

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO.: VGOB 13-0917-4024

RELIEF SOUGHT: POOLING

LOCATION: SEE EXHIBITS "A" AND "A1"

HEARING DATE: September 17, 2013

UNIT NUMBER: BI-116

IN THE MIDDLE RIDGE I COALBED METHANE GAS FIELD

RUSSELL COUNTY, VIRGINIA

APPLICATION

1. **Applicant and its counsel:** Applicant is CNX Gas Company LLC, 2481 John Nash Blvd., Bluefield, West Virginia 24701, 304/323-6500. Applicant's counsel is Mark A. Swartz, Esquire, of the firm Swartz Law Offices, PLLC, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.

2. **Relief sought:** Pooling under Middle Ridge I Coalbed Methane Gas Field.

3. **Legal Authority:** Va. Code Ann. §45.1-361.1 et seq. 4 VAC 25-160-10 et seq. and relevant Virginia Gas and Oil Board Orders heretofore promulgated pursuant to law including VGOB 00-10/17-0835.

4. **Type of well(s):** Coalbed methane, including increased density wells as required by mining plans.

5. **Permit numbers, if any:** CBM-BI116 Permit #6088

6. **Plat:** Annexed hereto are Exhibit A and the Tract Identifications Schedule to Exhibit A. The Plat shows the size and shape of the unit and the boundaries of the tracts within the unit. The plat is certified by a licensed professional engineer and is attested by the undersigned on behalf of the applicant to be in conformity with existing orders issued by the Board.

7. **Status of interests to be pooled and Applicant's standing:** The respondents whose interests are sought to be pooled by the Applicant are:

Elizabeth Bausell Ryan, Jill Bausell Norris, Tommy Worley, Patricia Ann Thomas, Connie Thomas

Further, said respondents are listed in Exhibit B-3 hereto which describes their interests/claims. The respondents and others whose interests are subject to escrow under §45.1-361.21.D. are identified at Exhibit E. The annexed Exhibit A, page 2, sets forth the total interest(s) held by the Applicant in the unit.

8. **Formation(s) to be produced and estimates:** All coal seams and associated strata below the Jawbone 1 seam of coal all as more particularly described in the annexed proposed order. The estimated total production from subject unit is 125 to 550 MMCF. The estimated amount of reserves from the subject drilling unit is 125 to 550 MMCF. These figures concerning estimated production and the amount of reserves are, however, estimates only that are not based upon actual production and should not be relied upon for any purpose. It should

not be assumed that final production before plugging and abandonment will equal estimated reserves.

9. **Estimate of allowable costs:** \$598,559.00 See Exhibit C which estimates/reports the costs associated for frac production. However, in the event of gob production, the costs of any such additional wells, subject to Board approval, may be allocated to the subject unit by the Operator.

10. **Attestation:** The foregoing application, to the best of my knowledge, information, and belief, is true and correct.

CNX Gas Company LLC

Applicant

By: 

Anita D. Duty

Pooling Supervisor

CNX Land Resources Inc.

2481 John Nash Blvd.

Bluefield, WV 24701

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO. VGOB 13-0917-4024

RELIEF SOUGHT: POOLING

UNIT NUMBER: BI-116

NOTICE OF HEARING

HEARING DATE: September 17, 2013
PLACE: Russell County Conference Center
135 Highlands Drive
Lebanon, Virginia 24266
TIME: 9:00 AM

COMMONWEALTH OF VIRGINIA:

To: *Elizabeth Bausell Ryan, Jill Bausell Norris, Tommy Worley, Patricia Ann Thomas, Connie Thomas*

1. **Applicant and its counsel:** Applicant is CNX Gas Company LLC, 2481 John Nash Blvd., Bluefield, West Virginia 24701, 304/323-6500. Applicant's counsel is Mark A. Swartz, Esquire, of the firm Swartz Law Offices, PLLC, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.
2. **Relief sought:** Pooling
3. **Proposed provisions of order:** (a) Pooling all the interests and estates of the persons named above in coalbed methane in the unit in question; (b) Establishing a procedure whereby each respondent shall have the right to make elections; (c) Providing that any respondent who does not make a timely election shall be deemed to have leased or assigned his coalbed methane gas interests to the applicant at a rate to be established by the Board; (d) Designating CNX Gas Company LLC as Unit Operator; (e) Making any necessary provisions for the escrow of funds; (f) Granting such other relief as is merited by the evidence and is just and equitable, whether or not such relief has been specifically requested herein.
4. **Legal Authority:** Va. Code Ann. §45.1-361.1 et seq. 4 VAC 25-160-10 et seq. and relevant Virginia Gas and Oil Board Orders heretofore promulgated pursuant to law including VGOB 00-10/17-0835.
5. **Type of well(s):** Coalbed methane.
6. **Plat:** Annexed hereto are Exhibit A, Exhibit A1 and the Tract Identifications Schedule to Exhibit A. The Plat shows the size and shape of the unit and the boundaries of the tracts within the unit. The Tract Identification Schedule to Exhibit A shows the percentage of acreage in each tract. The plat is certified by a licensed professional engineer and is attested by the undersigned on behalf of the applicant to be in conformity with existing orders issued by the Board.
7. **Your interest or claim sought to be pooled by this Application pertains to coalbed methane gas.**
8. **Formation(s) to be produced and estimates:** All coal seams and associated strata below the Jawbone 1 seam of coal all as more particularly described in the annexed proposed order. The estimated total production from subject unit is **125 to 550** MMCF. The estimated amount of reserves from the subject drilling unit is **125 to 550** MMCF. These figures concerning estimated production and the amount of reserves are, however, estimates only that are not based upon actual production and should not be relied upon for any purpose. It should not be assumed that final production before plugging and abandonment will equal estimated reserves.

