

V I R G I N I A :

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: Samuel J. Breeding
Teresa and Russell Campbell
Cheryl Fields

Docket No. VGOB-04-0921-1337-01

RELIEF SOUGHT: Issuance of Amended Supplemental Order Amending Prior Orders Affecting Drilling Unit VC-536070 Located in Russell County Virginia (herein "Subject Drilling Unit" to Provide: (1) Calculation of Funds Unit Operator Deposited into the Escrow Account For Subject Drilling Unit by Tract Subaccounts; (2) to Applicants a Royalty Accounting; and (3) Disbursement to Samuel J. Breeding, Teresa and Russell Campbell and Cheryl Fields in accordance with their Ownership interests in those funds deposited By the Unit Operator into Subject Drilling Unit's Escrow Subaccount for VGOB Tracts 1, 2, 4 and 5.

REPORT OF THE BOARD
FINDINGS AND ORDER

1. **Hearing Date and Place:** This matter came on for hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on January 15, 2008.
2. **Appearances:** Jim 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 SS 45.1-361.1 et seq., and in particular Va. Code SS 45.1-361.21 and 45.1-361.22, the board finds that it has jurisdiction over the establishment and maintenance of 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 S 45.1-361.21.D., 45.1361.22.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 S 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 On April 4, 2005, 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 Russell County on April 5, 2005 in Deed Book 628 at Page 882. On June 15, 2005, the Board executed its Supplemental Order Regarding Elections which was filed with the Clerk on June 22, 2005 in Deed Book 633 at Page 764 (hereafter all orders are collectively referred to as the "Pooling Orders").

- 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 Order the coal ownership interests of Range Resources (Pine Mountain Oil and Gas, Inc.) and the oil and gas ownership interests of Samuel J. Breeding in a 25.35-acre tract known as VGOB Tract 1, a 1.78-acre tract known as VGOB Tract 2 and a 3.29-acre tract known as VGOB Tract 4, and the coal ownership interests of Range Resources (Pine Mountain Oil and Gas, Inc.) and the oil and gas ownership of Heirs of Inas Counts, being Chery Fields and Teresa and Russell Campbell in a 9.0-acre tract known as VGOB Tract 5 were in conflict and became subject to the escrow requirements of the Pooling Order.
- 4.3 The Unit Operator's Miscellaneous Petition regarding Tracts 1, 2, 4 and 5, a copy of which is attached to and made a part hereof, states under oath states that Range Resources (Pine Mountain Oil and Gas, Inc.) and the Applicants have entered into a royalty agreement with regard to Tracts 1, 2, 4, and 5 and that by the terms of the agreements, Range Resources (Pine Mountain Oil and Gas, Inc) has relinquished any and all claims to escrowed funds in Tract 1, 2 and 4 and has entered into a split agreement regarding Tract 5, and escrow regarding the conflicting claims detailed herein 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 whether to: (1) amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 1, 2 and 4 and the interests of Samuel J. Breeding, and disbursement of funds on deposit in the escrow account attributable to Tract 5 and the interests of the Applicants in the Escrow Account, and (2) delete the requirement that the Unit Operator place future royalties attributable to Tract 1, 2, 4 and 5 and the interests of Applicants 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 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 an 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) Range Resources (Pine Mountain Oil and Gas, Inc.) is owner of 100% of the coal owner claim to coalbed methane underlying VGOB Tracts 1, 2, 4 and 5 of the subject drilling unit.
- (2) Samuel J. Breeding is owner of a share of oil and gas interests in VGOB Tracts 1, 2 and 4.
- (3) Range Resources (Pine Mountain Oil and Gas, Inc.) has waived all claims to bonuses and/or royalties, if any, deposited in the escrow account by the Unit Operator that are attributable to the interests of Samuel J. Breeding in VGOB Tracts 1, 2 and 4.
- (4) Oil and gas owners Cheryl Fields, Teresa and Russell Campbell, heirs of Inas Counts are owners of a share of oil and gas interests underlying VGOB Tract 5 of the subject drilling unit.
- (5) Range Resources (Pine Mountain Oil and Gas, Inc.) and Cheryl Fields and Teresa and Russell Campbell, heirs of Inas Counts, have entered into a royalty split agreement regarding VGOB Tract 5, and that by that agreement Range Resources (Pine Mountain Oil and Gas, Inc.) has retained 25%, and Cheryl Fields and Teresa and Russell Campbell, Heirs of Inas Counts, have retained 75% of bonuses and/or royalties, if any, deposited by the Unit Operator into the Escrow Account which are attributable to said tract. By terms of the agreement, all future royalties are to be paid according to the split agreement.
- (6) Net interests attributable and to be disbursed to Applicants are shown in Table 1, below:

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Table 1

Owner	Tract #	% Interest in VGOB 02-1217-1109-01 04-0921-1337-01
Cheryl Fields P. O. Box 332 Rosedale, VA 24280	5	0.3930
Teresa and Russell Campbell P. O. Box 1403 Lebanon, VA 24266	5	0.3930
Samuel J. Breeding 2344 Louita Avenue Kingsport, TN 37660	1	4.9799
Samuel J. Breeding 2344 Louita Avenue Kingsport, TN 37660	2	0.3499
Samuel J. Breeding 2344 Louita Avenue Kingsport, TN 37660	4	0.6463

6. Relief Granted:

For the reasons set forth in Paragraph 4 and 5 above, and based upon the Accounting, the Escrow Agent is ordered to, within 10 days of receipt of this executed order disburse funds as identified in Table 1 above. Exhibits to the pooling Orders, showing owners subject to escrow, are deleted in toto 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 the parties identified in the Miscellaneous Petition identified in Paragraph 4.3 above 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 the 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 S 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

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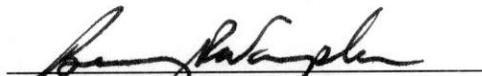
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gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

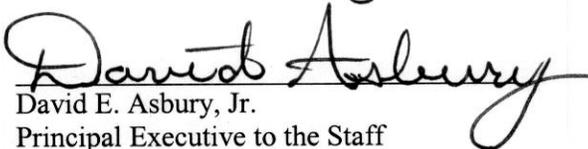
9. Effective Date:

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

DONE AND EXECUTED this 27th day of August, 2008 by a majority of the Virginia Gas and Oil Board.

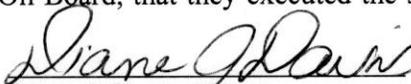

Benny R. Wampler, Chairman

DONE AND PERFORMED this 27th day of August, 2008 by Order of the Board.

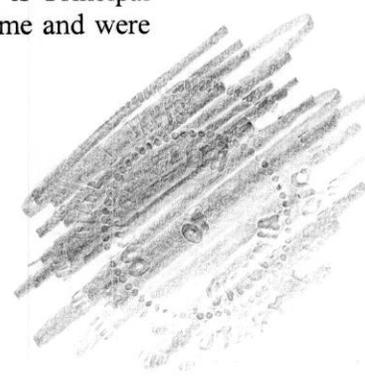

David E. Asbury, Jr.
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 27th day of August, 2008 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 Chairman of the Virginia Gas and Oil Board and appeared 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 they executed the same and were authorized to do so.


Diane J. Davis, Notary
174394

My commission expires 9/30/09



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: Samuel J. Breeding, Heirs of Inas Counts: Cheryl Fields, Dennis Counts and Teresa & Russell Campbell.

DOCKET NUMBER: VGOB 04/09/21-1337-01

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds on behalf of Samuel J. Breeding, Heirs of Inas Counts: Cheryl Fields, Dennis Counts and Teresa & Russell Campbell.

LEGAL DESCRIPTIONS: Drilling Unit Number 536070 created by Board Order Dated April 4, 2005 VGOB 04/09/21-1337 in Russell County, Virginia.

HEARING DATE: May 15, 2007

MISCELLANEOUS PETITION

1. Party: Applicants herein are Samuel J. Breeding , (hereinafter "Plaintiffs), whose address is P.O. Box 293, Grundy, VA 24614, ; Cheryl Fields, (hereinafter "Plaintiffs), whose address is P.O. Box 332, Rosedale, VA 24280; Dennis Counts, , (hereinafter "Plaintiffs), whose address is P.O. Box 332, Rosedale, VA 24280, Teresa & Russell Campbell, , (hereinafter "Plaintiffs), whose address is P.O. Box 1403 Lebanon, VA 24266.
2. Facts:
 - a. Equitable was designated as the Operator and Applicants interests were Pooled in the 536070 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on April 4, 2005, pursuant to Docket No. VGOB 04/09/21-1337 and recorded in the Circuit Court Clerk's Office Russell County, Virginia on April 5, 2005, Deed Book 628, Page 853 (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 me 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 Tracts 1, 2, 4 and 5 as created by Board Order as VGOB 04/09/21-1337 is the applicable Tracts.
 - e. To resolve this conflict, a Letter dated May 18, 2006 signed by Jerry H. Grantham, an officer of Pine Mountain Oil and Gas, Inc. is attached hereto and incorporated herein as Exhibit "A".



