

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: **Equitable Production Company**

VIRGINIA GAS AND
OIL BOARD
VGOB DOCKET NO.:
89-0126-0009-70

RELIEF SOUGHT:

MODIFICATION OF THE OGCB NORA GAS
FIELD RULES ORDER, ENTERED MARCH 26,
1989, AS AMENDED, TO ALLOW MORE THAN
ONE COALBED GAS WELL TO BE DRILLED IN
THE UNITS INDETIFIED ON EXHIBIT "A" HERETO

LEGAL DESCRIPTION:

DRILLING UNITS: **79BQ** (VC-1852), **53BD** (VC-536380),
54BD (VC-535726), **55BD** (VC-535727), **52BE** (VC-536384),
53BE (VC-535729), **54BE** (VC-535728), **55BE** (VC-4525),
76AQ (VC-536617), **75AR** (VC-2453), **76AR** (VC-3558);
77AR (VC-503559), **75AS** (VC-536091), **76AS** (VC-3171),
77AS (VC-3432), **81AQ** (VC-536641), **81AR** (VC-536642),
82AR (VC-536644), **81AS** (VC-2399), **82AS** (VC-3721),
77AQ (VC-536621), **75AQ** (VC-536611); **88BO** (VC-536191).
LOCATED IN RUSSELLCOUNTY, VIRGINIA;
SEE ANNEXED EXHIBIT "H2" WITHIN

**REPORT OF THE BOARD
FINDINGS AND ORDER**

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on **September 21, 2010** at the Conference Center at the Russell County Office Facility, Lebanon, Virginia.

2. Appearances: **James E. Kaiser of Wilhoit and Kaiser**, appeared for the Applicant; and Sharon B. Pigeon, Assistant Attorney General was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Va. Code §§45.1-361.1 et seq., as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by the Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner, or in the case of conflicting claims to the ownership of the coalbed methane gas, each person identified by Applicant as a potential owner of the coalbed methane gas underlying the area described at paragraph 7.h below and in **Exhibit "B"** attached hereto; and (2) has given notice to all parties so identified (hereinafter sometimes "person(s)" whether referring to individuals, corporation, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) and entitled by §§ 45.1-361.19 and 45.1-361.20, Virginia Code, as amended, to notice of the Application, and (3) that the persons listed in the Notice of Hearing are the persons so identified by the Applicant. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19.B., Virginia Code, as amended. Whereupon, the Board hereby finds that the notices given satisfy all statutory requirements, Board rule requirements and the minimum standards of State due process.

4. Amendments and Dismissals: None.

5. Relief Requested: (1) Modification of the Nora Gas Field Rules to allow more than one coalbed methane gas well to be drilled within each of the Nora Field Drilling Units identified above and in **Exhibit "H2"** attached hereto; and (2) for an administrative order providing that additional well permits may be issued in the Nora Field after the Application is filed and while it is pending.

6. Relief Granted: Available data and the evidence adduced at the hearing support Applicant's position that the production from the pool underlying the Nora Coal Bed Gas Field Drilling Units in question would be enhanced and benefit from in-field drilling; accordingly,

a. With regard to the Drilling Units described above and in **Exhibit "H2"** hereto, the Nora Coal Bed Gas Field Rules Order, OCGB order entered of March 26, 1989, is hereby amended to allow the Board's Designated Unit Operator in Drilling Units pooled by Board Order and the Well Operator/Permittee in voluntary Drilling Units to drill a total of two (2) wells, said total to include any previously permitted well(s), within the units affected by the Application and this Order;

b. In the event that an additional coalbed methane gas well(s) permitted and drilled after the entry of this order is located within the drilling window(s) of a Nora Coal Bed Gas Field Drilling Unit affected by this order, the production therefrom shall be solely attributed to and allocated to the Nora Drilling Unit within which the wells are located.

c. In the event a second well is proposed that is to be located outside the drilling window of any Nora Unit affected by this order and a permit application is submitted to the Division of Gas and Oil seeking such location exception, the Inspector shall assess the permit as follows:

(i) If a 58 acre square with the proposed well at its center lies entirely within Nora Drilling Units which are voluntary in nature and are not subject to existing pooling order, the Inspector may grant or deny the location exception on a case-by-case basis according to standard procedures and provisions of the Nora Order which allow wells to be drilled outside the drilling windows; or

(ii) If a 58 acre square with the proposed well at its center lies entirely or partially within any Nora Drilling Unit(s) which is subject to existing pooling orders, the Inspector shall refer the permit application to the Board for its recommendations concerning correlative rights considerations, modification of pooling orders, and escrow provisions. Alternatively, the Unit Operator may present a pooling proposal directly to the Board prior to filing a permit application. No permit under this paragraph (ii) shall be issued until the Board has acted on the matter.

