

## AFFIDAVIT OF DUE DILIGENCE

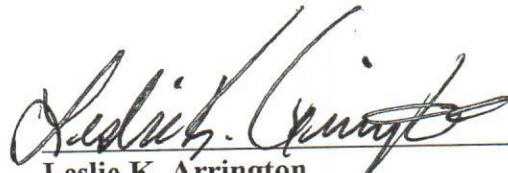
COMMONWEALTH OF VIRGINIA  
COUNTY OF BUCHANAN



I, Leslie K. Arrington, after being duly sworn upon oath, state as follows:

1. I am a Manager – Environmental Permitting of CNX Gas Company LLC and am responsible for the notification process required by Va. Code Ann. §45.1-361.19 and VR 480-05-22.2 §4.
2. That CNX Gas Company LLC has exercised due diligence in attempting to locate and notice all owners and claimants who are unleased and/or who were not previously pooled by prior order(s) of the Virginia Gas and Oil Board regarding **Beatrice Field Modification, Unit P-25**, all as required by Va. Code Ann. §45.1-361.19 and VR 480-05-22.2.
3. That on May 16, 2008 a true and correct copy of the Notice of Hearing with Exhibits will be mailed, via certified mail return receipt requested, to all owners and claimants listed in Exhibit B-3 for whom mailing addresses were then available.
4. That every individual or entity having an unleased or unpooled interest in the methane gas underlying the tracts in the **Beatrice Field Modification, Unit P-25**, whether known or unknown, including those persons whose mailing address were unknown, was notified of the filing of CNX Gas Company LLC's application by publication of the Notice of Hearing in the *Bluefield Daily Telegraph*.
5. That CNX Gas Company LLC will continue to exercise due diligence in attempting to locate and identify the names and/or addresses of any unknown or unlocatable parties and, if located or identified, will notify them of CNX Gas Company LLC's application.

I have read the foregoing, and the information given above is true and correct to the best of my knowledge and belief.

  
Leslie K. Arrington  
Director – Environmental Permitting  
for CNX Gas Company LLC

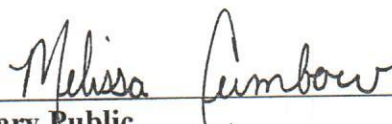
ACKNOWLEDGMENT

STATE OF WEST VIRGINIA

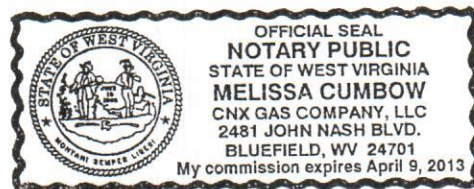
COUNTY OF MERCER, TO-WIT:

TAKEN, SUBSCRIBED AND SWORN to before me this 16th day of

May, 2008.

  
Notary Public

My commission expires: April 9, 2013



CERTIFICATION OF NOTICE  
CNX Gas Company LLC

Modification of Beatrice Field Rules to remove Unit P-25  
VGOB 96-0618-0545-01

NAME	MAILED	RECEIPT #	RECEIVED
Buchanan Coal Company	5/19/08	7008050000013155 1224	5/20/08
Yukon / Buchanan / Sayers	5/19/08	7008050000013155 1231	6/3/08
Yukon Pocahontas Coal Company	5/19/08	7008050000013155 1248	5/20/08
Consolidation Coal Company	**Hand Delivered**		*

\*Consol Energy Inc. owned companies and/or partnerships were hand delivered notice as of the date indicated.

BEFORE THE VIRGINIA GAS AND OIL BOARD  
APPLICANT: CNX Gas Company LLC DIVISION OF GAS AND OIL  
RELIEF SOUGHT: MODIFICATION OF DOCKET NO.: VGOB 96-0618-0545-01  
BEATRICE MINE  
SEALED GOB ORDER  
LOCATION: SEE EXHIBIT "A1"  
UNIT: Oakwood Field Unit P-25  
BUCHANAN COUNTY, VIRGINIA

NOTICE OF HEARING  
HEARING DATE: June 17, 2008  
PLACE: Southwest Virginia Higher Education Center  
Campus of the Virginia Highlands Community College  
Abingdon, Virginia  
TIME: 9:00 a.m.

COMMONWEALTH OF VIRGINIA: To all persons owning or claiming an interest in oil and gas, coalbed methane gas, coal or other minerals and to all other persons who have or claim to have an interest in the coalbed methane underlying and within Unit P-25 and the lands described on Exhibit A to the Application and Exhibit A1 hereto, in the Hurricane District of Buchanan County, Virginia (hereinafter "Subject Lands") and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, assigns and successors, both immediate and remote:

Consolidation Coal Company, Yukon-Pocahontas Coal Company, LLP, Buchanan Coal Company, LLP, Sayers-Pocahontas Coal Company, LLP and Plum Creek Timberlands, L.P.

NOTICE IS HEREBY GIVEN that Applicant is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order modifying the Order referenced above and entered on the 6th day of November, 1998 as follows:

a. to allow the Applicant to produce coalbed methane gas from the P-25 CBM Well,  
b. to exempt said production for the 350 MMCF allowable limit which would otherwise apply if the P-25 well were in communication with the sealed gob; and  
c. 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.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at 9:00 a.m., on June 17, 2008, at the Southwest Virginia Higher Education Center, Campus of the Virginia Highlands Community College in Abingdon, Virginia, 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 1416, Abingdon, Virginia 24210, 276/676-5423 or the Applicant at the address shown below.

CNX Gas Company LLC  
Applicant  
By: Leslie K. Arrington  
Director-Environmental Permitting  
CNX Gas Company LLC  
2481 John Nash Blvd.  
Bluefield, WV 24701

## CERTIFICATE OF PUBLICATION

State of West Virginia,

To-wit:-

County of Mercer,

Kay Chinsolo of the  
Bluefield Daily Telegraph, a daily newspaper published in the City of  
Bluefield, Mercer County, West Virginia, do certify that the notice  
attached hereto under the caption;

was published in the said Bluefield Daily Telegraph

One (1) Time(s)

on the following day(s), namely: May 28

in the year 2008.

Publication Fee \$188.66

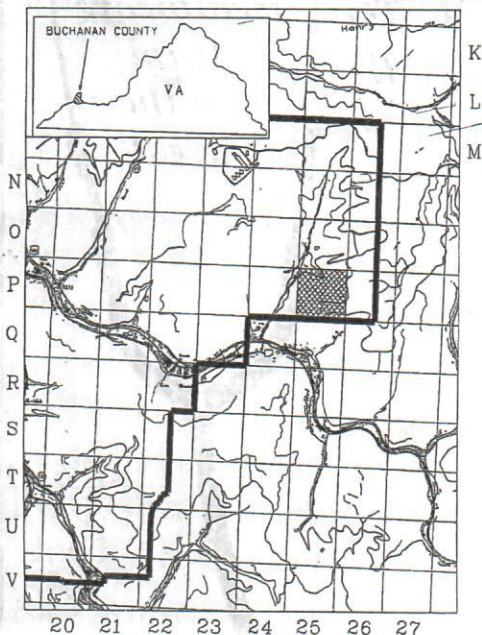


EXHIBIT A1  
MODIFICATION OF BEATRICE ORDER  
VGOB 96-0618-0545-01

Kay Chinsolo

Subscribed and sworn to before me this 28<sup>th</sup> day of  
May 2008.

My Commission expires Dec 18, 2008

Teresa Herald



275 3x10<sup>3</sup>/<sub>4</sub>



**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**APPLICANT: CNX Gas Company LLC**

**DIVISION OF GAS AND OIL  
DOCKET NO.: VGOB 96-0618-0545-01**

**RELIEF SOUGHT: Modification of Beatrice Mine  
Sealed Gob Order**

**LOCATION: SEE EXHIBIT "A1"**

**UNIT: Oakwood Field Unit P-25  
BUCHANAN COUNTY, VIRGINIA**

**HEARING DATE:** June 17, 2008  
**PLACE:** Southwest Virginia Higher Education Center  
Campus of the Virginia Highlands Community College  
Abingdon, Virginia  
**TIME:** 9:00 a.m.