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- 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.

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- 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.

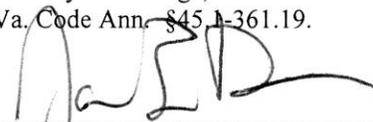
Dated this 13th day of April, 2007.

By: 

Petitioner
Address: 220 Broad Street, Suite 202
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

Docket Number VGOB 93/01/19-0309

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

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May 18, 2006

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

Re: Escrowed Royalties – Well Nos. PC-313, VC-3305, VC-501853, VC-536069,
VC-536070, VC-2835 and 502832
G. W. Kiser Heirs Various Oil and Gas Tracts

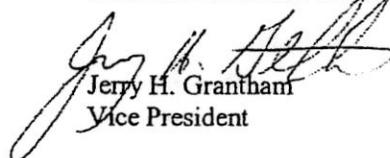
Dear Ms. Freeman:

It is our understanding that you are holding the royalty proceeds covering the above referenced tracts for Well Numbers VC-3305 and VC-536069 and that the state is holding the royalty proceeds covering the above tracts for Well Numbers PC-313, VC-501853, VC-536070, VC-2835 and VC-502832 in escrow due to the conflict in ownership issues regarding coalbed methane. We have received a letter from Samuel J. Breeding, one of the G. W. Kiser heirs, requesting a royalty determination regarding the same. Mr. Breeding indicates that he is an oil and gas owner under the above-mentioned tracts; however, we do not have any information as to the current ownership of the oil and gas on these tracts. We have reviewed, with our attorney, the original severance deed which encompasses the above tracts within the above-mentioned well units. Given the close similarity of the language in the severance deed at issue and the severance deeds analyzed by the Virginia Supreme Court and decided March 5, 2004, it appears that, at this point in time, Pine Mountain would not be successful in a claim for the coalbed methane on this tract. Therefore, Pine Mountain waives its claim to any escrowed royalties that could be claimed by Mr. Samuel J. Breeding or his successors related to the G. W. Kiser Heirs portions of these well units and would ask that the appropriate oil and gas owner receive his proportionate disbursement of the royalty proceeds from this portion of these well units.

By copy of this letter, we are notifying Mr. Samuel J. Breeding of our action on this matter. If you have any questions or comments, please do not hesitate to contact me by phone at (276) 628-2582 or by e-mail at dlouthian@gl-energy.com.

Sincerely,

PINE MOUNTAIN OIL & GAS, INC.


Jerry H. Grantham
Vice President

Enclosures

cc: Mr. Samuel J. Breeding

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



January 3, 2007

Ms. Nikki Atkison
Equitable Production Company
225 North Shore Drive
Pittsburgh, PA 15212

Re: Permanent Split of Royalty
VC-1853, VC-2835, VC-502832, VC-536070, VC-551315 and any future CBM
Wells
H. F. Kiser Heirs 87.50 Acre Tract
Russell County, Virginia

Dear Ms. Atkison:

Enclosed is a copy of a letter dated November 7, 2006, between Pine Mountain Oil and Gas, Inc. and Teresa Campbell and Russell Campbell where 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 above 87.50 acre tract. So please release the escrowed royalty to Mrs. and Mr. Campbell and Pine Mountain Oil and Gas, Inc. and begin making all future payments to above parties. Mrs. and Mr. Campbell appear to own an undivided 1/81 interest under the above tract covered by an Oil and Gas Lease executed by Inas Counts to Equitable and enclosed is copy of a recorded List of Heirs for Eva Inas Counts (Johnson), deceased.

By copy of this letter, we are notifying Teresa Campbell and Russell Campbell of our action on this matter. If you have any questions or comments, please do not hesitate to contact me by phone at (276) 628-2583 or by e-mail at phorn@gl-energy.com.

Sincerely,

PINE MOUNTAIN OIL & GAS, INC.

Phil Horn
District Landman

Enclosures

cc: Teresa Campbell and Russell Campbell

**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



January 3, 2007

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

Re: Permanent Split of Royalty
VC-1853, VC-2835, VC-502832, VC-536070, VC-551315 and any future CBM
Wells
H. F. Kiser Heirs 87.50 Acre Tract
Russell County, Virginia

Dear Ms. Freeman:

Enclosed is a copy of a letter dated November 7, 2006, between Pine Mountain Oil and Gas, Inc. and Cheryl Fields where 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 above 87.50 acre tract. So please release the escrowed royalty to Miss Fields and Pine Mountain Oil and Gas, Inc. and begin making all future payments to above parties. Miss Fields appears to own an undivided 1/81 interest under the above tract covered by an Oil and Gas Lease executed by Inas Counts to Equitable and enclosed is copy of a recorded List of Heirs for Eva Inas Counts (Johnson), deceased.

