

130000672

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 12-0417-3050

ELECTIONS: UNIT B-40
(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 June 14, 2012 which was recorded at Document 120001609 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on August 8, 2012, (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 B-40;

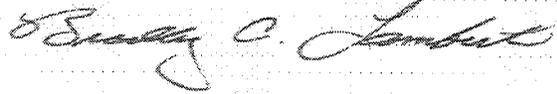
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company 38 E. Valley Drive, Bristol, VA 24201, Attn: 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 25 day of March, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 25 day of March, 2013 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 25th day of March, 2013 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 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 the same and was authorized to do so.


Diane J. Davis, Notary Public
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 Unit B-40
VGOB 12-0417-3050 in the Garden 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 June 14, 2012, 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 8, 2012;

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:

Carried Operator (Option 9.3): Gregory Poulos, Jason Poulos and Pamela Poulos

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 June 14, 2012;

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:

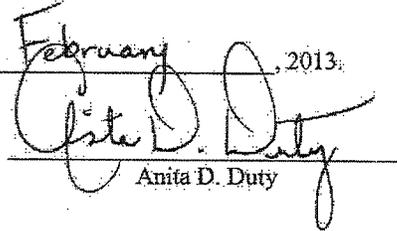
None

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.

None

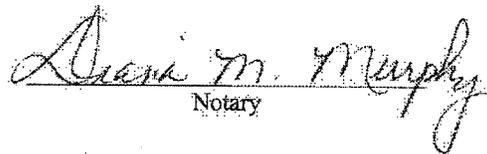
That pursuant to the provisions of VAC 25-160-70.A.10. and C, and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3, and 4.

Dated at Bluefield, West Virginia, this 27th day of February, 2013.

