

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**PETITIONER:** CNX Gas Company LLC

**DIVISION OF GAS AND OIL**

**DOCKET NO:** VGOB 92-0317-0197-01

**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1, 2, 3 (2) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.1-361.22:2.**

**HEARING DATE:** December 19, 2017

**DRILLING UNIT:** T13

**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 Tracts 1, 2 and 3, as depicted upon the annexed table; (2) dismissal of surface owners in Tract 2, 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. H-W Financial, LLC and CNX Gas Company LLC & Garden Realty Corp. have entered into royalty split agreement(s). Said royalty split agreement(s) allow the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE.
- b. 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:

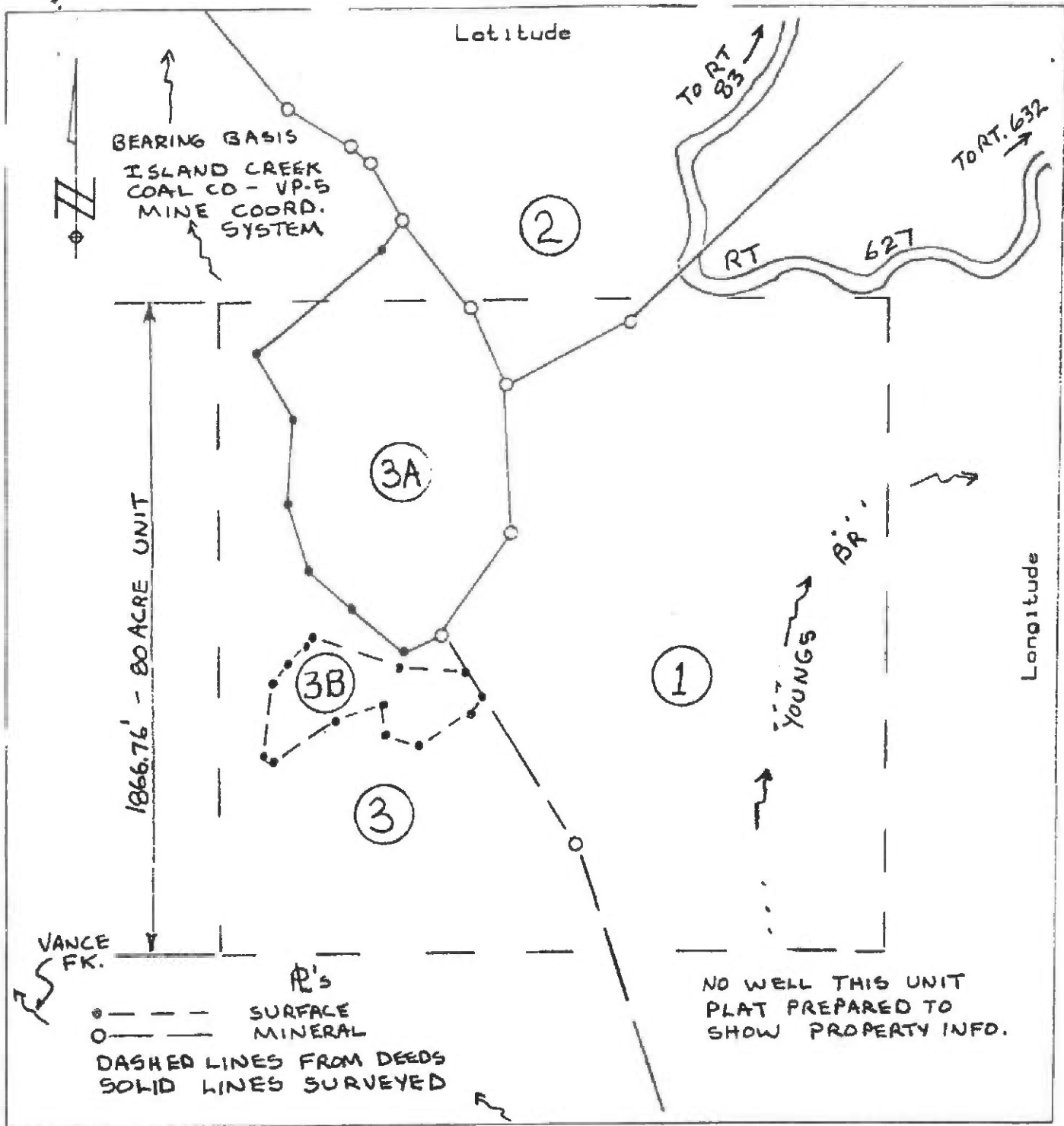
B.F. McGlothlin Heirs, Devisees, Successors or Assigns including Shauna McGlothlin, Jon McGlothlin, Logan McGlothlin, Bonnie McGlothlin, Ralph Edward McGlothlin, Jr., Patricia S. McGlothlin, Bascom "Buddy" Matney, Helen Carol Mamone, Ann C. Rauhauser, Joseph Blair McGlothlin, Katherine M. Warren, St. 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**