By copy of this letter, we are notifying Miss Fields of our action on this matter. If you have any questions or comments, please do not hesitate to contact me by phone at (276) 628-2583 or by e-mail at phorn@gl-energy.com.

Sincerely,

PINE MOUNTAIN OIL & GAS, INC.

Phil Horn
District Landman

Enclosures
cc: Cheryl Fields

QUIT CLAIM DEED

For and in consideration of the sum of (\$1.00) and other consideration, I, Dennis Counts, (GRANTOR), of P.O. Box 332, Rosedale, Virginia 24280 do hereby sell convey and quit claim to Cheryl Fields of P.O. Box 332 Rosedale, Virginia 24280, (GRANTEE) and Teresa Campbell of P.O. Box 1403, Lebanon, Virginia 24266 (GRANTEE) all of my right title and interest in and to the oil, gas and coalbed methane gas under the H. F. Kiser Estate 87.50 acre tract located in Russell County, Virginia; being all of the undivided interest in said tract I inherited from my mother, Eva Inas Counts, deceased.

In addition to the above, it is the intent of the Grantor to convey any other oil, gas and coalbed methane gas that he may own in the State of Virginia to Cheryl Fields and Teresa Campbell.

Dennis Counts
DENNIS COUNTS

STATE OF VIRGINIA, COUNTY OF RUSSELL

I Patricia Ann McReynolds, a Notary Public of said County and State, do certify that Dennis Counts whose name is signed to the writing hereto annexed, has this day acknowledged the same before me in said County and State.

Given under my hand this 18th day of October, 2007.

Patricia Ann McReynolds (SEAL)
Notary Public



My commission expires: August 31, 2010

Registration Number: 7070007

This document prepared by: Cheryl Fields
P.O. Box 332
Rosedale, Virginia 24280

0703348

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 10-18, 2007. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 2:00 o'clock P.M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: Dennis Counts

TESTE: Dollie M. Compton, CLERK
BY: Garrus Farley D. CLERK

VC 536070
VGOB 04-0921-1337

<u>Tract</u>	<u>Owner Name and Address</u>	<u>Owner Net Interest</u>	<u>Total Net Interest</u>	<u>Total Amount in Escrow</u>	<u>Owner's Amount in Escrow</u>
<u>EPC figures</u>					
1	Samuel J. Breeding Jr. & Betty Sue Breeding, H/W P O Box 293 Grundy, VA 24614	0.00336953	0.06766250	\$20,331.11	\$1,012.47
2	Samuel J. Breeding Jr. & Betty Sue Breeding, H/W P O Box 293 Grundy, VA 24614	0.00023672	0.06766250	\$20,331.11	\$71.13
4	Samuel J. Breeding Jr. & Betty Sue Breeding, H/W P O Box 293 Grundy, VA 24614	0.00043750	0.06766250	\$20,331.11	\$131.46
5	Cheryl Fields P O Box 332 Rosedale, VA 24280	25% 0.00017720	0.06766250	\$20,331.11	\$53.24
	Dennis Counts P O Box 332 Rosedale, VA 24280	25% 0.00017720	0.06766250	\$20,331.11	\$53.24
	Teresa and Russell Campbell PO Box 1403 Lebanon, VA 24266	25% 0.00017720	0.06766250	\$20,331.11	\$53.24
	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 2136 Abingdon, VA 24212	25% 0.00017720	0.06766250	\$20,331.11	\$53.24
	Total Conflicting Net Interest	0.00070880			

