

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

DIVISION OF GAS AND OIL
DOCKET NO.: VGOB 14-0715-4051

RELIEF SOUGHT: POOLING

LOCATION: SEE EXHIBITS "A" AND "A1"

HEARING DATE: July 15, 2014

UNIT NUMBER: N(-2)
IN THE OAKWOOD COALBED METHANE GAS FIELD I

BUCHANAN 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 Oakwood Coalbed Methane Gas Field I.

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 OGCB 3-90; VGOB-91-1119-162; VGOB 92/02/16-0336; and VGOB 93/03/16-0349.

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

5. **Permit numbers, if any:** **N(-2) Permit# 9206**

6. **Plat:** Annexed hereto are Exhibit A and the Tract Identifications for 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/repoled and Applicant' standing:** The respondents whose interests are sought to be pooled/repoled by the Applicant are:

ACIN LLC c/o Western Pocahontas Properties LP; Range Resources-Pine Mountain, Inc.

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 Applicant in the unit.

8. **Formation(s) to be produced and estimates:** All coal seams and associated strata below the Tiller 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.

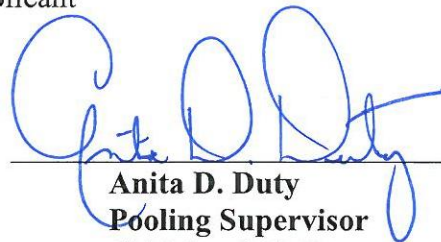
9. **Estimate of allowable costs: \$205,500.00** See Exhibit C which estimates/reports the costs associated with one frac well. To the extent additional wells may be required by mine plans in the Buchanan No. 1 Mine, the costs of any such additional wells as may be permitted by the Division of Gas and Oil, in accordance with the provisions of §45.1-361.20.C., Code of Virginia, will not be allocated for frac well production 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 LLC
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 14-0715-4051

RELIEF SOUGHT: POOLING

UNIT NUMBER: N(-2)

NOTICE OF HEARING

HEARING DATE: July 15, 2014
PLACE: Russell County Conference Center
135 Highlands Drive
Lebanon, Virginia 24266
TIME: 9:00 AM

COMMONWEALTH OF VIRGINIA:

To: *ACIN LLC c/o Western Pocahontas Properties LP; Range Resources-Pine Mountain, Inc.*

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 OGCB 3-90; VGOB-91-1119-162; VGOB 92/02/16-0336; and VGOB 93/03/16-0349.

5. **Type of well(s):** Coalbed methane.

6. **Plat:** Annexed hereto are Exhibit A, Exhibit A1 and the Tract Identifications for Exhibit A. The Plat shows the size and shape of the unit and the boundaries of the tracts within the unit. The Tract Identification page 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 repooled by this Application pertains to coalbed methane gas.**

8. **Formation(s) to be produced and estimates:** All coal seams and associated strata below the Tiller 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:** \$205,500.00

10. **Attestation:** The foregoing application 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 **July 15, 2014**, 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: 6/13/14

CNX Gas Company LLC
Applicant

By: _____


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

CNX Gas Company LLC
UNIT N -2
Tract Identification

1. **Bran Investments, LLC, et al (263.47 Acre Tract) - Coal Below Drainage, Oil and Gas**
Island Creek Coal Company – Coal Below Tiller Seam Leased
Bran Investments, LLC, et al – Coal Above Drainage
Jewell Smokeless Coal Corporation – Coal Above Drainage Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
69.61 Acres 87.0125%

- 1A. **Billy Ray Crigger, II, et ux – Surface**
- 1B. **Carmel Deel, et ux – Surface**
- 1C. **Unknown Surface Owner**
- 1D. **Unknown Surface Owner**
- 1E. **Unknown Surface Owner**
- 1F. **Unknown Surface Owner**
- 1G. **Unknown Surface Owner**
- 1H. **Unknown Surface Owner**
- 1I. **Unknown Surface Owner**
- 1J. **Unknown Surface Owner**
- 1K. **Unknown Surface Owner**
- 1L. **Unknown Surface Owner**
- 1M. **Unknown Surface Owner**
- 1N. **Unknown Surface Owner**