7. Special Findings:

a. Applicant's proposed field rule modification is not an unreasonable or arbitrary exercise of the owner's right to explore for or produce gas;

b. The Applicant's proposal would not unreasonably interfere with the present or future mining of coal or other minerals;

c. The acreage to be embraced in the Drilling Units affected by and/or created by this Modification Order shall be as set forth above and in **Exhibit "H2"** attached hereto.

d. The formations subject to this Modification Order are described in the OGCB Order entered March 26, 1989, as amended.

e. The boundaries of the Drilling Units are the same as heretofore established by the OGCB Order entered March 26, 1989, as amended.

f. Unit Operator's production simulations indicate that drilling of an additional well in each Unit could facilitate the recovery of an additional 250,000 MCF of gas per Unit within ten (10) years of drilling.

g. The boundaries of any Drilling Units created subsequent to this Modification Order shall be according to paragraph 6.c.ii. above and as defined by Board action specific to individual units.

h. The acreage subject to this Modification Order is depicted in **Exhibit "H2"** attached hereto:

i. Having considered the evidence presented, the Board found no reason to establish any allowable production rates for the wells contemplated by this Modification Order;

j. Except as herein specifically modified, the proposed Drilling Units in **Exhibit "H2"** shall be developed and produced in compliance with the OGCB Order entered on March 26, 1989 regarding the Nora Gas Field Rules, as amended.

k. This Modification Order shall be effective as of the date of the hearing, to wit: **September 21, 2010**.

8. Conclusion: The relief granted hereby will assist in enhancing production from existing wells, will assist in more efficiently recovering coalbed methane gas from the area in question, prevent waste by more effectively extracting the resource, and will continue to protect the correlative rights of all owners and claimants. Therefore, the relief and all terms and provisions set forth above be and are hereby granted and IT IS SO ORDERED.

9. Effective Date: **September 21, 2010**.

DONE AND EXECUTED this 5th day of May, 2014, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Bradley Lambert, Chairman

DONE AND EXECUTED this 5th day of May, 2014, by a majority of the Virginia Gas and Oil Board.

Rick Cooper
Rick Cooper
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF RUSSELL:

Acknowledged this 5th day of May, 2014, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board and Rick Cooper being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed same and were authorized to do so.

