

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**PETITIONER:** CNX Gas Company LLC

**DIVISION OF GAS AND OIL**

**DOCKET NO:** VGOB 92-0317-0196-02

**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 4 (2) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.1-361.22:2.**

**HEARING DATE:** December 19, 2017

**DRILLING UNIT:** S14

**BUCHANAN COUNTY, VIRGINIA**

**PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS**

**1. Petitioner and its counsel**

Petitioner is CNX Gas Company LLC, PO Box 570, Pounding Mill, VA 24637, (276)596-5075. Petitioner's counsel is Mark A. Swartz, Hillard & Swartz, LLP, 122 Capital Street, Suite 201, Charleston, WV 25301.

**2. Relief Sought**

(1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 4, as depicted upon the annexed table; (2) dismissal of surface owners in Tract 4, B.F. McGlothlin Heirs, Devisees, Successors or Assigns (individuals listed below).

**3. Legal Authority**

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

**4. Type of Well(s)**

Coalbed Methane

**5. Factual basis for relief requested**

a. COMMONWEALTH OF VIRGINIA: To the following persons who will receive a disbursement of escrowed funds if the relief sought by Applicant's Petition is granted by the Virginia Gas and Oil Board:

H-W Financial, LLC (previously Harrison-Wyatt, LLC)

COMMONWEALTH OF VIRGINIA: To the following persons identified as SURFACE OWNERS in the Pooling Order and Supplemental Order(s) pertaining to the referenced Docket No. who were previously pooled by Virginia Gas and Oil Board Order as potential claimants. YOU, AS A RESPONDENT AND YOUR CLAIMS, IF ANY, TO COALBED METHANE ROYALTIES for gas produced from this Unit ARE SUBJECT TO DISMISSAL BY BOARD ORDER AT THE HEARING NOTICED ABOVE:

