

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-536082

TRACT(S): 5

LOCATION: DICKENSON County, Virginia

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

DOCKET NUMBER: VGOB-05-1115-1535-02

APPLICANTS: EQT Production Company on behalf of Lambert Land, LLC

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
May 21, 2013

APPEARANCES: James Kaiser on behalf of EQT Production Company

PRIOR PROCEEDINGS:

1. Supplemental Order -01.
2. Original Pooling Order Executed 01/10/2006, Recorded on 01/17/2006, Deed Book/Instrument No. 421, Page 639.
3. Supplemental Order, Recorded on 02/27/2007, Deed Book/Instrument No. 435, Page 156.
4. Modification Order -01 Executed 11/24/2009, Recorded on 12/02/2009, Deed Book/Instrument No. 472, Page 736.
5. Supplemental Order -01, Recorded on 10/26/2012, Deed Book/Instrument No. 501, Page 366.

DB 511 P6562

6. Supplemental Order Executed 02/19/2013, Recorded on 03/19/2013, Deed Book/Instrument No. 505, Page 060.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the May 21, 2013 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) 5 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 5 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:

Standard Banner Coal Corporation was a conflicting claimant with Lambert Land, LLC with regard to Tract 5 as created by Board Order VGOB 05/11/15-1535. To resolve this conflict, a letter dated March 21, 2013 signed by Conrad McNeer, President of Standard Banner Coal Corporation is attached hereto.

RELIEF GRANTED:

DB 511 PG563

VGOB Disbursement
Unit VC-536082

VGOB-05-1115-1535-02

Table 1
Tracts: 5

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed
		Total acreage in escrow before disbursement				14.56000	
	5	Tract 5 (total acreage)		1.10			
1	5	Lambert Land, LLC\PO Box 490, Nora, VA 24272		1.1000	100.00%	1.1000	7.5549%

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.

DB 511 PG 564

DONE AND EXECUTED this 17 day of June, 2013 by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert

Chairman, Bradley C. Lambert

DONE AND PERFORMED this 17 day of June, 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 17th day of June, 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 appeared 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 05-1115-1535-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 5
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: May 21, 2013

DRILLING UNIT: VC-536082

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

Petition for disbursement of escrowed funds on behalf of Lambert Land for Well VC-536082, VGOB 05/11/15-1535.