Diane J. Davis
Diane J. Davis

My Commission Expires September 30, 2017



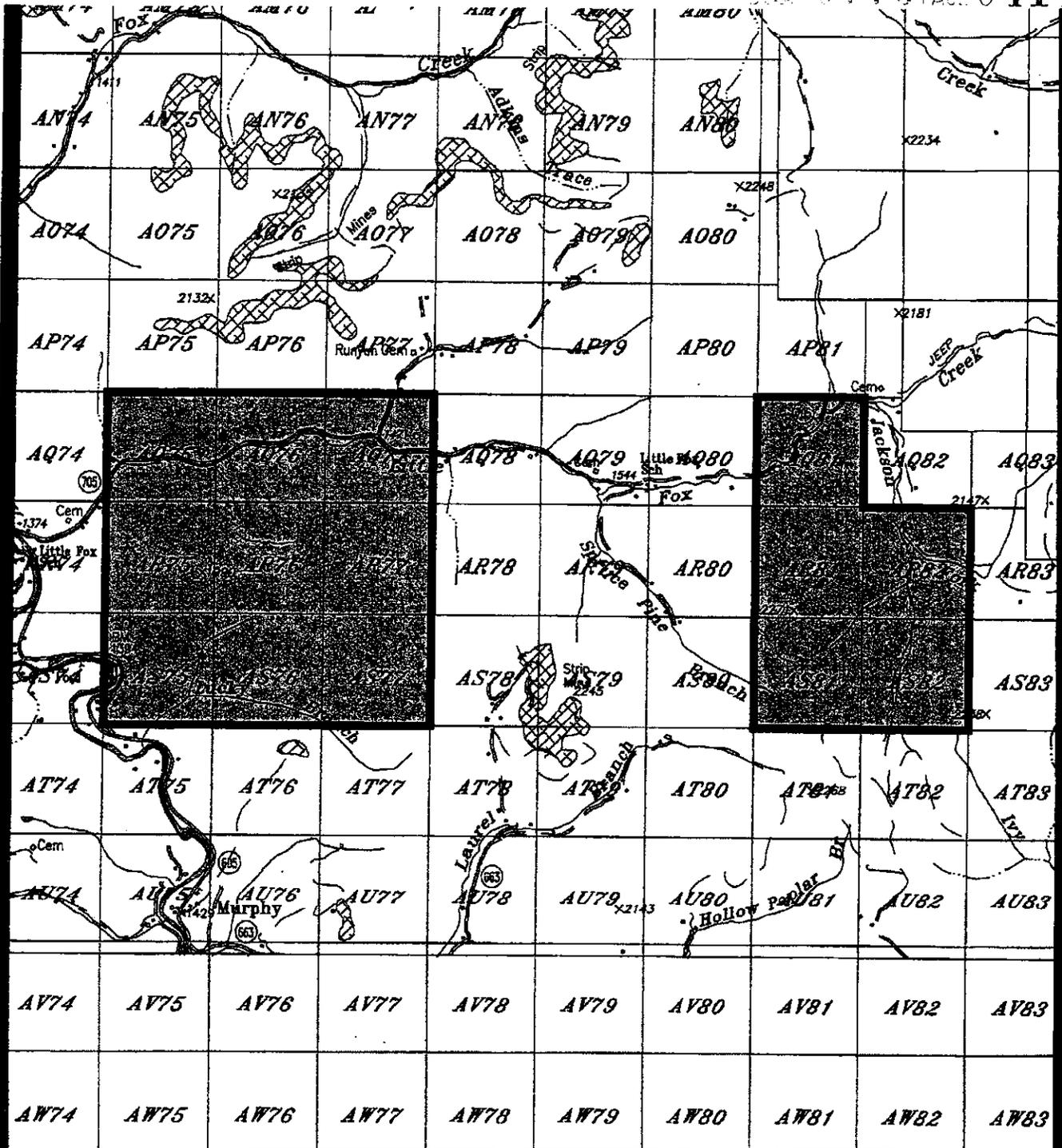


EXHIBIT A-2

**EQT Production Company
INCREASED DENSITY DRILLING, NORA FIELD**

SCALE: 1" = 2000'

