

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER – **VACATE ORDER**
VGOB 11-0517-2941

ELECTIONS: **Unit AY-109** (*Wells AY109 & AY109A*)
 (herein Subject Drilling Unit)

Note: *This Order is being Vacated due to the reversal of Record No. 130306 – CNX Gas Company LLC vs. James Rasnake, et al. in the Circuit Court of Russell County on January 10, 2014*

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 **May 17, 2011**, which was recorded at **Deed Book 742, Page 719** in the Office of the Clerk of the Circuit Court of **Russell** County, Virginia, on **December 13, 2011**, (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 AY-109**;

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, 38 E. Valley Drive, Bristol, VA 24201, Attn: Escrow Agent** 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 24 day of October, 2014 by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert

Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 24th day of October, 2014, 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 the Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Sarah Jessee Gilmer
Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2017

DONE AND PERFORMED this 27 day of October, 2014 by Order of the Virginia Gas and Oil Board.

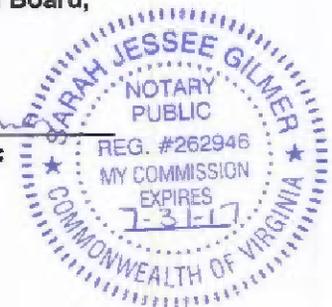
Rick Cooper

Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 27th day of October, 2014, personally before me a notary public in and for the Commonwealth of Virginia, appeared 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 he executed the same and was authorized to do so.

Sarah Jessee Gilmer
Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2017

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 AY-109
VGOB 11-0517-2941 in the New Garden District of Russell 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 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 **May 17, 2011**, 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 Abingdon, 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 13, 2011**;

That all of the Respondents identified in Exhibit B-2 and B-3 hereto have entered into voluntary agreements whereby they have leased and/or otherwise agreed with Applicant to a plan to develop their interests and claims within the unit to CBM. Hence, said unit may be voluntarily pooled.

See attached Exhibit B-2 and B-3 (*Unit is 100% under Lease*).

That after the pooling hearing held in the captioned matter, the Circuit Court of Russell County reversed Record No. 130306 – CNX Gas Company LLC vs. James Rasnake, et al. on January 10, 2014. James Rasnake, et al. was divested of their interests and claims in Tract 1B requiring their dismissal. The Operator requests that the following persons be dismissed as Respondents:

James D. Rasnake, Bobby Lee Rasnake, Donna Jean Whitt, Harold David Dye, Deborah Cook Carlock

That in light of the fact(s) described above, the unit is voluntarily pooled and it is not necessary for the Board to maintain an escrow account/sub accounts pertaining to the above referenced CBM Unit.

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 1st day of October, 2014.