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

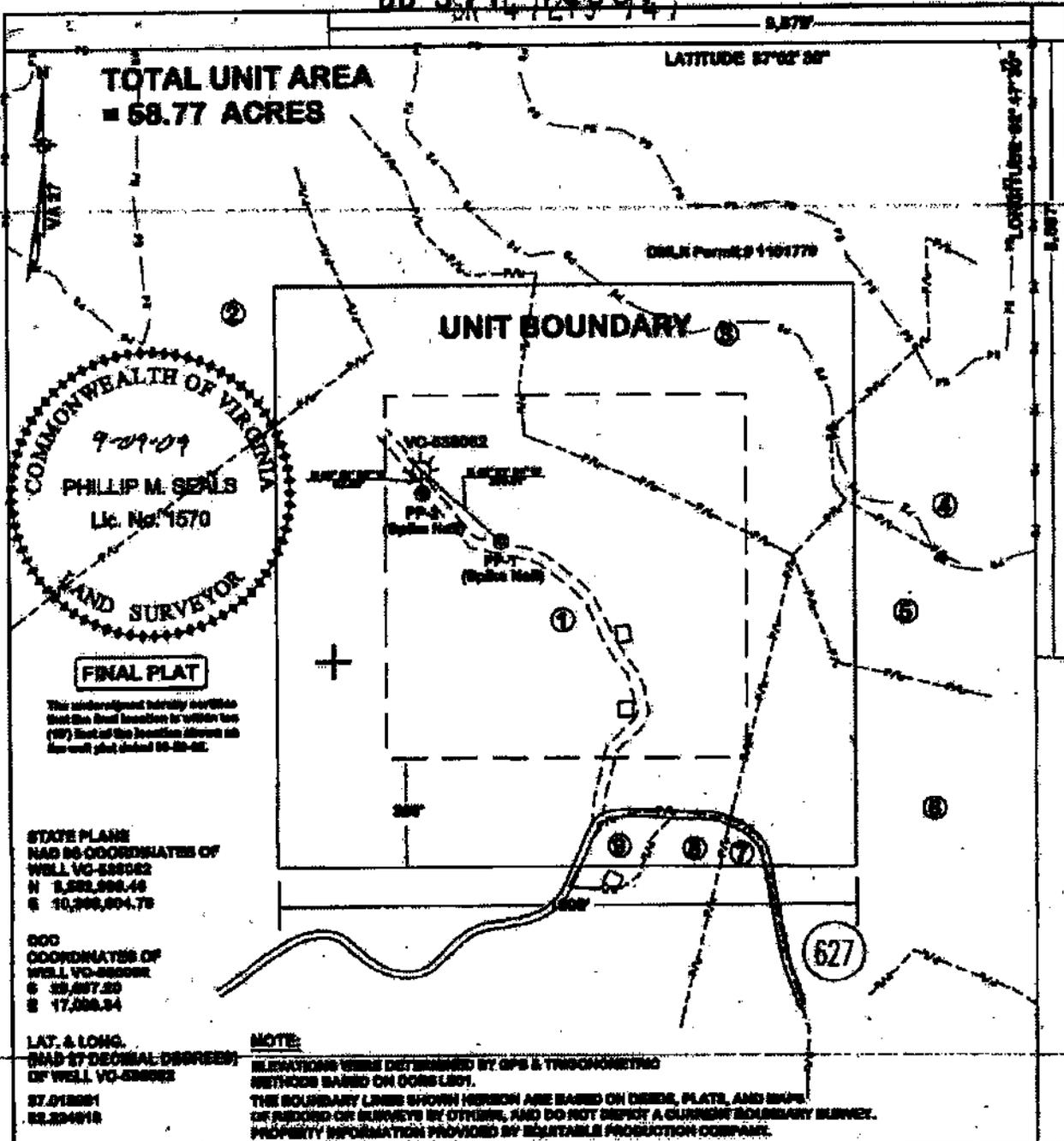
5. Factual basis for relief requested

Standard Banner Coal Corporation was a conflicting claimant with Lambert Land, LLC with regard to Tract 5 as created by Board Order VGOB 05/11/15-1535. To resolve this conflict, a letter dated March 21, 2013 signed by Conrad McNeer, President of Standard Banner Coal Corporation is attached hereto.

6. Attestation

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

DB 511-89567



WELL LOCATION PLAT (Nora Grid # BT 48)

COMPANY SOLISTABLE PRODUCTION CO. WELL NAME OR NUMBER VC-88802

TRACT NO. Lease Number 905937 QUADRANGLE Nora

DISTRICT Kenody

WELL COORDINATES (VIRGINIA STATE PLANE 27) N 272,120.94 E 893,620.32

ELEVATION 2,590.84 METHOD USED TO DETERMINE ELEVATION: GPS & TRC

COUNTY Dickinson SCALE: 1" = 400' DATE 09-09-09

THIS PLAT IS A NEW PLAT 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.

REG-10
Form 840-60-7
Rev. 1-05

Phillip M. Seals

LICENSED LAND SURVEYOR

(APPROVAL)

EX 47278 748
EXHIBIT PL-1

Property Ownership information for EPCO Well # VC-536082

①

LEASE NO. 908894 / TL-228
CHARLES TURNER
899.00 ACRES
STANDARD BANNER COAL CORP. - coal & oil (obst)
LEASE NO. 908897
MARY MAYES - surface & gas (obst)
65.00 ACRES
GAS 29.00 AC. 84.74 %