**NOTICE OF HEARING**

**COMMONWEALTH OF VIRGINIA:** To all persons owning or claiming an interest in oil and gas, coalbed methane gas, coal or other minerals and to all other persons who have or claim to have an interest in the coalbed methane underlying and within Unit P-25 and the lands described on Exhibit A to the Application and Exhibit A1 hereto, in the Hurricane District of Buchanan County, Virginia (hereinafter "Subject Lands") and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, assigns and successors, both immediate and remote:

*Consolidation Coal Company, Yukon Pocahontas Coal Company, LLP, Buchanan Coal Company, LLP, Sayers-Pocahontas Coal Company, LLP and Plum Creek Timberlands, L.P.*


**NOTICE IS HEREBY GIVEN** that Applicant is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order modifying the Order referenced above and entered on the 6<sup>th</sup> day of November, 1996 as follows:

- a. to allow the Applicant to produce coalbed methane gas from the P-25 CBM Well,
- b. to exempt said production for the 350 MMCF allowable limit which would otherwise apply if the P-25 well were in communication with the sealed gob; and
- c. 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.

**NOTICE IS FURTHER GIVEN** that this cause has been set for hearing and the taking of evidence before the Board at 9:00 a.m., on **June 17, 2008**, at the Southwest Virginia Higher Education Center, Campus of the Virginia Highlands Community College in Abingdon, Virginia, 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 1416, Abingdon, Virginia 24210, 276/676-5423 or the Applicant at the address shown below.

**CNX Gas Company LLC**  
Applicant

By:   
Leslie K. Arrington  
Director – Environmental Permitting  
CNX Gas Company LLC  
2481 John Nash Blvd.  
Bluefield, WV 24701

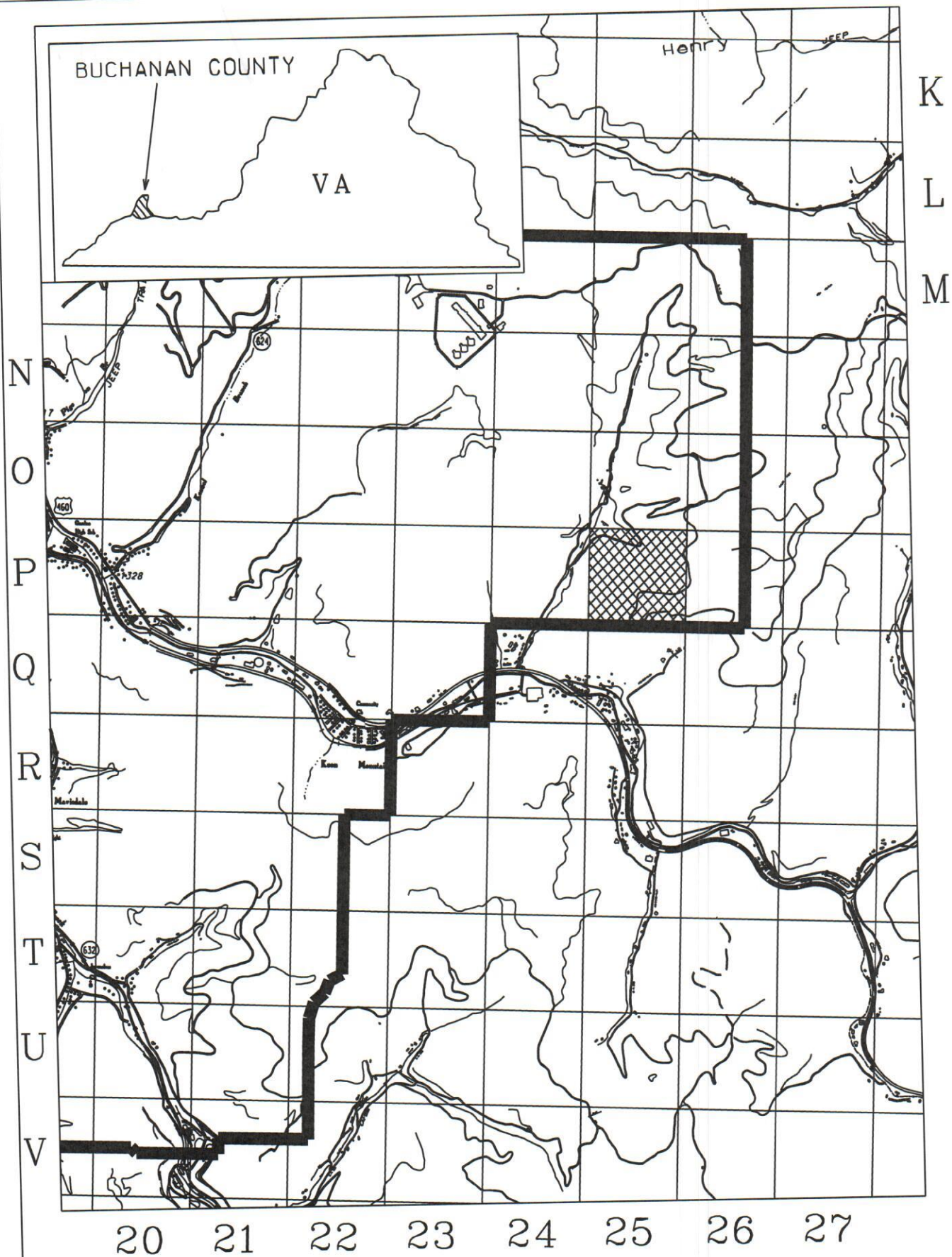


EXHIBIT A1  
MODIFICATION OF BEATRICE ORDER  
VGOB 96-0618-0545-01



COPY



COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF MINES, MINERALS AND ENERGY  
DIVISION OF GAS AND OIL  
POST OFFICE BOX 1416  
ABINGDON, VIRGINIA 24210  
(540)676-5423

---

**INSPECTION REPORT**

**NAME AND ADDRESS OF PERMITTEE:**

CNX Gas Company LLC  
2481 John Nash Blvd  
Bluefield, WV 24701

OPERATION NAME: CBM P25  
OPERATION TYPE: Coalbed/Pipeline  
DATE ISSUED: 2/28/2008  
FILE NUMBER: BU-3491  
APPLICATION NO.: \_\_\_\_\_

PRIORITY: 3

NEXT INSPECTION DUE BY: 05/31/2008

TYPE OF INSPECTION: Permitted Site

OPERATION STATUS: Other

ACTIONS OF THE INSPECTORS: Violation Issued

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**INSPECTED and found Acceptable:**

Site Condition  
Equipment Condition  
Pit Condition

CBM Site Safety -- Immient Danger - N Dangerous Condition - Department of Labor and Industry Notified - N

---

**INSPECTED and found Not Acceptable:**

Road Condition

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**COMMENTS/RECOMMENDATIONS:**

The completion report identified the P3 as being completed. This is a violation of the approved plan and the Board Order. The operator has not received approval from the Board nor has he sought its approval. Since the well has been connected to a pipeline, a NOV is issued instructing the operator to cease production of the well, disconnect the well from the pipeline by 5/19 and either plug the P3 or receive Board approval to produce the P3 by 6/19.

The operator needs to clean the beginning section of the road's ditchline.

---

DATE START - STOP  
4/30/2008 10:15:00 AM 10:30:00 AM

INSPECTOR: Gary J. Eide

INSPECTION: 108873

STREET, STREET, STREET, SCOTT & BOWMAN

ATTORNEYS AT LAW  
339 WEST MAIN STREET  
P. O. BOX 2100  
GRUNDY, VA 24614

June 17, 1996

N. D. STREET  
T. R. SCOTT, JR.  
J. W. BOWMAN  
T. F. HIBBITTS  
R. J. BREIMANN  
S. T. MULLINS  
J. H. STREET  
—  
R. V. PRESLEY, II  
L. G. WILLIAMS

OF COUNSEL  
H. A. STREET  
  
E. K. STREET  
(1943-1990)  
—  
TELEPHONE  
(540) 935-2128  
  
FAX  
(540) 935-4162

Benny Wampler, Chairman  
Virginia Gas & Oil Board  
P. O. Box 1416  
Abingdon, VA 24212

RE: Establishment of field rules for  
the Beatrice mine sealed gob area  
with additional establishment of  
allowable production from each well  
within the sealed gob area  
Our File No. 22100

Dear Mr. Wampler:

I represent Ratliff Gas Company, Inc. relative to its well, Ratliff No. 1, which is located on Unit U-19 in the Garden Creek area of Buchanan County, Virginia. As you will recall, Ratliff Gas Company has previously had that well permitted and had a unit established for production from that well. At this time, production is ongoing.

