



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-4511

TRACT(S): 7

LOCATION: DICKENSON County, Virginia

TAX ID NUMBERS: Tax Map Identification Numbers for all parcels affected by this order are shown on:

DOCKET NUMBER: VGOB-00-0620-0813-02

APPLICANTS: EQT Production Company on behalf of Laura and Leroy Cole

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
September 18, 2012

APPEARANCES: James Kaiser on behalf of EQT Production Company

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 07/18/2000, Recorded on 07/24/2000, Deed Book/Instrument No. 356, Page 572.
2. Supplemental Order Executed 12/18/2000, Recorded on 01/03/2001, Deed Book/Instrument No. 361, Page 30.
3. Supplemental Order, Recorded on 11/01/2007, Deed Book/Instrument No. 444, Page 741.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the September 18, 2012 hearing and considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 7 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 7 relative to the interests of the Applicants identified in the attached 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:

Initially Range Resources-Pine Mountain, Inc., was a conflicting claimant with Laura and Leroy Cole with regard to Tract 7 as created by the Amended Supplemental Order as VGOB 00/06/20-0813, and royalty payments were put the approved escrow account established by the Escrow Agent. To resolve this conflict, a Letter dated April 26, 2011, signed by Jerry Grantham, Vice President of Range Resources-Pine Mountain, Inc., waived any claims to past or to future royalties attributed to Well VC-4511, attached hereto as a Miscellaneous Exhibit. In the Supplemental Order, Laura and Leroy Cole elected a Carried Working Interest in Well VC-4511. Pursuant to the terms created by the Board Order, the Cole's were not entitled to payment for their interest until the Well has reached a 200% pay out. An account review by EQT recognized that they were paying royalty money into the Virginia State Escrow Account by mistake, instead of holding the funds as a Carried Working Interest. The Well has reached a 200% pay out, thus EQT is requesting that the Cole's applicable 100% interest be paid out based on ownership percentage identified in Exhibit A-1 attached hereto, and then going forward they would receive their proportionate share of the Working Interest Proceeds directly from EQT.

RELIEF GRANTED:

DONE AND EXECUTED this 12 day of April, 2013 by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert

Chairman, Bradley C. Lambert

DONE AND PERFORMED this 12 day of April, 2013 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 12th day of April, 2013 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 Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.

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

My Commission expires: September 30, 2013



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EQT Production Company

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 00-0620-0813-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 7
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: September 18,
2012

DRILLING UNIT: VC-4511

DICKENSON COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is EQT Production Company, 225 North Shore Drive, Pittsburgh, PA 15212, (412)553-5700. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660 .

2. Relief Sought

A petition from EQT Production Company for the disbursement of funds from escrow regarding Tract 7 to Laura and Leroy Cole and waived claims by Range Resources - Pine Mountain, Unit VC-4511, Kenady District, Nora Quardangle, Dickenson County, Virginia.