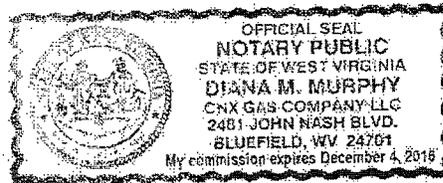

Anita D. Duty

STATE OF WEST VIRGINIA
COUNTY OF MERCER

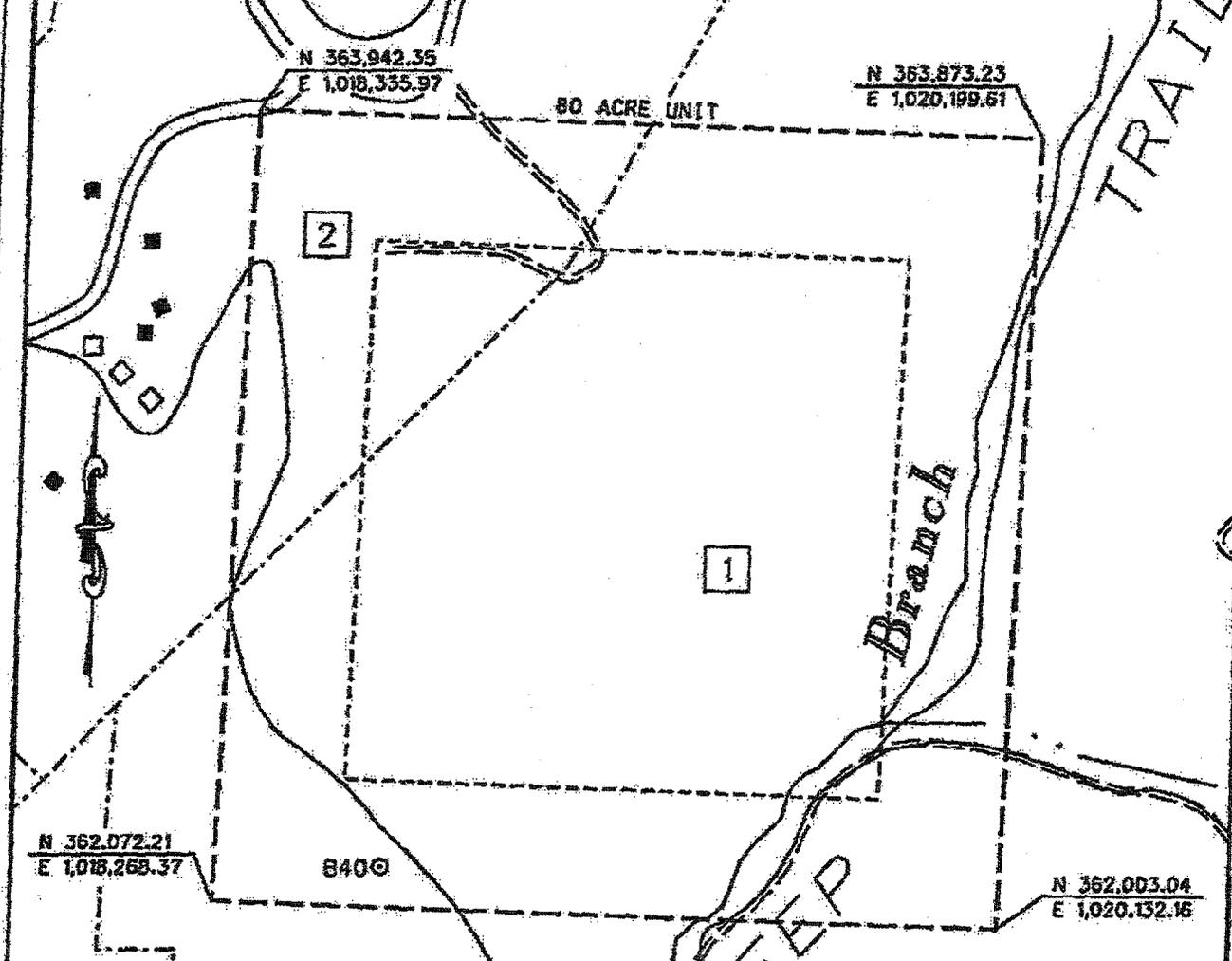
Taken, subscribed and sworn to before me by Anita D. Duty as a Pooling Supervisor for CNX Land Resources, Inc., on behalf of the corporate Designated Operator, this 27th day of February, 2013.


Notary

My commission expires: Dec. 4, 2016



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.



BEARINGS AND DISTANCES TO OTHER WELLS WITHIN 2,500' RADIUS OF CBM-B40
 GEOMET 275 N 81° 49' 53" W 1964.36'
 CBM-C39 S 66° 57' 35" W 2049.26'
 CBM-C40A S 10° 54' 22" W 1709.15'

○ CBM WELL
 ⊙ PROPOSED CBM WELL

COMMONWEALTH OF VIRGINIA
 Richard C. Murphy
 RICHARD C. MURPHY
 Lic. No. 041898
 03-09-12
 PROFESSIONAL ENGINEER

EXHIBIT A
 OAKWOOD FIELD
 UNIT 840
 FORCE POOLING
 VG08-12-0417-3050

Company CNX Gas Company LLC Well Name and Number UNIT 840
 Tract No. _____ Elevation _____ Quadrangle BRADSHAW
 County BUCHANAN District GARDEN Scale: 1" = 400' Date _____
 This plot is a new plot X ; an updated plot _____ ; or a final plot _____

Form OGD-60-T Richard C. Murphy (Affix Seal)
 Rev. 9/91 Richard C. Murphy
 Licensed Professional Engineer or Licensed Land Surveyor

CNX Gas Company LLC

UNIT B40

Tract Identifications

1. **Pocahontas Mining Limited Liability Company Tr.78 (202.36 Acre tract) – Fee**
Reserve Coal Properties Company – Coal In P-3 Seam and 250' Above Leased
Jewell Smokeless Coal Corporation – Red Ash, Jawbone and Tiller Seam Leased
Revelation Energy, LLC – Coal Above Red Ash Seam Leased
Cabot Oil and Gas Corporation – Oil and Gas Leased
CNX Gas Company LLC – CBM Leased
66.28 acres 82.8500%