As I understand it, the Board is now taking under consideration the establishment of field rules for the Beatrice mine area. Specifically, one of the provisions you are considering is limiting production upon each well/unit. Please be advised that it is the position of Ratliff Gas Company, Inc. that any such cap or limitation upon the production of Ratliff No. 1 would violate the vested rights both Ratliff Gas Company, Inc. has in that well and the production therefrom along with a violation of the vested rights of the royalty owners. As the Board is well aware, no law or regulation can be enacted to adversely affect vested rights. Both Ratliff Gas Company, Inc. and its royalty owners have a vested right in the full production, at whatever the maximum allowable rate could be, in Ratliff Gas Company's Ratliff No. 1 well.

Any regulation, by the establishment of uniform field rules or otherwise, which interfere with this vested rights held by Ratliff Gas Company and its royalty owners, violates both statutory protections and constitutional protections, both U.S. and Virginia Constitutions, by operating to take away the right to produce as much gas as that well is capable of producing.




Benny Wampler, Chairman  
June 17, 1996  
Page 2

I specifically request that I be copied in on any decision made by the Board and that you consider this to be a formal objection to the enactment of field rules insofar as those rules seek to limit production from Ratliff Well No. 1.

With best regards, I remain

Yours truly,

A handwritten signature in cursive script, appearing to read "S. T. Mullins".

S. T. Mullins

STM/sms

xc: Ratliff Gas Company

STREET, STREET, STREET, SCOTT & BOWMAN

ATTORNEYS AT LAW  
339 WEST MAIN STREET  
P. O. BOX 2100  
GRUNDY, VA 24614

December 3, 1996

N. D. STREET  
T. R. SCOTT, JR.  
J. W. BOWMAN  
T. F. HIBBITTS  
R. J. BREIMANN  
S. T. MULLINS  
J. H. STREET  
—  
R. V. PRESLEY, II  
L. G. WILLIAMS  
B. A. STREET (ADMITTED IN N. C.)

OF COUNSEL  
H. A. STREET  
—  
E. K. STREET  
(1943-1990)  
—  
TELEPHONE  
(540) 935-2128  
—  
FAX  
(540) 935-4162

VIA CERTIFIED/P 430 451 334

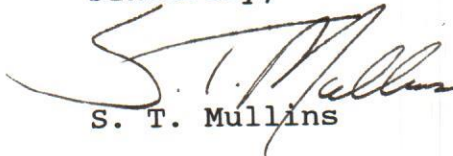
Mr. Benny R. Wampler, Chairman  
Mr. Byron T. Fulmer, Staff Executive  
The Virginia Gas and Oil Board  
P. O. Box 1416  
230 Charwood Drive  
Abingdon, VA 24210

Re: Establishment of the Boundaries of a  
Provisional Sealed Gob Area of the  
Beatrice Mine in Buchanan County,  
Virginia and the Establishment of  
Field Rules Therefor and Drilling  
Units Therein Pursuant to VA. Code §  
45.1-361.20 for the Production of  
Gas Therefrom.  
Our File No. 22100

Dear Messrs. Wampler and Fulmer:

Please find enclosed a Notice of Appeal in the above  
referenced matter.

Sincerely,

  
S. T. Mullins

STM/cjs

cc: Mark Swartz, Esq. (w/encl) (CERTIFIED/P 312 233 968)  
Edward P. Parker (CERTIFIED/P 430 451 340 & P 109 314 164)  
W. D. Gillenwater (CERTIFIED/P 430 451 339)  
Sandra E. Riggs (CERTIFIED/P 430 451 338)  
Wyatt Ratliff (CERTIFIED/P 430 451 337)



# COMMONWEALTH OF VIRGINIA



## SUBPOENA IN CHANCERY

Case No. 1-97

Circuit Court

Buchanan County

P.O. Box 929, Grundy, VA 24614

ADDRESS

TO:

Virginia Gas & Oil Board

SERVE: Byron T. Fulmer, Secretary

230 Charwood Drive

Abingdon, VA 24210



The party upon whom this writ and the attached paper are served is hereby notified that unless within twenty-one (21) days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter decree against such party, either by default or after hearing evidence.

Appearance in person is not required by this subpoena.

Done in the name of the Commonwealth of Virginia.

January 4, 1997  
DATE

James M. Bevins, Jr.,

Clerk

by

*Patricia L. Linn*

DEPUTY CLERK

*asked Tom  
if needed  
to send  
anything  
No 1/16/97*

VIRGINIA:

IN THE CIRCUIT COURT OF BUCHANAN COUNTY

ESTABLISHMENT OF THE BOUNDARIES )  
OF A PROVISIONAL SEALED GOB AREA )  
OF THE BEATRICE MINE IN BUCHANAN )  
COUNTY, VIRGINIA, AND THE )  
ESTABLISHMENT OF FIELD RULES )  
THEREFOR AND DRILLING UNITS )  
THEREIN PURSUANT TO VA. CODE )  
§45.1-361.20 FOR THE PRODUCTION OF )  
GAS THEREFROM )

CASE NO.

1-97

SERVE:

Edward R. Parker, Registered Agent for  
Appalachian Operators, Inc., a Delaware  
Corporation and a General Partner of  
Buchanan Production Company  
5511 Staples Mill Road  
Richmond, VA 23228

Edward R. Parker, Registered Agent for  
Appalachian Methane, Inc., a Delaware  
Corporation and a General Partner of  
Buchanan Production Company  
5511 Staples Mill Road  
Richmond, VA 23228

Edward R. Parker, Registered Agent for  
Consol, Inc.  
5511 Staples Mill Road  
Richmond, VA 23228

Byron T. Fulmer, Secretary  
Virginia Gas & Oil Board  
230 Charwood Drive  
Abingdon, VA 24210



## PETITION FOR APPEAL

Comes now Ratliff Gas Company, Inc., and Wyatt Ratliff, by counsel, and petitions this Court for an appeal from the decision ("Decision") of the Virginia Gas and Oil Board ("Board") executed on the 6th day of November, 1996, filed in the Circuit Court Clerk's Office in Buchanan County, Virginia, in the case of: In Re: Establishment of the Boundaries of a Provisional Sealed Gob Area of the Beatrice Mine in Buchanan County, Virginia, and the Establishment of Field Rules Therefor and Drilling Units Therein Pursuant to Va. Code §54.1-361.20 for the Production of Gas Therefrom, hereinafter referred to as "Case", pursuant to Va. Code §45.1-361.1 et seq., and Va. Code §9-6.14:1, et seq., and in support of its appeal, the Petitioner states as follows:

### Proceedings Below:

This matter was heard by the Board on its own motions at 9:00 a.m. on June 18, 1996, and again at 9:00 a.m. on August 20, 1996. As part of these hearings, the Board considered whether or not to place restrictions on production of coal bed methane gas (CBM) from drilling units contained in the area overlying the Beatrice Mine in Buchanan County, Virginia, consisting of approximately 6,180 acres. The Board considered placing such restrictions upon this area despite the fact that Wyatt Ratliff had a well in production in this area for approximately 20 years and despite the previously granted permit and pooling order for a unit within this boundary obtained by Ratliff Gas Company and approved by the Board. Ratliff Gas Company, to the best

and capricious.

3. The provisions of the Virginia Gas and Oil Act ("Act") as interpreted by the Board violate Wyatt Ratliff's and Ratliff Gas Company's due process rights, constitute a taking of the petitioner's tangible property, constitute an impairment of the petitioner's contracts, all in violation of the United States Constitution and the Constitution of the Commonwealth of Virginia.

WHEREFORE, Wyatt Ratliff and Ratliff Gas Company respectfully requests and prays that this Court:

1. Stay the Decision of the Board until the issues in this Petition for Appeal are fully adjudicated.

2. Set aside the Board's Decision; remand the case to the Board with instructions to take no action in violation of the rights of Wyatt Ratliff or Ratliff Gas Company; and allow such further proceedings, if any, before the Board with respect to this area as are consistent with the judgment of the Court and the law of the Commonwealth of Virginia.

3. Award Wyatt Ratliff and Ratliff Gas Company its costs and attorneys' fees expended in connection with the Case and this appeal.

