

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER
VGOB 15-0915-4074

ELECTIONS: **UNIT K-1** (*Wells K1 & K1A*)
(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 **September 18, 2015** which was recorded at **Document 150001668** in the Office of the Clerk of the Circuit Court of **Buchanan** County, Virginia, on **October 9, 2015**, (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-1**;

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 20 day of February, 2016 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 20 day of February, 2016 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.

Sally Settle Ketron
Sally Settle Ketron, Notary Public
7623162

My Commission expires: January 31, 2019

DONE AND PERFORMED this 21 day of February, 2016 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 21 day of February, 2016, 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.

Sally Settle Ketron
Sally Settle Ketron, Notary Public
7623162

My Commission expires: January 31, 2019

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 K-1**
VGOB 15-0915-4074 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 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 **September 18, 2015**, 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 **October 9, 2015**;

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 **September 18, 2015**;

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 Cedar Bluff, Virginia, this 29th day of January, 2016.

Anita D. Duty
Anita D. Duty

STATE OF VIRGINIA
COUNTY OF TAZEWELL

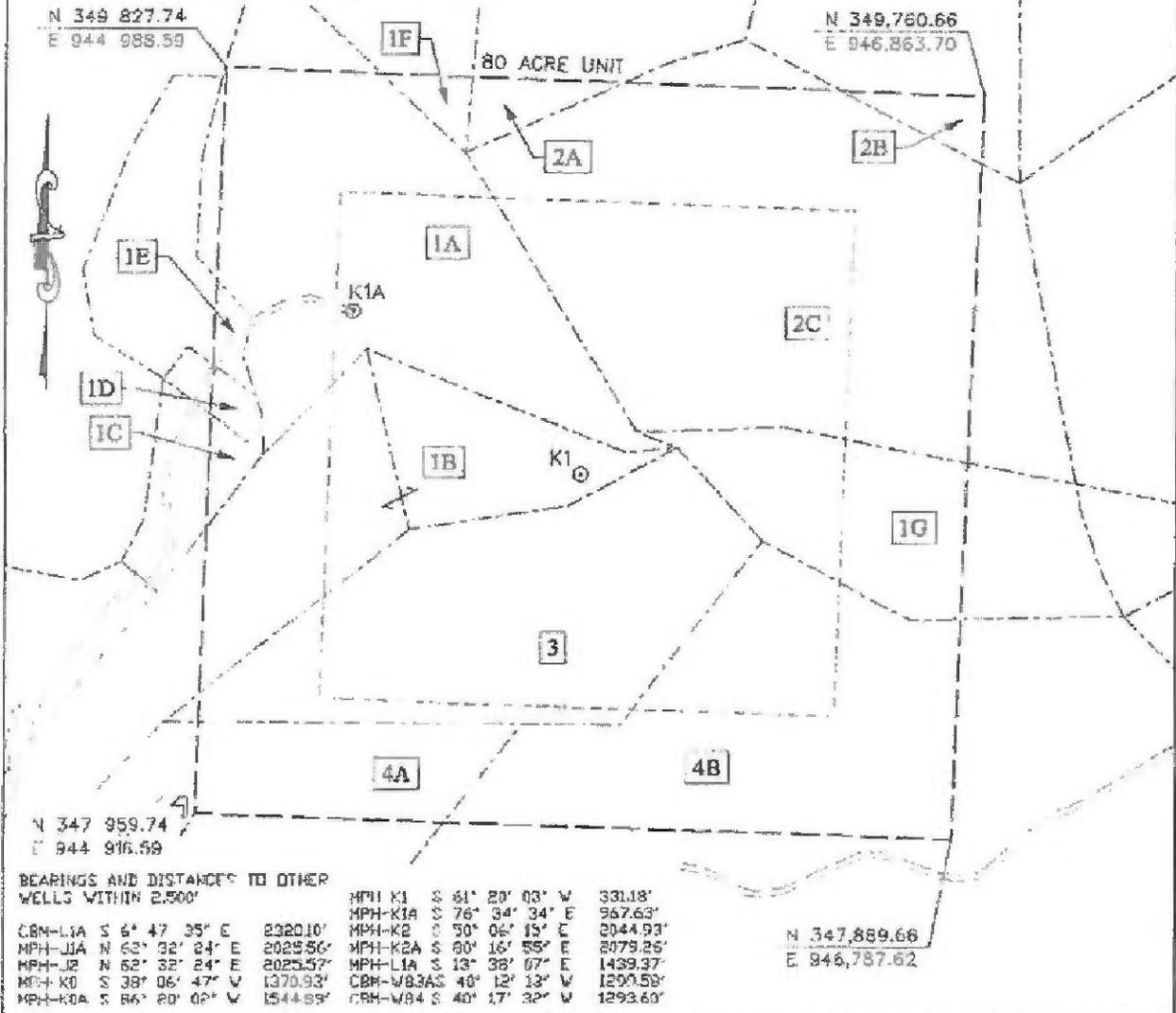
Taken, subscribed and sworn to before me by Anita D. Duty as a Pooling Supervisor for CNX Land LLC, on behalf of the corporate Designated Operator, this 29th day of January, 2016.