2. **LBR Holdings, LLC (159.30 Acre Tract) – All Coal**
Island Creek Coal Company/Consol Energy, Inc. – Coal Below Jawbone Seam Leased
Reserve Coal Properties Company – P-3 Seam Subleased
Jewell Smokeless Coal Corporation – Coal In Jawbone Seam and Above Leased
LBR Holdings, LLC, et al – Oil and Gas
EQT Production Company – Oil and Gas Leased (75%)
CNX Gas Company LLC – CBM Leased (Geomet Farmout) (75%)
Unknown Surface Owner
13.72 acres 17.1500%

"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-3
 Unit B-40
 Docket #VGOB 12-0417-3050
 List of all Unleased Owners/Claimants

		Acres in Unit	Percent of Unit	Election
II. OIL & GAS OWNERSHIP:				
<u>Tract #2, 13.72 Acres</u>				
(1)	LBR Holdings, LLC, et al. (159.30 Acre Tract)	13.72 acres	17.1500%	
(b)	T.G. Rogers, III 3014 Shalford Lane, Matthews, NC 28104	0.43 acres 1/32 of 13.72 acres	0.5359%	Deemed Leased
(c)	Derek Browning Rogers 2300 Carmel Road Charlotte, NC 28226	0.43 acres 1/32 of 13.72 acres	0.5359%	Deemed Leased
(d)	Kevin Rogers 139 Wickham Rd, Garden City, NY 11530	0.43 acres 1/32 of 13.72 acres	0.5359%	Deemed Leased
(e)	Shaun Rogers 121 NE 100th St. Miami Shores, FL 32907-2423	0.43 acres 1/32 of 13.72 acres	0.5359%	Deemed Leased
(f)	Gregory Poulos 1894 Glenwood St., SE Palm Bay, FL 32907-2423	0.57 acres 1/24 of 13.72 acres	0.7146%	Carried Operator
(g)	Jason Poulos 10870 SW 95 St. Miami, FL 33176	0.57 acres 1/24 of 13.72 acres	0.7146%	Carried Operator
(h)	Pamela Poulos 5000 SW 83rd St. Miami, FL 33143-8510	0.57 acres 1/24 of 13.72 acres	0.7146%	Carried Operator
<u>TOTAL OIL & GAS ESTATE:</u>				
		Acres in Unit Unleased	3.43	
		Percentage of Unit Unleased	4.2875%	

Exhibit E
 Unit B-40
 Docket #VGSB 12-0417-3050
 List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
Tract #2, 13.72 Acres		
<i>Only 1/4 interest should be escrowed due to conflicting CBM claim</i>		
COAL OWNERSHIP	13.72 acres	17.1500%
(1) LBR Holdings, LLC P.O. Box 22427 Lexington, KY 40522-2427 (159.30 Acre Tract)	3.43 acres 1/4 of 13.72 acres	4.2875%
OIL & GAS OWNERSHIP		
(1) LBR Holdings, LLC, et al. (159.30 Acre Tract)	13.72 acres	17.1500%
(b) T.G. Rogers, III 3014 Shalford Lane Matthews, NC 28104	0.43 acres 1/32 of 13.72 acres	0.5359%
(c) Derek Browning Rogers 2300 Carmel Road Charlotte, NC 28226	0.43 acres 1/32 of 13.72 acres	0.5359%
(d) Kevin Rogers 139 Wickham Rd. Garden City, NY 11530	0.43 acres 1/32 of 13.72 acres	0.5359%
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(f) Gregory Poulos 1894 Glenwood St., SE Palm Bay, FL 32907-2423	0.57 acres 1/24 of 13.72 acres	0.7146%
(g) Jason Poulos 10870 SW 95 St. Miami, FL 33176	0.57 acres 1/24 of 13.72 acres	0.7146%
(h) Pamela Poulos 5000 SW 83rd St. Miami, FL 33143-8510	0.57 acres 1/24 of 13.72 acres	0.7146%
TOTAL CONFLICTS:		
	Acreage in Unit	3.43
	Percentage of Unit	4.2875%

INSTRUMENT #130000672
 RECORDED IN THE CLERK'S OFFICE OF
 BUCHANAN COUNTY ON
 APRIL 23, 2013 AT 01:54PM

BEVERLY S. TILLER, CLERK
 RECORDED BY: GGB