9. Estimate of allowable costs: \$598,559.00

10. Attestation: The foregoing notice to the best of my knowledge, information, and belief is true and correct.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at 9:00 AM, on **September 17, 2013**, at the Russell County Conference Center, Lebanon, Virginia 24266, and that notice will be published as required by law and the rules of the Board.

NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. For further information or a copy of the application and exhibits, either contact the Virginia Gas and Oil Board, State Oil and Gas Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P. O. Box 159, Lebanon, Virginia 24266, 276/415-9650 or the Applicant at the address shown below.

DATED: 8 | 16 | 13

CNX Gas Company LLC
Applicant

By: 

Anita D. Duty
Pooling Supervisor
CNX Land Resources Inc.
2481 John Nash Blvd.
Bluefield, WV 24701

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.

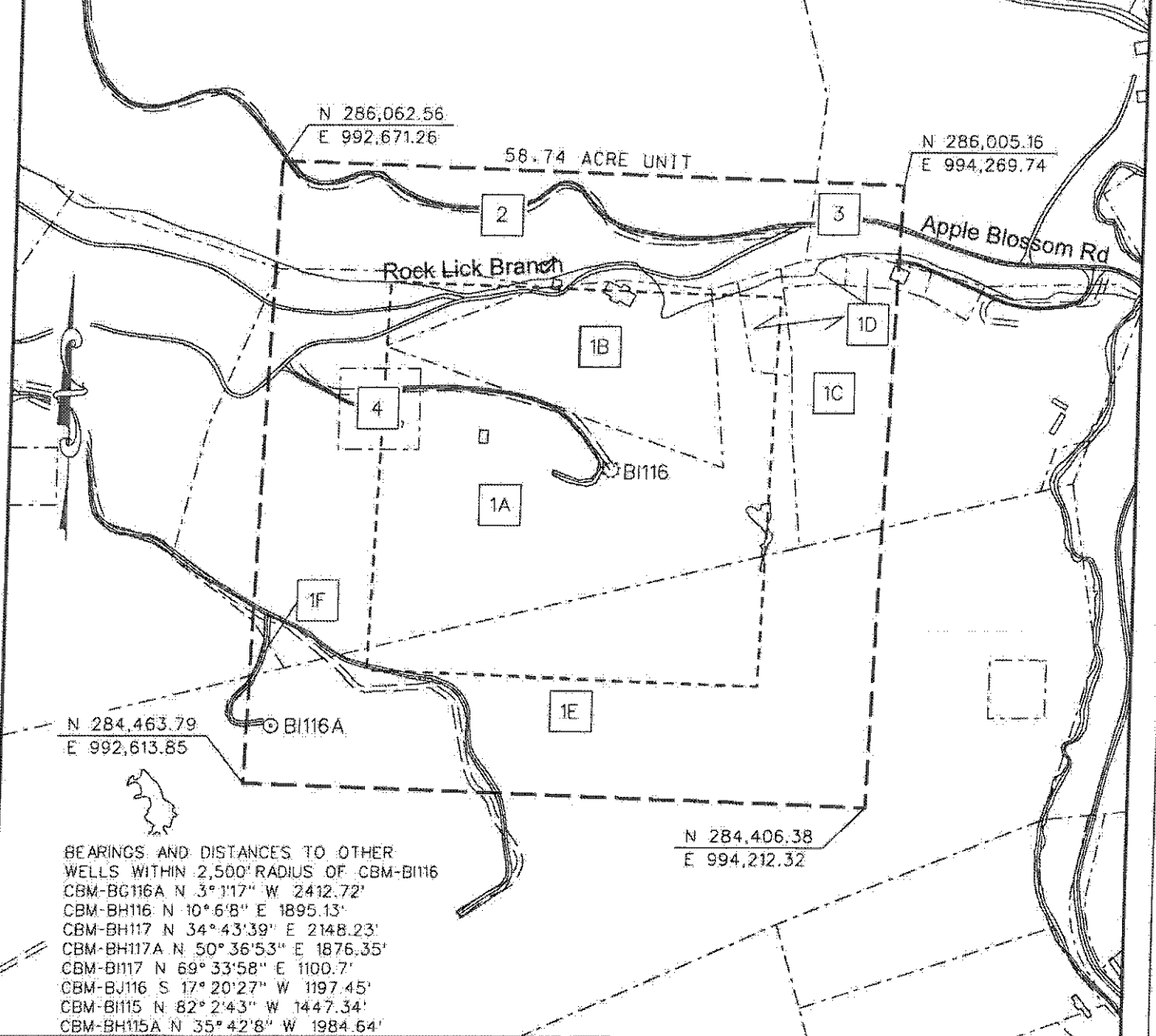


EXHIBIT A
MIDDLE RIDGE FIELD
UNIT BI116
FORCE POOLING
VGOB-13-0917-4024

Company CNX Gas Company LLC Well Name and Number UNIT BI116

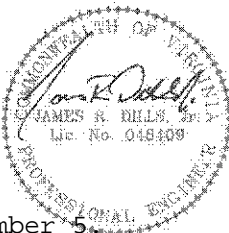
Tract No. _____ Elevation _____ Quadrangle HONAKER

County RUSSELL District NEW GARDEN

This plat is a new plat X or an updated plat _____

Form DGO-GO-7
Rev. 9/91

Licensed Professional Engineer



Digitally signed by James R. Dills
or Final plat
DN: cn=James R Dills Jr., c=US,
o=IdenTrust ACES Business
Representative, ou=D. R. PRICE
ENGINEERING AND LAND
SURVEYING INC PC

CNX Gas Company LLC
UNIT B1116
Tract Identifications
(58.74 Acre Unit)

1. Letha F. Vandyke, et al (199.00 Acre Tract) – All Minerals
Harold Keen Coal Company – All Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased (97.5694%)
48.21 acres 82.0736%

- 1A. Burley Dye, et ux - Surface
- 1B. Unknown Surface Owner
- 1C. Unknown Surface Owner
- 1D. Unknown Surface Owner
- 1E. Unknown Surface Owner
- 1F. Unknown Surface Owner

2. Buckhorn Coal Company Tr. 18 (250 Acre Warder #13 Tract) – Fee
Knox Creek Coal Company – Above Drainage Coal Leased
Reserve Coal Properties Company – Below Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
8.53 acres 14.5216%

3. Buckhorn Coal Company (18.43 Acre Tract) - Fee
