

*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

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

**UNIT/WELL NAME:** 503308  
**TRACT(S):** Tract 3  
**LOCATION:** Dickenson County, Virginia  
**TAX ID NUMBER:** Tax Map Numbers Found on Exhibit EE

**DOCKET NUMBER:** VGOB-04-0420-1283-03

**APPLICANTS:** EQT Production Company on behalf of Clarence W. Truax, Jr.

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
May 15, 2012

**APPEARANCES:** Jim Kaiser on behalf of EQT and Sharon M.B. Pigeon, Sr. Assistant Attorney General representing the Virginia Gas and Oil Board.

**PRIOR PROCEEDINGS:**

1. On April 20, 2004, the Board executed its pooling order which was recorded on December 15, 2004 at Deed Book 407, Page 275.
2. On July 21, 2006, the Board executed its supplemental order. The Order was recorded on, July 26, 2005, Deed Book 415, Page 095.

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the May 15, 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 for the subject drilling unit.

2. The owner of the gas estate for Tract 3 is Clarence Truax, Jr. for the subject drilling unit.
3. Mr. Truax was disbursed \$50,953.44 in January 2012 by board order. EQT continued to place Mr. Truax's disbursement into escrow for a period of time into escrow. As a result Mr. Truax is due \$120.90 based on the following:

**RELIEF GRANTED:**

Table 1  
VGOB 04-0420-1283

2012-01 disbursement	\$50,953.44
EQT amount paid in after disbursement to escrow for a specified period of time	\$294.46
Mr. Truax's percent of the deposited funds	41.0575%
<b>Amount due Mr. Truax</b>	<b>\$120.90</b>

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.
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.**

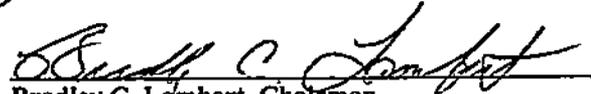
**APPEALS:**

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.

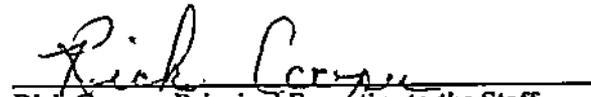
**Effective Date:**

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

DONE AND EXECUTED this 26 day of June, 2012, by a majority of the Virginia Gas and Oil Board.

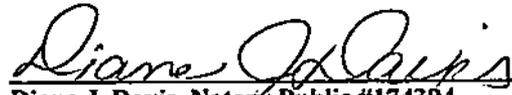
  
Bradley C. Lambert, Chairman  
Virginia Gas and Oil Board

DONE AND PERFORMED this 26<sup>th</sup> day of June, 2012 BY Order of the Virginia Gas and Oil Board.

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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL)

Acknowledged on this 26<sup>th</sup> day of June, 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, Notary Public #174394

My commission expires: 09/30/2013



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQT Production Company on behalf of Clarence W. Truax, Jr  
DOCKET NUMBER: VGOB 04/04/20-1283-02  
RELIEF SOUGHT: Order for Disbursement of \$120.90 on behalf of Clarence W Truax, Jr due to overpayment into escrow account following VGOB 04/04/20-1283-01  
LEGAL DESCRIPTIONS: Drilling Unit Number 503308 created by Board Order Dated December 10, 2004, VGOB 04/04/20-1283 in Dickenson County, Virginia.  
HEARING DATE: May 15, 2012

MISCELLANEOUS PETITION

1. Party: Applicant herein is, Clarence Truax, Jr. (hereinafter "Plaintiff"), whose address is 238 Bugle Hill Lane, Luray, VA 22835.
2. Facts:
  - a. Equitable was designated as the Operator and Applicants interests were Pooled in the 503308 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on December 10, 2004, pursuant to Docket No. VGOB 04/04/20-1283 and recorded in the Circuit Court Clerk's Office Dickenson County, Virginia on December 10, 2004, Book 407 Page 275 (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. Range Resources-Pine Mountain, Inc. was a conflicting claimant with the above-listed Plaintiff with regard to Tract 3 as created by Board Order as VGOB 04/04/20-1283 is the applicable Tract.

