

Instrument prepared by:

**VIRGINIA GAS AND OIL BOARD**

Order recorded under:

**CODE OF VIRGINIA  
§ 45.1-361.26****VIRGINIA:****BEFORE THE GAS AND OIL BOARD****APPLICANTS:**

Gaynell Johnson & Carl Sampson  
Teresa K. Patrick  
Range Resources-Pine Mountain Oil & Gas,  
Inc.

**DOCKET NO.****93-0119-0309-03****RELIEF SOUGHT:**

Issuance: A Supplemental Order for Disbursement of Escrowed Funds  
Action: Amending Prior Orders Affecting Drilling Unit **PC-313, Tract 4**  
(Referenced herein as "the Subject Drilling Unit")  
Location: Dickenson County, Virginia

**Action Details:**

- (1) To provide a calculation of funds, Unit Operator has deposited into the Escrow Account for Drilling Unit (**PC-313, Tract 4**) by Tract Subaccounts;
- (2) To provide each applicant, in simple terms, a complete month over month Royalty Accounting of unit production, costs, taxes and proceeds, depicting variables used in the calculation of royalty payments to the unit escrow account.
- (3) To disburse unit funds to the Applicants, in accordance with their Unit Ownership Interests relative to those funds deposited by the Unit Operator into Subject Drilling Unit's Escrow Subaccount for **VGOB Tract(s) identified in Table 4.**

**REPORT OF THE BOARD****FINDINGS AND ORDER**

1. **Hearing Date and Place:** This matter came on for final hearing before the Virginia Gas and Oil Board (herein "Board") at September 16, 2008 at the Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, VA.
2. **Appearances:** James E. Kaiser Esq. appeared for the Unit Operator; and Sharon M.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.*, and in particular Va. Code §§ 45.1-361.21 and 45.1-361.22, the Board finds that it has jurisdiction over the establishment and maintenance of an escrow account, with tract subaccounts, for each of the coalbed methane gas drilling units established by the Board through its field rules that are subject to a Board pooling order. Further, the Unit Operator is required to deposit, as applicable, those funds specified in Va. Code § 45.1-361.21.D., 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4 into the applicable escrow tract subaccounts. The Board finds that: (1) while it **does not** have jurisdiction to resolve conflicting claims to the ownership of the Coalbed Methane Gas produced by the Unit Operator from wells located on Subject Drilling Unit, and (2) while it **does not** have jurisdiction to interpret agreements by and between the Gas owners/claimants and/or the Unit Operators or to abridge or contravene the provisions of such agreements, (3) pursuant to Va. Code § 45.1-361.22.A.5, **the Board does have jurisdiction and authority to disburse funds from the Escrow Account** provided the Board has been provided with a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between the conflicting

claimants or an agreement among all claimants owning conflicting estates in the tract in question or any undivided interest therein.

4. **Prior Proceedings:**

- 4.1. (a) On February 12, 1993 the Board executed its order pooling interests in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code SS 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Dickenson County on March 5, 1993, Deed Book 290, and Page 001. The Board executed its Supplemental Order regarding elections on August 23, 1993 and was filed with the Clerk of the Court Dickenson County on August 27, 1993 in Deed Book 294 at Page 374; (hereafter all orders are collectively referred to as the "Pooling Orders"). On August 21, 2007, the Board executed an order for the first disbursement of escrowed funds which was filed with the Clerk of the Circuit Court Dickenson County on August 22, 2007 at Deed Book 441, Page 524. On August 27, 2008 a second order for the disbursement of escrowed funds was iexecuted which was filed with the Clerk of the Circuit Court Dickenson County on September 3, 2008.
- 4.2 To the extent claims to the Gas were in conflict, pursuant to Va. Code S 45.1-361-22 payments attributable to said conflicting claims were ordered deposited by the Unit Operator into the escrow account established by the Pooling Orders (herein "Escrow Account"). According to the Pooling Orders and testimony, Range Resources-Pine Mountain Oil and Gas, Inc., Gaynell Johnson and Carl Edward Sampson; and Teresa K. Patrick in a portion of a tract known as Tract 4 in the Subject Drilling Unit were in conflict and became subject to the escrow requirements of the Pooling Order.
- 4.3 The Unit Operator's Miscellaneous Petition regarding Tract 4, a copy of which is attached to and made a part hereof, states under oath that the applicants as identified above have entered into a royalty split agreement with regard to Tract 4 and that by the terms of the agreements escrowing regarding this Tract and the applicants identified in the attached miscellaneous petition is no longer required.
- 4.4 The Unit Operator gave notice to Range Resources-Pine Mountain Oil and Gas, Inc. and the applicants that the Board would consider its disbursement authorization at its hearing on September 16, 2008 and consider whether to: (1) amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 4 as identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to said Tract 4 and the interests of Applicants identified in the miscellaneous petition in the Escrow Account, and (3) continue the escrow account under this docket number because parties other than those seeking disbursement under this order are subject to continued payments in the escrow.
- 4.5 The Unit Operator filed the attached accounting for Subject Drilling Unit's Escrow Account with the Board ("Accounting").