EXHIBIT "E"
VC-536070

<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>				
1	Nancy E. Counts Estate c/o Mildred Miller 2401 S Atlantic Avenue, Apt A401 New Smyrna Beach, FL 32169-3452	Leased-EPC 243912L01	20.31750000%	11.9400
	Tressa K. Patrick C/O Lousie Gentry 212 Oak Street Bristol, Tn 37620	Leased - EPC 243912L02	1.01587500%	0.5970
	Cecil L. Kiser & Julie A. Kiser, H/W 2133 Summers Avenue Streetsboro, OH 44241	Leased-EPC 243912L03	10.15875000%	5.9700
	Wilma Johnson & Dale C. Porter 235 Wheeler Road Lynchburg, VA 24504-5340	Leased - EPC 243912L04	1.01587500%	0.5970
	Alice B. Keen, Widow 4741 Showalter Rd NW Roanoke, VA 24017	Leased-EPC 243912L05	5.07937500%	2.9850
	Leon Kiser & Janice Kiser 315 Hill Road Bristol, TN 37620	Leased - EPC 243912L06	4.06350000%	2.3880
	Gaynell Johnson Sampson & Carl Edward Sampson Route 3 Box 628 Rustburg, VA 24588	Leased-EPC 243912L07	1.01587500%	0.5970
	Diana D. Kiser - Deceased Route 4 Box 654 North Tazewell, VA 24630	Leased-EPC 243912L08	10.15875000%	5.9700
	Lillian B. Crane & Percy V. Crane, W/H 6380 Virgil H Goode Hwy Rocky Mount, VA 24151-3384	Leased-EPC 243912L10	5.07937500%	2.9850
	Edith K Wockenfuss David E. Wockenfuss 207A 12th Street Clermont, FL 34711	Leased - EPC 243912L11	4.06350000%	2.3880

	Freddy O Johnson & Darlene Johnson P.O. Box 503 Montvale, VA 24122	Leased - EPC 243912L12	1.01587500%	0.5970
	Sharon Dickson 295 Bethel Drive #39 Bristol, TN 37620	Leased - EPC 243912L13	1.35450000%	0.7960
	Dorothy C. Kiser C/O Larry Kiser P.O. Box 1565 Bristol, TN 37621	Leased - EPC 243912L14	4.06350000%	0.2388
	Ruby Marie Breeding Johnson & William C. Johnson, W/H 5519 Chenault Ave Orlando, FL 32839	Leased-EPC 243912L15	1.69312500%	0.9950
	Blaine Owens & Robin M. Owens 103 Jefferson Drive Bristol, VA 24201	Leased - EPC 243912L16	1.35450000%	0.7960
	Deborah L. Tomlinson & Terry L Tomlinson, W/H 132 North Clay St Coldwater, MI 49036	Leased-EPC 243912L17	1.69312500%	0.9950
	Larry D. Breeding & Kathy A. Breeding, H/W 1050 Granger Drive Jacksonville, FL 32221	Leased-EPC 243912L18	1.69312500%	0.9950
	Lana O Duty & Sonny Don Duty 115 Melton Springs Road Big Rock TN 37023-3158	Leased -EPC 243912L19	1.35450000%	0.7960
5	Nettie Wilson PO Box 294 Cleveland, VA 24225	Leased-EPC 244332.01	0.06388900%	0.0376
	Roland Delmar Kiser PO Box 194 Cleveland, VA 24225	Unleased	0.06388900%	0.0376
	Ruby Ethel Kiser Estate c/o Kennie O'Dell Kiser PO Box 62 Cleveland, VA 24225	Leased-EPC 244332.11	0.06388900%	0.0376
	Kennie O'Dell Kiser PO Box 62 Cleveland, VA 24225	Leased-EPC 244332.11	0.06388900%	0.0376
	Alma Simerly PO Box 1624 Honaker, VA 24260	Leased-EPC	0.06388900%	0.0376
	Roy Lee Wilson HC 4 Box 304 Bee, VA 24217	Leased-EPC 244332.29	0.00912700%	0.0054

Alden Wilson 1335 E Old Philadelphia Road Elkton, MD 21921	Leased-EPC 244332.33	0.00912700%	0.0054
Curtis Wilson 1867 E Old Philadelphia Road Elkton, MD 21921	Leased-EPC 244332.34	0.00912700%	0.0054
Lonnie G. Wilson 3748 Cunningham Road Thomasville, NC 27360	Leased-EPC 244332.35	0.00912700%	0.0054
Giles Wilson Charlotte Wilson H/W Rt. 1 Box 338 Cleveland, VA 24225	Unleased	0.00912700%	0.0054
Johnny Rosenbaum Melanie Rosenbaum H/W 126 Thru Drive Pounding Mill, VA 24637	Unleased	0.00304200%	0.0018
Joe Canter Unknown	Unleased	0.00304200%	0.0018
Alecia Rosenbaum Unknown	Unleased	0.00304200%	0.0018
Wanda K. Jones 995 E Old Philadelphia Rd Elkton, MD 21921	Leased-EPC 244332.4	0.00228200%	0.0013
Carolyn Sue Rinehart PO Box 1054 Rising Sun, MD 21911	Leased - EPC	0.00228200%	0.0013
Sharon Jones & Bobby Jones 995 E Old Philadelphia Rd Elkton, MD 21921	Leased-EPC 244332.4	0.00228200%	0.0013
Randall Head 1279 Old Neck Road Elkton, MD 21921	Leased-EPC 244332	0.00228200%	0.0013
Dallas Brooks Kiser, Single Star Route Box 25 Cleveland, VA 24225	Leased-EREC 244332.13	0.38333300%	0.2256
Ama Kiser Vance Route 1 Box 427 Bluefield, VA 24605	Unleased	0.04791700%	0.0282
Christine Kiser 719 Paul St Newport News, VA 23605	Unleased	0.04791700%	0.0282