②

LEASE NO. 908894 / TL-228
CHARLES TURNER
899.00 ACRES
STANDARD BANNER COAL CORP. -
surface, coal, oil, gas & obst
GAS 1.80 AC. 2.50 %

③

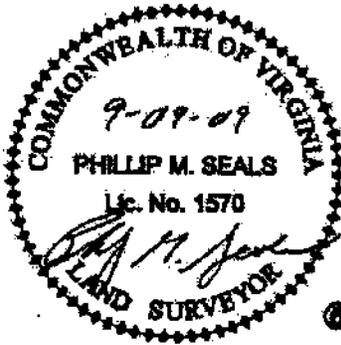
LEASE NO. 908894 / TL-228
CHARLES TURNER
899.00 ACRES
STANDARD BANNER COAL CORP. -
surface, coal, oil, gas & obst

④

LEASE NO. 908894 / TL-228
CHARLES TURNER
899.00 ACRES
STANDARD BANNER COAL CORP. - coal & oil (obst)
UNLEASED
LAWRENCE TURNER HEIR
12.00 ACRES
surface & gas (obst)
GAS 0.80 AC. 6.67 %

OR

LEASE NO. 244712
S.H. LONG HEIRS
35.878 ACRES
surface & gas (obst)
GAS 11.80 AC. 32.89 %



⑤

LEASE NO. 908894 / TL-228
CHARLES TURNER
899.00 ACRES
STANDARD BANNER COAL CORP. - coal & oil (obst)
LEASE NO. 244728
LAMBERT LAMB, LLC - surface & gas (obst)
20.00 ACRES
GAS 1.15 AC. 1.87 %

⑥

LEASE NO. 908894 / TL-228
CHARLES TURNER
899.00 ACRES
STANDARD BANNER COAL CORP. - coal & oil (obst)
LEASE NO. 198971
WAYNE & BERNICE RYMER
28.00 ACRES
surface & gas (obst)
GAS 4.90 AC. 7.42 %

⑦

LEASE NO. 908894 / TL-228
CHARLES TURNER
899.00 ACRES
STANDARD BANNER COAL CORP. - coal & oil (obst)
LEASE NO. 205702
DAVID H. & GATHY ADKINS - surface & gas (obst)
17.142 ACRES
GAS 0.25 AC. 0.48 %

⑧

LEASE NO. 908894 / TL-228
CHARLES TURNER
899.00 ACRES
STANDARD BANNER COAL CORP. - coal & oil (obst)
UNLEASED
JOHN L. & LOIS GAY JENKINS - surface & gas (obst)
0.41 ACRES
GAS 0.04 AC. 1.00 %

⑨

LEASE NO. 908894 / TL-228
CHARLES TURNER
899.00 ACRES
STANDARD BANNER COAL CORP. - coal & oil (obst)
UNLEASED
JOHN L. & LOIS GAY JENKINS - surface & gas (obst)
0.408 ACRES
GAS 0.07 AC. 0.87 %

13

VGOB Disbursement
Unit VC-536082

VGOB-05-1115-1535-02

Table 1
Tracts: 5

Item	Tract	Disbursement Table	Fractional Ownership in Tract	Net Acreage InTract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed	Disbursement
	5	Tract 5 (total acreage)		1.10				
		Total acreage in escrow before disbursement				14.56000		
1	5	Lambert Land, LLC\PO Box 490, Nora, VA 24272		1.1000	100.00%	1.1000	7.5549%	\$1,330.75

Wells contributing to the escrow account: VC-536082 W/PL

DB 511 PG569

DB 511 PG570

EXHIBIT "B"

