

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA

§ 45.1-361.26

BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds
(and Authorization for Direct Payment of Royalties)

JURISDICTION: Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: VC-703324

TRACT(S): Tract 3

LOCATION: Dickenson County, Virginia
TAX ID on Exhibit EE

DOCKET NUMBER: VGOB-97-0415-0574-01

APPLICANTS: EQT Production Company on behalf of George D. and Carol R. Smith and Range Resources-PMI.

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia, April, 17, 2012

APPEARANCES: James Kaiser on behalf of EQT Production Company, Sharon Pigeon, Sr. Assistant Attorney General representing the Board.

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 05/01/1997, Recorded on 05/05/1997, Deed Book 325, Page 744
2. Supplemental Order Executed 08/11/1997, Recorded on 08/13/1997, Deed Book 328, Page 617

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the April 17, 2012 hearing 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 3 identified in the attached miscellaneous petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract 3 relative to the interests of the Applicants identified in the attached miscellaneous petition.

(3) Continue the escrow account under this docket number.

FINDINGS: Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

1. The owner of the coal estate for Tract 3 is Range Resources-Pine Mountain Inc. for the subject drilling unit.
2. The owner of the gas estate for Tract 3 is George D. and Carol R. Smith for the subject drilling unit.
3. Range Resources, by letter dated January 13, 2012 waived any claims to past or to future royalties attributable to the interests of George D. and Carol R. Smith for Tract 3 as shown in Table 1 attached.

Unit Bank Ac

VGOB Approved Disbursement
VGOB 97-0415-0574-01
VC3324

TABLE 1
Tract 3

Item	Tract	Disbursement Table	Fractional Net Acreage Ownership in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed
		Total acreage in escrow before disbursement			33.1100	
	3	Tract 3 total	8.30			
1	3	George D and Carol Smith 111 Locust St., Tazewell, VA 24651	8.3000	100.0%	8.3000	25.0680%

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1 above.
2. The Escrow Agent is ordered to continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:

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

APPEALS:

Appeals of this Order are governed by the provisions of the *Code of Virginia § 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.

Effective Date:

This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 31 day of May, 2012, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Bradley C. Lambert, Chairman
Virginia Gas and Oil Board

DONE AND PERFORMED this 31ST day of May, 2012 BY Order of the Virginia Gas and Oil Board.

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

**COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL)**

Acknowledged on this 31 day of May, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.

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

My commission expire: 09/30/2013



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: EQT Production Company on behalf of George D. and Carol R. Smith and Range Resources-PMI.

DOCKET NUMBER: VGOB-97/04/15-0574-01

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds on behalf of George D. and Carol R. Smith and Range Resources-PMI.

LEGAL DESCRIPTIONS: Drilling Unit Number 703324 created by Board Order Dated May 1, 1997 VGOB 97/04/15-0574 in Dickenson County, Virginia.

HEARING DATE: April 17, 2012

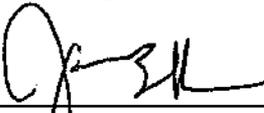
MISCELLANEOUS PETITION

1. Party: Applicant herein is George D. and Carol R. Smith, (hereinafter "Plaintiffs), whose address is 111 Locust Street, Tazewell, VA 24651; and Range Resources-PMI. (hereinafter "Plaintiffs), whose address is P.O. Box 2136, Abingdon, VA 24212.
2. Facts:
 - a. Equitable was designated as the Operator and Applicants interests were Pooled in the 703324 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on May 1, 1997, pursuant to Docket No. VGOB 97/04/15-0574 and recorded in the Circuit Court Clerk's Office Dickenson County, Virginia on May 5, 1997, Deed Book 325, Page 744 (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 3 as created by Board Order as VGOB 97/04/15-0574 is the applicable Tract.
- e. To resolve this conflict, a Letter dated January 13, 2012 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 16th day of March, 2012.

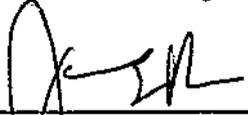
By:  _____

Petitioner

Address: Wilhoit & Kaiser
220 Broad St, Ste. 301
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.



Petitioner

Amount from 12/2011 First Bank Summary \$90,167.05

		VGOB 97/04/15-0574 VC-3324	Acreage Interest Disbursed	Split Agreement	Escrowed Acres Total	% of Escrowed Funds	Disbursement \$
Item	Tract	Disbursement Table					
		Totals			33.11		
1	3	George D Smith and Carol R Smith*	8.3	100%	8.3	25.067955%	\$22,603.04

Beginning acreage in escrow	33.11
Acreage disbursed	-8.3
Acreage remaining in escrow	24.81

*Interest previously owned by Christine and Boyce Field. Interest was conveyed to George Dewey Smith and Carol Ruth Fields Smith via Deed of Gift Dated October 15, 2003 recorded in Dickenson County, VA on December 4, 2003 at Book 393 Page 758.