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
1.04 acres 1.7705%

4. Burley Dye, et ux – Fee
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.96 acres 1.6343%

"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
Unit BI-116
VGOB# 13-0917-4024
List of all Owners/Claimants
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
I. COAL OWNERSHIP		
<u>Tract #1, 48.21 acres</u>		100.0000%
(1) Letha F. Vandyke, et al. (199.00 Acre Tract)	48.21 acres	82.0736%
(a) Robert Vandyke Heirs, Devisees, Successors or Assigns		
(a.1) Letha F. Vandyke Box 864 Lebanon, VA 24266	7.59 acres 17/108 of 48.21 acres	12.9190%
(a.2) Geneva Crabtree 15500 Chantilly Way Abingdon, VA 24210	7.59 acres 17/108 of 48.21 acres	12.9190%
(a.3) Mildred Jones 2203 Hays Street Fredericksburg, VA 22401	7.59 acres 17/108 of 48.21 acres	12.9190%
(a.4) Bobbie Quinn 5940 East River Road Tucson, AZ 85716	7.59 acres 17/108 of 48.21 acres	12.9190%
(a.5) W.R. Vandyke 15500 Chantilly Way Abingdon, VA 24210	7.59 acres 17/108 of 48.21 acres	12.9190%
(a.6) Mary Tharp 56 Wellington Colony Dr. Little Rock, AR 72211	7.59 acres 17/108 of 48.21 acres	12.9190%
(b) C.W. Worley Heirs, Devisees, Successors or Assigns:		
(b.1) Elizabeth Worley - Life Estate extinguished at death		
(b.2) W.B. Worley	<i>Conveyed interest to Charles T. & Ann Worley (DB116/383)</i>	
(b.3) Ella Green	<i>Conveyed interest to Charles T. & Ann Worley (DB116/383)</i>	
(b.4) Buell T. Worley	<i>Conveyed interest to Charles T. & Ann Worley (DB116/384)</i>	
(b.5) Arch B. Worley	<i>Conveyed interest to Charles T. & Ann Worley (DB116/386)</i>	
(b.6) Clyde H. Worley	<i>Conveyed interest to Charles T. & Ann Worley (DB116/386)</i>	
Charles T. Worley & Ann Worley	<i>Conveyed 1/2 of their 1/36 interest to Elizabeth Worley</i>	
(c) K.R. Thomas Heirs, Devisees, Successors or Assigns:		
(c.1) Nancy Smith Thomas - Life Estate extinguished at death		
(c.2) Peggy Bausell Heirs, Devisees, Successors or Assigns		
(c.2.1) Kemper Bausell PO Box 169 Grundy, VA 24614	0.45 acres 1/108 of 48.21 acres	0.7599%
(c.2.2) Elizabeth Bausell Ryan 402 Blue Heron Point Suffolk, VA 23435	0.45 acres 1/108 of 48.21 acres	0.7599%
(c.2.3) Jill Bausell Norris 4245 Dayle Acres Rd. Suffolk, VA 23435	0.45 acres 1/108 of 48.21 acres	0.7599%