Nellie Wells 2128 A Street Augusta, GA 30904-3010	Leased-EPC 244332.46	0.04791700%	0.0282
Lila Elizabeth Kiser, Single 2416 Lamberts Avenue Richmond, VA 23234	Unleased	0.04791700%	0.0282
Margaret Marie Kiser Heirs Address Unknown	Unleased	0.04791700%	0.0282
Elaine Craft Heirs Address Unknown	Unleased	0.04791700%	0.0282
William Arthur Kiser & Slyvia Kiser, H/W 421 Beauregard Dr Chesapeake, VA 23322	Unleased	0.04791700%	0.0282
Woodrow Childs, Widower Address Unknown	Unleased	0.04791700%	0.0282
Delphia Ball PO Box 58 Davenport, VA 24239	Leased-EPC 244332.3	0.03484800%	0.0205
Willard Wilson, Single Route 2 Box 332 Cleveland, VA 24225	Leased-EPC 244332.12	0.03484800%	0.0205
Thurman E. Musick PO Box 1392 Lebanon, VA 24266	Leased-EPC 244332.1	0.03484800%	0.0205
Betty Musick Rt. 2 Box 167 Cleveland, VA 24225	Leased-EPC 244332.14	0.03484800%	0.0205
Thelma Musick 950-L-39, Hillman HWY Abingdon, VA 24210	Leased-EPC	0.03484800%	0.0205
Ralph Elwood Musick Box 15177 Douglsa Street Culpeper, VA 22701	Leased-EPC 244332.31	0.03484800%	0.0205
Ina Musick, Widow 667 Hunting Hill Rd Piney Flats, TN 37686	unleased	0.03484800%	0.0205
Hubert C. Musick PO Box 2A Castlewood, VA 24224	Leased-EPC 244332.18	0.03484800%	0.0205
Dorothy Johnson Rt. 4 Box 177-B Lebanon, VA 24266	Leased-EPC 244332.16	0.03484800%	0.0205
Scarlet Baker & Henry Baker, W/H P.O. Box 2374 Lebanon, VA 24266	Leased-EPC 244332.27	0.00697000%	0.0041

Sparker Floyd Musick 17085 Brumley Gap Rd, Abingdon, VA 24210	Leased-EPC 244332.28	0.00697000%	0.0041
Raymond Musick Patsy Musick H/W Box 1245, Stuart, VA 24171	Unleased	0.00697000%	0.0041
Samuel Musick 1085 Bellamy, Portsmouth, OH 45663	Unleased	0.00697000%	0.0041
Patrick Fitzgerald Musick 25005 Lawrence, Apt. 126, Center Line, MI 48015	Leased-EPC 244332.22	0.00348500%	0.0021
Keith Allen Musick 25005 Lawrence, Apt. 126 Center Line, MI 48015	Leased-EPC 244332.22	0.00348500%	0.0021
Mildred Kendrick Claude Kendrick W/H Star Route Box 94 Dublin, VA 24084	Leased-EPC	0.00580800%	0.0034
Edith Matson William B. Matson W/H 5678 State Route 133 Batavia, Ohio 45103	Leased-EPC	0.00580800%	0.0034
Sally Musick Route 1 Box 710 Cleveland, VA 24225	Leased-EPC 244332.17	0.00580800%	0.0034
Cecil C. Musick Route 2 Box 114 Cleveland, VA 24225	Leased-EPC 24433.07	0.00580800%	0.0034
James Harold Musick Rt. 2 Box 76B Cleveland, VA 24225	Leased-EPC 244332.08	0.00580800%	0.0034
Fred Musick, Jr. Allie Musick H/W P.O. Box 315 Northeast, Maryland 21901	Unleased	0.00580800%	0.0034
Velva Lee Breeding Clويد Breeding W/H Route 1 Box 441 Cleveland, VA 24225	Leased-EPC 244332.23	0.38333300%	0.2256
Gladys Gilbert, Widow 8809 Portner Ave Apt 2 Manassas, VA 20110	unleased	0.09583300%	0.0564
Alma Pauline Butler 334 S Roger Street, Aberdeen, MD 21001	Leased-EPC 244332.05	0.09583300%	0.0564