4. Grant Petitioner such other relief as is just and equitable.

WYATT RATLIFF AND  
RATLIFF GAS COMPANY, INC.

By S. T. Mullins  
S. T. Mullins, Counsel for  
Petitioner

O. GENE DISHNER  
DIRECTOR  
BENNY R. WAMPLER  
DEPUTY DIRECTOR



DIVISIONS  
ENERGY  
GAS AND OIL  
MINED LAND RECLAMATION  
MINERAL MINING  
MINERAL RESOURCES  
MINES  
ADMINISTRATION

COMMONWEALTH of VIRGINIA  
*Department of Mines, Minerals and Energy*

Division of Gas and Oil  
P. O. Box 1416  
Abingdon, Virginia 24212  
Phone: (703) 676-5423  
Fax: (703) 676-5459  
Bryon T. Fulmer, Division Director

January 22, 1997


Mr. James Bevins, Jr.  
Clerk of Court  
Buchanan County  
P. O. Box 929  
Grundy, VA 24614

Dear Mr. Bevins:

Attached you will find the material relative to Case Number 1-97 in the Circuit Court of Buchanan County, Virginia.

This material complies with the subpoena as delivered to this office on January 16, 1997.

Sincerely,

  
Byron T. Fulmer  
Director

Attachment

Received  
1/22/97  
Patricia L. Smith  
Deputy Clerk



# COMMONWEALTH OF VIRGINIA



## SUBPOENA IN CHANCERY

Case No. 1-97

Buchanan County

Circuit Court

P.O. Box 929, Grundy, VA 24614

ADDRESS

TO:

Virginia Gas & Oil Board

SERVE: Byron T. Fulmer, Secretary

230 Charwood Drive

Abingdon, VA 24210



The party upon whom this writ and the attached paper are served is hereby notified that unless within twenty-one (21) days after such service, response is made by filing in the clerk's office of this court a pleading in writing, in proper legal form, the allegations and charges may be taken as admitted and the court may enter decree against such party, either by default or after hearing evidence.

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Done in the name of the Commonwealth of Virginia.

January 4, 1997  
DATE

James M. Bevins, Jr.,

Clerk

by

*Patricia L. Smith*  
DEPUTY CLERK



VIRGINIA:

IN THE CIRCUIT COURT OF BUCHANAN COUNTY

ESTABLISHMENT OF THE BOUNDARIES )  
OF A PROVISIONAL SEALED GOB AREA )  
OF THE BEATRICE MINE IN BUCHANAN )  
COUNTY, VIRGINIA, AND THE )  
ESTABLISHMENT OF FIELD RULES )  
THEREFOR AND DRILLING UNITS )  
THEREIN PURSUANT TO VA. CODE )  
§45.1-361.20 FOR THE PRODUCTION OF )  
GAS THEREFROM )

CASE NO. 1-97

SERVE:

Edward R. Parker, Registered Agent for  
Appalachian Operators, Inc., a Delaware  
Corporation and a General Partner of  
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5511 Staples Mill Road  
Richmond, VA 23228

Edward R. Parker, Registered Agent for  
Appalachian Methane, Inc., a Delaware  
Corporation and a General Partner of  
Buchanan Production Company  
5511 Staples Mill Road  
Richmond, VA 23228

Edward R. Parker, Registered Agent for  
Consol, Inc.  
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Virginia Gas & Oil Board  
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Abingdon, VA 24210

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### Proceedings Below:

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of its knowledge and belief, is the only entity which is currently allowed to produce CBM gas from the previously established unit within the boundary encompassed in the Case.

Assignment of Error:

Wyatt Ratliff and Ratliff Gas Company submits that the Decision contains the following errors:

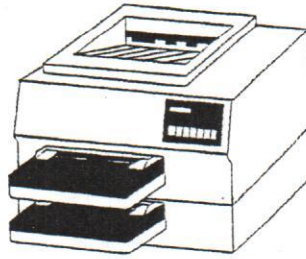
1. The Decision violates Wyatt Ratliff's and Ratliff Gas Company's constitutional rights, powers, privileges and immunities;
2. The Decision does not comply with the board's statutory authority, jurisdictional limitations, the stated objectives for which regulations may be made, and the factual showing made in connection with case decisions;
3. The Board failed to observe required procedure which failure resulted in more than harmless error;
4. The substantiality of the evidence does not support the findings of fact contained in the Decision.

Reasons Why Decision is Unlawful:

Wyatt Ratliff and Ratliff Gas Company submit that the Board erred in its Decision for the following reasons:

1. The Board failed to follow the required procedure for promulgating rules and regulations pursuant to the Virginia Administrative Procedure Act.
2. The administrative is devoid of any factual findings which would have led the Board to consider this issue on its "own motion" and further its action is arbitrary