Date: August 17, 2010



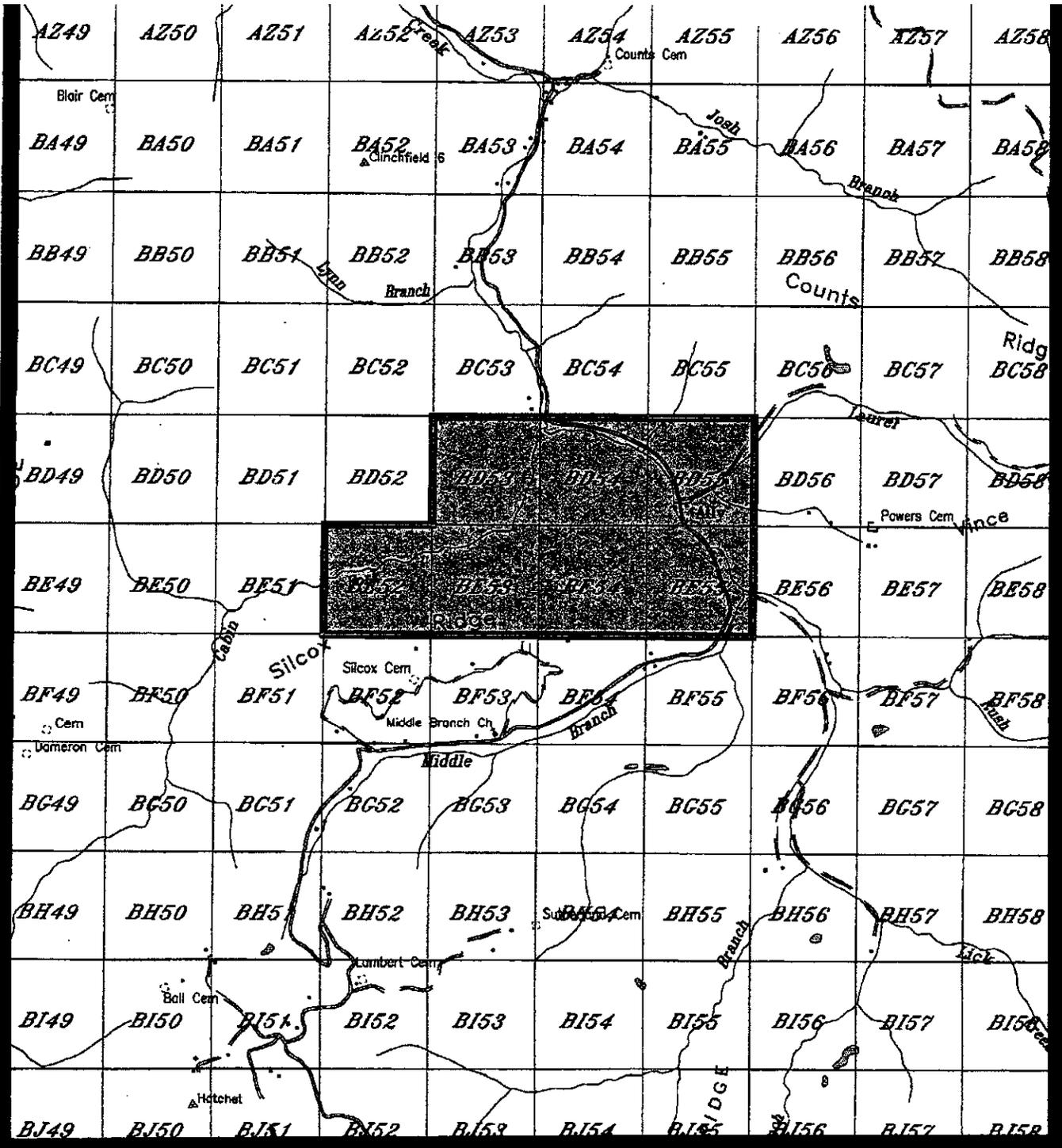


EXHIBIT A-1

EQT Production Company

INCREASED DENSITY DRILLING, NORA FIELD

SCALE: 1" = 2000'