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

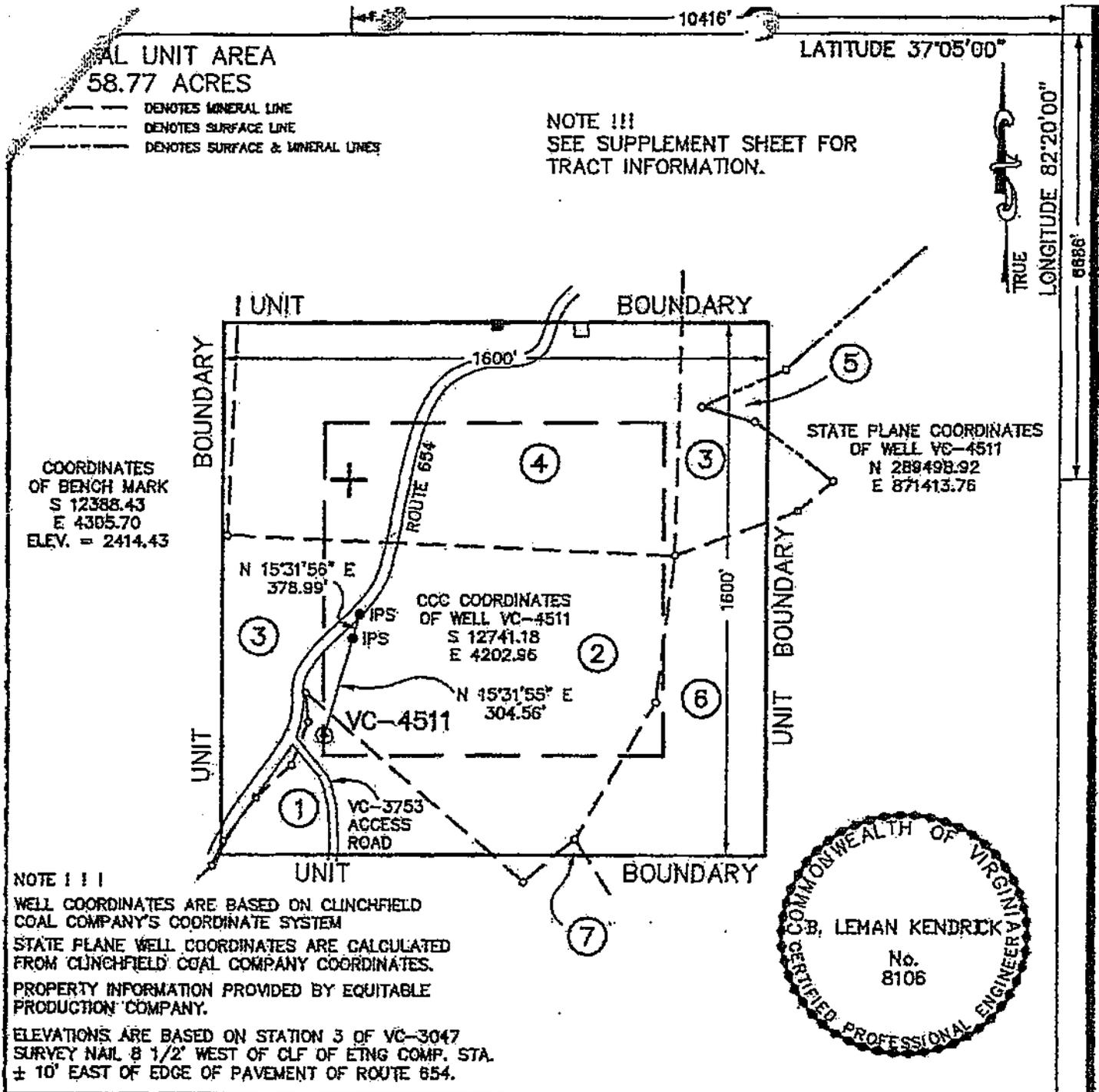
Coalbed Methane

5. Factual basis for relief requested

Initially Range Resources-Pine Mountain, Inc., was a conflicting claimant with Laura and Leroy Cole with regard to Tract 7 as created by the Amended Supplemental Order as VGOB 00/06/20-0813, and royalty payments were put the approved escrow account established by the Escrow Agent. To resolve this conflict, a Letter dated April 26, 2011, signed by Jerry Grantham, Vice President of Range Resources-Pine Mountain, Inc., waived any claims to past or to future royalties attributed to Well VC-4511, attached hereto as a Miscellaneous Exhibit. In the Supplemental Order, Laura and Leroy Cole elected a Carried Working Interest in Well VC-4511. Pursuant to the terms created by the Board Order, the Cole's were not entitled to payment for their interest until the Well has reached a 200% pay out. An account review by EQT recognized that they were paying royalty money into the Virginia State Escrow Account by mistake, instead of holding the funds as a Carried Working Interest. The Well has reached a 200% pay out, thus EQT is requesting that the Cole's applicable 100% interest be paid out based on ownership percentage identified in Exhibit A-1 attached hereto, and then going forward they would receive their proportionate share of the Working Interest Proceeds directly from EQT.

6. Attestation

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



UNIT AREA
58.77 ACRES

--- DENOTES MINERAL LINE
- - - DENOTES SURFACE LINE
- · - · DENOTES SURFACE & MINERAL LINES

NOTE !!!
SEE SUPPLEMENT SHEET FOR
TRACT INFORMATION.