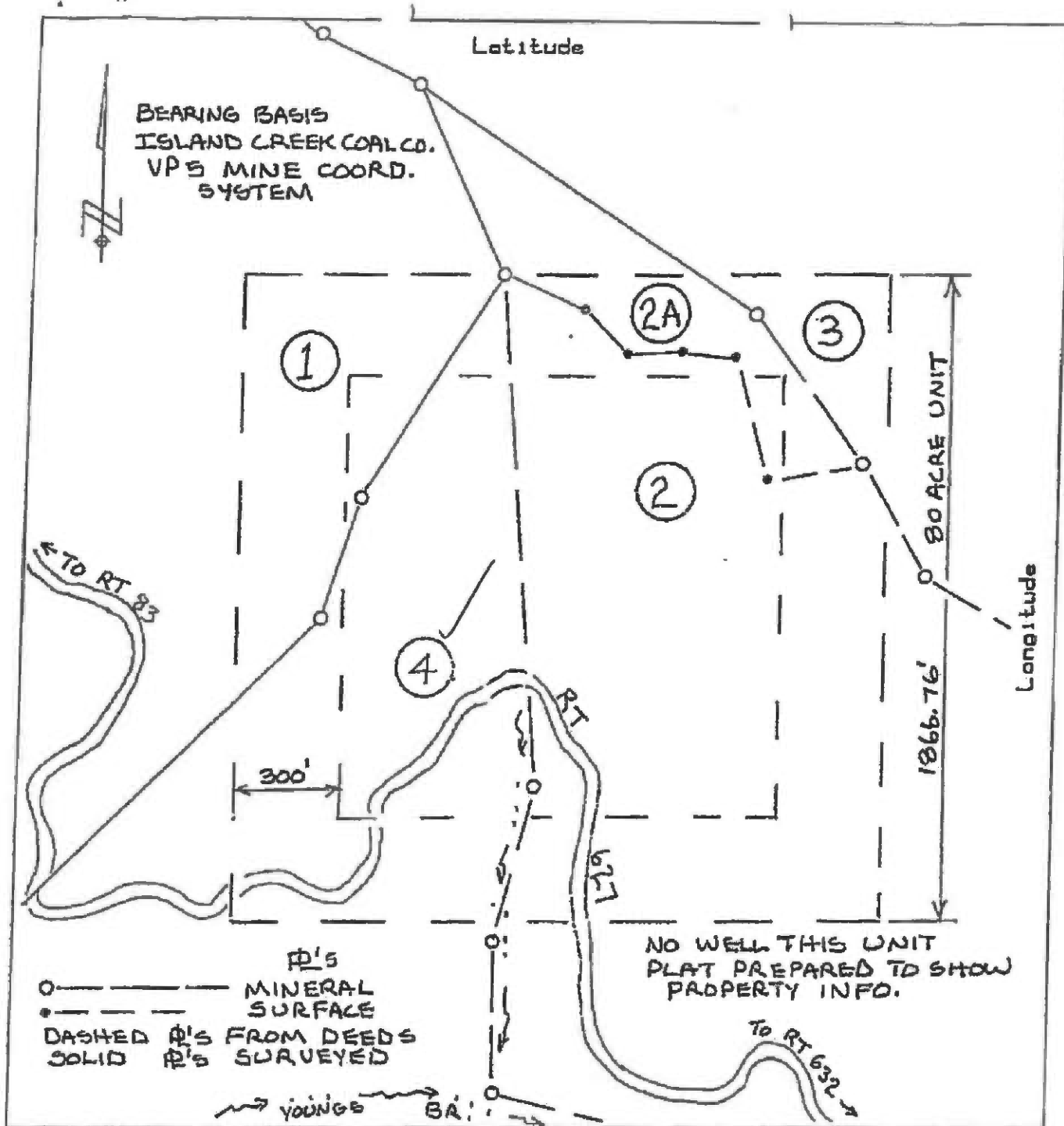
B.F. McGlothlin Heirs, Devisees, Successors or Assigns including Shauna McGlothlin, Jon McGlothlin, Logan McGlothlin, Bonnie McGlothlin, Ralph Edward McGlothlin, Jr., Patricia S. McGlothlin, Bascom "Buddy" Matney, Helen Carol Mamone, Ann C. Rauhauser, Joseph Blair McGlothlin, Katherine M. Warren, St. Jude's Children's Research Hospital, Children's Hospital of Richmond, Shirley Presley, Donald A. McGlothlin, Jr., Wayne Talbert Burton, Sr., Joseph John Laperla, Mary Louise Laperla, Leah Ann McGlothlin, Kevin Timothy McGlothlin, Kenna Dixon Moose, Michael McKinley Dixon, Peggy Durham, Shery W. Bennett, Pauline W. Shortridge, Floyd Edmond Wampler, Thomas D. McGlothlin, James W. McGlothlin, Michael G. McGlothlin, Doris Ann McGlothlin, Anne Borkey Fath, Sharon Borkey Parsons, Betty McGlothlin, Una Lee Mulligan Bailey, McGlothlin Living Trust, Darla Torres, Cecil McGlothlin, Jr., Norman McGlothlin, Ann Mullins Washburn, Michael M. Mullins, Charlene Dixon Seale, Patricia Wade, Virginia Peterson, Paula J. Morrow, W.A. Street Heirs Trust c/o H.A. Street

NOTICE IS HEREBY GIVEN that Applicant is requesting that the Virginia Gas and Oil Board (hereinafter Board) issue an order as follows:

- (1) Directing the Board's Escrow Agent to make the disbursements to the persons identified in Table 1 hereto using the percentages stated therein;
- (2) Directing Applicant to pay the persons identified in Table 1 hereto and to discontinue escrow of their royalty payments;
- (3) Dismissing the Respondent surface owners named above.

## **6. Attestation**

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.



WELL LOCATION PLAT

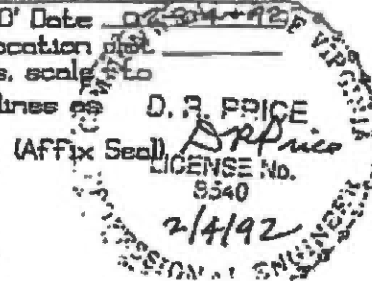
Company OXY USA INC Well Name and Number UNIT 514  
 Tract No. N/A Elevation N/A Quadrangle VANSANT  
 County BUCHANAN District S. GRUNDY / GARDEN Scale: 1" = 400' Date 02-24-92

This Plat is a new plat ; an updated plat \_\_\_\_\_; or a final location plat \_\_\_\_\_

+ Denotes the location of a well on United States topographic Maps, scale \_\_\_\_\_ to

+ 24,000. latitude and longitude lines being represented by border lines as shown.