Department of Mines, Minerals and Energy

Division of Gas and Oil

Phone: 540-676-5423

Fax: 540-676-5459

## FAX TRANSMITTAL

TO: Sandra Riggs

FAX #: Attorney General's Office

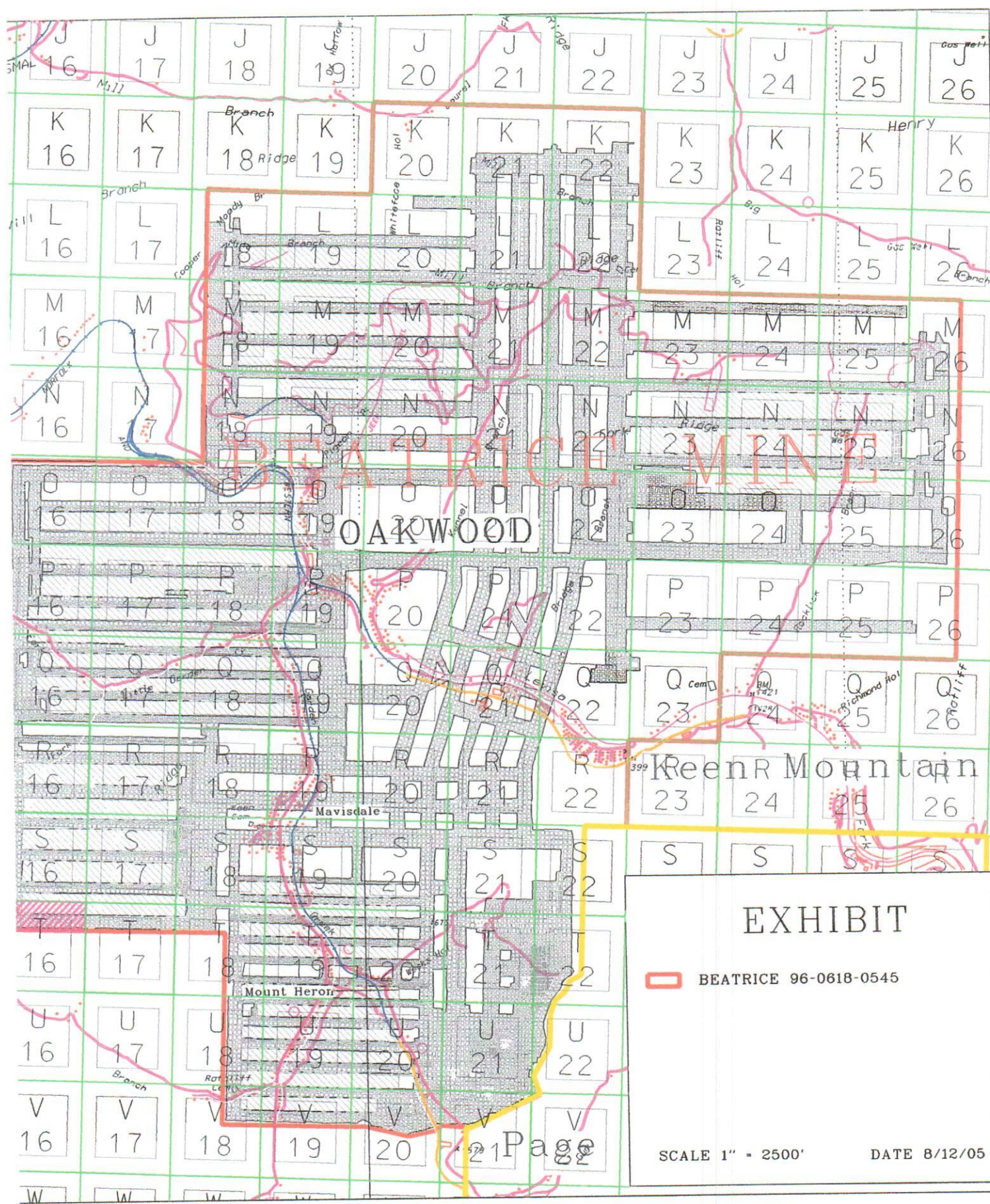
FROM: Tom Fuhrer

Reference: Sulphur for  
Ratcliff Gas

Pages to Follow: 5

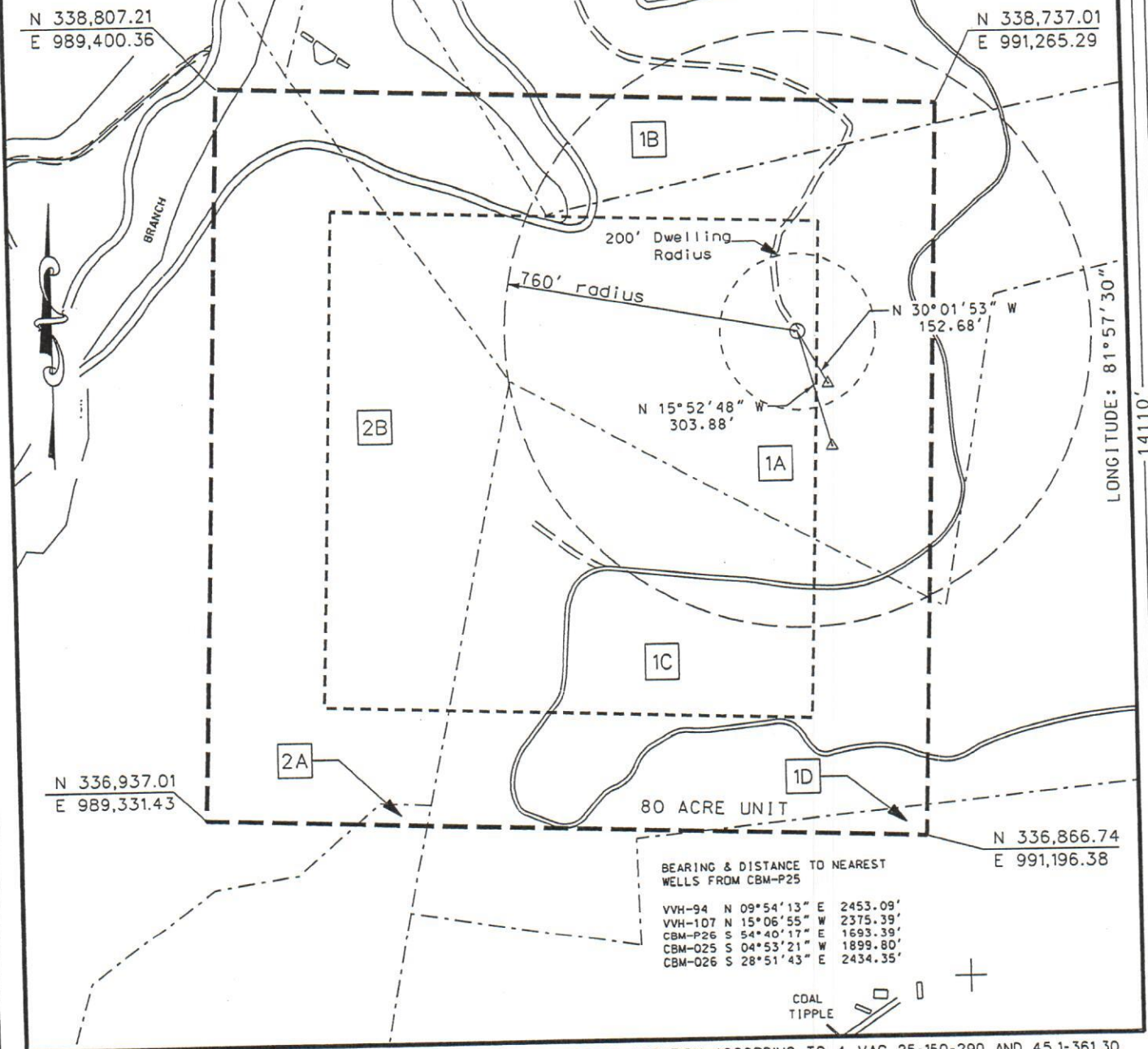
Problems? Contact Susan Korell







PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.



THE ACTUAL WELL LOCATION WILL BE WITHIN 10 FEET OF THE PROPOSED LOCATION ACCORDING TO 4 VAC 25-150-290 AND 45.1-361.30.

## WELL LOCATION PLAT

Company CNX Gas Company LLC Well Name or Number CBM-P25  
 Tract No. Consolidation Coal Company, etal Big Vein Tr.20 (974.31 Acre Tract) Scale: 1" = 400'  
 County Buchanan District Garden Quadrangle Keen Mountain Date 10/17/06  
 Elevation 1980.23' Well Elevation Determined By Trig. Levels From CONSOL Inc. Benchmarks  
 Well Coordinates (Virginia State Plane - South Zone - NAD' 27): N 338,164.24 E 990,893.33  
 This plat is a new plat X ; an updated plat        ; or a final 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.

Form DGO-GO-7  
Rev. 9/91

Charles A. May  
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

### Tract Identifications

- October 3, 2006



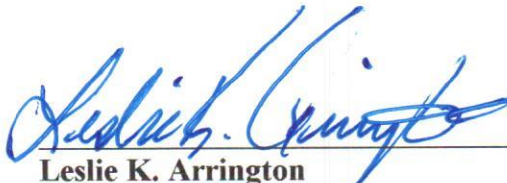
## AFFIDAVIT OF DUE DILIGENCE

COMMONWEALTH OF VIRGINIA  
COUNTY OF BUCHANAN

I, Leslie K. Arrington, after being duly sworn upon oath, state as follows:

1. I am a Manager – Environmental Permitting of CNX Gas Company LLC and am responsible for the notification process required by Va. Code Ann. §45.1-361.19 and VR 480-05-22.2 §4.
2. That CNX Gas Company LLC has exercised due diligence in attempting to locate and notice all owners and claimants who are unleased and/or who were not previously pooled by prior order(s) of the Virginia Gas and Oil Board regarding **Beatrice Field Modification, Unit P-25**, all as required by Va. Code Ann. §45.1-361.19 and VR 480-05-22.2.
3. That on May 16, 2008 a true and correct copy of the Notice of Hearing with Exhibits will be mailed, via certified mail return receipt requested, to all owners and claimants listed in Exhibit B-3 for whom mailing addresses were then available.
4. That every individual or entity having an unleased or unpooled interest in the methane gas underlying the tracts in the **Beatrice Field Modification, Unit P-25**, whether known or unknown, including those persons whose mailing address were unknown, was notified of the filing of CNX Gas Company LLC's application by publication of the Notice of Hearing in the *Bluefield Daily Telegraph*.
5. That CNX Gas Company LLC will continue to exercise due diligence in attempting to locate and identify the names and/or addresses of any unknown or unlocatable parties and, if located or identified, will notify them of CNX Gas Company LLC's application.

I have read the foregoing, and the information given above is true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
**Leslie K. Arrington**  
Director – Environmental Permitting  
for CNX Gas Company LLC

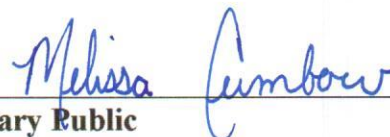
**ACKNOWLEDGMENT**

**STATE OF WEST VIRGINIA**

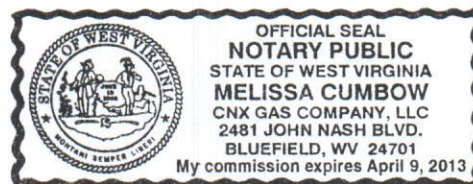
**COUNTY OF MERCER, TO-WIT:**

**TAKEN, SUBSCRIBED AND SWORN** to before me this 16th day of

May, 2008.