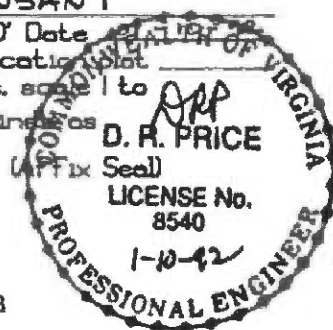
The foregoing Petition to the best of my knowledge, information, and belief is true and correct.



WELL LOCATION PLAT

Company OXY USA INC Well Name and Number UNIT T13  
 Tract No. N/A Elevation N/A Quadrangle VANSANT  
 County BUCHANAN District S. GRUNDY / GARDEN Scale: 1" = 400' Date PLAT OF  
 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 1 to 24,000. latitude and longitude lines being represented by border lines as shown.

D. Price  
 Licensed Professional Engineer or Licensed Land Surveyor



OXY USA INC.

Well Plat Legend  
Property and Lease Information  
Well Unit -- T13

1. 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.

5 = 42.63 Acres - 53.30% of Unit

2. Surface, Oil & Gas ----- ~~Raymond Street & Gerald McClanahan~~ *Oxy*  
Coal ----- Big Axe Tract No 1  
Wayles R. Harrison and Landon R.  
Wyatt, Jr., Trustees  
Oil & Gas Lessee ----- None  
Coal Lessee ----- Island Creek Coal Co.  
Jewell Smokless Coal Corp.  
Coalbed Methane Lessee -- OXY USA, Inc.

1 = 1.62 Acres - 2.02% of Unit

3. Surface ----- VP 5 Mining Co.  
%Island Creek Coal Co.  
Coal ----- Big Axe Tract No 1  
Wayles R. Harrison and Landon R.  
Wyatt, Jr., Trustees  
Oil & Gas ----- Garden Realty Corp.  
Oil & Gas Lessee ----- Pocahontas Gas Partnership  
Coal Lessee ----- Island Creek Coal Co.  
Jewell Smokless Coal Corp.  
Coalbed Methane Lessee -- OXY USA, Inc.
- 3A. Surface ----- Raymond Street & Gerald McClanahan  
Coal ----- Big Axe Tract No 1  
Wayles R. Harrison and Landon R.  
Wyatt, Jr., Trustees  
Oil & Gas ----- Garden Realty Corp.  
Oil & Gas Lessee ----- Pocahontas Gas Partnership  
Coal Lessee ----- Island Creek Coal Co.  
Jewell Smokless Coal Corp.  
Coalbed Methane Lessee -- OXY USA, Inc.

- 3B. Surface ----- Street/Vandyke Cemetery  
Coal ----- Big Axe Tract No 1  
Wayles R. Harrison and Landon R.  
Wyatt, Jr., Trustees  
Oil & Gas ----- Garden Realty Corp.  
Oil & Gas Lessee ----- Pocahontas Gas Partnership  
Coal Lessee ----- Island Creek Coal Co.  
Jewell Smokless Coal Corp.  
Coalbed Methane Lessee -- OXY USA, Inc.