D. R. PRICE  
 Licensed Professional Engineer or Licensed Land Surveyor



OXY USA INC.

Well Plat Legend  
Property and Lease Information  
Well Unit -- S14

1. Surface, Oil & Gas ----- Raymond Street & Gerald McClanahan  
Coal ----- Big Axe Tract No 1  
Wayles R. Harrison and Landon R.  
Wyatt, Jr., Trustees  
Oil & Gas Lessee ----- Unleased  
Coal Lessee ----- Island Creek Coal Co.  
Jewell Smokless Coal Corp.  
Coalbed Methane Lessee -- OXY USA INC

1 = 11.19 Acres - 13.99% of Unit

2. Surface ----- Thelma Sizemore  
Coal, Oil & Gas ----- Big Axe Tract No 3  
Wayles R. Harrison and Landon R.  
Wyatt, Jr., Trustees  
Oil & Gas Lessee ----- OXY USA INC  
Coal Lessee ----- Island Creek Coal Co.  
Jewell Smokless Coal Corp.  
Coalbed Methane Lessee -- OXY USA INC

- 2A. Surface ----- Garden Realty Corp.  
Coal, Oil & Gas ----- Big Axe Tract No 3  
Wayles R. Harrison and Landon R.  
Wyatt, Jr., Trustees  
Oil & Gas Lessee ----- OXY USA INC  
Coal Lessee ----- Island Creek Coal Co.  
Jewell Smokless Coal Corp.  
Coalbed Methane Lessee -- OXY USA INC

2 & 2A = 41.40 Acres - 51.74% of Unit

(Continued next page)

OXY USA INC  
Well Unit S14  
Well Plat Legend  
Page 2

3. Surface ----- Garden Realty Corp.  
Coal, Oil & Gas ----- Yukon Pocahontas Coal Co., ET. AL.  
Big Vein TR 128  
                          Georgia Pacific Corp.  
Oil & Gas Lessee ----- Cabot Oil & Gas Corp.  
Coal Lessee ----- Island Creek Coal Co.  
                          Jewell Smokless Coal Corp.  
Coalbed Methane Lessee -- OXY USA INC

3 = 3.48 Acres -- 4.35% of Unit

4. Surface ----- B. F. McGlothlin Heirs  
Coal, Oil & Gas ----- Big Axe Tract No 8  
                          Wayles R. Harrison and Landon R.  
                          Wyatt, Jr., Trustees  
Oil & Gas Lessee ----- OXY USA INC  
Coal Lessee ----- Island Creek Coal Co.  
                          Jewell Smokless Coal Corp.  
Coalbed Methane Lessee -- OXY USA INC

4 = 23.93 Acres - 29.92% of Unit



Exhibit E  
Unit S-14  
Docket # VGOB-92-0317-0196-02  
List of Owners/Claimants that require escrow

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Acres in Unit

Percent  
of Unit

*Escrowing no longer required*

Exhibit EE  
Unit S-14  
Docket # VGOB-92-0317-0196-02  
List of Owners/Claimants with Royalty Split Agreements/Court Order/HB2058

	Acres in Unit	Percent of Unit	Percent of Escrow
<b><u>Tract #1 - 11.19 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) H-W Financial, LLC PO Box 11000 Danville, VA 24543	11.19 acres	13.9875%	<i>n/a</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) CNX Gas Company 1000 Consol Energy Drive Canonsburg, PA 15317 <i>(previously Buchanan Production Co.)</i>	11.19 acres	13.9875%	<i>n/a</i>
<b><u>Tract #4 - 23.93 acres</u></b>			
<b><u>COAL OWNERSHIP</u></b>			
(1) H-W Financial, LLC PO Box 11000 Danville, VA 24543	23.93 acres	29.9125%	<i>n/a</i>
<b><u>OIL &amp; GAS OWNERSHIP</u></b>			
(1) H-W Financial, LLC PO Box 11000 Danville, VA 24543	23.93 acres	29.9125%	<b>100.00%</b> <b>HB2058</b>