Melissa Dawn Cumbow
Notary

My commission expires: 12/31/2019.



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 HEREOF CERTIFIES THE LOCATION OF THE PROPOSED WELL ONLY.



○ CNX WELL
 ⊙ PROPOSED CNX WELL

Digitally signed by James R Dills Jr.
 Dn: c=US, o=idenTrust ACES
 Business Representative, ou=D. R.
 PRICE ENGINEERING AND LAND
 SURVEYING INC PC, cn=James R
 Dills Jr.,
 o=2342.18200300.700.1.1-A0109
 69000001260170115300027 EA
 Date: 2015.07.27 11:26:15 -0400'

EXHIBIT A
 OAKWOOD FIELD
 UNIT K1
 FORCE POOLING
 VGOB-15-0915-4074

Company CNX Gas Company LLC Well Name and Number UNIT K1
 Tract No. _____ Elevation _____ Quadrangle VANSANT
 County BUCHANAN District SOUTH GRUNDY Scale: 1" = 400' Date _____
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form 060-GO-7 (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

**CNX Gas Company LLC
UNIT K1
Tract Identifications**

1. Clyborne Capital, LLC (485.25 Acre Tract) – Minerals
Island Creek Coal Company – Coal Below the Tiller Seam Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
29.18 Acres 36.4750%

- 1A. Samuel J. Breeding, Jr. Revocable Trust, et al – Surface
- 1B. Unknown Surface Owner
- 1C. Dustin Stacy – Surface
- 1D. John B. Coleman – Surface
- 1E. Bryan Looney – Surface
- 1F. Unknown Surface Owner
- 1G. Unknown Surface Owner

2. James S. Thompson, et al (181.29 Acre Tract) – Coal Above Drainage
James S. Thompson, Trustee, et al – Coal Below Drainage, Oil and Gas
Jewell Smokeless Coal Corporation – Tiller and Above Coal Leased
Island Creek Coal Company – Coal Below Tiller Seam Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased (75.00%)
21.33 Acres 26.6625%

- 2A. Unknown Surface Owner
- 2B. Unknown Surface Owner
- 2C. Unknown Surface Owner

3. CONSOL Buchanan Mining Company LLC, et al Big Vein Tr. 60 (12.90 Acre Tract) – Coal
Island Creek Coal Company - Coal Below Tiller Seam Leased
CONSOL Buchanan Mining Company LLC – P3 Seam Subleased
Jewell Smokeless Coal Corporation – Tiller and Above Coal Leased
Highland Resources/North American Resources Corporation, et al – Oil and Gas
Plum Creek Timberland (1/3) - CBM
CNX Gas Company LLC - CBM Leased
Unknown Surface Owner
12.73 Acres 15.9125%

4. CONSOL Buchanan Mining Company LLC, et al Big Vein Tr. 61 (157.70 Acre Tract) – Coal
Island Creek Coal Company - Coal Below Tiller Seam Leased
CONSOL Buchanan Mining Company LLC – P3 Seam Subleased
Jewell Smokeless Coal Corporation – Tiller and Above Coal Leased
Highland Resources/North American Resources Corporation, et al – Oil and Gas
Plum Creek Timberland (1/3) - CBM
CNX Gas Company LLC – CBM Leased
16.76 Acres 20.9500%

- 4A. Unknown Surface Owner
- 4B. Unknown Surface Owner

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

	Acres in Unit	Percent of Unit
II. OIL & GAS OWNERSHIP		
<u>Tract #2, 21.33 acres</u>		
(f) James S. Thompson, et al (181.29 Acre Tract)	21.33 acres	26.6625%
(e) Irene Harris Heirs, Devisees, Successors or Assigns		
(e.1) George B. Harris, Jr. 11 Luzanne Circle San Anselmo, CA 94960	0.30 acres 1/72 of 21.33 acres	0.3703%
<u>TOTAL OIL & GAS ESTATE:</u>		
Acreage in Unit Unleased	0.30	
Percentage of Unit Unleased		0.3703%

INSTRUMENT #160000461
 RECORDED IN THE CLERK'S OFFICE OF
 BUCHANAN COUNTY ON
 MARCH 22, 2016 AT 03:25PM

BEVERLY S. TILLER, CLERK
 RECORDED BY: GGB