

EX 45078 109

TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBIT(S) **B-3**; WHICH IS / ARE ATTACHED TO AND A PART OF THIS ORDER

Instrument prepared by:
VIRGINIA GAS AND OIL BOARD

Order recorded under:
CODE OF VIRGINIA
§ 45.1-361.26

BEFORE THE GAS AND OIL BOARD

VIRGINIA:

APPLICANTS:

Equitable Production Company on behalf of the Estate of Emily P. Baker; Elizabeth Ann Cox & Berkeley Cox; and Pauline B. Legard

DOCKET NO.
03-0415-1145-01

RELIEF SOUGHT:

Issuance: A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending Prior Orders Affecting Drilling VC-505247, Tract 2 (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 VC-505247 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 1.**

REPORT OF THE BOARD
FINDINGS AND ORDER

- Hearing Date and Place:** This matter came on for final hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on May 20, 2008 at the Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, VA.
- Appearances:** James E. Kaiser, Esq. appeared for the Unit Operator; and Sharon M.B. Pigeon, Assistant Attorney General, was present to advise the Board.
- 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 tracts in question or any undivided interest therein.

4. Prior Proceedings:

4.1. (a) On May 16, 2003, 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 May 30, 2003, Instrument Number 030001050. The Board executed its Supplemental Order Regarding Elections that was filed with the Clerk on September 15, 2003, Instrument Number 030001718 (hereafter all orders are collectively referred to as the "Pooling Orders").

(b) After the Miscellaneous Petition VGOB-03-0415-1145-01 seeking disbursement of escrowed funds for the above referenced drilling unit and tract was filed with the Division of Gas and Oil on April 18, 2008, and brought before the Virginia Gas and Oil Board on May 20, 2008, it was determined that the funds entitled to the Estate of Emily P. Baker (listed as both applicant and plaintiff on the original petition) should be disbursed to The Emily Baker GST Trust, William G. Baker, Trustee, 21410 SE Highway 224, Damascus, OR 97089-7825, as documented on the W-9 form and accompanying Identification Number on file.

(c) After the Miscellaneous Petition VGOB-03-0415-1145-01 seeking disbursement of escrowed funds for the above referenced drilling unit and tract was filed with the Division of Gas and Oil on April 18, 2008, and brought before the Virginia Gas and Oil Board on May 20, 2008, it was determined that the funds entitled to Pauline B. Legard (listed as both applicant and plaintiff on the original petition) should be disbursed to the Estate of Pauline B. Legard, 64 Canoe Hill Road, New Haven, CT 06840, as documented on the W-9 form and accompanying Identification Number on file.

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, the coal estate ownership interests of Pittston Company; and the gas ownership interests of the Estate of Emily P. Baker, Elizabeth Ann Cox & Berkeley Cox, and Pauline B. Legard in the tract known as 2 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 2, a copy of which is attached to and made a part hereof, states under oath that Pittston Company and the Applicants have entered into an agreement with regards to Tract 2 and that by the terms of the agreements, Pittston Company has entered into a split agreement regarding this Tract and escrow regarding these individual conflicting claims detailed herein, is no longer required.

4.4 The Unit Operator gave notice to Pittston Company and the applicants that the Board would consider its disbursement authorization at its hearing on May 20, 2008, and consider whether to: (1) amend the Pooling Order to provide for the disbursement a portion of funds on deposit in the Escrow Account attributable to Tract 2 as identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to a portion of said Tract 2 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 tracts 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) Pittston Company and the Estate of Emily P. Baker, Elizabeth Ann Cox & Berkeley Cox, and Pauline B. Legard respectively, are the owners of the coal estate and gas and oil acreage estate underlying VGOB Tract 2 of the Subject Drilling Unit:
- (2) Net interests attributable and to be disbursed to Applicants are shown in Table 1,