**Exhibit J**  
**Unit S14 Escrow Account Reconciliation**  
**VGOB 92-0317-0196**

CNX Deposit Information		
Date	Check No.	Total
8/25/1992		\$906.11
9/25/1992		\$291.74
10/25/1992		\$526.75
11/25/1992		\$428.21
12/25/1992		\$2,088.64
1/25/1993		\$1,774.70
2/25/1993		\$1,726.72
3/25/1993		\$1,641.95
4/25/1993		\$837.58
5/25/1993		\$716.38
6/25/1993		\$862.06
7/25/1993		\$1,293.10
8/25/1993		\$859.90
9/25/1993		
10/25/1993		
11/25/1993		\$781.29
12/25/1993		-\$402.54
1/25/1994		\$151.83
2/25/1994		\$317.24
3/25/1994		\$733.71
4/25/1994		\$6,450.43
5/25/1994		\$4,749.75
6/25/1994		\$1,805.62
7/25/1994		\$835.18
8/25/1994		\$631.79
9/25/1994		\$722.40
10/25/1994		\$224.32
11/25/1994		\$14.35
12/25/1994		\$0.02
1/25/1995		\$203.45
2/25/1995		\$268.18
3/25/1995		\$180.17
4/25/1995		\$42.73
5/25/1995		\$10.48
6/25/1995		\$46.58
7/25/1995		\$116.15
8/25/1995		\$109.92
9/25/1995		\$17.16
10/25/1995		\$6.82
11/25/1995		\$27.02
12/25/1995		\$38.00
1/25/1996		\$55.45
2/25/1996		\$145.87
3/25/1996		\$325.15
4/25/1996		\$1,586.66
5/25/1996		\$125.28
6/25/1996		\$33.13
7/25/1996		\$35.05
8/25/1996		\$29.76
9/25/1996		\$41.56
10/25/1996		\$31.35
11/25/1996		
12/25/1996		
1/25/1997		\$81.64
2/25/1997		\$103.69
3/25/1997		\$101.42
4/25/1997		\$153.22