VC-536082

<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 Tax I.D. # 05106	Delmar H. Mayes Mary Mayes P.O. Box 286 Dante, VA 24237	Leased 905997	64.740000%	38.0500
2 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889 TL-223	2.640000%	1.5500
3 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889 TL-223	20.330000%	11.9500
OR				
<u>B.H. Long Heirs</u>				
Minerals Only	Joseph A. Long Tabitha G. Long P.O. Box 261 Castlewood, VA 24224	Leased 244712	10.165000%	5.9750
Minerals Only	Denny Long Sharon M. Long P.O. Box 361 Lebanon, VA 24266	Leased 244712	3.388333%	1.9917
Minerals Only	Judy L Manuel P.O. Box 314 Lebanon, VA 24266	Leased 244712	3.388333%	1.9917
Minerals Only	Timothy R Long Vera V. Long Rt. 2 Box 938 Castlewood, VA	Leased 244712	3.388333%	1.9917
4 Tax I.D. 06259	Lawrence Turner Heirs Unknown & Unlocatable	Unleased	0.510000%	0.3000
5 Tax I.D. # 04920	Lambert Land LLC P.O. Box 490	Leased 244728	1.870000%	1.1000

DB 511 PG571
EXHIBIT "B"
VC-536082

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Nora, VA 24272			
6 Tax I.D. # 04777	Wayne Riner Genevieve Riner 4907 Long Road Nora, VA 24272	Leased 906891	7.420000%	4.3600
7 Tax I.D. # 04769	David H. Adkins Cathy Adkins 4966 Long Ridge Road Nora, VA 24272	Leased 906762	0.430000%	0.2500
8 Tax I.D. # 04810	John L. Jenkins Lois Gay Jenkins 4626 Long Ridge Road Nora, VA 24272	Unleased	1.090000%	0.6400
9 Tax I.D. # 19150	John L. Jenkins Lois Gay Jenkins 4626 Long Ridge Road Nora, VA 24272	Unleased	0.970000%	0.5700
TOTAL GAS ESTATE			100.000000%	58.7700
Percentage of Unit Leased			97.430000%	
Percentage of Unit Unleased			2.570000%	
Acreage in Unit Leased				57.2600
Acreage in Unit Unleased				1.5100
<u>Coal Estate Only</u>				
1 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	64.740000%	38.0500
2 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	2.640000%	1.5500
3 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso	Leased 906889	20.330000%	11.9500

EXHIBIT "B"

VC-536082

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	P.O. Box 750 Wise, VA 24293			
4 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	0.510000%	0.3000
5 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	1.870000%	1.1000
6 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	7.420000%	4.3600
7 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	0.430000%	0.2500
8 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	1.090000%	0.6400
9 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	0.970000%	0.5700
	Total Coal Estate		100.000000%	58.7700
	Percentage of Unit Leased		100.000000%	
	Percentage of Unit Unleased		0.000000%	
	Acreage in Unit Leased			58.7700
	Acreage in Unit Unleased			0.0000

EXHIBIT "E"
VC-536082

REVISED 04/03/2013

<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	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso PO Box 750 Wise, VA 24293	Leased 906889 TL -223	20.33%	11.95
OR				
<u>B.H. Long Heirs</u>				
	Joseph A. Long Tabitha G. Long P.O. Box 261 Castlewood, VA 24224 Minerals Only	Leased 244712	10.165000%	5.9750
	Denny Long Sharon M. Long P.O. Box 361 Lebanon, VA 24266 Minerals Only	Leased 244712	3.388333%	1.9917
	Judy L Manuel P.O. Box 314 Lebanon, VA 24266 Minerals Only	Leased 244712	3.388333%	1.9917
	Timothy R Long Vera V. Long Rt. 2 Box 938 Castlewood, VA Minerals Only Lebanon, VA 24266	Leased 244712	3.388333%	1.9917
4	Lawrence Turner Heirs Unknown & Unlocatable Tax I.D. 06259	Unleased	0.510000%	0.3000
8	John L. Jenkins Lois Gay Jenkins 4626 Long Ridge Road Nora, VA 24272 Tax I.D. # 04810	Unleased	1.090000%	0.6400
9	John L. Jenkins Lois Gay Jenkins 4626 Long Ridge Road Nora, VA 24272 Tax I.D. # 19150	Unleased	0.970000%	0.5700
Total Gas Estate			22.900000%	13.4600