Date: August 17, 2010



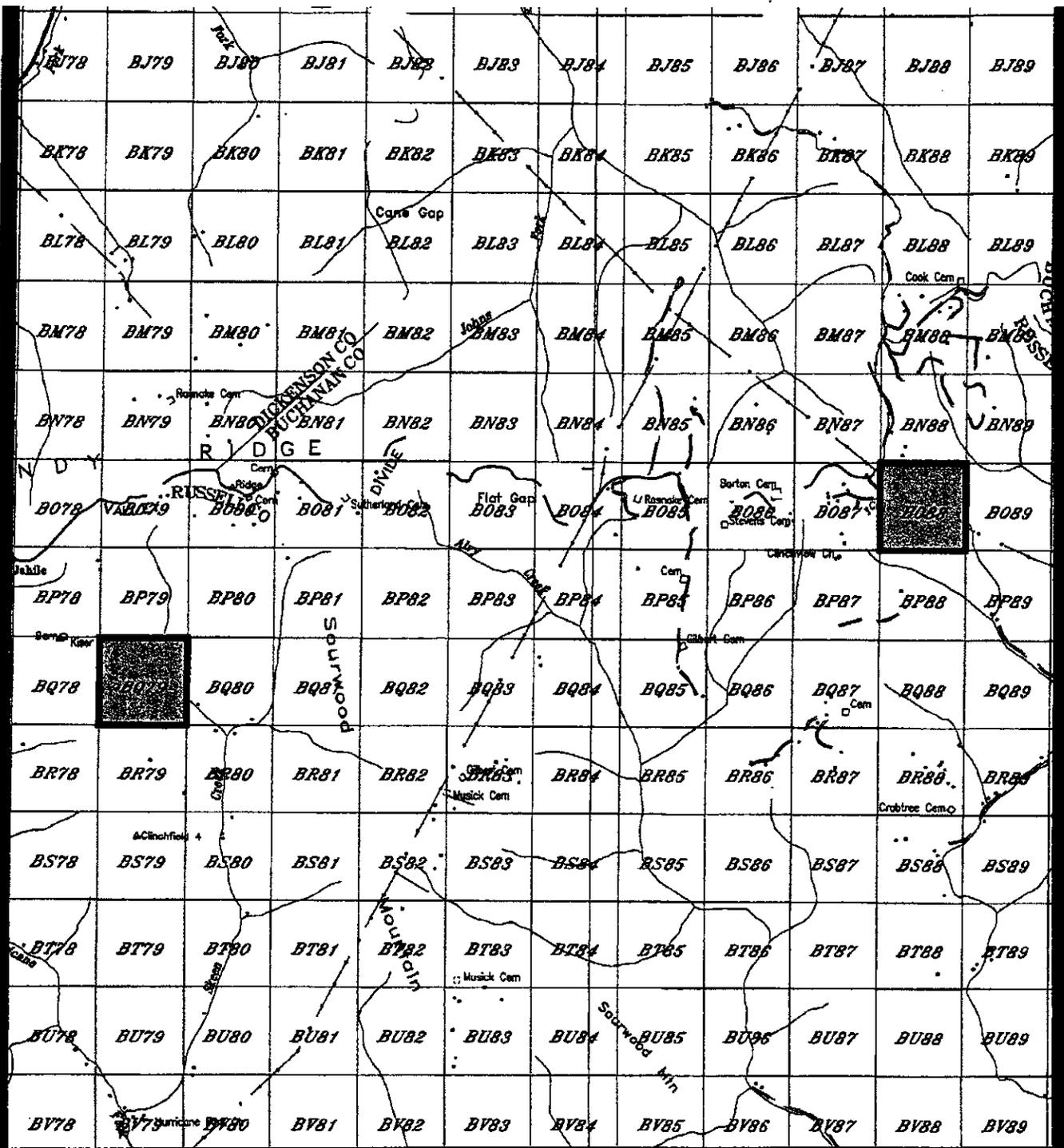


EXHIBIT A-3

**EQT Production Company
INCREASED DENSITY DRILLING, NORA FIELD**

SCALE: 1" = 2500'

Date: August 17, 2010



"Exhibit B"
Increased Density

Range Resources-Pine Mountain, Inc
ATTN: Jerry Grantham
P. O. Box 2136
Abingdon, VA 24212

ACIN, LLC
ATTN: John Mooney
P.O. Box 2827
Huntington, WV 25727

Chesapeake Appalachia, L.L.C.
ATTN: Mike Rossiter
6100 N Western Avenue
Oklahoma City, OK 73118

Anna Lou Colley
Rt. 1 Box 343 A
Vansant, VA 24656-9722

Fairview Limited Partnership Agent
c/o John C. Irvine
4710 Hunterwood Circle
Richmond, TX 77469

Richard K. Pobst
1024 Oxford Drive
St. Augustine, FL 32084-1821

Cathy Pobst
c/o Professional Accounting Services
111 Postelle
Cartersville, GA 30120

Meredith E. Jennings
542 Butler Mill Road
Maryville, TN 37803

Carol Combs Irvin
and John C. Irvin, W/H
4710 Hunterwood Circle
Richmond, TX 77469

Martha E. Combs
P O Box 1404
Abingdon, VA 24212

Frederick Combs II Trust
c/o Kelly Combs Necessary Trustee
P.O. Box 841
Tazewell, VA 24651

“Exhibit B”
Increased Density

John W Pobst, Jr.
and Lynda L. Pobst, H/W
P O Box 86
Revere, PA 18953

Virginia Lee Linwick
and Phillip G. Linwick
4324 South Ball Drive
Varadale, WA 99037