5. **Findings:**

5.1. **Va. Code 45.1-361.22.5 provides:**

*The Board shall order payment of principal and accrued interests, less escrow account fees, from the escrow account to conflicting claimants within thirty days of receipt of notification of (i) a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between them or (ii) an agreement among all claimants owning conflicting estates in the tract in question or any undivided interest therein. The amount to be paid to the conflicting claimants shall be determined based on the percentage of ownership interest of the conflicting claimants as shown in the operator's supplemental filing made part of the pooling order that established the escrow account, the operator's records of deposits attributable to those tracts for which funds are being requested, and the records of the escrow account for the coalbed methane gas drilling unit. The interests of any cotenants who have not entered into an agreement shall remain in the escrow account.*

5.2 Applicant has certified and represented to the Board that:

- (1) Gaynell Johnson and Carl Edward Sampson; Teresa K. Patrick; and Range Resources-Pine Mountain Oil and Gas, Inc., are the owners of a portion of the coal, gas and oil acreage estates underlying Tract 4 of the Subject Drilling Unit;
- (2) Net interests attributable and to be disbursed to Applicants are shown in Table 1,

**VGOB Approved Disbursement**  
**VGOB 93-0119-0309-03**

Acerage      Split  
 Interest      Agreement      Acres      % of  
    Escrowed Funds

**Table 1**

TRACT 4				5.976	
1	Gaynell Johnson & Carl Edward Sampson 155 Poplar Terrace Dr; Lynchburg, VA 24502	0.08075	75%	0.061	1.0135%
2	Range Resources - Pine Mountain Inc. PO Box 2136 Abingdon, VA 24212		25%	0.020	0.3378%
3	Teresa K. Patrick 2609 Bay Street, Bristol TN 37620	0.08075	75%	0.061	1.0135%
4	Range Resources - Pine Mountain Inc. PO Box 2136 Abingdon, VA 24212		25%	0.020	0.3378%

6. **Relief Granted:**

For the reasons set forth in Paragraph 4 and 5 above, and based upon the Accounting and Table 1 above, the Escrow Agent is ordered to, within 10 days of receipt of this executed order to disburse funds for the unit and applicants detailed in Table 1 above.

Exhibit E to the Pooling Order, showing owners subject to escrow, is deleted and replaced with the Exhibit E attached to this order. Further, the Supplemental Order filed in this cause is hereby modified to delete the requirement that payments attributable to the conflicting coalbed methane gas ownership interests of those applicants indicated in Table 1 be deposited by the Unit Operator into the Escrow Account, **and**, because there are other owners subject to escrow under the Supplemental Order, the Escrow Agent is directed to continue the Escrow Account for Subject Drilling Unit. To the extent not specifically granted herein, any other or further relief is denied.

7. **Conclusion:**

Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and **IT IS SO ORDERED.**

8. **Appeals:**

Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

9. **Effective Date:** This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 2 day of Feb., 2009, by a majority of the Virginia Gas and Oil Board.

*Bradley C. Lambert*  
Bradley Lambert, Chairman

DONE AND PERFORMED this 2 day of February, 2009, by an Order of this Board.

*David E. Asbury Jr.*  
David E. Asbury Jr.,  
Principal Executive to the Staff  
Virginia Gas and Oil Board

**COMMONWEALTH OF VIRGINIA )  
COUNTY OF WASHINGTON**

Acknowledged on this 2<sup>nd</sup> day of February, 2009, personally before me a notary public in and for the Commonwealth of Virginia, appeared **Benny R. Wampler** being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and **David E. Asbury Jr.**, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

*Diane J. Davis*  
Diane J. Davis  
Notary Public #174394

My commission expires: 9, 30, 09





VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: Equitable Production Company on behalf of Gaynell Johnson & Carl Edward Sampson; Teresa K. Patrick; and Range Resources-Pine Mountain.

DOCKET NUMBER: VGOB 93-0119-0309-03

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds on behalf of Gaynell Johnson & Carl Edward Sampson; Teresa K. Patrick; and Range Resources-Pine Mountain.