- e. To resolve this conflict, a Letter dated July 15, 2011, signed Jerry Grantham, Vice President of Range Resources-Pine Mountain, 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 Applicant/Plaintiff herein, accordingly.
- h. Applicant/Plaintiff herein does 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 Applicant certifies that the matters set forth in the application, to the best of her 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: Applicant requests 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 Applicant/Plaintiff 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 Applicant/Plaintiff 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 Applicant/Plaintiff 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 Applicant/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 13th day of April, 2010.

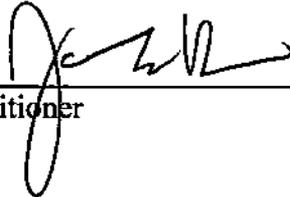
By:  \_\_\_\_\_  
 Petitioner

Address: Wilhoit & Kaiser  
 220 Broad St, Ste. 301  
 Kingsport, TN 37660

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**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

BK 499PG 240

**Clarence Truax, Jr. - Amounts owed**

<b>503308</b>	<b>VGOB 04/04/20-1283</b>
Disbursed 01/2012	\$50,953.44
EQT amt paid in January for Nov. Production	\$294.46
Truax % of escrow	41.0575%
<b>Amount owed Mr. Truax</b>	<b>\$120.90</b>



July 15, 2011

**RANGE RESOURCES**

Mr. Clarence W. Truax, Jr.  
238 Bugle Hill Lane  
Luray, VA 22835

Re: **Permanent Release of CBM Royalty**  
**Well VC-702844, VC-503308, VC-53561 Z-**  
**Dickenson County, Virginia**

Dear Mr. Truax:

As you are aware, EQT Production Company ("EQT") has drilled the above-referenced coalbed methane gas well on a 63.96 acre tract ("Subject Tract") under a pooling order from the Virginia Gas and Oil Board ("Board"). In the pooling order, 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 plat indicating the location of the well within the operating unit is 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 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.

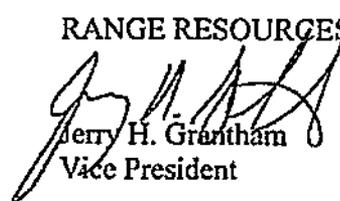
By copy of this letter, RRPM is requesting EQT to initiate distribution directly to you of all current royalties, as well as all future royalties, attributable to your interests in this well.

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

If you have any questions, please do not hesitate to call me at 276-619-2584

Sincerely,

RANGE RESOURCES-PINE MOUNTAIN, INC.