VGOB Approved Disbursement
VGOB 03-0415-1145-01

Table 1

	Acreage Interest	Split Agreement	Acres	% of Escrowed Funds
Tract 2				
Disbursement Table				
			12.11	
2 The Emily Baker GST Trust, 21410 SE Highway 224, Damascus, OR 97089-7825	0.24	100.0%	0.24	1.98%
Elizabeth Ann Cox & Berkeley Cox, W/H, 146 Fern St., Hartford, CT 06105	0.24	100.0%	0.24	1.98%
Estate of Pauline B. Legard, 64 Canoe Hill Road, New Haven, CT 06840	0.24	100.0%	0.24	1.98%
2 Pittston Company - c/o Pine Mountain Oil & Gas, Inc., P.O. Box 5100, Lebanon, VA 24226 (currently: Range Resources - Pine Mountain Inc., P.O. Box 2136, Abingdon, VA 24212)	0.72	0.0%	0.00	0.00%

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 20 day of July, 2009, by a majority of the Virginia Gas and Oil Board.

July

Bradley C. Lambert
Bradley C. Lambert, Chairman

DONE AND PERFORMED this 20 day of July, 2009, by an Order of this Board.

July

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

COMMONWEALTH OF VIRGINIA)
COUNTY OF WASHINGTON

Russell
th

Acknowledged on this 20 day of July, 2009, 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 **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: 09 / 30 / 2009





VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: Equitable Production Company on behalf of the Estate of Emily P. Baker; Elizabeth Ann Cox and Berkeley Cox & Pauline B. Legard.

DOCKET NUMBER: VGOB 03/04/15-1145-01

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds on behalf of the Estate of Emily P. Baker; Elizabeth Ann Cox and Berkeley Cox & Pauline B. Legard.

LEGAL DESCRIPTIONS: Drilling Unit Number VC-505247 created by Board Order Dated May 16, 2003 VGOB 03/04/15-1145 in Dickenson County, Virginia.

HEARING DATE: May 20, 2008.

MISCELLANEOUS PETITION

1. Party: Applicants herein Estate of Emily P. Baker, (hereinafter "Plaintiffs), whose address William G. Baker, Executor, 21410 SE Highway 224, Damascus, OR 97089-7825; Elizabeth Ann Cox and Berkeley Cox, (hereinafter "Plaintiffs), whose address 146 Fern Street, Hartford, CT 06105; & Pauline B. Legard, (hereinafter "Plaintiffs), whose address c/o Edwin F. Legard, Jr., 64 Canoe Hill Road, Hartford, CT 06105.
2. Facts:
 - a. Equitable was designated as the Operator and Applicants interests were Pooled in the VC-505247 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on May 16, 2003, pursuant to Docket No. VGOB 03/04/15-1145 and recorded in the Circuit Court Clerk's Office Buchanan County, Virginia on May 30, 2003, Deed Book 387, Page 773 (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 2, as created by Board Order as VGOB 03/04/15-1145 is the applicable Tract.
 - e. To resolve this conflict, a Letter dated June 26, 2006 signed by Jerry H. Grantham, an officer 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.

Docket No. VGOB 03/04/15-1145

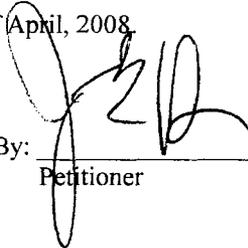
Page 2

- 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.

Docket Number VGOB 03/04/15-1145
Page 3

- 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.

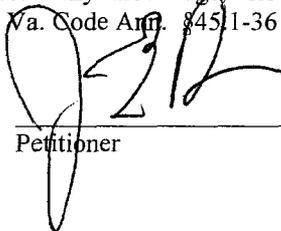
Dated this 18th day of April, 2008.


By: _____
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.



Petitioner

EX 45 783 783

PINE MOUNTAIN Oil and Gas, Inc.