Anita D. Duty
Anita D. Duty

STATE OF WEST VIRGINIA
COUNTY OF MERCER

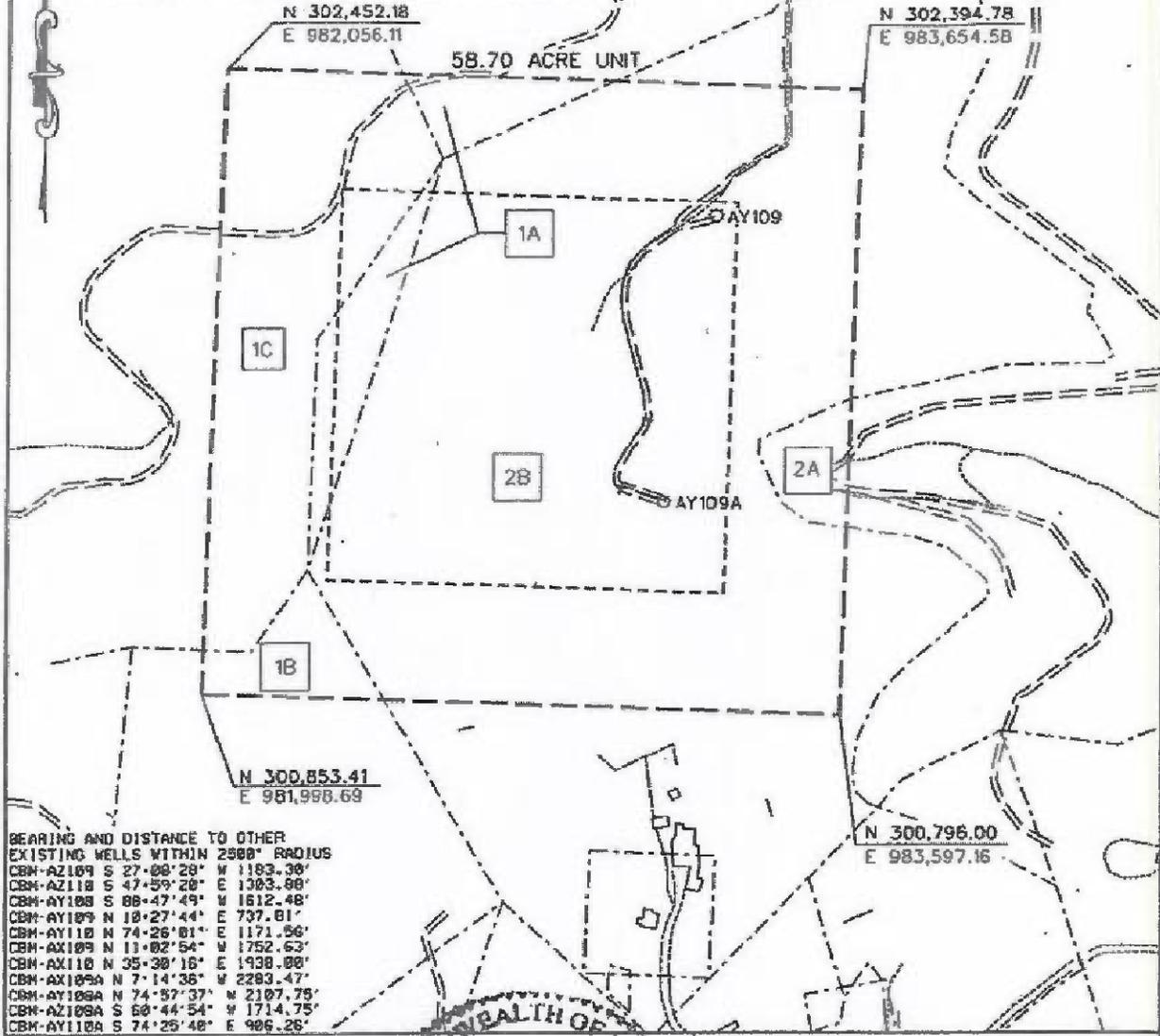
Taken, subscribed and sworn to before me by Anita D. Duty as a Pooling Supervisor for CNX Land LLC on behalf of the corporate Designated Operator, this 1st day of October, 2014.

Melissa Cumbow
Notary

My commission expires: April 9, 2023.



Property lines shown on this plot 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 EXISTING WELLS WITHIN 2500' RADIUS

CBM-AZ109	S 27°00'28"	N 1183.38'
CBM-AZ118	S 47°59'20"	E 1383.80'
CBM-AY108	S 88°47'49"	N 1612.48'
CBM-AY109	N 18°27'44"	E 737.81'
CBM-AY110	N 74°26'01"	E 1171.56'
CBM-AX109	N 11°02'54"	W 1752.62'
CBM-AX110	N 35°38'16"	E 1938.00'
CBM-AX109A	N 7°14'38"	W 2283.47'
CBM-AY109A	N 74°57'37"	N 2107.75'
CBM-AZ109A	S 60°44'54"	W 1714.75'
CBM-AY110A	S 74°25'48"	E 986.26'