2. **ACIN LLC (4562.32 Acre Tract) – All Coal Except Clintwood, Blair, Eagle, Splashdam, and Hagy Seams**
Pardee Royalty LLC and Pardee Minerals LLC, et al – Coal in Clintwood Seam
Black Diamond Coal Company, LLC, et al – Coal in Blair and Eagle Seams
Pardee Royalty LLC and Pardee Minerals LLC, et al – Coal in Splashdam Seam
Clinchfield Coal Company, et al – Coal in Hagy Seam
Dickenson-Russell Coal Company, LLC – Splashdam No. 2 Seam of Coal Leased
Alpha Land and Reserves, LLC – Clintwood, Blair and Eagle Seams of Coal Leased
Range Resources – Pine Mountain, Inc. – Oil and Gas
Range Resources – Appalachia, LLC – Oil and Gas Leased
10.39 Acres 12.9875%

- 2A. **Unknown Surface Owner**
- 2B. **Unknown Surface Owner**
- 2C. **Unknown Surface Owner**
- 2D. **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 coal bed methane ownership and should not be relied upon for such purpose."

Exhibit B
Unit N(-2)
Docket # VGOB 14-0715-4051
List of all Owners/Claimants

	Acres in Unit	Percent of Unit
I. COAL OWNERSHIP		
<u>Tract #1, 69.61 acres</u>		
(1) Bran Investments, LLC, et al. (aka Florence E. Walker, et al.) <i>(263.47 Acre Tract)</i>	69.61 acres	87.0125%
(a) Amy Lee Powers Heirs, Devisees, Successors or Assigns		
(a.1) Erma Runals Heirs, Devisees, Successors or Assigns		
(a.1.1) Runals Trust c/o Andrew Runals, Trustee 11453 Davis Road Middleville, MI 49333	8.70 acres 1/8 of 69.61 acres	10.8766%
(a.2) Walker Trust James S. Thompson &/or Robert S. Thompson 284 Mowery Ln, NW Charleston, TN 37310-7103	8.70 acres 1/8 of 69.61 acres	10.8766%
(a.3) Bran Investments, L.L.C. 516 Holston Avenue, Suite 100 Bristol, TN 37620	8.70 acres 1/8 of 69.61 acres	10.8766%
(a.4) Robert S. Powers c/o John B. Powers, POA 439 Cypress St Mt. Carmel, TN 37645	8.70 acres 1/8 of 69.61 acres	10.8766%
(b) Curtis W. Humphry Heirs, Devisees, Successors or Assigns		
(b.1) Carol C. Welch 134 Little John Road Williamsburg, VA 23185	7.25 acres 5/48 of 69.61 acres	9.0638%
(b.2) Mark Welch 113 Holdsworth Road Williamsburg, VA 23185	7.25 acres 5/48 of 69.61 acres	9.0638%
(c) May S. Harris Trust c/o Michael Kauble, Trustee P.O. Box 325 Angwin, CA 94508	14.50 acres 5/24 of 69.61 acres	18.1276%
<u>May own a portion of the May S. Harris Trust:</u>		
John G. Harris, Jr.	Susan Kauble	
Robert M. Harris	Vicki L. Harris	
(d) Edward W. Lindsay, Trustee	<i>Conveyed by Mineral deed of Distribution (Instrument 090000412)</i>	
(d.1) Lindsay Manufacturing, Inc. PO Box 1708 Ponca City, OK 74602	0.97 acres 1/72 of 69.61 acres	1.2085%
(d.2) James D. Lindsay, Jr. 5455 Lions Gate Ln Colorado Springs, CO 80919-3563	0.32 acres 1/216 of 69.61 acres	0.4028%
(d.3) Cindy Lindsay HC 81 Box 7008 Questa, NM 87556	0.32 acres 1/216 of 69.61 acres	0.4028%
(d.4) John T. Lindsay, Sr. 17 Sherwood Rd, NW Ft. Walton Beach, FL 32547-1620	1.29 acres 1/54 of 69.61 acres	1.6113%

Exhibit B
Unit N(-2)
Docket # VGOB 14-0715-4051
List of all Owners/Claimants

	Acres in Unit	Percent of Unit
(e) Irene Harris Heirs, Devisees, Successors or Assigns		
(e.1) George B. Harris, Jr. 11 Luzanne Circle San Anselmo, CA 94960	0.97 acres 1/72 of 69.61 acres	1.2085%
(e.2) Patricia Ruemke 14008 Puerto Drive Ocean Springs, MS 39564	0.97 acres 1/72 of 69.61 acres	1.2085%
(e.3) Marguerite Whyte 1837 Avenida Segovia Oceanside, CA 92056-6235	0.97 acres 1/72 of 69.61 acres	1.2085%