Exhibit B
Unit BI-116
VGQB# 13-0917-4024
List of all Owners/Claimants
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
(d) Charles T. Worley & Ann Worley <i>Conveyed 1/2 of 1/36th interest to Elizabeth Worley</i>		
(d.1) Charles T. Worley Heirs, Devisees, Successors or Assigns		
(d.1.1) Ann Worley Heirs, Devisees, Successors or Assigns		
(d.1.1.1) Timmy Worley 1030 Street Road Kingston Springs, TN 37082	0.22 acres 1/216 of 48.21 acres	0.3800%
(d.1.1.2) Margaret Ann Worley Burns 108 Bexley Road Mooresville, NC 28117	0.22 acres 1/216 of 48.21 acres	0.3800%
(d.1.1.3) Tommy Worley 1161/335 Spot Lane Holly Ridge, NC 28445	0.22 acres 1/216 of 48.21 acres	0.3800%
(e) Elizabeth Worley Heirs, Devisees, Successors or Assigns		
(e.1) Patricia Ann Thomas <i>Address Unknown</i>	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.2) Connie Thomas <i>Address Unknown</i>	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.3) Kemper Bausell PO Box 169 Grundy, VA 24614	0.08 acres 1/576 of 48.21 acres	0.1425%
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(e.7) Timmy Worley 1030 Street Road Kingston Springs, TN 37082	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.8) Margaret Ann Worley Burns 108 Bexley Road Mooresville, NC 28117	0.08 acres 1/576 of 48.21 acres	0.1425%
<u>Tract #2, 8.53 acres</u>		
(1) Buckhorn Coal Company, Tr. 18 <i>(250 Acre Warder #13 Tract)</i> P. O. Box 187 Tazewell, VA 24651	8.53 acres	14.5216%
<u>Tract #3, 1.04 acres</u>		
(1) Buckhorn Coal Company <i>(18.43 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	1.04 acres	1.7705%
<u>Tract #4, 0.96 acres</u>		
(1) Burley Dye, et ux P.O. Box 191 Swords Creek, VA 24649	0.96 acres	1.6343%

Exhibit B
Unit BI-116
VGOB# 13-0917-4024
List of all Owners/Claimants
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
II. OIL & GAS OWNERSHIP		
Tract #1, 48.21 acres		100.0000%
(1) Letha F. Vandyke, et al. (199.00 Acre Tract)	48.21 acres	82.0736%
(a) Robert Vandyke Heirs, Devisees, Successors or Assigns		
(a.1) Letha F. Vandyke Box 864 Lebanon, VA 24266	7.59 acres 17/108 of 48.21 acres	12.9190%
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(b.5) Arch.B. Worley	<i>Conveyed interest to Charles T. & Ann Worley (DB116/386)</i>	
(b.6) Clyde H. Worley	<i>Conveyed interest to Charles T. & Ann Worley (DB116/386)</i>	
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Exhibit B
Unit BI-116
VGOB# 13-0917-4024
List of all Owners/Claimants
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
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(d.1.1.2) Margaret Ann Worley Burns 108 Bexley Road Mooresville, NC 28117	0.22 acres 1/216 of 48.21 acres	0.3800%
(d.1.1.3) Tommy Worley 1161/335 Spot Lane Holly Ridge, NC 28445	0.22 acres 1/216 of 48.21 acres	0.3800%
(e) Elizabeth Worley Heirs, Devisees, Successors or Assigns		
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(e.2) Connie Thomas <i>Address Unknown</i>	0.08 acres 1/576 of 48.21 acres	0.1425%
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(e.8) Margaret Ann Worley Burns 108 Bexley Road Mooresville, NC 28117	0.08 acres 1/576 of 48.21 acres	0.1425%
<u>Tract #2, 8.53 acres</u>		
(1) Buckhorn Coal Company, Tr. 16 <i>(250 Acre Warden #13 Tract)</i> P. O. Box 187 Tazewell, VA 24651	8.53 acres	14.5216%
<u>Tract #3, 1.04 acres</u>		
(1) Buckhorn Coal Company <i>(18.43 Acre Tract)</i> P. O. Box 187 Tazewell, VA 24651	1.04 acres	1.7705%
<u>Tract #4, 0.96 acres</u>		
(1) Burley Dye P.O. Box 191 Swords Creek, VA 24649	0.96 acres	1.6343%

