBM  
CNX Gas Company LLC – Oil, Gas and CBM Leased  
23.39 Acres                      23.8673%
  
- 3A. Town of Grundy - Surface
- 3B. Island Creek Coal Company/Consol Energy, Inc. – Surface
- 3C. Unknown Surface Owner
- 3D. Unknown Surface Owner
- 3E. Michael A. Looney, et ux - Surface
- 3F. Unknown Surface Owner
- 3G. Unknown Surface Owner
- 3H. Unknown Surface Owner
- 3I. Unknown Surface Owner

CP

# CNX Gas Company LLC

## UNIT W-83

### Tract Identification

(98.00 Acres)

4. Consolidation Coal Company, et al Big Vein Tr. 61 (157.70 Acre Tract) – All Minerals except Oil, Gas and CBM  
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased  
Jewell Smokeless Coal Corporation – Tiller and Above Coal Leased  
Highland Resources/North American Resources Corporation, et al – Oil and Gas  
Plum Creek Timberland, et al – CBM  
CNX Gas Company LLC – Oil and Gas Leased (1/3)  
CNX Gas Company LLC –CBM Leased  
Town of Grundy – Surface  
14.38 Acres                      14.6735%
  
5. Consolidation Coal Company, et al Big Vein Tr. 62 (12.80 Acre Tract) – All Minerals except Oil, Gas and CBM  
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased  
Jewell Smokeless Coal Corporation – Tiller and Above Coal Leased  
Highland Resources/North American Resources Corporation, et al – Oil and Gas  
Plum Creek Timberland, et al – CBM  
CNX Gas Company LLC – Oil and Gas Leased (1/3)  
CNX Gas Company LLC –CBM Leased  
Town of Grundy – Surface  
0.07 Acres                      0.0714%

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**CNX Gas Company LLC**

**UNIT W-83**

**Tract Identification**

**(98.00 Acres)**

4. Consolidation Coal Company, et al Big Vein Tr. 61 (157.70 Acre Tract) – All Minerals except Oil, Gas and CBM  
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased  
Jewell Smokeless Coal Corporation – Tiller and Above Coal Leased  
Highland Resources/North American Resources Corporation, et al – Oil and Gas  
Plum Creek Timberland, et al – CBM  
CNX Gas Company LLC – Oil and Gas Leased (1/3)  
CNX Gas Company LLC –CBM Leased  
Town of Grundy – Surface  
14.38 Acres                      14.6735%
5. Consolidation Coal Company, et al Big Vein Tr. 62 (12.80 Acre Tract) – All Minerals except Oil, Gas and CBM  
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Tiller Seam Leased  
Jewell Smokeless Coal Corporation – Tiller and Above Coal Leased  
Highland Resources/North American Resources Corporation, et al – Oil and Gas  
Plum Creek Timberland, et al – CBM  
CNX Gas Company LLC – Oil and Gas Leased (1/3)  
CNX Gas Company LLC –CBM Leased  
Town of Grundy – Surface  
0.07 Acres                      0.0714%

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