Escrow Bank Data															Running Balance	Difference
Date	Royalty Deposits	Income	\$ Mkt Int	CDARS Int	Fees	Distributions	Corrections	Audit Costs	Transfer of Funds	Gain/Loss	Royalty Bonus	Total Int., Fees, Bonns	Bank Balance			
												\$0.00		\$906.11	-\$906.11	
9/30/1992	\$906.11											\$0.00	\$906.11	\$1,197.85	-\$291.74	
10/31/1992	\$788.33	\$3.29										\$3.29	\$1,697.73	\$1,727.89	-\$30.16	
11/30/1992		\$4.11										\$4.11	\$1,701.84	\$2,160.21	-\$458.37	
12/31/1992	\$2,547.01	\$5.27										\$5.27	\$4,254.12	\$4,254.12	\$0.00	
1/31/1993	\$1,774.70	\$7.29									\$23.93	\$7.29	\$6,060.04	\$6,036.11	\$23.93	
2/28/1993		\$12.59										\$12.59	\$6,072.63	\$7,775.42	-\$1,702.79	
3/30/1993	\$3,368.67	\$13.92			-\$80.00							-\$66.08	\$9,375.22	\$9,351.29	\$23.93	
4/30/1993	\$837.58	\$19.21										\$19.21	\$10,232.01	\$10,208.08	\$23.93	
5/31/1993	\$716.38	\$22.53										\$22.53	\$10,970.92	\$10,946.99	\$23.93	
6/30/1993	\$862.06	\$25.03										\$25.03	\$11,858.01	\$11,834.08	\$23.93	
7/31/1993	\$1,293.10	\$26.08			-\$52.58							-\$26.50	\$13,124.61	\$13,100.68	\$23.93	
8/31/1993	\$859.90	\$29.16			-\$60.93							-\$31.77	\$13,952.74	\$13,928.81	\$23.93	
9/30/1993	\$317.70	\$32.28			-\$21.63							\$10.65	\$14,281.09	\$13,939.46	\$341.63	
10/31/1993	\$367.67	\$33.26			-\$21.90							\$11.36	\$14,660.12	\$13,950.82	\$709.30	
11/30/1993		\$35.24			-\$22.22							\$13.02	\$14,673.14	\$14,745.13	-\$71.99	
12/31/1993	\$781.29	\$34.99			-\$12.23							\$22.76	\$15,477.19	\$14,365.35	\$1,111.84	
1/31/1994		\$38.57			-\$22.90							\$15.67	\$15,492.86	\$14,532.85	\$960.01	
2/28/1994		\$38.73			-\$12.91							\$25.82	\$15,518.68	\$14,875.91	\$642.77	
3/30/1994	\$1,050.95	\$35.01			-\$12.93							\$22.08	\$16,591.71	\$15,631.70	\$960.01	
4/30/1994	\$6,450.43	\$41.45			-\$23.83							\$17.62	\$23,059.76	\$22,099.75	\$960.01	
5/31/1994		\$46.17			-\$29.22							\$16.95	\$23,076.71	\$26,866.45	-\$3,789.74	
6/30/1994	\$6,555.37	\$70.15			-\$29.23							\$40.92	\$29,673.00	\$28,712.99	\$960.01	
7/31/1994	\$835.18	\$86.33			-\$34.73							\$51.60	\$30,559.78	\$29,599.77	\$960.01	
8/31/1994	\$631.79	\$103.79			-\$35.47							\$68.32	\$31,259.89	\$30,299.88	\$960.01	
9/30/1994														\$31,022.28	-\$31,022.28	
10/31/1994	\$214.32	\$98.11			-\$26.76							\$71.35	\$32,611.45	\$31,317.95	\$1,293.50	
11/30/1994		\$85.20			-\$36.78					-\$282.19		-\$233.77	\$32,352.93	\$31,098.53	\$1,254.40	
12/31/1994		\$87.25			-\$26.91					-\$0.05		\$60.29	\$32,438.03	\$31,158.84	\$1,279.19	
1/31/1995		\$77.63			-\$26.66							\$50.97	\$32,489.00	\$31,413.26	\$1,075.74	
2/28/1995	\$217.82	\$81.55			-\$26.58							\$54.97	\$32,761.79	\$31,736.41	\$1,025.38	
3/30/1995	\$448.35	\$5,462.36			-\$36.83				-\$5,135.45			\$290.08	\$33,500.22	\$32,206.66	\$1,293.56	
4/30/1995		\$95.57			-\$37.67							\$57.90	\$33,558.12	\$32,307.29	\$1,250.83	
5/31/1995	\$42.73	\$111.41			-\$27.69							\$83.72	\$33,684.57	\$32,401.49	\$1,283.08	
6/30/1995	\$57.06	\$115.38			-\$37.68							\$77.70	\$33,819.33	\$32,525.77	\$1,293.56	
7/31/1995		\$111.20			-\$37.77							\$73.43	\$33,892.76	\$32,715.35	\$1,177.41	
8/31/1995	\$226.07	\$113.55			-\$27.82							\$85.73	\$34,204.56	\$32,911.00	\$1,293.56	
9/30/1995		\$274.67			-\$41.83					-\$33.00		\$266.82	\$34,671.22	\$33,394.82	\$1,276.40	
10/31/1995	\$17.16	\$86.99			-\$23.02						-\$4.30	\$59.67	\$34,748.05	\$33,461.31	\$1,286.74	
11/30/1995	\$33.84	\$92.52			-\$39.01							\$62.10	\$34,897.50	\$33,603.94	\$1,293.56	
12/31/1995	\$26.22	\$89.79			-\$39.12							\$80.98	\$35,055.37	\$33,773.59	\$1,281.78	
1/31/1996	\$38.26	\$225.24			-\$39.19					-\$122.54		\$63.51	\$35,157.14	\$33,892.55	\$1,264.59	
2/28/1996	\$100.64	\$91.40			-\$39.43							\$51.97	\$35,309.75	\$34,090.39	\$1,219.36	
3/30/1996		\$386.86			-\$35.51							\$351.35	\$35,661.10	\$34,766.89	\$894.21	
4/30/1996	\$1,319.13	\$90.56			-\$29.72							\$60.84	\$37,041.07	\$36,414.39	\$626.68	
5/31/1996	\$86.44	\$89.72			-\$40.83							\$48.89	\$37,176.40	\$36,588.56	\$587.84	
6/30/1996	\$22.86	\$97.30			-\$33.54				-\$12.50	-\$18.86		\$32.40	\$37,231.66	\$36,654.09	\$577.57	
7/31/1996	\$24.19	\$217.60			-\$41.03							\$36.96	\$37,465.42	\$36,902.67	\$562.75	
8/31/1996	\$20.53	\$82.77			-\$41.17							\$41.60	\$37,527.55	\$36,974.03	\$553.52	
9/30/1996	\$28.68	\$386.28			-\$39.60				-\$85.15	\$29.53		\$291.06	\$37,847.29	\$37,306.65	\$540.64	
10/31/1996		\$95.81			-\$41.50				\$99.55			\$153.86	\$38,001.15	\$37,491.86	\$509.29	
11/30/1996	\$31.35	\$154.64			-\$31.70							\$122.94	\$38,155.44	\$37,614.80	\$540.64	
12/31/1996		\$148.61			-\$41.89				-\$82.46	\$16.19		\$40.45	\$38,195.89	\$37,655.25	\$540.64	
1/31/1997	\$81.64	\$280.19			-\$31.81							\$69.98	\$38,595.89	\$38,055.25	\$540.64	
2/28/1997	\$103.69	\$76.83			-\$42.16					-\$1,926.81		-\$1,892.14	\$36,807.44	\$36,266.80	\$540.64	
3/30/1997	\$101.42	\$210.49			-\$42.18					\$1,674.96		\$1,843.27	\$38,752.13	\$38,211.49	\$540.64	
4/30/1997	\$153.22	\$238.10			-\$42.31							\$46.48	\$39,147.62	\$38,606.98	\$540.64	