3, 3A & 3B = 35.75 Acres - 44.68% of Unit

VGOB Disbursement

Unit T13

VGOB-92-0317-0197-01

Table 1

Tracts: 1, 2, 3

Fractional	Net Acreage	Royalty	Escrowed	Percent of	Disbursement
Ownership	Ownership	Split	Acres	Escrowed	
in Tract	inTract	Agreement	Disbursed	Disbursed	
			80.00000		
1	Tract 1 (total acreage)		42.6300		
1	1	H-W Financial, LLC\PO Box 11000 Danville VA 24543	42.6300	100.00%	42.6300 53.2875% \$13,005.93
2	Tract 2 (total acreage)		1.6200		
1	2	H-W Financial, LLC\PO Box 11000 Danville VA 24543	1.6200	50.00%	0.8100 1.0125% \$247.12
2	2	CNX Gas Company LLC\PO Box 643830 Pittsburgh PA 15264-3830	1.6200	50.00%	0.8100 1.0125% \$247.12
3	Tract 3 (total acreage)		35.7500		
1	3	H-W Financial, LLC\PO Box 11000 Danville VA 24543	35.7500	50.00%	17.8750 22.3438% \$5,453.46
2	3	Garden Realty Corporation\c/o Margaret Burns 108 Bexley Rd Mooresville NC 28117	35.7500	50.00%	17.8750 22.3438% \$5,453.46

**Wells contributing to the escrow account: CBM Q13A, CBM Q13E, CBM Q13F, CBM Q14A, CBM Q14B, CBM R13A, CBM R13B, CBM R-13C, CBM R13D, CBM R13E, CBM R14A, CBM R14B, CBM R14C, CBM S13A, CBM S13B, CBM S14A, CBM S14B**

Exhibit E  
UNIT T-13  
Docket # VGOB 92-0317-0197-01  
List of Owners/Claimants that require escrow

Acres in Unit	Percent of Unit
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*Escrowing no longer required*

Exhibit EE  
UNIT T-13  
Docket # VGOB 92-0317-0197-01  
List of Owners/Claimants with Royalty Split Agreements/Court Order/HB2058

	Acres in Unit	Percent of Unit	Division of Interest in		Percent of Escrow
			9 East 7.75%	10-East 5.54%	
<b><u>Tract #1, 42.63 Acres</u></b>					
<b><u>COAL FEE OWNERSHIP</u></b>					
(1) H-W Financial, LLC P.O. Box 11000 Danville, VA 24543	42.63 acres	53.28750%	4.12978%	2.95213%	<i>n/a</i>
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>					
(1) H-W Financial, LLC P.O. Box 11000 Danville, VA 24543	42.63 acres	53.28750%	4.12978%	2.95213%	<b>53.2875%</b> <b>HB2058</b>
<b><u>Tract #2, 1.62 Acres</u></b>					
<b><u>COAL FEE OWNERSHIP</u></b>					
(1) H-W Financial, LLC P.O. Box 11000 Danville, VA 24543	1.62 acres	2.02500%	0.15694%	0.11219%	<b>1.0125%</b> Royalty Division Agreement
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>					
(1) CNX Gas Company LLC 1000 Consol Energy Drive Canonsburg, PA 15317	1.62 acres	2.02500%	0.15694%	0.11219%	<b>1.0125%</b> Royalty Division Agreement
<b><u>Tract #3, 35.75 Acres</u></b>					
<b><u>COAL FEE OWNERSHIP</u></b>					
(1) H-W Financial, LLC P.O. Box 11000 Danville, VA 24543	35.75 acres	44.68750%	3.46328%	2.47569%	<b>22.3438%</b> Royalty Division Agreement
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>					
(1) Garden Realty Corp. c/o Margaret Burns 108 Bexley Road Mooresville, NC 28117	35.75 acres	44.68750%	3.46328%	2.47569%	<b>22.3438%</b> Royalty Division Agreement