Exhibit B-3
Unit BI-116
VGOB# 13-0917-4024
List of all Unleased Owners/Claimants
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
I. COAL OWNERSHIP:		
<u>Tract #1, 48.21 acres</u>		
(1) Letha F. Vandyke, et al. (199.00 Acre Tract)	48.21 acres	82.0736%
(c) K.R. Thomas Heirs, Devisees, Successors or Assigns		
(c.1) Nancy Smith Thomas - Life Estate extinguished at death.		
(c.2) Peggy Bausell Heirs, Devisees, Successors or Assigns		
(c.2.2) Elizabeth Bausell Ryan 402 Blue Heron Point Suffolk, VA 23435	0.45 acres 1/108 of 48.21 acres	0.7599%
(c.2.3) Jill Bausell Norris 4245 Dayle Acres Rd. Suffolk, VA 23435	0.45 acres 1/108 of 48.21 acres	0.7599%
(d) Charles T. Worley & Ann Worley <i>Conveyed 1/2 of 1/36th interest to Elizabeth Worley</i>		
(d.1) Charles T. Worley Heirs, Devisees, Successors or Assigns		
(d.1.1) Ann Worley Heirs, Devisees, Successors or Assigns		
(d.1.1.3) Tommy Worley 1161/335 Spot Lane Holly Ridge, NC 28445	0.22 acres 1/216 of 48.21 acres	0.3800%
(e) Elizabeth Worley Heirs, Devisees, Successors or Assigns		
(e.1) Patricia Ann Thomas <i>Address Unknown</i>	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.2) Connie Thomas <i>Address Unknown</i>	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.4) Elizabeth Bausell Ryan 402 Blue Heron Point Suffolk, VA 23435	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.5) Jill Bausell Norris 4245 Dayle Acres Rd. Suffolk, VA 23435	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.6) Tommy Worley 1161/335 Spot Lane Holly Ridge, NC 28445	0.08 acres 1/576 of 48.21 acres	0.1425%
<u>TOTAL UNLEASED:</u>		
	Acreage in Unit Percentage of Unit	1.53 2.6123%

Exhibit B-3
Unit BI-116
VGOB# 13-0917-4024
List of all Unleased Owners/Claimants
(58.74 Acre Unit)

	Acres in Unit	Interest in Unit
II. OIL & GAS OWNERSHIP		
<u>Tract #1, 48.21 acres</u>		
(1) Letha F. Vandyke, et al. (199.00 Acre Tract)	48.21 acres	82.0736%
(c) K.R. Thomas Heirs, Devisees, Successors or Assigns		
(c.1) Nancy Smith Thomas - Life Estate extinguished at death		
(c.2) Peggy Bausell Heirs, Devisees, Successors or Assigns		
(c.2.2) Elizabeth Bausell Ryan 402 Blue Heron Point Suffolk, VA 23435	0.45 acres 1/108 of 48.21 acres	0.7599%
(c.2.3) Jill Bausell Norris 4245 Dayle Acres Rd. Suffolk, VA 23435	0.45 acres 1/108 of 48.21 acres	0.7599%
(d) Charles T. Worley & Ann Worley	<i>Conveyed 1/2 of 1/36th interest to Elizabeth Worley</i>	
(d.1) Charles T. Worley Heirs, Devisees, Successors or Assigns		
(d.1.1) Ann Worley Heirs, Devisees, Successors or Assigns		
(d.1.1.3) Tommy Worley 1161/335 Spot Lane Holly Ridge, NC 28445	0.22 acres 1/216 of 48.21 acres	0.3800%
(e) Elizabeth Worley Heirs, Devisees, Successors or Assigns		
(e.1) Patricia Ann Thomas <i>Address Unknown</i>	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.2) Connie Thomas <i>Address Unknown</i>	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.4) Elizabeth Bausell Ryan 402 Blue Heron Point Suffolk, VA 23435	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.5) Jill Bausell Norris 4245 Dayle Acres Rd. Suffolk, VA 23435	0.08 acres 1/576 of 48.21 acres	0.1425%
(e.6) Tommy Worley 1161/335 Spot Lane Holly Ridge, NC 28445	0.08 acres 1/576 of 48.21 acres	0.1425%
<u>TOTAL UNLEASED:</u>		
Acreage in Unit	1.53	
Percentage of Unit		2.6123%

Company: CNX Gas Company LLC

Virginia Gas And Oil Template -- Estimate Authorization For Expenditure (AFE)

AFE #	N/A	Property #	N/A	Version #	
Well Name:	BI-116	Field:	Oakwood	Completed By:	B.T. Fulmer
Location:	Russell County	Operator:	CNX Gas C	Date:	August 6, 2013
Expected Pay Zones:	P-3 Seam and coal seams below Tiller	Estimated Total Depth:	2460' DTD ft	AAPG Class:	
Proposed Work:	To drill, complete and produce	Participant(s):	N/A	W.I.	Amount
					\$0