Tract #2 - 10.39 acres

(1) ACIN LLC <i>(4562.32 Acre Tract)</i> c/o Western Pocahontas Properties LP P.O. Box 2827 1035 Third Avenue, Suite 300 Huntington, WV 25727	10.39 acres	12.9875%
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Note: There is no conflict, Range Resources-Pine Mountain, Inc. owns the CBM royalties

II. OIL & GAS OWNERSHIP

Tract #1, 69.61 acres

(1) Bran Investments, LLC, et al. (aka Florence E. Walker, et al.) <i>(263.47 Acre Tract)</i>	69.61 acres	87.0125%
(a) Amy Lee Powers Heirs, Devisees, Successors or Assigns		
(a.1) Erma Runals Heirs, Devisees, Successors or Assigns		
(a.1.1) Runals Trust c/o Andrew Runals, Trustee 11453 Davis Road Middleville, MI 49333	8.70 acres 1/8 of 69.61 acres	10.8766%
(a.2) Walker Trust James S. Thompson &/or Robert S. Thompson 284 Mowery Ln, NW Charleston, TN 37310-7103	8.70 acres 1/8 of 69.61 acres	10.8766%
(a.3) Bran Investments, L.L.C. 516 Holston Avenue, Suite 100 Bristol, TN 37620	8.70 acres 1/8 of 69.61 acres	10.8766%
(a.4) Robert S. Powers c/o John B. Powers, POA 439 Cypress St Mt. Carmel, TN 37645	8.70 acres 1/8 of 69.61 acres	10.8766%
(b) Curtis W. Humphry Heirs, Devisees, Successors or Assigns		
(b.1) Carol C. Welch 134 Little John Road Williamsburg, VA 23185	7.25 acres 5/48 of 69.61 acres	9.0638%
(b.2) Mark Welch 113 Holdsworth Road Williamsburg, VA 23185	7.25 acres 5/48 of 69.61 acres	9.0638%

Exhibit B
Unit N(-2)
Docket # VGOB 14-0715-4051
List of all Owners/Claimants

	Acres in Unit	Percent of Unit
(c) May S. Harris Trust c/o Michael Kauble, Trustee P.O. Box 325 Angwin, CA 94508	14.50 acres 5/24 of 69.61 acres	18.1276%
<i>May own a portion of the May S. Harris Trust:</i>		
John G. Harris, Jr.	Susan Kauble	
Robert M. Harris	Vicki L. Harris	
(d) Edward W. Lindsay, Trustee	<i>Conveyed by Mineral deed of Distribution (Instrument 090000412)</i>	
(d.1) Lindsay Manufacturing, Inc. PO Box 1708 Ponca City, OK 74602	0.97 acres 1/72 of 69.61 acres	1.2085%
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(e.1) George B. Harris, Jr. 11 Luzanne Circle San Anselmo, CA 94960	0.97 acres 1/72 of 69.61 acres	1.2085%
(e.2) Patricia Ruemke 14008 Puerto Drive Ocean Springs, MS 39564	0.97 acres 1/72 of 69.61 acres	1.2085%
(e.3) Marguerite Whyte 1837 Avenida Segovia Oceanside, CA 92056-6235	0.97 acres 1/72 of 69.61 acres	1.2085%
<u>Tract #2 - 10.39 acres</u>		
(1) Range Resources - Pine Mountain, Inc. * 406 West Main Street P.O. Box 2136 Abingdon, VA 24212	10.39 acres	12.9875%

* *The Oil & Gas is leased by Range Resources-Appalachia, LLC*

Exhibit B-3
Unit N(-2)
Docket # VGOB 14-0715-4051
List of all Unleased Owners/Claimants

		Acres in Unit	Percent of Unit
I. COAL OWNERSHIP			
<u>Tract #2 - 10.39 acres</u>			
(1)	ACIN LLC <i>(4562.32 Acre Tract)</i> c/o Western Pocahontas Properties LP P.O. Box 2827 1035 Third Avenue, Suite 300 Huntington, WV 25727	10.39 acres	12.9875%
Note: <i>There is no conflict, Range Resources-Pine Mountain, Inc. owns the CBM royalties</i>			
II. OIL & GAS OWNERSHIP			
<u>Tract #2 - 10.39 acres</u>			
(1)	Range Resources - Pine Mountain, Inc. * 406 West Main Street P.O. Box 2136 Abingdon, VA 24212	10.39 acres	12.9875%
* The Oil & Gas is leased by Range Resources-Appalachia			