1,375'

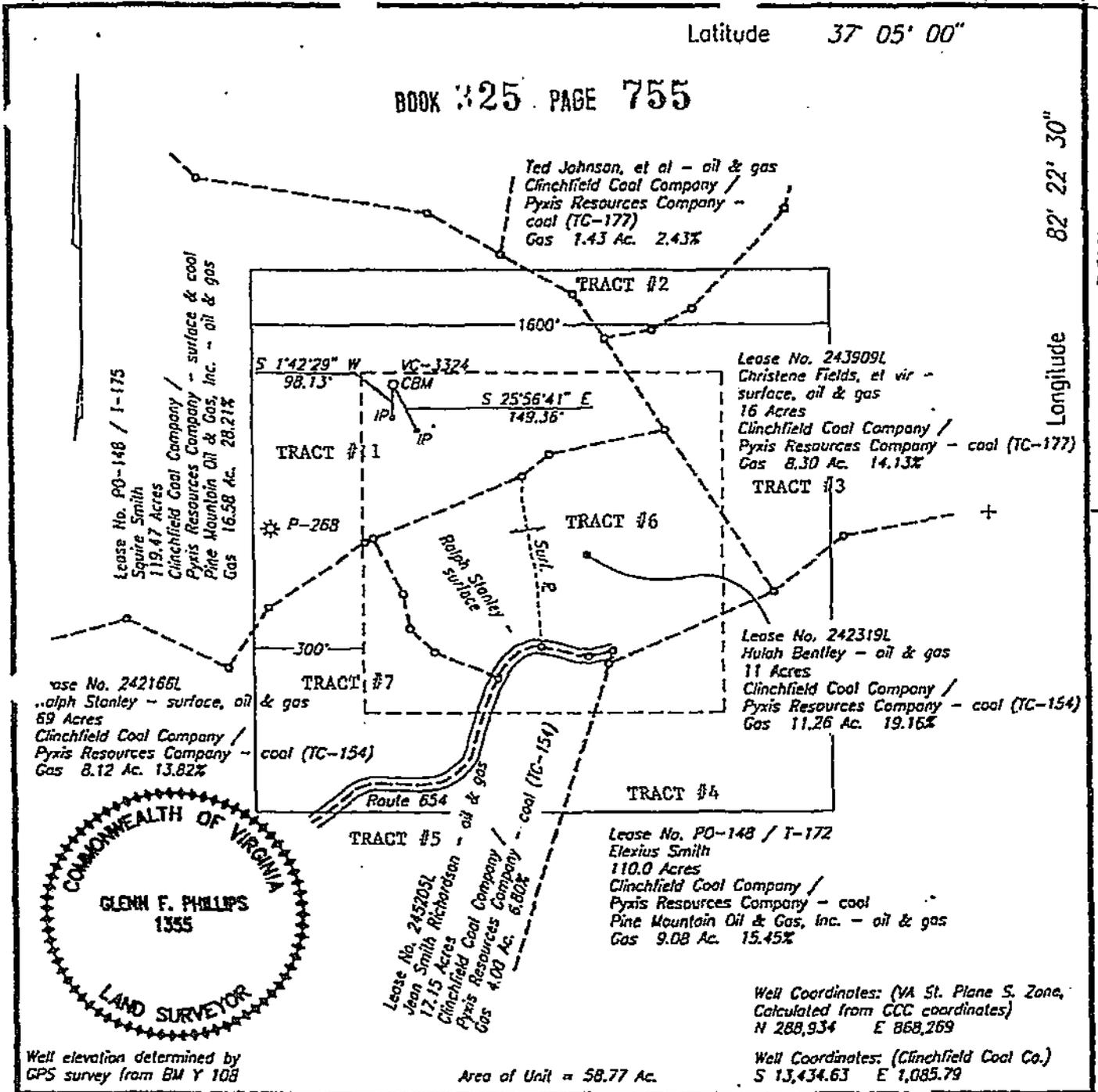
Latitude 37° 05' 00"

BOOK 25 PAGE 755

82° 22' 30"

7,390'

Longitude



WELL LOCATION PLAT

COMPANY Equitable Resources Energy Company WELL NAME AND NUMBER VC-3324
TRACT NO. I-175 ELEVATION 2328.41 QUADRANGLE Caney Ridge
COUNTY Dickenson DISTRICT Ervinton SCALE 1" = 400' DATE 1-24-1997

This Plat is a new plat x; on updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Glenn F. Phillips