Gen	Sub	Description	Casing Point	Completion	Total Cost
		Leasehold Costs	\$0	\$0	\$0
		Permit / Title Opinion / Survey / Insurance	\$0	\$0	\$21,632
		Building Location	\$0	\$0	\$34,000
		Roads / Stone / Culverts	\$0	\$0	\$0
		Surface Damages	\$0	\$0	\$0
		Drilling - Footage	\$0	\$0	\$50,866
		Drilling - Mobilization	\$0	\$0	\$1,560
		Drilling - Dayrate	\$0	\$0	\$0
		Mud & Chemicals (Drilling)	\$0	\$0	\$0
		Fuel	\$0	\$0	\$0
		Cement Surface casing	\$0	\$0	\$3,040
		Cement Intermediate casing	\$0	\$0	\$6,776
		Open Hole Logging & Testing	\$0	\$0	\$1,900
		Trucking / Dozer (Drilling)	\$0	\$0	\$0
		Rental Tools & Equipment (Drilling)	\$0	\$0	\$0
		Drilling - Bits	\$0	\$0	\$0
		Technical Supervision (Drilling)	\$0	\$0	\$0
		Fresh Water Hauling (Drilling)	\$0	\$0	\$0
		Overhead Rate	\$0	\$0	\$0
		Misc. & Contingencies	\$0	\$0	\$0
		Location Rds/Stone/Culverts	\$0	\$0	\$0
		Trucking / Dozer (Completion)	\$0	\$0	\$0
		Technical Supervision (Completion)	\$0	\$0	\$0
		Cased Hole Logging / Perforating	\$0	\$0	\$2,052
		Stimulation / Fracturing	\$0	\$0	\$51,660
		Completion Rig	\$0	\$0	\$9,890
		Reclamation & Damages	\$0	\$0	\$0
		Haul Pit Water / Disposal	\$0	\$0	\$0
		Cement Production Casing	\$0	\$0	\$0
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$0	\$260
		TOTAL INTANGIBLES	\$0	\$0	\$181,836

Code	Code	Description	Casing Point	Completion	Total Cost	
	13 3/8	" Conductor	#REF! Ft 24	\$0	\$0	\$805
	9 5/8	" 26 lb/ft LS Surface Csg	#REF! Ft 220	\$0	\$0	\$3,128
	7"	" 19 lb/ft LS Intermediate Csg	#REF! Ft 620	\$0	\$0	\$5,665
	4 1/2"	9.5 lb/ft M-65 Production Csg	#REF! Ft 2281	\$0	\$0	\$14,672
	4 1/2"	10.5 lb/ft M-65 Production Csg	#REF! Ft	\$0	\$0	\$0
	2-3/8"	4.7 lb/ft J55 Prod Production Tubing	#REF! Ft	\$0	\$0	\$7,728
		Wellhead Equipment / Fittings	\$0	\$0	\$6,856	
		Tank Battery	\$0	\$0	\$0	
		Separator / Heater / Treater	\$0	\$0	\$0	
		Gas Lift Equipment	\$0	\$0	\$0	
		Rods / Stuffing Box	\$0	\$0	\$4,580	
		Downhole Pump	\$0	\$0	\$0	
		Pumping Unit / Motor	\$0	\$0	\$11,400	
		SS EQT-Packer,PF,FC,Nip	\$0	\$0	\$0	
		Valves & Fittings	\$0	\$0	\$0	
		Flow Line labor/material	\$0	\$0	\$15,200	
		Sales line labor/material	\$0	\$0	\$19,000	
		TOTAL TANGIBLES	\$0	\$0	\$69,233	

GRAND TOTAL WELL COST			\$0	\$0	\$271,069	
153	115	Plugging & Abandonment	\$0			
			Production Costs :	\$271,069	Dry Hole Costs :	\$0

Operations _____ Date _____ Geology _____ Date _____

Engineering _____ Date _____ Land _____ Date _____

Management Approval: Approved by: B.T. Fulmer Title: Superintendent Date: 8-6-13

Management Approval: Approved by: _____ Title: _____ Date: _____

THIS IS AN ESTIMATE OF PROJECTED WELL DRILLING, COMPLETION, EQUIPMENT AND PIPELINE COSTS. THESE ESTIMATES ARE PROJECTIONS ONLY AND ACTUAL BILLED COSTS MAY VARY FROM WELL TO WELL DEPENDING UPON ACTUAL FINAL DEPTH AND OTHER FACTORS INCLUDING, BUT NOT LIMITED TO, SEASONAL MATERIAL COSTS, WEATHER CONDITIONS, AND UNFORESEEN RIGHT-OF-WAY PROBLEMS.