**Exhibit J**  
**Unit T13 Escrow Account Reconciliation**  
**VGOB 92-0137-0197**

CNX Deposit Information		
Check Date	Check Number	Total
12/25/1995		\$10.71
1/25/1996		\$24.20
2/25/1996		\$48.27
3/25/1996		\$109.08
4/25/1996		\$252.09
5/25/1996		\$140.93
6/25/1996		\$90.54
7/25/1996		\$59.37
8/25/1996		\$56.04
9/25/1996		\$88.11
10/25/1996	101	\$71.38
12/24/1996	318	\$53.60
1/25/1997	431	\$91.31
2/25/1997	599	\$183.74
3/25/1997	768	\$194.90
4/25/1997	959	\$98.71
6/25/1997	1211	\$44.62
7/25/1997	1363	\$43.68
9/25/1997	1620	\$31.30

Escrow Bank Data														
Date	Escrow Royalty Deposits	Income	\$ Mkt Int	CDARS Int	Fees	Distributions	Audit Costs	Corrections	Gain/Loss	Royalty Bonus	Total Int. and Fees	Bank Balance	Running Balance	Difference
12/31/1995	\$0.00	\$38.50			-\$12.49				\$34.90		\$60.91	\$15,031.51	\$14,360.95	\$670.56
1/31/1996	\$42.80	\$95.02			-\$12.52				-\$52.28		\$30.22	\$15,104.53	\$14,415.37	\$689.16
2/29/1996	\$48.27	\$39.13			-\$22.64						\$16.49	\$15,169.29	\$14,480.13	\$689.16
3/31/1996	\$0.00	\$168.33			-\$21.01						\$147.32	\$15,316.61	\$14,627.45	\$689.16
4/30/1996	\$109.08	\$38.86			-\$12.76						\$26.10	\$15,451.79	\$14,762.63	\$689.16
5/31/1996	\$393.02	\$38.49			-\$22.87						\$15.62	\$15,860.43	\$15,171.27	\$689.16
6/30/1996	\$90.54	\$40.66			-\$19.99			-\$5.28	-\$7.58		\$7.81	\$15,958.78	\$15,269.62	\$689.16
7/31/1996	\$59.37	\$91.47			-\$23.30				\$15.23		\$83.40	\$16,099.89	\$15,412.39	\$687.50
8/31/1996											\$0.00	\$16,168.04	\$15,468.43	\$699.61
9/30/1996	\$88.11	\$168.28			-\$22.77			-\$37.15	\$12.87		\$121.23	\$16,377.38	\$15,677.77	\$699.61
10/31/1996	\$0.00	\$41.87			-\$23.63			\$43.36			\$61.60	\$16,438.98	\$15,739.37	\$699.61
11/30/1996	\$71.38	\$67.06			-\$13.72						\$53.34	\$16,563.70	\$15,864.09	\$699.61
12/31/1996	\$53.79	\$64.64			-\$23.83			-\$30.45	\$6.80		\$17.16	\$16,634.65	\$15,934.85	\$699.80
1/31/1997	\$91.31	\$120.69			-\$23.85				\$31.21		\$128.05	\$16,854.01	\$16,154.21	\$699.80
2/28/1997	\$183.74	\$34.33			-\$24.05				-\$814.32		-\$804.04	\$16,233.71	\$15,533.91	\$699.80
3/31/1997	\$194.90	\$90.18			-\$24.16				\$704.47		\$770.49	\$17,199.10	\$16,499.30	\$699.80
4/30/1997	\$98.71	\$105.70			-\$24.34				\$20.28		\$101.64	\$17,399.45	\$16,699.65	\$699.80
5/31/1997	\$0.00	\$62.09			-\$24.49				\$35.95		\$73.55	\$17,473.00	\$16,773.20	\$699.80
6/30/1997	\$44.69	\$65.14			-\$14.56				\$12.21		\$62.79	\$17,580.48	\$16,880.61	\$699.87
7/31/1997	\$43.68	\$125.38			-\$24.64				\$41.41		\$142.15	\$17,766.31	\$17,066.44	\$699.87
8/31/1997	\$0.00	\$53.45			-\$24.80						\$28.65	\$17,794.96	\$17,095.09	\$699.87