Licensed Professional Engineer or Licensed Land Surveyor



January 13, 2012

RANGE RESOURCES

Mr. George D. Smith
Mrs. Carol R. Smith
111 Locust Street
Tazewell, VA 24651

Re: **Permanent Release of CBM Royalty
Well VC-503042, VC-3324, and VC 504509
Dickenson County, Virginia**

Dear Mr. and Mrs. Smith:

As you are aware, EQT Production Company ("EQT") has drilled the above-referenced coalbed methane gas wells on a 16 acre tract ("Subject Tract") either under a pooling order from the Virginia Gas and Oil Board ("Board") or as voluntary drilling unit. For this well, as we are listed as having conflicting claims. Range Resources - Pine Mountain, Inc. ("RRPM") is listed as claiming under a coal title, and you are listed as claiming under a gas title. The plats indicating the location of each of the wells within the operating units are enclosed for your reference.

EQT, as operator of the unit, has placed or will place all royalty proceeds attributable to conflicting claims into an escrow or suspense account. In order to allow release of the royalty proceeds, RRPM hereby waives any claims to past or to future royalties attributable to your interest in this well.

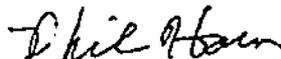
By copy of this letter, RRPM is requesting EQT to initiate distribution directly to you of all current royalties, as well as all future royalties, attributable to your interests in this well.

Please be advised that EQT may require that you demonstrate that you are the current owner of the gas estate. You should work directly with EQT on that issue.

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

Enclosure

cc: Kristie Shannon, EQT
Debbie Louthian, RRPM

Range Resources - Pine Mountain, Inc.

406 W Main Street

P O Box 2136

Abingdon, VA 24212

Tel (276) 628-9001

Fax (276) 628-7246

Abingdon: 779828-1

SUPPLEMENTAL "B"
VC-3324
VGOB 97/04/15-0574

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NRI</u>
<u>GAS ESTATE ONLY</u>					
1	Pittston Company** c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart PO Box 5100 Lebanon, VA 24226	Leased - EREC 241490L Tract T-175	28.210000%	16.58000	0.03526250
	EQT Production Company				0.24683750
Tract 1 Totals			28.210000%	16.58000	0.28210000
2	Theodore Johnson, widower 39578 Armfeld Palmdale, CA 93551	Unleased	1.822500%	1.07300	0.00227813
	Cary Johnson, single 39578 Armfeld Palmdale, CA 93551	Unleased	0.202500%	0.11900	0.00025313
	Mitchell Johnson, single 39578 Armfeld Palmdale, CA 93551	Unleased	0.202500%	0.11900	0.00025313
	Katrinia and Jeff Kittle, W/H 39578 Armfeld Palmdale, CA 93551	Unleased	0.202500%	0.11900	0.00025313
	EQT Production Company				0.02126250
Tract 2 Totals			2.430000%	1.43000	0.02430000
3	Christine Fields and Boyce Fields* Rt. 1, Box 238 McClure, VA 24269	Leased-EREC 243909L	14.130000%	8.30000	0.01766250
	EQT Production Company				0.12363750
Tract 3 Totals			14.130000%	8.30000	0.14130000
4	Pittston Company** c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart PO Box 5100 Lebanon, VA 24226	Leased - EREC 241490L Tract T-172	15.450000%	9.08000	0.01931250
	EQT Production Company				0.13518750
Tract 4 Totals			15.450000%	9.08000	0.15450000
5	Jean Smith Richardson and Randy Richardson, W/H 20135 Avondale Road Abingdon, VA 24211	Leased- EREC 245205L	6.800000%	4.00000	0.00850000
	EQT Production Company				0.05950000
Tract 5 Totals			6.800000%	4.00000	0.06800000

Range Resc
Attn: Jerry
406 W Mah
PO Box 213
Abingdon, *

6	Hulah L. Bentley, single 13231 100th Avenue Sun City, AZ 85351	Leased-EREC 242319L	9.580000%	5.63000	0.01197500
	John Greever and Margaret Q. Greever, H/W Gray Havens Loop Orcas, B99+B83, WA 98280	Leased-EREC 242319L	9.580000%	5.63000	0.01197500
	EQT Production Company				0.16765000
Tract 6 Totals			19.160000%	11.26000	0.19160000
7	Ralph E Stanley and Jimmie Stanley, H/W Rt HC 5, Box 576 Coeburn, VA 24230	Leased-EREC 242166L	13.820000%	8.12000	0.01727500
	EQT Production Company				0.12092500
Tract 7 Totals			13.820000%	8.12000	0.13820000
TOTAL GAS ESTATE			100.000000%	58.77000	1.00000000
Percentage of Unit Leased			97.570000%		
Percentage of Unit Unleased			2.430000%		
Acreage in Unit Leased				57.34000	
Acreage in Unit Unleased				1.43000	