- CBM WELL
- ⊙ PROPOSED HORIZONTAL WELL
- ⊕ PROPOSED CBM WELL

RICHARD C. MURPHY
 Lic. No. 041898
 4-2-11
 PROFESSIONAL ENGINEER

EXHIBIT A
MIDDLE RIDGE FIELD
UNIT AY109
FORCE POOLING
VG08-11-0517-2941

Company CNX Gas Company LLC Name and Number UNIT AY109
 Tract No. _____ Elevation _____ Quadrangle HONAKER
 County RUSSELL District NEW GARDEN Scale: 1" = 400' Date _____
 This plot is a new plot : on updated plat _____ : or a final plat _____

Form DCO-00-7 Richard C. Murphy (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

CNX GAS COMPANY LLC

Unit AY109

Tract Identifications

(58.7 Acre Unit)

- 1A. Buckhorn Coal Company (Jacob Fuller 439.04 Acre Tract) – Coal
 Knox Creek Coal Company – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Peggy Rasnake, et al – Surface, Oil and Gas
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 3.37 acres 5.7411%

- 1B. Buckhorn Coal Company (Jacob Fuller 439.04 Acre Tract) – Coal
 Knox Creek Coal Company – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Gent Enterprises, LLP – Oil and Gas
 CNX Gas Company LLC - Oil, Gas & CBM Leased
 James P. Blankenship - Surface
 1.72 acres 2.9301%

- 1C. Buckhorn Coal Company (Jacob Fuller 439.04 Acre Tract) - Fee
 Knox Creek Coal Company – Above Drainage Coal Leased
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 11.08 acres 18.8756%

- 2A. Buckhorn Coal Company (H. C. Stuart 405 Acre Tract) – Coal
 Knox Creek Coal Company – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Michael Whited, et al – Oil and Gas
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 Michael Whited – Surface
 1.20 acres 2.0443%

- 2B. Buckhorn Coal Company (H. C. Stuart 405 Acre Tract) – Coal
 Knox Creek Coal Company – Above Drainage Coal Leased
 CNX Gas Company LLC – CBM Leased
 Peggy Rasnake, et al – Surface, Oil and Gas
 CNX Gas Company LLC – Oil, Gas and CBM Leased
 41.33 acres 70.4089%

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

Exhibit B-2
Unit AY-109
Docket VGOB# 11-0517-2941
List of Owners/Claimants to be Dismissed
(58.70 Acre Unit)

BOOK 0782 PAGE 0236

	Acres in Unit	Interest in Unit	Reason for Dismissal
II. OIL & GAS OWNERSHIP			
<u>Tract #1B, 1.72 acres</u>			
(1) James D. Rasnake P.O. Box 1914 Honaker, VA 24260	1.72 acres	2.9302%	Not an Owner/Claimant
<u>CBM OWNERSHIP (Rasnake 75 Acre Tract):</u>			
<i>By Deeds dated 09/17/10, James Rasnake (DB 725/632) and Mike Rasnake (DB 725/638) conveyed an undivided one-half (1/2) interest in the CBM Estate to Buchhorn Coal Company.</i>			
(1) James Rasnake, et al. (75 Acre Tract)	1.72 acres	2.9302%	
(a) James D. Rasnake P.O. Box 1914 Honaker, VA 24260	0.86 acres 1/2 of 1.72 acres	1.4651%	Not an Owner/Claimant
(b) Mike O. Rasnake Heirs, Devisees, Successors or Assigns (1/2)			
(b.1) Peggy Rasnake, widow 73 Miller Creek Rd. Honaker, VA 24260	0.29 acres 1/6 of 1.72 acres	0.4884%	Not an Owner/Claimant
(b.2) Bobby Lee Rasnake 1233 Miller Creek Rd. Honaker, VA 24260	0.29 acres 1/6 of 1.72 acres	0.4884%	Not an Owner/Claimant
(b.3) Donna Jean Whitt 6980 Drill Rd. Honaker, VA 24260	0.29 acres 1/6 of 1.72 acres	0.4884%	Not an Owner/Claimant

Exhibit B-3
Unit AY-109
Docket VGOB# 11-0517-2941
List of all Unleased Owners/Claimants
(58.70 Acre Unit)