CNX Gas Company LLC
ATTN: Anita Duty
2481 John Nash Blvd
Bluefield, WV 24701

Levisa Coal Company
c/o John Irvin
4710 Hunterwood Circle
Richmond, TX 77469

J. D. Nicewonder and Lorraine Nicewonder, h/w
148 Bristol East Road
Bristol, VA 24202-5500

Donald Nicewonder and Etta Nicewonder, h/w
15314 Majestic Drive
Bristol, VA 24202-3924

Wilma N. Overbey, widow
a.k.a Wilma Lois Nicewonder
213 North Church Street
Marion, VA 24354

Garden Realty Corporation
c/o Ann B. Worley
108 Bexley Road
Mooresville, WV 28117

Clyde Boyd, single
P.O. Box 403
Clinchco, VA 24226

Scott Boyd
Route 2, Box 127-B
Haysi, VA 24256

Larry Boyd
Joyce Boyd h/w
P.O. Box 327
Haysi, VA 24256

"Exhibit B"
Increased Density

Michael Boyd
Adele Boyd h/w
Route 2 Box 127
Haysi, VA 24256

Jimmy E. Boyd
Rebecca L. Boyd
P.O. Box 416
Haysi, VA 24256

Kilbie Boyd, Single
C/O Clyde Boyd
P.O. Box 403
Clinchco, VA 24226

Hazel Neely
Kenneth Neely w/h
Route 1 Box 149
Davenport, VA 24239

Jeanette James
Darrell E. James w/h
Route 2 Box 586
Honaker, VA 24260

Judy Boyd
Jennings Boyd w/h
Route 1 Box 297
Vansant, VA 24656

Brenda Sue Duty
Rodney R. Duty w/h
Route 1 Box 278
Vansant, VA 24256

Ralph Boyd, single
P.O. Box 122
Maxie, VA 24628

Margie Wenner, single
P.O. Box 313
Davenport, VA 24239

Evelyn Coleman
William Coleman w/h
504 New Beason Well Road
Kingsport, TN 37660

Juanita Maddox
Garcia L. Maddox w/h
1226 Calla Circle
Fayetteville, NC 28303

"Exhibit B"
Increased Density

Arville Deel, Single
P.O. Box 144
Davenport, VA 24239

Ruby Perkins
James W. Perkins w/h
Route 4 Box 132
Grundy, VA 24614

Mary L. McGlothlin, widow
P.O. Box 909
Grundy, VA 24614

Laura Deel
Edward Deel w/h
3650 Kidder Road
Almont, MI 48003

Helen Fields
Earnest Fields w/h
Route 3 Box 232
Lebanon, VA 24266

Dillard Compton, Single
138 Maple View Drive, Lot 27
Bristol, TN 37620

Jeanette Compton, widow
600 N. Haun Drive
Morristown, TN 37814

Fairy R. Bowman, widower
HCR 1 Box 265
Birchleaf, VA 24220

Troy Compton
Debra Sue Compton h/w
Route 1 Box 348
Cleveland, VA 24225

Roger Compton
Debra Compton h/w
Route 1 Box 456
Castlewood, VA 24224

Lottie Colyer
C/O Helen Fields
Route 3, Box 232
Lebanon, VA 24266

"Exhibit B"
Increased Density

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Ruby Bowman
C/O Helen Fields
Route 3 Box 232
Lebanon, VA 24266

Ida Boyd Fletcher, widow
Route 1, Box 149 Knox Creek
Hurley, VA 24620

Mary L. McGlothlin, widow
P.O. Box 909
Grundy, VA 24614

Mabel M. Presley, single
c/o Myrtle D. Green, POA
2070 Montello St.
Reno, NV 89512

Timothy W. Green, w/h
2070 Montello St.
Reno, NV 89512

Henry E. Hicks & Kimberly Watkins, h/w
961 Christine Way
Fallon, NV 89406

Heirs of Emery Clyde Presley
Unknown/Unlocatable

Virginia L. Johnson, widow
10 McGibney Rd. Apt. G-3
Mount Vernon, OH 43050-1252

William Monroe Johnson, Jr. and
Sherrie Johnson, h/w
5 Spring Street
P.O. Box 156
Sparta, OH 43350