LEGAL DESCRIPTIONS: Drilling Unit Number 751313 created by Board Order Dated February 12, 1993 VGOB 93-0119-0309 in Dickenson County, Virginia.

HEARING DATE: September 16, 2008.

MISCELLANEOUS PETITION

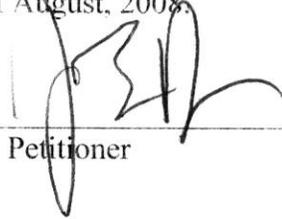
1. Party: Applicant herein are Gaynell Johnson & Carl Edward Sampson, (hereinafter "Plaintiffs), whose address is 155 Poplar Terrace Drive, Lynchburg, VA 24502; Teresa K. Patrick, (hereinafter "Plaintiffs), whose address is 2609 Bay Street, Bristol, TN 37620; and Range Resources-Pine Mountain Inc., (hereinafter "Plaintiffs), whose address is 406 W. Main Street, Abingdon, VA 24212.
2. Facts:
  - a. Equitable was designated as the Operator and Applicants interests were Pooled in the 751313 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on February 12, 1993, pursuant to Docket No. VGOB 93-0119-0309 and recorded in the Circuit Court Clerk's Office Russell County, Virginia on March 5, 1993. Deed Book 290, Page 001 (hereinafter "Order").
  - b. The Order and Supplemental Order required the Escrow Agent named and appointed therein to establish an interest-bearing escrow account for funds pertaining to the above-referenced Unit and subject to escrow pursuant to the terms of the Order.
  - c. The Order and Supplemental Order further required the Operator to deposit bonus and royalty payments with the Escrow agent which could not be made because the person(s) entitled hereto could not be made certain due to conflicting claims of ownership.

- d. Pine Mountain Oil and Gas, Inc. was a conflicting claimant with the above-listed Plaintiffs with regard to Tract 4 as created by Board Order as VGOB 93-0119-0309 is the applicable Tracts.
- e. To resolve this conflict, a Letter dated April 28, 2008 signed by Phil Horn, Land Manager of Pine Mountain Oil and Gas, Inc. is attached hereto and incorporated herein as Exhibit "A".
- f. The amounts deposited with the Escrow Agent regarding the Unit need to be determined and distributed accordingly.
- g. Any escrow amount, not yet deposited into the escrow account, held by Operator should also be determined, and distributed to Applicants/Plaintiffs herein, accordingly.
- h. Applicants/Plaintiffs herein do hereby request that the Board enter amended supplemental order for the Unit directing the Escrow Agent and the Operator to disburse to the aforesaid Plaintiff the funds attributable to the previous conflicting claim with Pine Mountain, held in escrow for the VGOB number as listed above.
  1. The Applicants certify that the matters set forth in the application, to the best of their knowledge, information, and belief, are true and correct and that the form and content of the Application and conform to the requirements of relevant Board regulations and orders.
  2. Legal Authority: Va Code Ann. §45.1-361.1 et seq., 4 VAC 25-160, and such other regulations and Board orders promulgated pursuant to law.
  3. Relief Sought: Applicants request that the Board issue amended supplement order amending all prior orders affecting the Unit which amended supplement order will provide as follows:
    - a. Determining the amount of funds attributable to the Applicants/Plaintiffs herein.
    - b. Directing the Escrow Agent to determine the amount of funds attributable to Applicants/Plaintiffs herein, provide an accounting hereof, and disburse the funds on deposit with the Escrow Agent, including any applicable interest, pertaining to the interest in the Unit shown above for distribution.
    - c. Directing the Operator to determine the amount of funds attributable to the Applicants/Plaintiffs herein, provide an accounting thereof, and disburse the units in its hands, if any, subject to escrow but not then on deposit with the Escrow Agent, including any applicable interest, at the time of the Supplemental Order requested therein is executed, attributable to the Applicants/Plaintiffs herein for distribution.

- d. Directing the Operator to disburse the funds, including any applicable interest, and provide an accounting thereof, which it may receive after the date of the execution of the amended supplemental order requested in the Application, if any, attributable to the Applicants/Plaintiff herein, and to discontinue the payment of such funds into Escrow.
- e. 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.

Dated this 15th day of August, 2008.

By:



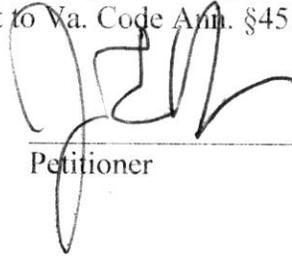

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Petitioner

Address: Wilhoit & Kaiser  
 220 Broad Street  
 Kingsport, TN 37660

**CERTIFICATE**

The foregoing application to the best of my knowledge, information and belief is true and correct. Notice was given pursuant to Va. Code Ann. §45.1-361.19.