EXHIBIT "E"

VC-536082

REVISED 04/03/2013

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u> <u>Coal Estate Only</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
3	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	20.330000%	11.9500
4	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	0.510000%	0.3000
8	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	1.090000%	0.6400
9	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	0.970000%	0.5700
Total Coal Estate			22.900000%	13.4600

EXHIBIT 0575
VC-536082
 REVISED 04/03/2013

<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 Tax I.D. # 05106	Delmar H. Mayes* Mary Mayes P.O. Box 286 Dante, VA 24237 <i>*Monies never escrowed, agreement reached</i>	Leased 905997	32.370000%	19.0250
6 Tax I.D. # 04777	Wayne Riner Genevie Riner 4907 Long Road Nora, VA 24272 <i>*Monies never escrowed, agreement reached</i>	Leased 906891	3.710000%	2.1800
7 Tax I.D. # 04769	David H. Adkins Cathy Adkins 4966 Long Ridge Road Nora, VA 24272 <i>*Monies never escrowed, agreement reached</i>	Leased 906762	0.215000%	0.1250
TOTAL			36.295000%	21.3300
<u>Coal Estate Only</u>				
1 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 <i>*Monies never escrowed, agreement reached</i>	Leased 906889	32.370000%	19.0250
6 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 <i>*Monies never escrowed, agreement reached</i>	Leased 906889	3.710000%	2.1800
7 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 <i>*Monies never escrowed, agreement reached</i>	Leased 906889	0.215000%	0.1250
TOTAL			36.295000%	21.3300
TOTAL AFTER 50/50 ROYALTY SPLITS			72.590000%	42.6600

EXHIBIT "EE"
VC-536082
 REVISED 04/03/2013

DB 5 | | PG576

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
		<u>Disbursement</u>		
5	Lambert Land LLC P.O. Box 490 Nora, VA 24272 Tax I.D. # 04920	Leased 244728	1.870000%	1.1000
5	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	0.000000%	0.0000
	Total After Standard Banner Waiver		1.870000%	1.1000



Standard Banner Coal Corporation

Land and Energy Resources

29059 Rivermont Drive, Meadowview, Virginia 24361

March 21, 2013

Dennis Sutherland, Managing Member
Lambert Land, LLC
P. O. Box 191
Abingdon, VA 24212

Re: Permanent Release of CBM Royalty - Voluntary Units, Dickenson
County, Virginia VC-536082 VC-535889 VC-503440 VC-536867

Dear Mr. Sutherland:

As you are aware, EQT Production Company ("EQT") has drilled the above-referenced coalbed methane gas wells on a 30 acre tract as voluntary drilling unit on which Standard Banner owns the coal and Lambert Land owns the gas. For these wells, Standard Banner and Lambert Land are listed as having conflicting claims. The plats indicating the location of each well within the operating unit are enclosed for reference with the Lambert interest being listed as the 30 acre G.B. Lambert tract.

EQT, as operator of the unit, has placed or will place all royalty proceeds attributable to conflicting claims into an escrow or suspense account. In order to allow release of the royalty proceeds, Standard Banner, in consideration addressed in a separate letter of the same date, hereby waives any claims to past or to future royalties attributable to Lambert's interest in these and any other wells on this tract.

By copy of this letter, Standard Banner is requesting EQT to initiate distribution directly to Lambert of all current royalties, as well as all future royalties, attributable to the interests in these wells.

Sincerely,



Conrad McNeer
President

enclosures as stated

cc: Kristie Rudick, EQT, P.O. Box 23536, Pittsburgh, PA 15222
Nicole Atkison, EQT, P.O. Box 23536, Pittsburgh, PA 15222

NO RUPEN, P. 11/10/00
RECEIVED IN THE OFFICE OF THE
CLERK OF THE COURT
NOVEMBER 10, 2000 10:00 AM
RECEIVED IN THE OFFICE OF THE
RECORDS & COMM. DIVISION