  
\_\_\_\_\_  
**Notary Public**

My commission expires: April 9, 2013



**Davis, Diane**

**From:** Duty, Anita [AnitaDuty@cnxgas.com]  
**Sent:** Tuesday, May 13, 2008 2:05 PM  
**To:** Davis, Diane  
**Subject:** RE: VGOB #'s  
**Attachments:** Horizontal Unit Area 5.pdf

Diane,

This is how I explained to Mark what relief our application needed to ask for:

#1 - Well P-25. We intended for this well to be an Upper Seam Frac well within the Beatrice area, but because the incorrect frac schedule (predict) was attached to the permit, the P3 was frac'd. We want to go back before the Board and ask that they re-instate the Oakwood Field Rules for this well and get approval to produce the P3 seam (within the Beatrice area). We have received a violation from the state.

Also attached is the map for CC38A/CC38B.

Let me know.

Anita

**From:** Duty, Anita  
**Sent:** Tuesday, May 13, 2008 11:27 AM  
**To:** 'Davis, Diane'  
**Subject:** RE: VGOB #'s

FYI - The CC38A/CC38B application may need to be shown as an -01.  
 Unit CC38 was previously included in the application that we filed to create a horizontal drilling unit. We want to carve out CC38 and reinstate the Oakwood Field Rules. The application was filed under VGOB 04-0921-1341-04.

Let me know if you have any questions.

Anita

**From:** Duty, Anita  
**Sent:** Tuesday, May 13, 2008 10:29 AM  
**To:** 'Davis, Diane'  
**Subject:** RE: VGOB #'s

Only seven

**From:** Davis, Diane [mailto:Diane.Davis@dmme.virginia.gov]  
**Sent:** Tuesday, May 13, 2008 10:25 AM  
**To:** Duty, Anita  
**Subject:** RE: VGOB #'s

howmany are you getting



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Under Oil & Gas  
Oilwood 1-66

P.3



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P-3

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~~Beatrice-P3~~

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(1341- modify)

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## MEMORANDUM

TO: Benny Wampler  
Steve Walz  
Tom Fulmer

FROM: Sandra B. Riggs *Sandra*

RE: Proposed Field Rules - Beatrice Sealed Gob Unit

DATE: August 7, 1996



Steve Walz telephoned his comments to me regarding subject draft, and I have memorialized them in this memorandum for consideration at the Board hearing:

1. Suggest checking the Division of Mines' maps to determine if any interior seals have been placed within the Beatrice Mine that would interfere with the communication of gas throughout the proposed field and Subject formations.
2. With respect to the "Subject Formation", the order currently contemplates "from the Tiller to the Poca #2", which are the same formations covered under the Oakwood I and Oakwood II Field Rules Subject Formation extends beyond the seam in which the mining occurred in the Beatrice Mine. While the sealed area of the Beatrice Mine does not involve all of these formations, but due to fracturing and rubblization, may or may not be in communication with all of them. More fully develop the record with respect to the "Subject Formation". Determine whether wells drilled into the sealed gob will drain from the Tiller to Poca 2. Determine whether wells not actually drilled into the mined out area of the Beatrice will still drain all of the formations within Subject Formation.
3. While typically gas and oil subsurface rights are not severed from each other dependent upon depth, coal seams may be severed from each other by coal seams resulting in multiple coal owners within Subject Formation. When this occurs you potentially have conflicting coal claimants, in addition to the conflict between coal and gas and oil, which would require pooling if no voluntary agreement is reached. In such event, the proper allocation as between the various coal owners of seams within Subject Formation would have to ultimately be decided. The pooling orders don't attempt to allocate entitlement to royalty between these various coal seam owners, but instead escrows the 1/8 royalty and leaves the ultimate determination of entitlement to be decided at time of distribution from escrow by way of: (1) stipulation between all claimants; (2) Board determination; or (3) judicial determination. Before distribution from escrow could be made, and in the event the coal owners are deemed to be the owners of the coalbed methane gas, the issue of allocation between coal owners would have to be resolved.
4. Mechanism by which an Operator may combine 80-acre drilling units: (1) when contiguous and (2) when not contiguous. Raises issue of whether the gas pressure would naturally equalize over the entire field so that it was irrelevant where allowables were produced. As currently

August 7, 1996

Page 2

drafted, an Operator would come to the Board through an application pursuant to 45.1-361.20, and seek relief from the Board on a case-by-case basis to redefine the size of a particular drilling unit by combining acreage from other units so as to have allocated to a particular well the combined allowable. However, this process probably would not accommodate combining noncontiguous units or acreage. When combining acreage, would the Board do so in increments of complete units and must they be contiguous units? Would they need to come to the Board if they could form combined units for purposes of production on a voluntary basis with contiguous or noncontiguous? This is the unitization issue - how is the Board to apply unitization within the pool. See 45.1-361.15. What the Board would not want to happen is to let an Operator take all of their noncontiguous acreage within the field and allocate them to their wells to the exclusion of other royalty owners - create carve outs to the 80-acre grid.

5. If the field rule sets the maximum allowable production per 80-acre unit, and the Operator forms a voluntary unit within the Field, how will the Board monitor and enforce the allowable for that voluntary unit?

5:81/218



O. GENE DISHNER  
DIRECTOR  
BENNY R. WAMPLER  
DEPUTY DIRECTOR



DIVISIONS  
ENERGY  
GAS AND OIL  
MINED LAND RECLAMATION  
MINERAL MINING  
MINERAL RESOURCES  
MINES  
ADMINISTRATION

**COMMONWEALTH of VIRGINIA**  
*Department of Mines, Minerals and Energy*

Division of Gas and Oil

P. O. Box 1416

Abingdon, Virginia 24212

Phone: (703) 676-5423

Fax: (703) 676-5459

Bryon T. Fulmer, Division Director

**MEMORANDUM**

**TO: BOARD MEMBERS**  
**FROM: DIVISION OF GAS AND OIL**  
**DATE: JUNE 10, 1996**  
**RE: JUNE HEARING**

*Diane Davis*

ENCLOSED IS THE MATERIAL FOR THE JUNE HEARING WHICH WILL COMMENCE AT 9 A.M. AT THE SOUTHWEST VIRGINIA 4-H CENTER, ABINGDON, VIRGINIA.

PLEASE PLACE THE ENCLOSED MATERIAL IN YOUR NOTEBOOK.

IF YOU WILL NOT BE ATTENDING, PLEASE CONTACT THIS OFFICE.

**DEPARTMENT OF MINES, MINERALS AND ENERGY  
VIRGINIA GAS AND OIL BOARD**

Pursuant to Section 45.1-361.19.B and 45.1-361.22.B of the Code of Virginia the Virginia Gas and Oil Board will conduct hearings commencing at 9 a.m. on Tuesday, June 18, 1996 at the Southwest Virginia 4-H Center, Hillman Highway, Abingdon, Virginia.

The following items are on the agenda for the hearing.

1. The Virginia Gas and Oil Board, on its own motion, will receive testimony and evidence in regards to its intent to establish field rules for the Beatrice Mine sealed gob area based upon the existing 80 acre grid. The board will further consider the establishment of allowable production from each well within the sealed gob area in order to allow the development of the sealed gob area on a unit by unit basis. Interested parties are invited to testify. Docket Number VGOB-96/06/18-0545.
2. The Virginia Gas and Oil Board will here testimony from Ratliff Gas Company as to compliance to the board ruling issued April 16 in regards to Unit U-19. Docket Number VGOB-96-04/16-0542.
3. Petition from Equitable Resources Energy Company for a well location exception under Section 45.1-361.17 for well V-3576. That EREC well V-2764, an existing well, lies 2362.86 feet south 19 degrees 43 minutes 09 seconds West from proposed well V-3576 in the Flat Gap Quadrangle, Wise County, Virginia on a 811 acre tract known as the Clinchfield Coal Company, J. H. Addington, T-935 Tract. Docket Number VGOB-96/06/18-0543.
4. Petition from Equitable Resources Energy Company for modification of pooling order for VC-3561 under Section 45.1-361.21. The well in question lies on the Clinchfield Coal Company T-261 Tract, in the Nora Quadrangle, Ervinton District of Dickenson County, Virginia. Docket Number 96/02/20-0534.
5. Petition from Equitable Resources Energy Company appealing the Inspector's Decision issued as a result of an Informal Fact Finding Hearing. Permit 3101 was issued May 9, 1996 for well VC-3043 with a condition that the petitioner may not produce the well until a pooling order is obtained from the Virginia Gas and Oil Board. Docket Number VGOB-96/06/18-0544.