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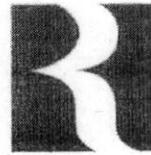
Petitioner

**Exhibit "E"**  
**751313 (PC 313)**  
 Revised 05/29/2008

<u>Tract</u>	<u>Lessor</u>	<u>Lease Status</u>	<u>Interest Within Unit</u>	<u>Gross Acreage In Unit</u>	<u>Net Revenue Interest</u>
		<b>Gas Estate</b>			
4	Nancy E Counts 60 Skyland Avenue Bristol, VA 24201	Leased-EREX 243912L01	2.7500%	1.615	0.00343750
	Cecil L Kiser and Julie Kiser 2133 Summers Ave Streetsboro, OH 44241	Leased-EREX 243912L03	1.5100%	0.08075	0.00188750
	Wilma Johnson Porter & Dale C Porter, Jr. Rt 2 Box 282 Rustburg, VA 24588	Leased-EREX 243912L04	0.1370%	0.08075	0.00017125
	Alice B Keen 4741 Showalter Rd NW Roanoke, VA 24017	Leased-EREX 243912L05	0.6860%	0.40375	0.00085750
	Leon and Janice Kiser 315 Hill Dr Bristol, TN 37620	Leased-EREX 243912L06	0.4630%	0.323	0.00057875
	Diana D. Kiser Rt 4 Box 654 Tazewell, VA 24630	Leased-EREX 243912L08	1.5100%	0.08075	0.00188750
	Lillian & Percy Crane P O Box 7 Grundy, VA 24614	Leased-EREX 243912L10	0.6870%	0.40375	0.00085875
	Edith & David Wockenfuss 207 A 12th St Clermont, FL 34711	Leased-EREX 243912L11	0.4630%	0.323	0.00057875
	Sharon Dickson 295 Bethel Dr #39 Bristol, TN 37620	Leased-EREX 243912L13	0.1830%	0.10767	0.00022875
	Dorothy C. Kiser 251 Oak Lane	Leased-EREX 243912L14	0.4630%	0.323	0.00057875

Bluff City, TN 37618

	Ruby Marie Johnson & William C Johnson 5519 Chenault Ave Orlando, FL 32839	Leased-EREX 243912L15	0.2280%	0.13458	0.00028500
	Kathy A & Larry D Breeding 1569 Sonoma CT Jacksonville, FL 32221	Unleased	0.2280%	0.13458	0.00028500
	Terry L & Debbie Tomlinson 132 Noth Clay St Coldwater, MI 49036	Leased-EREX 243912L17	0.2280%	0.13458	0.00028500
	Robin M & Blain Owens 103 Jefferson Bristol, VA 24201	Leased-EREX 243912L16	0.1830%	0.10767	0.00022875
	Sonny Don Duty & Lana Duty 103 Jefferson Bristol, VA 24201	Unleased	0.1830%	0.10767	0.00022875
	<b>Coal Estate</b>				
4	Clinchfield Coal Company Paul Guild, Chief Engineer P.O. Box 7 Dante, VA 24237 Pegasus Resources Company Larry Cline, Property Manager PO Box 5100 Lebanon, VA 24266	Leased-EREX T2(C)-237	9.9020%	4.3605	0.01237750



**RANGE RESOURCES**

May 12, 2008

Ms. Nikki Atkison  
EQUITABLE PRODUCTION COMPANY  
225 North Shore Drive  
Pittsburgh, PA 15212

**RE: Permanent Split of Royalty  
VC-502832, VC-536069, VC-536070, VC-501853,  
VC-3305 and PC-313 and any future CBM Wells  
G. W. Kiser Hiers Lease  
Russell County, Virginia**

Dear Ms. Atkison:

I enclose a copy of a letter dated April 28, 2008, between Range Resources – Pine Mountain, Inc., and Gaynell Johnson Sampson and Carl Edward Sampson, wherein the parties have agreed to a 75%/25% permanent split of escrowed royalty and all future royalty from the above wells and any other CBM wells that include a portion of the G. W. Kiser Heirs lease. Please release the escrowed royalty to Gaynell Johnson Sampson, Carl Edward Sampson, and Range Resources - Pine Mountain, Inc., and begin making all future payments to the parties pursuant to their agreement.

By copy of this letter, I am notifying Gaynell Johnson Sampson and Carl Edward Sampson of Pine Mountain's action on this matter. If you have any questions or comments, please do not hesitate to contact me by phone at (276) 619-2644 or by e-mail at [aedmisten@gl-energy.com](mailto:aedmisten@gl-energy.com).