COORDINATES
OF BENCH MARK
S 12388.43
E 4305.70
ELEV. = 2414.43

STATE PLANE COORDINATES
OF WELL VC-4511
N 289498.92
E 871413.76

N 15°31'56" E
378.99'

CCC COORDINATES
OF WELL VC-4511
S 12741.18
E 4202.96

N 15°31'55" E
304.56'

VC-4511

VC-3753
ACCESS
ROAD

NOTE !!!

WELL COORDINATES ARE BASED ON CLINCHFIELD
COAL COMPANY'S COORDINATE SYSTEM
STATE PLANE WELL COORDINATES ARE CALCULATED
FROM CLINCHFIELD COAL COMPANY COORDINATES.
PROPERTY INFORMATION PROVIDED BY EQUITABLE
PRODUCTION COMPANY.
ELEVATIONS ARE BASED ON STATION 3 OF VC-3047
SURVEY NAIL 8 1/2' WEST OF CLF OF ETNG COMP. STA.
± 10' EAST OF EDGE OF PAVEMENT OF ROUTE 654.



WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-4511
TRACT No. TRACT TL-219 ELEVATION 2390.58 (Trig) QUADRANGLE NORA
COUNTY DICKENSON DISTRICT KENADY SCALE: 1" = 400' DATE MAY 10, 2000
THIS PLAT IS A NEW PLAT ; AN UPDATED PLAT x; OR A FINAL LOCATION PLAT
PROPOSED TOTAL DEPTH OF WELL =

+ 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.

B. Lemar Kendrick 5/10/2000 (AFFIX SEAL)
LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

①

LEASE No. 241490 / TL-219
 MAE SMITH ROWLETT
 9.76 ACRES
 EQUITABLE PRODUCTION CO. - surface & gas
 LEASE No. 244792 / TC-177
 CLINCHFIELD COAL COMPANY/
 PYXIS RESOURCES COMPANY - coal
 PINE MOUNTAIN OIL & GAS, INC. - oil
 GAS 4.16 AC. 7.08%

②

LEASE No. 241490 / TL-219
 MAE SMITH ROWLETT
 EAST TENNESSEE NATURAL GAS CO. - surface & gas
 15.608 ACRES
 LEASE No. 244792 / TC-177
 CLINCHFIELD COAL COMPANY/
 PYXIS RESOURCES COMPANY - coal
 PINE MOUNTAIN OIL & GAS, INC. - oil
 GAS 15.608 AC. 26.56%

③

LEASE No. 241490 / TL-219
 MAE SMITH ROWLETT
 67.202 ACRES
 MAE SMITH ROWLETT - surface & gas
 LEASE No. 244792 / TC-177
 CLINCHFIELD COAL COMPANY/
 PYXIS RESOURCES COMPANY - coal
 PINE MOUNTAIN OIL & GAS, INC. - oil
 GAS 10.422 AC. 17.73%

④

LEASE No. 241490 / T-146
 ELEXIUS SMITH
 40 ACRES
 CLINCHFIELD COAL COMPANY/
 PYXIS RESOURCES COMPANY - coal
 PINE MOUNTAIN OIL & GAS, INC. - oil & gas
 GAS 20.18 AC. 34.34%

⑤

LEASE No. 241640 / T2-120
 ROLAND L. COUNTS
 87.86 ACRES
 CLINCHFIELD COAL COMPANY/
 PYXIS RESOURCES COMPANY - coal
 PINE MOUNTAIN OIL & GAS, INC. - oil & gas
 GAS 0.32 AC. 0.54%

⑥

LEASE No. 241490 / T-1022
 J.B.F. COUNTS
 58.14 ACRES
 CLINCHFIELD COAL COMPANY/
 PYXIS RESOURCES COMPANY - coal
 PINE MOUNTAIN OIL & GAS, INC. - oil & gas
 GAS 8.03 AC. 13.66%