**Exhibit J**  
**Unit S14 Escrow Account Reconciliation**  
**VGOB 92-0317-0196**

CNX Deposit Information		
Date	Check No.	Total

Escrow Bank Data														Running Balance	Difference
Date	Royalty Deposits	Income	\$ Mkt Int	CDARS Int	Fees	Distributions	Corrections	Audit Costs	Transfer of Funds	Gain/Loss	Royalty Bonus	Total Int., Fees, Bonns	Bank Balance		
6/30/2017	\$0.00		\$5.82	\$2.43	(\$3.11)	\$0.00	\$0.00	\$0.00				\$5.14	\$37,375.29	\$36,818.34	\$556.95
7/31/2017	\$0.00		\$6.17	\$0.00	(\$3.11)	\$0.00	\$0.00	\$0.00				\$3.06	\$37,378.35	\$36,821.40	\$556.95
8/31/2017	\$0.00		\$7.48	\$0.00	(\$3.12)	\$0.00	\$0.00	\$0.00				\$4.36	\$37,382.71	\$36,825.76	\$556.95
9/30/2017	\$0.00		\$6.20	\$0.00	(\$3.12)	\$0.00	\$0.00	\$0.00				\$3.08	\$37,385.79	\$36,828.84	\$556.95
Total:												\$19,241.51			

<b>Total Deposited</b>	<b>\$35,080.00</b>
<b>Disbursement 01</b>	<b>-\$17,492.67</b>
<b>Interest and Fees</b>	<b>\$19,241.51</b>
<b>Total</b>	<b>\$36,828.84</b>
<b>September 2017 FB&amp;T balance</b>	<b>\$37,385.79</b>
FB&T Difference	\$556.95