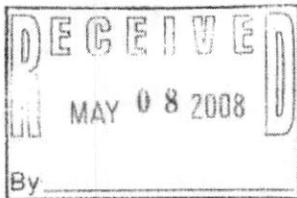
Sincerely,

RANGE RESOURCES - PINE MOUNTAIN, INC.

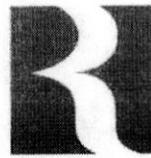
Ann Edmisten, CLAS  
Land Technician

Enclosure

cc: Gaynell Johnson Sampson and Carl Edward Sampson  
Wanda (PMOG) w/original enclosure  
D. Louthian (PMOG) w/enclosure  
P. Horn (PMOG) w/enclosure  
D. Hall (EPC) w/enclosure ([dhall@cqt.com](mailto:dhall@cqt.com))



April 28, 2008

**RANGE RESOURCES**

Gaynell Johnson Sampson and Carl Edward Sampson  
 155 Poplar Terrace Drive  
 Lynchburg, VA 24502

Re: Permanent Split of CBM Royalty  
 G.W. Kiser Heirs  
 Wells VC-502832, VC-536069, VC-536070, VC-501853, VC-3305 and PC-313 and  
 all future wells  
 Russell County, Virginia

Dear Mr. and Mrs. Sampson:

As you are aware, Equitable Production Company ("EPC"), has drilled the referenced coalbed methane gas wells on tracts of land (the "Property" or "Subject Tract") in which Range Resources - Pine Mountain, Inc. ("RANGE") owns the coalbed methane gas through its deed from the former coal owner underlying the Property and you own an undivided interest in the gas. The above has created conflicting claims as to the ownership of the coalbed methane gas on the Subject Tract between ("RANGE"), as the owner of the coalbed methane gas through its deed from the former coal owner, and you, as the owner of the gas. Plats indicating the location of the wells within the operating units are enclosed for your reference.

Due to our conflicting interests in the Subject Tract, EPC, as operator of the unit, has placed all royalty proceeds attributable to our conflicting interests into an escrow account. These royalty proceeds will remain in the escrow account until either a final legal determination of our conflicting claims to the coalbed methane gas is made or we reach an agreement on the division of the royalty proceeds. The most economical and expedient way to secure a release of the escrowed funds is for us to enter into an agreement which sets forth how the funds are to be distributed. Accordingly, in order to avoid the expense and time required to resolve the ownership question through the courts, RANGE proposes resolving this matter by the agreement described below. Such an agreement will allow us to request distribution of the proceeds presently held in the escrow account and direct payment of all future proceeds.

RANGE proposes that you receive disbursement of 75% of the proceeds held in the escrow account on the above-mentioned wells and that RANGE receive disbursement of 25% of the proceeds held in the escrow account on the above-mentioned wells. RANGE proposes the same percentage division for all future production payments which may accrue to our conflicting interests from the above-mentioned wells. RANGE will, at its sole expense, pursue the administrative process required to secure release of the proceeds held in the escrow account and will absorb all future costs of administering this letter agreement. None of these expenses and costs will be deducted from your 75% of the royalty proceeds. It is also agreed that the royalty from any future coalbed methane gas wells drilled upon the subject tract or upon other lands in which the subject tract is pooled therewith will be permanently split in the same 75%/25% proportion.

If this division of proceeds is agreeable with you, RANGE will diligently pursue the administrative processes required to secure release of the proceeds in the escrow account to you and RANGE. You will be provided with copies of the correspondence to EPC, requesting distribution of the escrowed funds as well as the directive to EPC to pay all future royalties and other benefits attributable to our conflicting interests in the same 75% / 25% proportion.

This letter agreement effects a permanent division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned wells and future wells which is binding upon you, your heirs and assigns and RANGE and its successors and assigns. By entering into this agreement, the parties agree to refrain from making any claim or bringing any suit against the other party attacking the other party's coalbed methane interests set forth in this letter agreement. It is expressly agreed by the parties hereto that the division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned well shall remain subject to this letter agreement, regardless of any subsequent judicial determination of ownership of coalbed methane in the Commonwealth of Virginia. Provided, however, nothing contained in this letter agreement shall change or alter the parties' common law rights and liabilities or the legal title to their respective coal and gas estates.

By entering into this letter agreement, you confirm that you are the current record title owner of an undivided interest in the gas estate underlying the tract attributed to G.W. Kiser Heirs 111 acres on the enclosed plats. If you are not the current gas owner, please notify us immediately.