⑦

LEASE No.
 LAURA JEAN COLE
 22 ACRES
 CLINCHFIELD COAL COMPANY/
 PYXIS RESOURCES COMPANY - coal
 LEASE No. 244792 / TC-177
 LAURA JEAN COLE - surface, oil & gas
 GAS 0.05 AC. 0.09%

KENDRICK
 ENGINEERING & SURVEYING Co.
 40 MAIN STREET
 CLINTWOOD, VIRGINIA
 24228
 (540) 926-6087 (540) 926-4172

EQUITABLE PRODUCTION COMPANY
WELL No. VC-4511
WELL PLAT SUPPLEMENT
SHEET 2

DRAWING NAME:
 1567PLAT.DWG

SCALE:
 1" = 400'

PROJECT No.:
 1567

DATE: MAY 10, 2000

EXHIBIT "B"
VC-4511
VGOB 00/06/20-0813

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Equitable Production Company	Gas Estate Owner	7.080000%	4.1600	0.00885000	RI
TAX ID 1826433	P. O. Box 23536 Pittsburgh, PA 15222 ATTN: Nicole Atkison					
	Equitable Production				0.06195000	WI
<u>Tract 1 Totals</u>			<u>7.080000%</u>	<u>4.1600</u>	<u>0.07080000</u>	
2	East Tennessee Natural Gas Co.	Leased	26.560000%	15.6080	0.03320000	RI
TAX ID Mineral Only	Route 1, Box 241 McClure, VA 24269	241490L/ TL-219				
	Equitable Production				0.23240000	WI
<u>Tract 2 Totals</u>			<u>26.560000%</u>	<u>15.6080</u>	<u>0.26560000</u>	
3	Mae Smith Rowlett	Leased	17.730000%	10.4220	0.02216250	RI
TAX ID 11000	3152 Steele Creek Drive Bristol, TN 37620-7203	241490L/ TL-219				
	Equitable Production				0.15513750	WI
<u>Tract 3 Totals</u>			<u>17.730000%</u>	<u>10.4220</u>	<u>0.17730000</u>	
4	Pine Mountain Oil & Gas, Inc.	Leased	34.340000%	20.1800	0.04292500	RI
TAX ID 1828057	ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	241490L/ T-146				
	Equitable Production				0.30047500	WI
<u>Tract 4 Totals</u>			<u>34.340000%</u>	<u>20.1800</u>	<u>0.34340000</u>	

5	Pine Mountain Oil & Gas, Inc.	Leased	0.540000%	0.3200	0.00067500	RI
TAX ID 1828248	ATTN: Jerry Grantham	241640L/ T2-120				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production				0.00472500	WI
Tract 5 Totals			0.540000%	0.3200	0.00540000	
6	Pine Mountain Oil & Gas, Inc.	Leased	13.660000%	8.0300	0.01707500	RI
TAX ID 9134	ATTN: Jerry Grantham	241640L/ T-1022				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production				0.11852500	WI
Tract 6 Totals			13.660000%	8.0300	0.13660000	
7	Laura Jean Cole & Leroy Cole, W/H	Unleased	0.090000%	0.0500	0.00011250	RI
TAX ID 2262	457 Whitson Hollow Rd					
	Red Boiling Springs, TN 37150					
	Equitable Production				0.00078750	WI
Tract 7 Totals			0.090000%	0.0500	0.00090000	
TOTAL GAS ESTATE			100.000000%	58.7700	1.00000000	
Coal Estate Only						
1	Pine Mountain Oil & Gas, Inc.	Leased	7.080000%	4.1600	0.00885000	RI
TAX ID 1849	ATTN: Jerry Grantham	244792L/ TC-177				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production				0.06195000	WI
Tract 1 Totals			7.080000%	4.1600	0.07080000	
2	Pine Mountain Oil & Gas, Inc.	Leased	26.560000%	15.6080	0.03320000	RI
TAX ID 1849	ATTN: Jerry Grantham	244792L/ TC-177				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production				0.23240000	WI
Tract 2 Totals			26.560000%	15.6080	0.26560000	