Company: _____ CNX Gas Company LLC

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

AFE #	Property #	Version #
Well Name: N(-2)	Field: Oakwood	Completed By: R. Staton
Location: Buchanan County	Operator: CNX Gas	Date: June 10, 2014
Expected Pay Zones: Pocahontas Formation	Estimated Total Depth: 2,551 ft	AAPG Class: CBM
Proposed Work: drilling and completion	Participant(s):	W.I. Amount
		\$0

Gen	Sub	Description	Casing Point	Completion	Total Cost
		Leasehold Costs	\$1,000	\$0	\$1,000
		Permit / Title Opinion / Survey / Insurance	\$0	\$0	\$0
		Building Location	\$45,000	\$0	\$45,000
		Roads / Stone / Culverts	\$0	\$0	\$0
		Surface Damages	\$1,000	\$0	\$1,000
		Drilling - Footage	\$0	\$0	\$0
		Drilling - Mobilization	\$1,500	\$0	\$1,500
		Drilling - Dayrate	\$0	\$0	\$0
		Mud & Chemicals (Drilling)	\$0	\$0	\$0
		Fuel	\$0	\$0	\$0
I		Cement Surface casing	\$0	\$0	\$0
N		Cement Intermediate casing	\$0	\$0	\$0
T		Open Hole Logging & Testing	\$4,500	\$0	\$4,500
A		Trucking / Dozer (Drilling)	\$0	\$0	\$0
N		Rental Tools & Equipment (Drilling)	\$0	\$0	\$0
G		Drilling - Bits	\$0	\$0	\$0
I		Technical Supervision (Drilling)	\$0	\$0	\$0
B		Fresh Water Hauling (Drilling)	\$0	\$0	\$0
L		Overhead Rate	\$0	\$0	\$0
E		Misc. & Contingencies	\$0	\$4,000	\$4,000
S		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	\$0
		Stimulation / Fracturing	\$0	\$75,000	\$75,000
		Completion Rig	\$0	\$19,000	\$19,000
		Reclamation & Damages	\$0	\$0	\$0
		Haul Pit Water / Disposal	\$0	\$0	\$0
		Cement Production Casing	\$0	\$20,000	\$20,000
		Rental Tools & Equipment (Completion)	\$0	\$0	\$0
		Fresh Water Hauling (Completion)	\$0	\$0	\$0
		Roustabout Labor	\$0	\$2,000	\$2,000
		TOTAL INTANGIBLES	\$53,000	\$120,000	\$173,000

Code	Code	Description	Casing Point	Completion	Total Cost	
T		13 3/8" Conductor	20 Ft	\$2,000	\$0	\$2,000
A		9 5/8" 26 lb/ft LS Surface Csg	0 Ft	\$0	\$0	\$0
N		7" 19 lb/ft LS Intermediate Csg	398 Ft	\$3,600	\$0	\$3,600
G		4 1/2" 9.5 lb/ft M-65 Production Csg	2,548 Ft	\$0	\$12,000	\$12,000
I		4 1/2" 10.5 lb/ft M-65 Production Csg	0 Ft	\$0	\$0	\$0
B		2-3/8 " 4.7 lb/ft J55 8rd Production Tubing	0 Ft	\$0	\$0	\$0
L		Wellhead Equipment / Fittings	\$0	\$5,000	\$5,000	
E		Tank Battery	\$0	\$0	\$0	
S		Separator / Heater / Treater	\$0	\$0	\$0	
		Gas Lift Equipment	\$0	\$0	\$0	
		Rods / Stuffing Box	\$0	\$0	\$0	
		Downhole Pump	\$0	\$0	\$0	
		Pumping Unit / Motor	\$0	\$9,900	\$9,900	
		SS EQT-Packer,PF,FC,Nip	\$0	\$0	\$0	
		Valves & Fittings	\$0	\$0	\$0	
		Flow Line labor/material	\$0	\$0	\$0	
		Sales line labor/mat/row	\$0	\$0	\$0	
		TOTAL TANGIBLES	\$0	\$0	\$32,500	

GRAND TOTAL WELL COST			\$53,000	\$120,000	\$205,500
153	115	Plugging & Abandonment	\$0		
			Production Costs :	\$205,500	Dry Hole Costs :
					\$53,000