P.O. Box 2136
406 W. Main Street
Abingdon, Virginia 24212
Phone: (276) 628-9001
Fax: (276) 628-7246



June 26, 2006

Ms. Melanie Freeman
~~Equitable Production Company~~
1710 Pennsylvania Avenue
Charleston, WV 25302

Re: Escrowed Royalties – Wells VC-505247, VC-503219, VC-505245, VC-535900
and VC-535599
William G. Baker Heirs 346.46 acre tract (Pauline B. Legard, Emily P. Baker,
and Elizabeth Ann Cox)

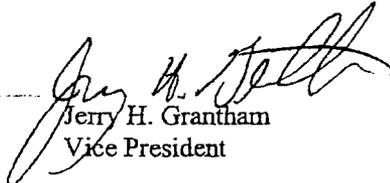
Dear Ms. Freeman:

It is our understanding that you are holding the royalty proceeds on the William G. Baker Heirs 346.46 acre portion of the above mentioned well units in escrow due to the conflict in ownership issues regarding coalbed methane. We have received the enclosed letters from Mr. Charles Bartlett, on behalf of the Baker Heirs on this tract, requesting a royalty determination regarding the same. Mr. Bartlett indicated to us that the above mentioned heirs are the gas owners in the subject well units; however, we do not have any information as to the current ownership of this tract. Pine Mountain waives its claim to the escrowed royalty proceeds related to Pauline B. Legard, Emily P. Baker, and Elizabeth Ann Cox's portions of the William G. Baker Heirs' portion of this well unit. Pine Mountain would ask that the appropriate gas owners of Pauline B. Legard, Emily P. Baker, and Elizabeth Ann Cox's portion of the William G. Baker Heirs' tract receive their proportionate disbursement of the royalty proceeds from this portion of these well units.

By copy of this letter, we are notifying Mr. Bartlett and the Baker Heirs of our action on this matter. If you have any questions or comments, please do not hesitate to contact me by phone at (276) 619-2582 or by e-mail at dlouthian@gl-energy.com.

Sincerely,

PINE MOUNTAIN OIL & GAS, INC.


Jerry H. Grantham
Vice President

JHG/dtl

Enclosures

cc: Ms. Elizabeth Ann Cox
Ms. Emily P. Baker
Ms. Pauline B. Legard
Mr. Charles Bartlett

SK 45318 137



September 11, 2008

RANGE RESOURCES

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

RE: **Permanent Split of Royalty**
VC-3216, VC-3217, VC-3575, and VC-505247
and any future CBM Wells
54.55 Acre Lease
Dickenson County, Virginia

Dear Ms. Atkison:

I enclose a copy of an Agreement dated September 5, 2008, between Range Resources – Pine Mountain, Inc. (hereinafter “RR-PM”), and Charles Stanley, Candace Stanley-Berry and Mark Stanley, individually and as Successor Trustees of the Norman A. Stanley and Laquita Joy Stanley Revocable Trust, et al (hereinafter “the Stanley Trust”), wherein the parties have agreed to an 80% (for the Stanley Trust) /20% (for RR-PM) permanent split of escrowed royalty and all future royalty from the above wells that include a portion of the 54.55 acre lease. Please release the escrowed royalty to the Stanley Trust and RR-PM and begin making all future payments to the parties pursuant to their agreement.

By copy of this letter, I am notifying Mark L. Esposito, attorney for the Stanley Trust, of RR-PM'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.

Sincerely,

RANGE RESOURCES - PINE MOUNTAIN, INC.