Company: CNX Gas Company LLC

Virginia Gas And Oil Template -- Estimate Authorization For Expenditure (AFE)

AFE #	N/A	Property #	N/A	Version #	
Well Name:	Bl-116A	Field:	Oakwood	Completed By:	B.T. Fulmer
Location:	Russell County	Operator:	CNX Gas C	Date:	August 6, 2013
Expected Pay Zones:	P-3 Steam and coal seams below Tiller	Estimated Total Depth:	2778' DTD ft	AAPG Class:	
Proposed Work:	To drill, complete and produce	Participant(s):	N/A	W.I.	Amount
					\$0

Gen	Sub	Description	Casing Point	Completion	Total Cost
		Leasehold Costs	\$0	\$0	\$0
		Permit / Title Opinion / Survey / Insurance	\$0	\$0	\$28,463
		Building Location	\$0	\$0	\$33,802
		Roads / Stone / Culverts	\$0	\$0	\$0
		Surface Damages	\$0	\$0	\$0
		Drilling - Footage	\$0	\$0	\$67,702
		Drilling - Mobilization	\$0	\$0	\$2,053
		Drilling - Dayrate	\$0	\$0	\$0
		Mud & Chemicals (Drilling)	\$0	\$0	\$0
		Fuel	\$0	\$0	\$0
		Cement Surface casing	\$0	\$0	\$4,000
		Cement Intermediate casing	\$0	\$0	\$7,600
		Open Hole Logging & Testing	\$0	\$0	\$2,500
		Trucking / Dozer (Drilling)	\$0	\$0	\$0
		Rental Tools & Equipment (Drilling)	\$0	\$0	\$0
		Drilling - Bits	\$0	\$0	\$0
		Technical Supervision (Drilling)	\$0	\$0	\$0
		Fresh Water Hauling (Drilling)	\$0	\$0	\$0
		Overhead Rate	\$0	\$0	\$0
		Misc. & Contingencies	\$0	\$0	\$0
		Location Rds/Stone/Culverts	\$0	\$0	\$0
		Trucking / Dozer (Completion)	\$0	\$0	\$0
		Technical Supervision (Completion)	\$0	\$0	\$0
		Cased Hole Logging / Perforating	\$0	\$0	\$2,700
		Stimulation / Fracturing	\$0	\$0	\$68,000
		Completion Rig	\$0	\$0	\$15,000
		Reclamation & Damages	\$0	\$0	\$0
		Haul Pit Water / Disposal	\$0	\$0	\$0
		Cement Production Casing	\$0	\$0	\$0
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$0	\$300
		TOTAL INTANGIBLES	\$0	\$0	\$220,120

Code	Code	Description	Casing Point	Completion	Total Cost	
	9.5/8"	Conductor	#REF! Ft 75	\$0	\$0	\$1,364
	"	26 lb/ft LS Surface Csg	#REF! Ft	\$0	\$0	\$0
	7"	19 lb/ft LS Intermediate Csg	#REF! Ft 288	\$0	\$0	\$3,562
	4 1/2"	9.5 lb/ft M-85 Production Csg	#REF! Ft 2478	\$0	\$0	\$19,308
	4 1/2"	10.5 lb/ft M-85 Production Csg	#REF! Ft	\$0	\$0	\$0
	2-3/8"	4.7 lb/ft J55 8rd Production Tubing	#REF! Ft	\$0	\$0	\$8,100
		Wellhead Equipment / Fittings	\$0	\$0	\$9,021	
		Tank Battery	\$0	\$0	\$0	
		Separator / Heater / Treater	\$0	\$0	\$0	
		Gas Lift Equipment	\$0	\$0	\$0	
		Rods / Stuffing Box	\$0	\$0	\$6,000	
		Downhole Pump	\$0	\$0	\$0	
		Pumping Unit / Motor	\$0	\$0	\$15,000	
		SS EQT-Packer,PF,FC,Nip	\$0	\$0	\$0	
		Valves & Fittings	\$0	\$0	\$0	
		Flow Line labor/material	\$0	\$0	\$20,000	
		Sales line labor/mat/row	\$0	\$0	\$25,000	
		TOTAL TANGIBLES	\$0	\$0	\$107,370	

GRAND TOTAL WELL COST			\$0	\$0	\$327,490
153	115	Plugging & Abandonment	\$0		
			Production Costs :	\$327,490	Dry Hole Costs :
					\$0

Operations _____ Date _____ Geology _____ Date _____

Engineering _____ Date _____ Land _____ Date _____

Management Approval: Approved by: *B.T. Fulmer* Title: *Supr. Perm. Eng.* Date: *8-6-13*

Management Approval: Approved by: _____ Title: _____ Date: _____

THIS IS AN ESTIMATE OF PROJECTED WELL DRILLING, COMPLETION, EQUIPMENT AND PIPELINE COSTS. THESE ESTIMATES ARE PROJECTIONS ONLY AND ACTUAL BILLED COSTS MAY VARY FROM WELL TO WELL DEPENDING UPON ACTUAL FINAL DEPTH AND OTHER FACTORS INCLUDING, BUT NOT LIMITED TO, SEASONAL MATERIAL COSTS, WEATHER CONDITIONS, AND UNFORESEEN RIGHT-OF-WAY PROBLEMS.