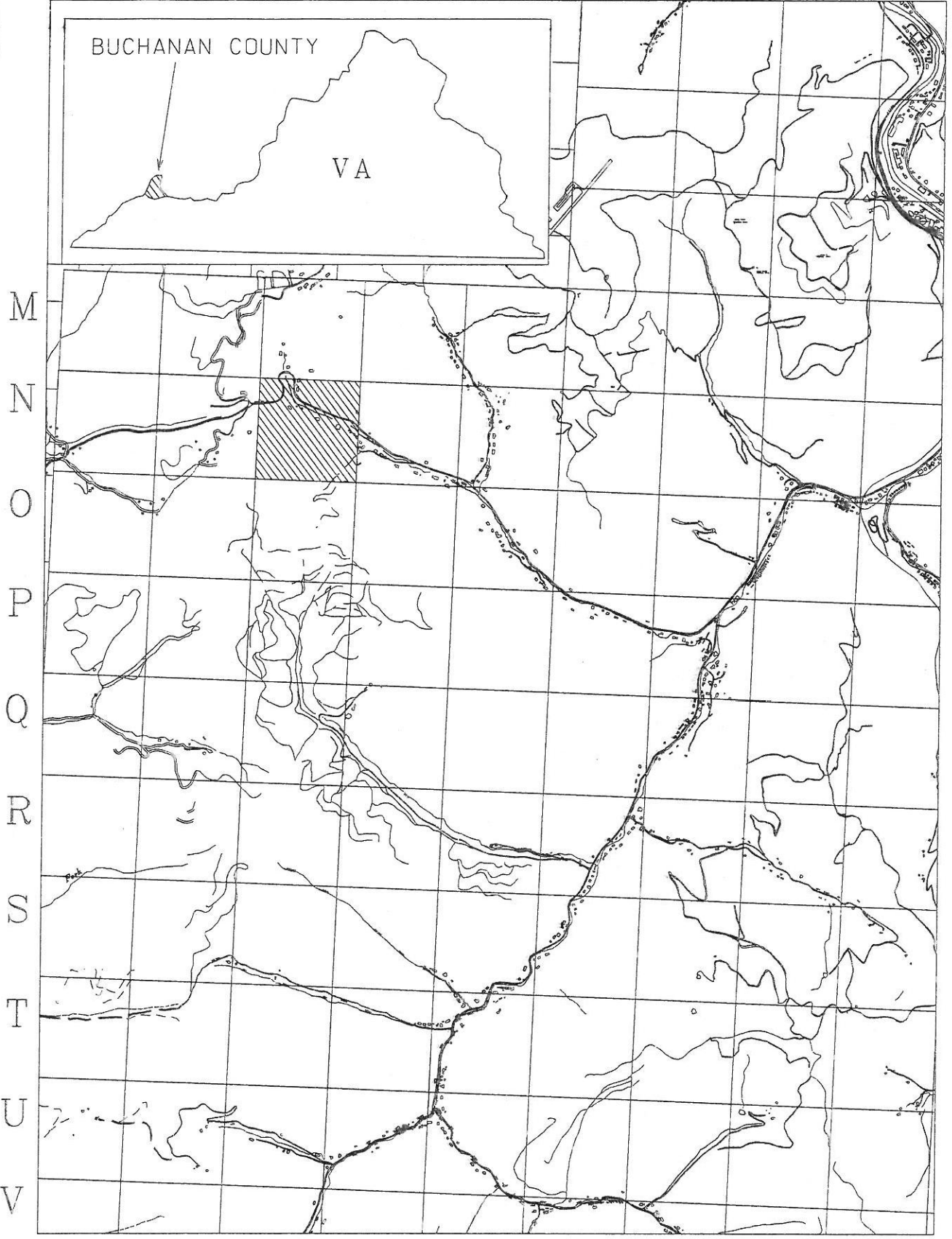
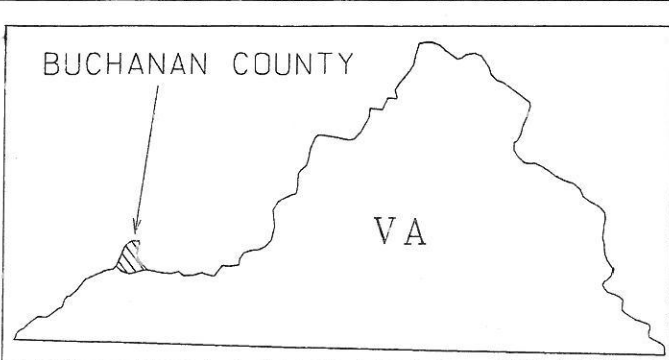
Operations _____ Date _____ Geology _____ Date _____

Engineering _____ Date _____ Land _____ Date _____

Management Approval Approved by: Bob Staton Title Permit Analyst Date 6/10/14

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.



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EXHIBIT A1
UNIT N-(-2)
VGOB-14-0715-4051