By accepting the terms and conditions of this letter agreement, you are directing EPC to disburse royalties in accordance with this agreement. It is understood and agreed that no other terms or conditions of your lease with EPC are affected by this letter agreement.

Please evidence your agreement to these terms by signing this letter agreement on the line indicated below and returning this letter agreement to RANGE in the enclosed self-addressed, stamped envelope. If you have any questions, please do not hesitate to call me at 276-619-2583.

Sincerely,

RANGE RESOURCES - PINE MOUNTAIN, INC.



Phil Horn  
Land Manager

Enclosures

AGREED TO AND ACCEPTED BY

BY: Gaynell Johnson Sampson  
GAYNELL JOHNSON SAMPSON

Carl Edward Sampson  
CARL EDWARD SAMPSON

RANGE RESOURCES - PINE MOUNTAIN, INC.

BY: Phil Horn  
PHIL HORN  
LAND MANAGER

STATE OF Virginia

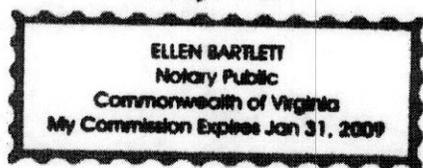
COUNTY OF Campbell, to-wit:

I, Ellen Bartlett, a Notary Public in and for the State and County aforesaid, do hereby certify Gaynell Johnson Sampson and Carl Edward Sampson, whose names are signed to the writing hereto annexed, have this day acknowledged the same before me, in said County and State.

Given under my hand and notarial seal this the 5 day of May, 2008.

My commission expires 1-31-2009.  
REG# 365042

Ellen Bartlett  
Notary Public



COMMONWEALTH OF VIRGINIA

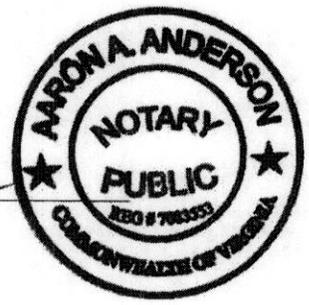
COUNTY OF WASHINGTON, to-wit:

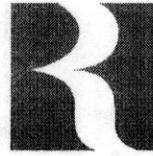
I, Aaron A Anderson, a Notary Public in and for the State and County aforesaid, do hereby certify that Phil Horn, Land Manager for Range Resources - Pine Mountain, Inc., whose name as such is signed to the writing hereto annexed, bearing date the 28<sup>th</sup> day of April, 2008, has this day, before me, in my said County acknowledged the said writing on behalf of said corporation.

Given under my hand and notarial seal this the 28<sup>th</sup> day of April, 2008.

My commission expires 3/31/2011.  
REG# 7083553

Aaron A Anderson  
Notary Public





May 28, 2008

**RANGE RESOURCES**

Ms. Nikki Atkison  
 EQUITABLE PRODUCTION COMPANY  
 225 North Shore Drive  
 Pittsburgh, PA 15212

RE: **Permanent Split of Royalty**  
**VC-502832, VC-536069, VC-536070, VC-501853**  
**VC-3305 and PC-313 and any future CBM Wells**  
**G. W. Kiser Heirs**  
**Russell County, Virginia**

Dear Ms. Atkison:

I enclose a copy of a letter dated May 7, 2008, between Range Resources – Pine Mountain, Inc., and Teresa K. Patrick (Teresa Patrick Rigole), wherein the parties have agreed to a 75%/25% permanent split of escrowed royalty and all future royalty from the above wells and any other CBM wells that include a portion of the G. W. Kiser 111 acre lease. Please release the escrowed royalty to Teresa K. Patrick (Teresa Patrick Rigole) and Range Resources - Pine Mountain, Inc., and begin making all future payments to the parties pursuant to their agreement.

By copy of this letter, I am notifying Teresa K. Patrick (Teresa Patrick Rigole) of Pine Mountain's action on this matter. If you have any questions or comments, please do not hesitate to contact me by phone at (276) 619-2644 or by e-mail at [aedmisten@gl-energy.com](mailto:aedmisten@gl-energy.com).

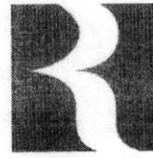
Sincerely,

RANGE RESOURCES - PINE MOUNTAIN, INC.