COAL ESTATE ONLY

1	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-175	28.210000%	16.58000	0.03526250
	EQT Production Company				0.24683750
Tract 1 Totals			28.210000%	16.58000	0.28210000
2	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-177	2.430000%	1.43000	0.00303750
	EQT Production Company				0.02126250
Tract 2 Totals			2.430000%	1.43000	0.02430000
3	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-177	14.130000%	8.30000	0.01766250
	EQT Production Company				0.12363750
Tract 3 Totals			14.130000%	8.30000	0.14130000
4	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-172	15.450000%	9.08000	0.01931250
	EQT Production Company				0.13518750
Tract 4 Totals			15.450000%	9.08000	0.15450000

5	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-154	6.800000%	4.00000	0.00850000
	EQT Production Company				0.05950000
Tract 5 Totals			6.800000%	4.00000	0.06800000
6	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-154	19.160000%	11.26000	0.02395000
	EQT Production Company				0.16765000
Tract 6 Totals			19.160000%	11.26000	0.19160000
7	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-154	13.820000%	8.12000	0.01727500
	EQT Production Company				0.12092500
Tract 7 Totals			13.820000%	8.12000	0.13820000
TOTAL COAL ESTATE			100.000000%	58.77000	1.00000000
Percentage of Unit Leased			100.000000%		
Percentage of Unit Unleased			0.000000%		
Acreage In Unit Leased				58.77000	
Acreage In Unit Unleased					

*Interest conveyed by Christine and Boyce Field via Deed of Gift dated October 15, 2003 recorded in Dickenson County, VA on December 4, 2003 at Book 393 Page 758.

Present Owners:
George D and Carol R Smith
111 Locust Street
Tazewell, VA 24651

** Presently:
Range Resources-Pine Mountain, Inc**
Attn: Jerry Grantham
406 W Main Street
PO Box 2136
Abingdon, VA 24212

EXHIBIT "E"
VC-3324

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
2	Theodore Johnson, widower 39578 Armfeld Palmdale, CA 93551	Unleased	1.822500%	1.07300
	Cary Johnson, single 39578 Armfeld Palmdale, CA 93551	Unleased	0.202500%	0.11900
	Mitchell Johnson, single 39578 Armfeld Palmdale, CA 93551	Unleased	0.202500%	0.11900
	Katrinia and Jeff Kittle, W/H 39578 Armfeld Palmdale, CA 93551	Unleased	0.202500%	0.11900
5	Jean Smith Richardson and Randy Richardson, W/H 20135 Avondale Road Abingdon, VA 24211	Leased- EREC 245205L	6.800000%	4.00000
6	Hulah L. Bentley, single 13231 100th Avenue Sun City, AZ 85351	Leased-EREC 242319L	9.580000%	5.63000
	John Greever and Margaret Q. Greever, H/W Gray Havens Loop Orcas, 899+883, WA 98280	Leased-EREC 242319L	9.580000%	5.63000
	Total Gas Estate		28.390000%	16.69000
<u>Coal Estate Only</u>				
2	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-177	2.430000%	1.43000
5	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-154	6.800000%	4.00000
6	Pittston Company** c/o Clinchfield Coal Company Attn: Steve Smith PO Box 7 Dante, VA 24237	Leased-EREC 244792L Tract T-154	19.160000%	11.26000
			28.390000%	16.69000

** Presently:
Range Resources-Pine Mountain, Inc**
Attn: Jerry Grantham
406 W Main Street
PO Box 2136
Abingdon, VA 24212

EXHIBIT "EE"

VC-3324

created 01/31/2012

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
3	George D and Carol R Smith* <i>4569</i> 111 Locust Street Tazewell, VA 24651	Leased-EREC 243909L	14.130000%	8.30000
	Total Subsequent to RR-PM Waiver		14.130000%	8.30000
3	Range Resources-Pine Mountain, Inc** <i>4569</i> Attn: Jerry Grantham 406 W Main Street PO Box 2136 Abingdon, VA 24212	Leased-EREC 244792L Tract T-177	0.000000%	0.00000
	Total Subsequent to RR-PM Waiver		0.000000%	0.00000

*Interest previously owned by Christine and Boyce Field. Interest was conveyed to George Dewey Smith and Carol Ruth Fields Smith via Deed of Gift Dated October 15, 2003 recorded in Dickenson County, VA on December 4, 2003 at Book 393 Page 758.

**Formerly
Pittston Company
c/o Clinchfield Coal Company
Attn: Steve Smith
PO Box 7
Dante, VA 24237

INSTRUMENT #130000931
RECORDED IN THE CLERK'S OFFICE OF
DICKENSON CO
JULY 11 2012 AT 3:13PM
RICHARD W. EDWARDS, CLERK
RECORDED BY: DJF