Pridemore Powers & Betty Powers, H/W 3265 Grand Ave Abilene, TX 79675	unleased	0.09583300%	0.0564
Maynard Powers Unknown	Unleased	0.09583300%	0.0564
Bertie Counts Box 61 Castlewood, VA 24224	Leased-EPC 244332.24	0.07666700%	0.0451
Anita Conway HCR 01 Box 409 Birchleaf, VA 24220	Leased-EPC 244332.19	0.03833300%	0.0226
Donnie Kiser 220 Shelby Road Lawndale, NC 28090	Leased-EPC 244332.26	0.03833300%	0.0226
Maudie Stevens, Single HCR 01 Box 405 Birchleaf, VA 24220	Leased-EPC 244332.2	0.07666700%	0.0451
Donald Kiser, Single Star Route Box 38 Cleveland, VA 24225	Leased-EPC 244332.21	0.07666700%	0.0451
Vadie Kiser Tiller Blankenship Edwin Blankenship W/H 26934 Watuaga Road Abingdon, VA 24211-7356	Leased-EPC	0.07666700%	0.0451
Anne Campbell Rt. 1 Box 42 Cleveland, VA 24225	Leased-EPC 244332.03	0.12777800%	0.0752
Delphia Combs, Widow General Delivery Cleveland, VA 24225	Leased-EPC 244332.04	0.12777800%	0.0751
Elsie Mae Counts, Widow Route 2 Box 70 Cleveland, VA 24225	Leased-EREC 244332.25	0.38333400%	0.2256

Coal Estate Only

1	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 2136 Abingdon, VA 24212	Leased - EPC 241640L Tract T2-177	81.27000000%	47.7600
5	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 2136 Abingdon, VA 24212	Leased - EPC 241640L Tract T2-177	3.45000000%	2.0300

0802704

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 9-2, 2008. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:50 o'clock P.M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

TESTE: ANN S. McREYNOLDS, CLERK
BY: Jennifer Kendrick D. CLERK

Original returned this date to: David Asbury

50793095

REG 537
DISP 5516
OFF 5007
BR 204
CF-VIRGINIA

Account VIRGINIA GAS AND OIL BOARD WACHOVIA BANK, N.A. AGENT
Name: UNDER AGREEMENT DATED SEPTEMBER 19, 2006

01

Account 5025890684
Number:

Date
09/10/08

02599 SAMUEL J. BREEDING, JR.
2344 LOUITA AVENUE
KINGSPORT, TN 37660

Remittance Amount	
Income	Principal
\$*****1,764.30	\$*****0.00

For: PAYMENT

FUND 1337

WACHOVIA

PLEASE FOLD AND DETACH AT PERFORATION BEFORE PRESENTING FOR PAYMENT

WACHOVIA

6621
530

50793095

WACHOVIA BANK, N.A.
CHARLOTTE, NC 28288-1151
1-888-216-2308

Date
09/10/08
Amount
\$*****1,764.30

Account No:
5025890684 VGOB

Pay: One Thousand Seven Hundred Sixty-Four DOLLARS AND Thirty CENTS

To The Order of: SAMUEL J. BREEDING, JR.

Leon M. L...
Authorized Signature

⑈ 50793095⑈ ⑆ 053000219⑆ 5046001042738⑈

50793097

REG 537
DISP 5516
OFF 5007
BR 204
CF-VIRGINIA

Account VIRGINIA GAS AND OIL BOARD WACHOVIA BANK, N.A. AGENT
Name: UNDER AGREEMENT DATED SEPTEMBER 19, 2006

Account 5025890684
Number:

Date
09/10/08

02601 SAMUEL J. BREEDING, JR.
2344 LOUITA AVENUE
KINGSPORT, TN 37660

Remittance Amount	
Income	Principal
\$*****228.98	\$*****0.00

For: PAYMENT

FUND 1337

WACHOVIA

PLEASE FOLD AND DETACH AT PERFORATION BEFORE PRESENTING FOR PAYMENT

WACHOVIA

WACHOVIA BANK, N.A.
CHARLOTTE, NC 28288-1151
488-216-2308

Account No.
5025890684 VGOB

66-21
530

50793097

Date
09/10/08

Amount
\$*****228.98

Pay: Two Hundred Twenty-Eight DOLLARS AND Ninety-Eight CENTS

To The Order Of: SAMUEL J. BREEDING, JR.