Ann Edmisten, CLAS  
 Land Technician

Enclosure

cc: Teresa K. Patrick (Teresa Patrick Rigole)  
 Wanda (PMOG) w/original enclosure  
 D. Louthian (PMOG) w/enclosure  
 P. Horn (PMOG) w/enclosure  
 D. Hall (EPC) w/enclosure (dhall@eqt.com)



May 7, 2008

**RANGE RESOURCES**

Teresa K. Patrick  
2609 Bay Street  
Bristol, TN 37620

Re: Permanent Split of CBM Royalty  
G.W. Kiser Heirs  
Wells VC-502832, VC-536069, VC-536070, VC-501853, VC-3305 and PC-313 and  
all future wells  
Russell County, Virginia

Dear Ms. Patrick:

As you are aware, Equitable Production Company ("EPC"), has drilled the referenced coalbed methane gas wells on tracts of land (the "Property" or "Subject Tract") in which Range Resources - Pine Mountain, Inc. ("RANGE") owns the coalbed methane gas through its deed from the former coal owner underlying the Property and you own an undivided interest in the gas. The above has created conflicting claims as to the ownership of the coalbed methane gas on the Subject Tract between ("RANGE"), as the owner of the coalbed methane gas through its deed from the former coal owner, and you, as the owner of the gas. Plats indicating the location of the wells within the operating units are enclosed for your reference.

Due to our conflicting interests in the Subject Tract, EPC, as operator of the unit, has placed all royalty proceeds attributable to our conflicting interests into an escrow account. These royalty proceeds will remain in the escrow account until either a final legal determination of our conflicting claims to the coalbed methane gas is made or we reach an agreement on the division of the royalty proceeds. The most economical and expedient way to secure a release of the escrowed funds is for us to enter into an agreement which sets forth how the funds are to be distributed. Accordingly, in order to avoid the expense and time required to resolve the ownership question through the courts, RANGE proposes resolving this matter by the agreement described below. Such an agreement will allow us to request distribution of the proceeds presently held in the escrow account and direct payment of all future proceeds.

RANGE proposes that you receive disbursement of 75% of the proceeds held in the escrow account on the above-mentioned wells and that RANGE receive disbursement of 25% of the proceeds held in the escrow account on the above-mentioned wells. RANGE proposes the same percentage division for all future production payments which may accrue to our conflicting interests from the above-mentioned wells. RANGE will, at its sole expense, pursue the administrative process required to secure release of the proceeds held in the escrow account and will absorb all future costs of administering this letter agreement. None of these expenses and costs will be deducted from your 75% of the royalty proceeds. It is also agreed that the royalty from any future coalbed methane gas wells drilled upon the subject tract or upon other lands in which the subject tract is pooled therewith will be permanently split in the same 75%/25% proportion.

May 7, 2008  
Page 2 of 3

BK 462PG 705

If this division of proceeds is agreeable with you, RANGE will diligently pursue the administrative processes required to secure release of the proceeds in the escrow account to you and RANGE. You will be provided with copies of the correspondence to EPC, requesting distribution of the escrowed funds as well as the directive to EPC to pay all future royalties and other benefits attributable to our conflicting interests in the same 75% / 25% proportion.

This letter agreement effects a permanent division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned wells and future wells which is binding upon you, your heirs and assigns and RANGE and its successors and assigns. By entering into this agreement, the parties agree to refrain from making any claim or bringing any suit against the other party attacking the other party's coalbed methane interests set forth in this letter agreement. It is expressly agreed by the parties hereto that the division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned well shall remain subject to this letter agreement, regardless of any subsequent judicial determination of ownership of coalbed methane in the Commonwealth of Virginia. Provided, however, nothing contained in this letter agreement shall change or alter the parties' common law rights and liabilities or the legal title to their respective coal and gas estates.

By entering into this letter agreement, you confirm that you are the current record title owner of an undivided interest in the gas estate underlying the tract attributed to G.W. Kiser Heirs 111 acres on the enclosed plats. If you are not the current gas owner, please notify us immediately.

By accepting the terms and conditions of this letter agreement, you are directing EPC to disburse royalties in accordance with this agreement. It is understood and agreed that no other terms or conditions of your lease with EPC are affected by this letter agreement.

Please evidence your agreement to these terms by signing this letter agreement on the line indicated below and returning this letter agreement to RANGE in the enclosed self-addressed, stamped envelope. If you have any questions, please do not hesitate to call me at 276-619-2583.

Sincerely,

RANGE RESOURCES - PINE MOUNTAIN, INC.



Phil Horn  
Land Manager

Enclosures

AGREED TO AND ACCEPTED BY

BY: Teresa Patrick Rigole  
TERESA K. PATRICK

RANGE RESOURCES - PINE MOUNTAIN, INC.