Ann Edmisten, CLAS
Land Technician

Enclosure

cc: Mark L. Esposito, attorney for the Stanley Trust
Wanda (PMOG) w/original enclosure
D. Louthian (PMOG) w/enclosure
P. Horn (PMOG) w/enclosure
D. Hall (EPC) w/enclosure (dhall@eqt.com)
R. Barrett (EPC) w/enclosure (rbarrett@eqt.com)

DR 45 123 130

**VGOB 03/04/15-1145
505247**

TRACT	Owner Name and Address	Split %	Owner Net Interest	Total Net Escrowed Interest	Total Amount in Escrow 02/29/2008	Owner % in Escrow	Owner's Amount in Escrow 01/31/2008
2	Elizabeth Ann Cox and Berkeley Cox, W/H 146 Fern Street Hartford, CT 06105	100%	0.00051250	0.02576250	Bank Total - \$26,200.95 Equitable Amount - \$26,200.95	1.98932557%	\$ 521.22 \$ 521.22
2	Mrs. Pauline B. Legard, c/o Edwin F. Legard, Jr. 64 Canoe Hill Road New Canaan, CT 06840 Lebanon, VA 24266	100%	0.00051250	0.02576250	Bank Total - \$26,200.95 Equitable Amount - \$26,200.95	1.98932557%	\$ 521.22 \$ 521.22
2	Estate of Emily P Baker William G Baker Executor 21410 SE Highway 224 Damascus, OR 97089-7825	100%	0.00051250	0.02576250	Bank Total - \$26,200.95 Equitable Amount - \$26,200.95	1.98932557%	\$ 521.22 \$ 521.22

EXHIBIT "E"
VC-505247

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
3 Gas Estate 6166-10350	Norman A. Stanley and Laquita Joy Stanley, H/W 4184 Lee Hwy Bristol, VA 24201	Leased-EPC 241644.01	17.900000%	10.5200
3 Coal Estate	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart PO Box 5100 Lebanon, VA 24226	Leased-EPC 244792.01 TC-156	17.900000%	10.5200
5 Gas Estate	Douglas A. Stidham, single 123 Marlene Drive Bristol, VA 37620	Unleased	0.148000%	0.0870
6197 E. 6198	Omar Dayton Stidham and Emma Jean Stidham, H/W Route 2, Box 112 Coeubrn, VA 24230	Unleased	0.148000%	0.0870
	Velma Morrell and Albert C. Morrell, W/H Route 5, Box 560 Bristol, VA 37620	Unleased	0.148000%	0.0870
	Daril Stidham and Debbie Stidham, H/W Route 5, Box 313 Bristol, VA 37620	Unleased	0.148000%	0.0870
	Garland Stidham and Barbara E. Stidham, H/W 10107 Terrance North Largo, FL 33543	Unleased	0.148000%	0.0870
	Allen Stidham and Teena M. Stidham, H/W 2046 Velencia Way Clearwater, FL 33516	Unleased	0.148000%	0.0870
	David Stidham and Laura K. Stidham, H/W PO Box 26452 Charlotte, NC 28213	Unleased	0.148000%	0.0870

Lorita Whitley
and Thomas R. Whitley, W/H
1620 Braund Avenue
Clearwater, FL 33516
Unleased 0.148000% 0.0870

Dennis Paul Stidham, single
Box 1245
Hildebran, NC 28637
Unleased 0.074000% 0.0435

Suzy Stidham Hall, single
2127 Grier View Lane
Charlotte, NC 28213
Unleased 0.074000% 0.0435

Harold Stidham
and Edith J. Stidham, H/W
10633 Monroe Street
Taylor MI 48180
Unleased 0.148000% 0.0870

or if deeds are recorded

5 David Stidham
and Laura K. Stidham, H/W
PO Box 26452
Charlotte, NC 28213
Unleased .222000% .1305

Bruce Stidham
Coeburn, VA 24230
Unleased .518000% .3045

5 Coastal Coal Co., LLC
Coal Estate Attn: Mr. Jess Justice
PO Box 1578
Coeburn VA 24230-1578
Leased-EPC 904576
D-42 1.480000% 0.8700

INSTRUMENT #090001350
RECORDED IN THE CLERK'S OFFICE OF
DICKENSON ON
JULY 29, 2009 AT 01:31PM

RICHARD W. EDWARDS, CLERK
RECORDED BY: CJF