9/30/1997	\$31.37	\$112.70			-\$14.82						\$97.88	\$17,924.21	\$17,224.27	\$699.94
10/31/1997	\$0.00	\$176.65			-\$39.93				-\$35.29		\$101.43	\$18,025.65	\$17,325.70	-\$17,325.70
11/30/1997											\$0.00	\$18,025.65	\$17,325.70	\$699.95
12/31/1997	\$0.00	\$112.02							\$0.35		\$112.37	\$18,138.02	\$17,438.07	\$699.95
1/31/1998	\$0.00	\$385.35							\$10.40		\$395.75	\$18,533.77	\$17,833.82	-\$17,833.82
2/28/1998											\$0.00	\$18,533.77	\$17,833.82	-\$17,833.82
3/31/1998											\$0.00	\$18,533.77	\$17,833.82	-\$17,833.82
4/30/1998											\$0.00	\$18,533.77	\$17,833.82	-\$17,833.82
5/31/1998											\$0.00	\$18,533.77	\$17,833.82	-\$17,833.82
6/30/1998											\$0.00	\$18,533.77	\$17,833.82	-\$17,833.82
7/31/1998	\$0.00	\$382.49							\$40.61		\$423.10	\$18,956.87	\$18,256.92	-\$18,256.92
8/31/1998											\$0.00	\$18,956.87	\$18,256.92	-\$18,256.92
9/30/1998											\$0.00	\$18,956.87	\$18,256.92	-\$18,256.92
10/31/1998											\$0.00	\$18,956.87	\$18,256.92	-\$18,256.92
11/30/1998											\$0.00	\$18,956.87	\$18,256.92	-\$18,256.92
12/31/1998											\$0.00	\$18,956.87	\$18,256.92	-\$18,256.92
1/31/1999	\$0.00	\$93.36							-\$5.66		\$87.70	\$19,044.57	\$18,344.62	\$699.95
2/28/1999	\$0.00	\$53.81			-\$15.52				-\$27.84		\$10.45	\$19,055.02	\$18,355.07	\$699.95
3/31/1999	\$0.00	\$79.97			-\$31.37				\$3.75		\$52.35	\$19,107.37	\$18,407.42	\$699.95
4/30/1999	\$0.00	\$111.08			-\$20.03				-\$7.63		\$83.42	\$19,190.79	\$18,490.84	\$699.95
5/31/1999	\$0.00	\$77.71			-\$17.68				-\$20.13		\$39.90	\$19,230.69	\$18,530.74	\$699.95
6/30/1999	\$0.00	\$83.53			-\$15.87				-\$8.54		\$59.12	\$19,286.81	\$18,589.86	\$696.95
7/31/1999	\$0.00	\$98.59			-\$16.04				-\$7.03		\$75.52	\$19,365.33	\$18,665.38	\$699.95
8/31/1999	\$0.00	\$54.83			-\$15.99				-\$6.09		\$32.75	\$19,398.08	\$18,698.13	\$699.95
9/30/1999	\$0.00	\$105.70			-\$16.83				\$4.13		\$93.00	\$19,491.08	\$18,791.13	\$699.95
10/31/1999	\$0.00	\$79.28			-\$16.24				\$0.79		\$63.83	\$19,554.91	\$18,854.96	\$699.95
11/30/1999	\$0.00	\$59.48			-\$16.29				-\$21.84		\$21.35	\$19,576.26	\$18,876.31	\$699.95
12/31/1999	\$0.00	\$227.42			-\$16.31				-\$33.34		\$177.77	\$19,754.03	\$19,054.08	\$699.95
1/31/2000	\$0.00	\$54.80									\$54.80	\$19,808.83	\$19,108.88	\$699.95
2/29/2000	\$0.00	\$61.20									\$61.20	\$19,870.03	\$19,170.08	\$699.95
3/31/2000	\$0.00	\$68.45									\$68.45	\$19,938.48	\$19,238.53	\$699.95
4/30/2000	\$0.00	\$63.93									\$63.93	\$20,002.41	\$19,302.46	\$699.95
5/31/2000	\$0.00	\$87.26									\$87.26	\$20,089.67	\$19,389.72	\$699.95
6/30/2000	\$0.00	\$81.43									\$81.43	\$20,171.10	\$19,471.15	\$699.95