BY: Phil Horn  
PHIL HORN  
LAND MANAGER

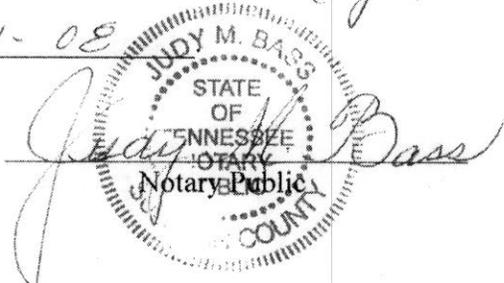
STATE OF Tenn

COUNTY OF Sullivan, to-wit:

I, Judy M. Bass, a Notary Public in and for the State and County aforesaid, do hereby certify Teresa K. Patrick, whose name is signed to the writing hereto annexed, have this day acknowledged the same before me, in said County and State. *(Notarized per name only.)*

Given under my hand and notarial seal this the 21 day of May, 2008.

My commission expires 12-21-08  
REG# \_\_\_\_\_



COMMONWEALTH OF VIRGINIA

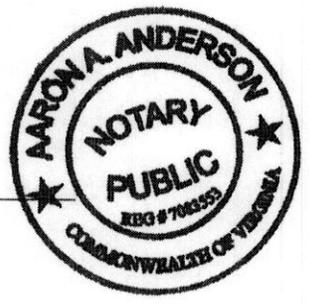
COUNTY OF WASHINGTON, to-wit:

I, Aaron A Anderson, a Notary Public in and for the State and County aforesaid, do hereby certify that Phil Horn, Land Manager for Range Resources - Pine Mountain, Inc., whose name as such is signed to the writing hereto annexed, bearing date the 7<sup>th</sup> day of May, 2008, has this day, before me, in my said County acknowledged the said writing on behalf of said corporation.

Given under my hand and notarial seal this the 7<sup>th</sup> day of May, 2008.

My commission expires 3/31/2011  
REG# 7083553

Aaron A Anderson  
Notary Public



VGOB 93/01/19-0309

VC-751313

TRACT NO.	OWNER NAME and ADDRESS	SPLIT %	OWNER NET INTEREST	TOTAL NET ESCROW INTEREST	TOTAL AMOUNT IN ESCROW 3/31/2008	OWNER % IN ESCROW 3/31/2008	OWNER AMOUNT IN ESCROW 3/31/2008
4	Teresa K. Patrick (Teresa Patrick Rigole) 2609 Bay Street Bristol, TN 37620	75%	0.00012844 0.00012844	0.01289125 0.01289125	Bank Total - \$18,428.68 Equitable Total - \$18,428.68	0.99631533%	\$183.61 \$183.61
4	Range Resources - Pine Mountain, Inc. PO Box 2136 Abingdon, VA 24212	25%	0.00004281 0.00004281	0.01289125 0.01289125	Bank Total - \$18,428.68 Equitable Total - \$18,428.68	0.33210511%	\$61.20 \$61.20

VGOB 93/01/19-0309

VC-751313

TRACT NO.	OWNER NAME and ADDRESS	SPLIT %	OWNER NET INTEREST		TOTAL NET ESCROW INTEREST		TOTAL AMOUNT IN ESCROW 3/31/2008	OWNER % IN ESCROW 3/31/2008	OWNER AMOUNT IN ESCROW 3/31/2008	
			OWNER NET INTEREST	INTEREST	ESCROW INTEREST	ESCROW INTEREST			OWNER AMOUNT IN ESCROW 3/31/2008	OWNER AMOUNT IN ESCROW 3/31/2008
4	Gaynell Johnson & Carl Edward Sampson 155 Poplar Terrace Drive Lynchburg, VA 24502	75%	0.00012844 0.00012844	0.01289125 0.01289125	0.01289125 0.01289125	Bank Total - \$18,428.68 Equitable Total - \$18,428.68	0.99631533%	\$183.61 \$183.61		
4	Range Resources - Pine Mountain, Inc. PO Box 2136 Abingdon, VA 24212	25%	0.00004281 0.00004281	0.01289125 0.01289125	0.01289125 0.01289125	Bank Total - \$18,428.68 Equitable Total - \$18,428.68	0.33210511%	\$61.20 \$61.20		

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, 2009-20, 2009. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:00 o'clock P.M., after payment of \$ tax imposed by Sec. 58.1-802.

BY: Richard W. Edwards RICHARD EDWARDS, CLERK  
TESTE: Richard Edwards D. CLERK

Original returned this date to: mmt

INSTRUMENT #090000297  
RECORDED IN THE CLERK'S OFFICE OF  
DICKENSON ON  
FEBRUARY 20, 2009 AT 01:57PM  
RICHARD W. EDWARDS, CLERK  
RECORDED BY: TLC

*Handwritten notes:*  
\$50  
D