BOOK 0782 PAGE 0237

Acres in Unit	Interest in Unit
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This unit is 100% leased

Exhibit E
Unit AY-109
Docket VGOB# 11-0517-2941
List of Conflicting Owners/Claimants that require escrow
(58.70 Acre Unit)

BOOK 0782 PAGE 0238

Acres In Unit	Interest in Unit
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All Conflicts Resolved - Escrow is not required

Exhibit EE
Unit AY109
Docket #VGOB 11-0517-2941
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Interest in Unit
<u>Tract #1A, 3.37 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Buckhorn Coal Company (Jacob Fuller 439.04 Acre Tract) P. O. Box 187 Tazewell, VA 24651	3.37 acres	5.7411%
<u>OIL & GAS OWNERSHIP</u>		
(1) Peggy Rasnake, et al. (122 acre tract)	3.37 acres	5.7411%
(a) Mike O. Rasnake Heirs, Devisees, Successors or Assigns		
(a.1) Peggy Rasnake 73 Miller Creek Rd. Honaker, VA 24260	<i>Entitled to a Life Estate in all Royalties & Minerals</i>	
<u>Tract #1B, 1.72 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Buckhorn Coal Company (Jacob Fuller 439.04 Acre Tract) P. O. Box 187 Tazewell, VA 24651	1.72 acres	2.9301%
<u>OIL & GAS OWNERSHIP</u>		
(1) Gent Enterprises, LLP PO Box 330 Honaker, VA 24260	1.72 acres	2.9301%
<u>Tract #2A, 1.20 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Buckhorn Coal Company (H.C. Stuart 405 Acre Tract) P. O. Box 187 Tazewell, VA 24651	1.20 acres	2.0443%
<u>OIL & GAS OWNERSHIP</u>		
(1) Michael Whited, et al (aka Columbus Earl Whited Heirs) (26.40 acre tract)	1.20 acres	2.0443%
(a) Michael Whited P.O. Box 297 Swords Creek, VA 24649	0.12 acres 1/10 of 1.20 acres	0.2044%
(b) Ferrel Whited P.O. Box 1471 Honaker, VA 24260	0.22 acres 9/50 of 1.20 acres	0.3680%
(c) Marty Whited P.O. Box 881 Lebanon, VA 24266	0.22 acres 9/50 of 1.20 acres	0.3680%
(d) Cathy Darlene Ward 2014 Miller Creek Rd. Swords Creek, VA 24649	0.22 acres 9/50 of 1.20 acres	0.3680%
(e) Herald Whited 120 Clifton Farm Rd. Honaker, VA 24260	0.22 acres 9/50 of 1.20 acres	0.3680%

Exhibit EE
 Unit AY109
 Docket #VGOB 11-0517-2941
 List of Conflicting Owners/Claimants with Royalty Split Agreements

BOOK 0782 PAGE 0240

	Acres in Unit	Interest in Unit
(f) Melissa Skeens 120 Clifton Farm Rd. Honaker, VA 24260	0.22 acres 9/50 of 1.20 acres	0.3680%

Tract #2B, 41.33 acres

COAL OWNERSHIP

(1) Buckhorn Coal Company <i>(H.C. Stuart 405 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	41.33 acres	70.4089%
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OIL & GAS OWNERSHIP

(1) Peggy Rasnake, et al. <i>(122 acre tract)</i>	41.33 acres	70.4089%
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(a) Mike O. Rasnake Heirs, Devises,
Successors or Assigns

(a.1) Peggy Rasnake
73 Miller Creek Rd.
Honaker, VA 24260

Entitled to a Life Estate in all Royalties & Minerals

TOTAL CONFLICTS RESOLVED:

Acreage in Unit	47.6200	
Percentage of Unit		81.1244%

1402238

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 11-4, 2014. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 10:37 o'clock A M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to:

Sharah Gilmer

TESTED ANN S. McREYNOLDS, CLERK
 BY: Nichole Colley D. CLERK