Information concerning the above docket items can be viewed from 8 a.m. to 5 p.m. Monday through Friday at the Virginia Division of Gas and Oil, 230 Charwood Drive, Abingdon, Virginia. All questions concerning the agenda should be directed to the Division of Gas and Oil by telephoning (540) 676-5423.



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Special accommodations for the disabled will be made available at the hearing on request. Anyone needing special accommodations for the June hearing should contact the Department of Mines, Minerals & Energy by calling the Virginia Relay Center TTY/TDD 1-800-821-1120 or 1140 by June 10, 1996.

The deadline for filing of petitions to the Board for the July 1996 hearing is June 14, 1996 at 5 p.m. with the July hearing being held on Tuesday, July 16, 1996.



copy 3  
copy 2  
AMENDMENT AGREEMENT

This AMENDMENT AGREEMENT, made this 4<sup>th</sup> day of November, 1992, by and between ISLAND CREEK COAL COMPANY, a Delaware corporation, its successors and assigns, party of the first part (hereinafter "Island Creek"), and MAC CONST., INC., party of the second part (hereinafter "Surface Owner");

W I T N E S S E T H:

WHEREAS, Surface Owner and Island Creek entered into a certain Compensation Agreement dated October 30, 1992 (the "Agreement");

WHEREAS, Surface Owner was granted the right, upon certain conditions, to acquire Island Creek's right, title and interest in VVH 1.303, VVH 1.303B and VVH 1.303C (the "VVHs");

WHEREAS, the Agreement did not provide that Island Creek would grant consents to stimulation for the VVHs in the event that Surface Owner acquires the VVHs and converts them to gas or coalbed methane gas wells; and,

WHEREAS, Surface Owner and Island Creek recognize that Va. Code Ann. § 45.1-361.29 (Michie Supp. 1992) and V.R. 480-05-22.1 § 3.02 (1991) may require a consent to stimulation as part of the application for the permitting, pooling, and/or operation of the coalbed methane gas wells.

NOW, THEREFORE, in consideration of the premises and the sum of Ten Dollars (\$10.00), cash in hand paid to Island Creek by Surface Owner, the receipt of which is hereby acknowledged, and in

further consideration of the mutual agreements and promises set forth in the Agreement Island Creek hereby agrees that, in the event that Surface Owner acquires the VVHs, it will execute at Surface Owner's request, any and all consents to stimulation required by the Virginia Gas and Oil Board, the Virginia Department of Mines, Minerals and Energy, the Virginia Gas and Oil Inspector, or any other regulatory board or governmental agency for the VVHs contained in the Agreement.

This Amendment Agreement is effective as of October 30, 1992, and is incorporated into the Agreement as if originally contained therein. If the provisions set forth in this Amendment Agreement vary from the terms and provisions of the Agreement, the Amendment Agreement specifically supersedes that portion of the Agreement.

This document contains the entire amendment agreement between the parties and may not be modified except by a written instrument signed by them.

WITNESS the following signatures and seals.

MAC CONST., INC.

By: Jessie A. McClanahan  
President

ISLAND CREEK COAL COMPANY

By: Gene B. Shockey  
Gene B. Shockey  
Its Vice-President and General  
Manager - Virginia Division



COMMONWEALTH OF VIRGINIA )  
COUNTY OF BUCHANAN )

The foregoing instrument was acknowledged before me this 4<sup>th</sup>  
day of November, 1992, by Jessie A. McClanahan,  
President, of Mac Const., Inc.

Blanche Rasnake  
Notary Public

My commission expires: 01-31-96.

[SEAL]

COMMONWEALTH OF VIRGINIA )  
COUNTY OF BUCHANAN )

The foregoing instrument was acknowledged before me this 4<sup>th</sup>  
day of November, 1992, by Gene D. Shockey as Vice-President and  
General Manager - Virginia Division, of Island Creek Coal Company,  
a Delaware corporation, on behalf of said corporation.

Jack J. Gumbart, III  
Notary Public

My commission expires: 8/31/94.

[SEAL]

Copy 3  
Cops 2

This COMPENSATION AGREEMENT, made this 29th day of November, 1992, by and between MAC CONSTRUCTION, party of the first part (hereinafter "Surface Owner"), and ISLAND CREEK COAL COMPANY, a Delaware corporation, its successors and assigns, party of the second part (hereinafter "Island Creek");

W I T N E S S E T H:

WHEREAS, Island Creek is the Lessee of the minerals underlying lands belonging to various parties in Buchanan County, Virginia, and Island Creek is presently mining the Pocahontas No. 3 seam or vein of coal, underlying said lands; and in the course of its mining operations, it is necessary for Island Creek to drill ventilation holes to release the methane gas from the coal being mined and from the surrounding strata; and

WHEREAS, it will be necessary for Island Creek to construct and maintain a site for such ventilation holes, on the lands of the Surface Owner and to drill one or more ventilation holes at such site; to construct, maintain and use access roads over the lands of the Surface Owner leading to such ventilation hole site; and to construct and maintain electrical power lines over the lands of the Surface Owner;

WHEREAS, Island Creek has notified the Surface Owner that it will exercise its mining rights under its coal lease to locate a ventilation hole site, and roads and power lines to the same on surface lands owned by the Surface Owner, and the parties desire to enter into an agreement concerning the construction of the



ventilation holes by Island Creek, under which Island Creek will agree to compensate them for the damage to the property which may be caused from such construction and excavation.

NOW THEREFORE, in consideration of the premises and the sum of Ten Dollars (\$10.00), and other good and sufficient consideration, cash in hand paid to Surface Owner by Island Creek, and in further consideration of the mutual agreements and promises set forth below, the parties hereto do hereby agree as follows:

(1) The Surface Owner does hereby acknowledge and agree that Island Creek may exercise its mining rights to clear a drilling site of approximately one (1) acre and to locate and drill ventilation holes at such site and to liberate methane and other gases from said ventilation hole. The ventilation hole site will be located at the approximate location shown on the attached map showing lands of the Surface Owner located on Sixteen Mile Branch (or Webb Branch) in Buchanan County, Virginia. Reference is hereby made to the deeds to Surface Owner dated October 13, 1972 and of record in Deed Book 209, page 58, in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, and dated December 20, 1971 and of record in Deed Book 204, page 413 in said Clerk's Office for a more particular description of the property affected by the ventilation hole site, power lines and roads herein discussed.

(2) The Surface Owner does hereby acknowledge and agree

that Island Creek may exercise its mining rights to construct, operate, maintain and use roads approximately forty (40') feet in width, at the approximate locations shown upon the attached map showing lands of the Surface Owner, together with the right to go upon the lands of the Surface Owner adjoining the road rights-of-way herein granted for any reasonable purpose needed in connection with the construction, use or maintenance of said road rights-of-way, including the making of cuts and fills, the construction of ditches, the removal of trees or limbs, or the removal of slides or rockfalls.

(3) The Surface Owner further acknowledges and agrees that Island Creek may exercise its mining rights to clear an electrical power line right-of-way fifty (50') feet in width through the lands of the Surface Owner, and to construct, maintain and use electrical power lines to the vertical ventilation holes of Island Creek. The approximate location of the electrical power lines is also shown upon the attached map. Island Creek shall have the right to construct, place, inspect, renew, repair, erect, operate, maintain and remove electrical transmission cables and lines together with poles with cross-arms, guys, anchors, grounding systems and other fixtures as may be convenient for the support of the above described transmission cables, along, over, through or across the property of the Surface Owner; together with the right to trim, cut, or otherwise control and remove from the above described right-of-way and the



lands of the Surface Owner on either side thereof any trees, overhanging branches, brush, undergrowth, or other obstructions which may endanger the safety or interfere with the erection, maintenance, operation, or use of said poles, cross-arms, guys, anchors, grounding systems, fixtures, or wires; and together with the right of ingress and egress to and from said right-of-way over the above described roads or any other existing roads, ways, and lands to the extent suitable for the enjoyment of the rights set forth above.