3	Pine Mountain Oil & Gas, Inc.	Leased	17.730000%	10.4220	0.02216250	RI
TAX ID 1849	ATTN: Jerry Grantham	244792L/ TC-177				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production				0.15513750	WI
Tract 3 Totals			17.730000%	10.4220	0.17730000	
4	Pine Mountain Oil & Gas, Inc.	Leased	34.340000%	20.1800	0.04292500	RI
TAX ID 1828057	ATTN: Jerry Grantham	241490L/ T-146				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production				0.30047500	WI
Tract 4 Totals			34.340000%	20.1800	0.34340000	
5	Pine Mountain Oil & Gas, Inc.	Leased	0.540000%	0.3200	0.00067500	RI
TAX ID 1828248	ATTN: Jerry Grantham	241640L/ T2-120				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production				0.00472500	WI
Tract 5 Totals			0.540000%	0.3200	0.00540000	
6	Pine Mountain Oil & Gas, Inc.	Leased	13.660000%	8.0300	0.01707500	RI
TAX ID 9134	ATTN: Jerry Grantham	241490L/ T-1022				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production				0.11952500	WI
Tract 6 Totals			13.660000%	8.0300	0.13660000	
7	Pine Mountain Oil & Gas, Inc.	Leased	0.090000%	0.0500	0.00011250	RI
TAX ID 1849	ATTN: Jerry Grantham	244792T/ C-177				
	P.O. Box 2136					
	Abingdon, VA 24212					
	Equitable Production				0.00078750	WI
Tract 7 Totals			0.090000%	0.0500	0.00090000	
TOTAL COAL ESTATE			100.000000%	58.7700	1.00000000	

EXHIBIT "E"
VC-4511
VGOB 00/06/20-0813
 revised 5/14/2012

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Equitable Production Company	Gas Estate Owner	7.080000%	4.1600	0.00885000	RI
TAX ID 1826433	P. O. Box 23536 Pittsburgh, PA 15222 ATTN: Nicole Atkison					
	Equitable Production				0.06195000	WI
Tract 1 Totals			7.080000%	4.1600	0.07080000	
2	East Tennessee Natural Gas Co.	Leased	26.560000%	15.6080	0.03320000	RI
AX ID Mineral On	Route 1, Box 241 McClure, VA 24269	241490L/ TL-219				
	Equitable Production				0.23240000	WI
Tract 2 Totals			26.560000%	15.6080	0.26560000	
TOTAL GAS ESTATE			33.640000%	19.7680	0.33640000	
<u>Coal Estate Only</u>						
1	Pine Mountain Oil & Gas, Inc.	Leased	7.080000%	4.1600	0.00885000	RI
TAX ID 1849	ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	244792L/ TC-177				
	Equitable Production				0.06195000	WI
Tract 1 Totals			7.080000%	4.1600	0.07080000	
2	Pine Mountain Oil & Gas, Inc.	Leased	26.560000%	15.6080	0.03320000	RI
TAX ID 1849	ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	244792L/ TC-177				
	Equitable Production				0.23240000	WI
Tract 2 Totals			26.560000%	15.6080	0.26560000	
TOTAL COAL ESTATE			33.640000%	19.7680	#REF!	

EXHIBIT "EE"
VC-704511
VGOB 00/06/20-0813-0
 REVISED 05/14/2012

<u>TRACT</u>	<u>LESSOR</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Disbursement -01</u>			
<u>Gas Estate Only</u>			
3 TAX ID 11000	Mae Smith Rowlett 3152 Steele Creek Drive Bristol, TN 37620-7203	17.730000%	10.4220
	TOTAL SUBSEQUENT TO RR-PM Royalty Waiver	0.17730000	10.4220
<u>Current Disbursement -02</u>			
7 TAX ID 2262	Laura Jean Cole & Leroy Cole, W/H 457 Whitson Hollow Rd Red Boiling Springs, TN 37150	0.090000%	0.0500
	TOTAL	0.09000000%	0.0500
	TOTAL SUBSEQUENT TO RR-PM Royalty Waiver	0.09000000%	0.0500

TO THE STATE OF TENNESSEE
 COUNTY OF _____
 I, _____
 do hereby certify that the above is a true and correct copy of the
 record as the same appears in the records of the _____
 County of _____ Tennessee.