Carl H. Evans, widower
4424 Clarewood Ave.
Dayton, OH 45431

Iva Lorraine Simpkins, widow
1045 Burton Dr.
Danville, VA 24541

James Edward Presley and
Brenda Presley, h/w
4493 Snakepath Rd.
Blairs, VA 24527

"Exhibit B"
Increased Density

Wanda Sue Scarce and
Forest Landon Scarce, w/h
3168 Westover Dr.
Danville, VA 24541

Earl Wayne Presley and
Belva Presley, h/w
3320 Stoney Mill Rd.
Danville, VA 24541

Debra Presley Mathews and
William Edwin Mathews, w/h
261 Vincent Hoyle Rd.
Henderson, NC 27536

Karen Presley Barber and
Danny Barber, w/h
196 Maxey Ln.
Danville, VA 24540

Jack R. Presley and
Brenda J. Presley, h/w
116 Lindberg St.
Goodlettsville, TN 37202

Margaret J. Halpin and
William E. Halpin, w/h
2007 Manchester Ave.
Nashville, TN 37218

Anna Sue Brown
600 Rothwood Ave. Apt C-2
Madison, TN 37115

Mildred B. Wolford, single
12 Orchard Dr.
Mt. Vernon, OH 43050

Douglas W. Elswick and
Barbara Elswick, h/w
58 Sychar Rd.
Mt. Vernon, OH 43050

Danny L. Elswick and
Sharon Elswick, h/w
13274 County Rd. 172
Cardington, OH 43315

Ronda G. Fleury and
Gerry Fleury, w/h
830 Fairway Drive
Howard, OH 43028

"Exhibit B"
Increased Density

Sherry Bartkowiak
P.O. Box 523
Longview, WA 98632

Darrell F. Presley and
Kimberly J. Presley, h/w
2223 Nomad Ave.
Dayton, OH 45414

Larry Presley, single
126 W. Fifth Street # 1018
Dayton, OH 45402

Gary Lee Presley, single
5920 Shore Drive
Huber Heights, OH 45424

Kenny E. Presley and
Rhonda Presley, h/w
10 Horseshoe Dr.
Dayton, OH 45432

Thomas Alfred Salyers, Jr. and
Linda Salyers, h/w
2873 Mollies Creek
Gladys, VA 24554

Juanita Ellen Sutphin, widow
1937 Lynnwood Ln.
Christiansburg, VA 24073

Abraham Salyers and
Phyliss E. Patton Salyers, h/w
706 Pheasant Dr.
Winchester, VA 22602-3505

Franklin R. Smith, Sr. and
Deborah Renee Smith, h/w
#8 Heishmans Park Rd.
Tom's Brook, VA 22660

Mary Lee Smith and
Ralph Gilbert Smith, w/h
P.O. Box 94
New Castle, VA 24127

Pamela Faye Smith, widow
1601 Lakeside Ave., Apt 710
Henrico, VA 23228

"Exhibit B"
Increased Density

Doris A. Brennen and
Gregory G. Brennen, w/h
383 Shenandoah Rive Ln.
Front Royal, VA 22630

Petish Irish Salyers Smith and
Ralph Eugene Smith, w/h
Box 478 289 Flop Ln.
Catawba, VA 24070

Sunset Carson Salyers and
Deloris A. Buchanan Salyers, h/w
2699 Corn Valley Rd.
Honaker, VA 24260

Sharon Yelton, single
301 Green Arbor Drive
Fredericksburg, VA 22407

Michael Yelton, single
131 Kings Way
Naples, FL 34104

Lehman L. Tiller and
Hattie Ruth Barton Tiller, h/w
1873 Indian Grave Gap Rd.
Vansant, VA 24656

Norma Sue Farmer and
Woodrow Farmer, w/h
2406 Farrol Ave.
Union City, CA 94587

James E. Watson, widower
23907 Spring Moss Dr.
Spring, TX 77373

1400901

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT OF RUSSELL COUNTY, 5-13, 2014. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:52 o'clock P M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: Sarah Gilmer

TESTE: ANN S. McREYNOLDS, CLERK
BY: Jennifer Kendrick D. CLERK