Jerry H. Grantham  
Vice President

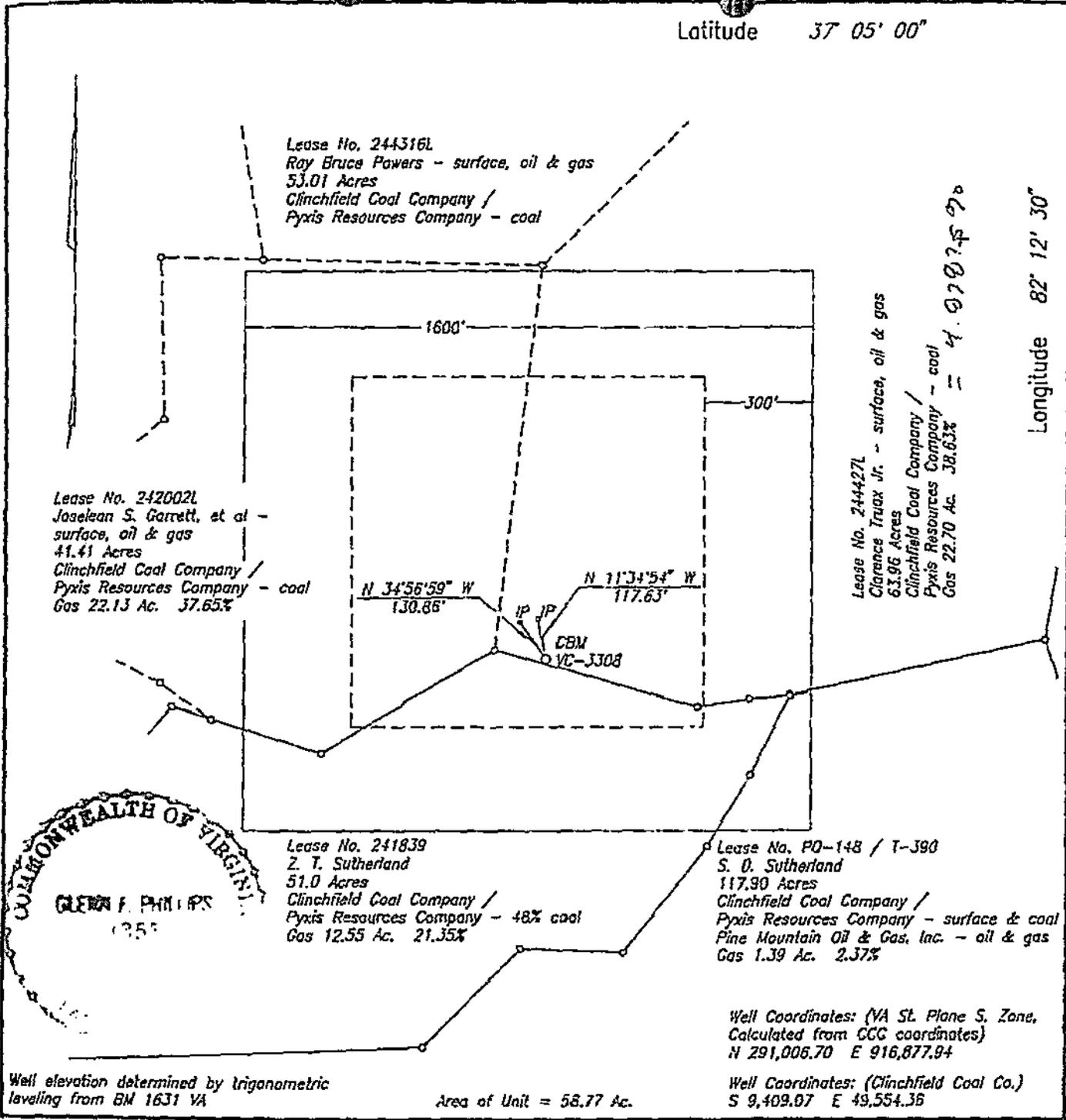
Enclosure

cc: Kristie Shannon, EQT  
Alma Tolman, EQT  
Debbie Louthian, RRPM

Latitude 37° 05' 00"

3,360'

Longitude 82° 12' 30"



WELL LOCATION PLAT

COMPANY Equitable Resources Exploration WELL NAME AND NUMBER VC-3308  
 TRACT NO. 244427L ELEVATION 1762.74 QUADRANGLE Duty  
 COUNTY Dickenson DISTRICT Ervinton SCALE 1" = 400' DATE 10-17-1994

This Plat is a new plat X; an 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.

Glen F. Phillips  
 Licensed Professional Engineer or Licensed Land Surveyor

**EXHIBIT "EE"**  
**VC-503308**  
 VGOB 04/04/20-1283

<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	Clarence Truax, Jr. and Debra June Truax, H/W 238 Bugle Hill Lane Luray, VA 22835	Leased-EPC 244427.01	38.63000000%	22.7000
<b>Total</b>			<b>38.63%</b>	<b>22.7</b>
<b>Total Subsequent to RR-PM Waiver</b>			<b>38.63%</b>	<b>22.7</b>

**\*\*Account Closed**

INSTRUMENT #120001019  
 RECORDED IN THE CLERK'S OFFICE OF  
 ROCKENSON ON  
 AUGUST 21 2012 AT 11:20AM

RICHARD W. EDWARDS, CLERK  
 RECORDED BY: CCF