(4) Island Creek shall have the right to use the road heretofore or hereafter constructed on the property for any reasonable purposes in connection with its mining operations. Surface Owner shall have the right to use any roadway built by Island Creek under this agreement; however, such use shall not interfere with nor impede the use of such road by Island Creek. Surface Owner agrees that, in using such roads or other areas of the property, no activity which may cause Island Creek to be in violation of its environmental or operating permits shall be allowed. Surface Owner agrees that any contract or agreement for timbering or other activity on the property shall require the contractor to comply with the terms hereof. Surface Owner shall require timber contractors to abide by permit requirements for vertical ventilation hole activity as required by state and federal agencies. Island Creek reserves the right to construct gates on the property and to negotiate access with logging or

other contractors or other invitees, licensees, or trespassers, as Island Creek deems necessary in order to protect its environmental and operating requirements. Island Creek is hereby designated a third party beneficiary to such contracts or agreements.

(5) Island Creek shall have the right to plug and grout any holes drilled pursuant to this agreement and to take any other actions concerning the reclamation of ventilation hole sites, roads, and power lines covered by this agreement as may be required by any governmental agency in the future and to use the roads herein described for ingress and egress for such purposes. The provisions of this paragraph shall survive the termination of this agreement.

(6) This agreement and the rights-of-way contained herein shall terminate upon the permanent termination of the VP-1 mining operations of Island Creek or ten (10) years from the date hereof, whichever shall last occur.

(7) The Surface Owner does hereby release and hold Island Creek harmless from all claims, demands, and actions, by the Surface Owner, whether at law or in equity, for property damage caused by the clearing of timber and construction of the sites, roads and power lines consented to in this agreement.

(8) Surface Owner agrees that this agreement constitutes notice for all purposes of drilling of one or more holes at the site shown on the attached map and of the roads and other rights-



of-way shown thereon. Surface Owner hereby waives the fifteen (15) day notice of The Rules and Regulations Governing Vertical Mine Ventilation Holes §480-05-96 of the Division of Mines of the Commonwealth of Virginia or any other notice requirement for the permitting or drilling of any vertical ventilation hole at the site designated or agreed to herein. Surface Owner further waives any notice requirements for re-permitting or conversion pursuant to §3.01 of Gas and Oil Regulation VR480-05-221.

(9) This agreement shall be binding upon the heirs, administrators, executors, successors and assigns of the parties hereto.

(10) This document constitutes the entire agreement between the parties and may not be modified except by a written instrument signed by them.

WITNESS the following signatures and seals.

MAC CONSTRUCTION, INC.

By: Jessie Mc Clanahan (SEAL)  
Its President

ISLAND CREEK COAL COMPANY

By: Gene D. Shockey (SEAL)  
Gene D. Shockey  
Its Vice-President and General  
Manager - Virginia Division

STATE OF Virginia

COUNTY OF Buchanan

The foregoing instrument was acknowledged before me this  
16<sup>th</sup> day of November, 1992, by Jessie  
McClanahan, President, of Mac Construction,  
Inc.

My commission expires: 1-16-1993.

Bobby J. Long  
Notary Public

STATE OF VIRGINIA

COUNTY OF BUCHANAN, to-wit:

The foregoing instrument was acknowledged before me this  
16<sup>th</sup> day of November, 1992, by Gene D. Shockey as  
Vice-President and General Manager - Virginia Division, of Island  
Creek Coal Company, a Delaware corporation, on behalf of the  
corporation.

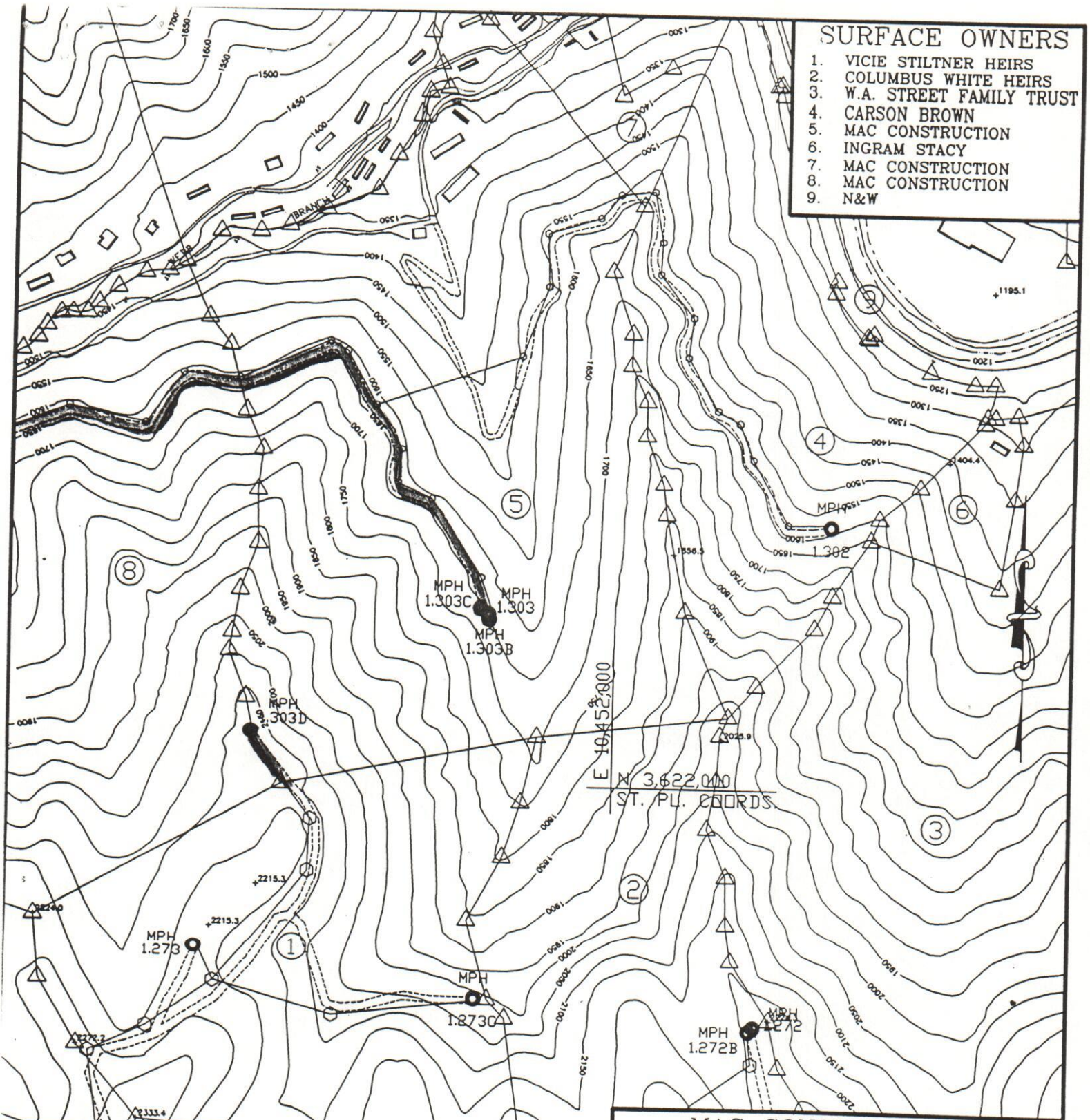
My commission expires: 1-16-1993.

Bobby J. Long  
Notary Public



# SURFACE OWNERS

1. VICIE STILTNER HEIRS
2. COLUMBUS WHITE HEIRS
3. W.A. STREET FAMILY TRUST
4. CARSON BROWN
5. MAC CONSTRUCTION
6. INGRAM STACY
7. MAC CONSTRUCTION
8. MAC CONSTRUCTION
9. N&W



## LEGEND

- PROPERTY LINE
- MINERAL CORNER
- △ SURFACE CORNER
- VVH LOCATION
- PROPOSED ROAD
- EXISTING ROAD
- ICC POWER LINE
- ++++ RAILROAD
- POWER LINE

MAC CONSTRUCTION  
 MPH's 1.303B, 1.303C, &  
 1.303D AND RELATED ACCESS  
 BUCHANAN COUNTY, VIRGINIA  
 DRAWN BY: J.J. GEMBACH, III DATE: 10-30-92

SCALE 1" = 400'

### APPROVALS

PROPERTY: \_\_\_\_\_ ENGINEER: *J.C. Owl*  
 ST. PLANE COORDS.: N 3,622,759 E 10,451,120  
 USGS QUAD SHEET: VANSANT, VA.  
 PROPERTY FILE NO.: 4006