2481 John Nash Blvd.
Bluefield, WV 24701

phone: 304-323-6617
fax: 304-323-6555

August 12, 2013

Department of Mines, Minerals and Energy
Division of Gas and Oil
Mr. Rick Cooper
PO Box 159
135 Highlands Drive
Lebanon, VA 24266

Re: CBM BI116A

Dear Mr. Cooper;

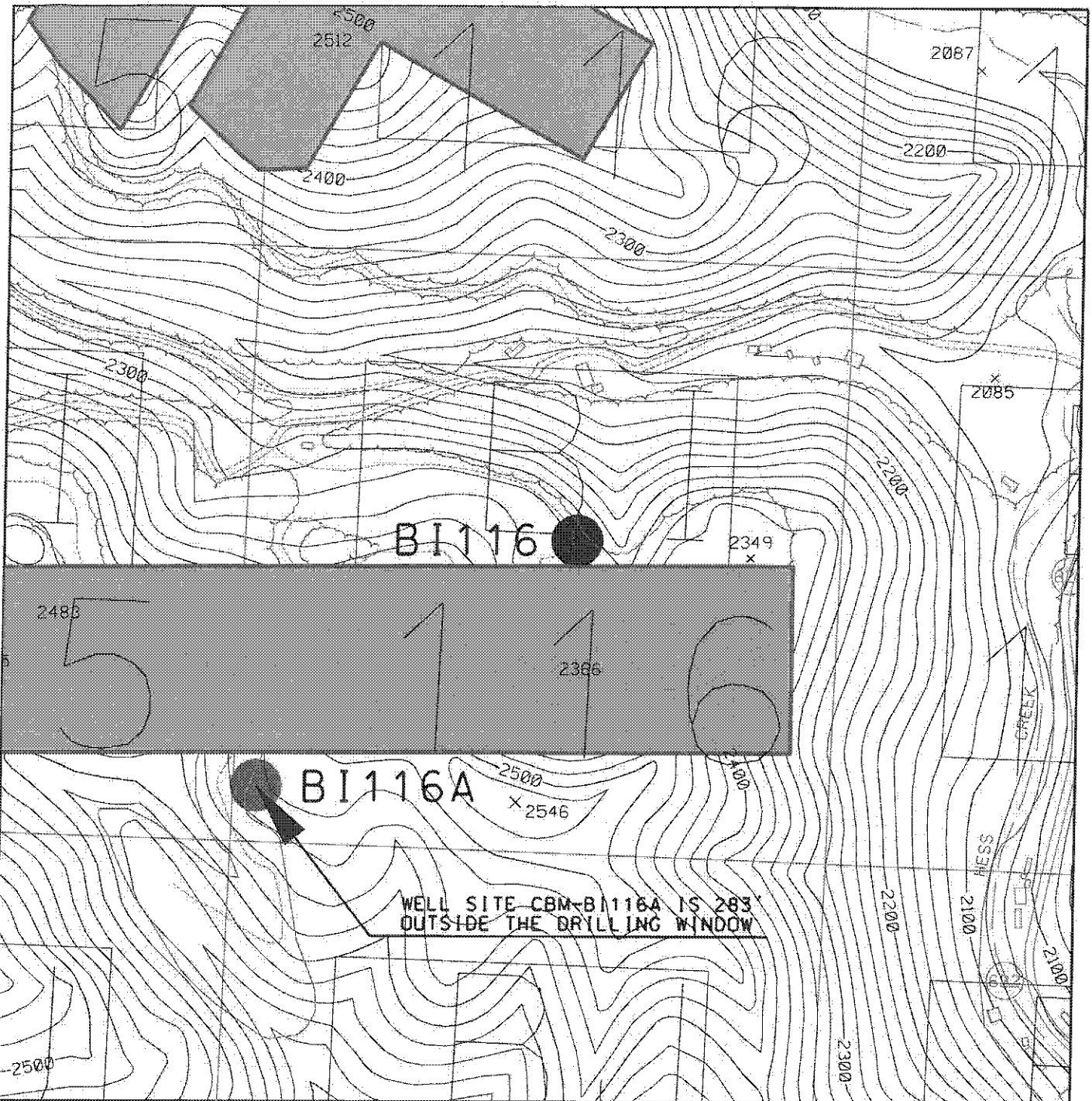
CNX Gas Company LLC hereby requests a location exception for the above referenced proposed well. This well cannot be located in the drilling window due to topography and deep mine projections in the Kennedy Seam by Jewell Smokeless Coal Company. The proposed well is approximately 283 feet outside of the drilling window.

Therefore, based on these conditions, we hereby request a location exception be granted for this well application.

Sincerely,

Bob Staton, M.S., P.G.
Gas Permitting Agent

cc: Philip Lowe, Anita Duty, file BI116A



LOCATION EXCEPTION EXHIBIT

WELL NO. CBM-BI116A

SCALE: 1" = 400'

DATE: 8/9/13

CNX GAS COMPANY, LLC.
2481 JOHN NASH BLVD.
BLUEFIELD, WV 24701

DRAWN BY: RDH

FILE:LOC-EXCEPTION-BI116A

LEGEND:



JEWELL SMOKELESS - KENNEDY PROJECTIONS