Leon M. Linn
Authorized Signature

⑈ 50793097⑈ ⑆ 053000219⑆ 5046001042738⑈

50793093

REG 537
DISP 5516
OFF 5007
BR 204
CF-VIRGINIA

Account VIRGINIA GAS AND OIL BOARD WACHOVIA BANK, N.A. AGENT
Name: UNDER AGREEMENT DATED SEPTEMBER 19, 2006

Account 5025890684
Number:

Date
09/10/08

02597 CHERYL FIELDS
P. O. BOX 332
ROSEDALE, VA 24280

Remittance Amount	
Income	Principal
\$*****139.24	\$*****0.00

For: PAYMENT

FUND 1337

WACHOVIA

PLEASE FOLD AND DETACH AT PERFORATION BEFORE PRESENTING FOR PAYMENT

WACHOVIA

65-21
530

50793093

WACHOVIA BANK, N.A.
CHARLOTTE, NC 28288-1151
1-888-216-2308

Date
09/10/08

Account No.
5025890684 VGOB

Amount
\$*****139.24

Pay: One Hundred Thirty-Nine DOLLARS AND Twenty -Four CENTS

To The Order Of: CHERYL FIELDS

Leon M. Perry
Authorized Signature

⑈ 50793093 ⑆ ⑆ 053000219⑆ 5046001042738 ⑈

50793094

REG 537
DISP 5516
OFF 5007
BR 204
CF-VIRGINIA

Account VIRGINIA GAS AND OIL BOARD WACHOVIA BANK, N.A. AGENT
Name: UNDER AGREEMENT DATED SEPTEMBER 19, 2006

Account 5025890684
Number:

Date
09/10/08

02598 TERESA L. CAMPBELL
P. O. BOX 1403
LEBANON, VA 24266

Remittance Amount	
Income	Principal
\$*****139.24	\$*****0.00

For: PAYMENT

FUND 1337

WACHOVIA

PLEASE FOLD AND DETACH AT PERFORATION BEFORE PRESENTING FOR PAYMENT

WACHOVIA

WACHOVIA BANK, N.A.
CHARLOTTE, NC 28288-1151
1-888-216-2308

65-21
530

50793094

Date
09/10/08

Account No.
5025890684 VGOB

Amount
\$*****139.24

Pay: One Hundred Thirty-Nine DOLLARS AND Twenty -Four CENTS

To The Order Of: TERESA L. CAMPBELL

Leon Mc Linn
Authorized Signature

50793096

REG 537
DISP 5516
OFF 5007
BR 204
CF-VIRGINIA

Account VIRGINIA GAS AND OIL BOARD WACHOVIA BANK, N.A. AGENT
Name: UNDER AGREEMENT DATED SEPTEMBER 19, 2006

Account 5025890684
Number:

Date
09/10/08

02600 SAMUEL J. BREEDING, JR.
2344 LOUITA AVENUE
KINGSPORT, TN 37660

Remittance Amount	
Income	Principal
\$*****123.97	\$*****0.00

01

For: PAYMENT
FUND 1337

WACHOVIA

PLEASE FOLD AND DETACH AT PERFORATION BEFORE PRESENTING FOR PAYMENT

WACHOVIA

WACHOVIA BANK, N.A.
CHARLOTTE, NC 28288-1151
7-888-216-2308

65-21
530

50793096

Date
09/10/08
Amount
\$*****123.97

Account No.
5025890684 VGOB

Pay: One Hundred Twenty-Three DOLLARS AND Ninety-Seven CENTS

To The Order Of: SAMUEL J. BREEDING, JR.

Leon M. London
Authorized Signature

EXHIBIT "E"
VC-536070

BOOK 628 PAGE 882

Coal Estate Only

1	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 2136 Abingdon, VA 24212	Leased-EPC 241640I Tract T2-177	32.34750000%	25.3500
2	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 2136 Abingdon, VA 24212	Leased-EPC 241640L Tract T2-177	2.27250000%	1.7800
4	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 2136 Abingdon, VA 24212	Leased-EPC 241640L Tract T2-177	4.20000000%	3.2900
5	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 2136 Abingdon, VA 24212	Leased - EPC 244792L Tract TC-214	15.31000000%	9.0000

0501078

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 4 5, 2005. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11 11 o'clock AM, after payment of \$ — tax imposed by Sec. 58.1-802.

TESTE: DOLLIE M. COMPTON, CLERK
BY: Jennifer Kendrick D. CLERK

Original returned this date to: Diane Davis