

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
(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-536087
TRACT(S): Tract 3 & 4
LOCATION: Dickenson County, Virginia
TRACT ID: Exhibit B

DOCKET NUMBER: VGOB-06-0919-1716-01

APPLICANTS: EQT Production Company on behalf of Charles B. Counts &
Kathryn Counts, Cheri Simoneko, Connie & Bill Godfrey, Nicole
and Daniel Connolly, Nigel Counts and Range Resources-Pine
Mountain, Inc..

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon,
Virginia on March 13, 2012

APPEARANCES: James Kaiser on behalf of EQT Production Company, Sharon
Pigeon, Sr. Assistant Attorney General representing the Board..

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 02/23/2007, Recorded on 02/27/2007, Deed Book 435, Page 132
2. Supplemental Order Executed 10/18/2007, Recorded on 11/01/2007, Deed Book 444, Page 611

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the March 13, 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 Tracts 3 & 4 identified in the attached miscellaneous petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract 3 & 4 relative to the interests of the Applicants identified in the attached miscellaneous petition.

(3) **Close** 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 & 4 is Range Resources-Pine Mountain Inc. for the subject drilling unit.
2. The owner of the gas estate for Tract 3 is Nigel Counts and for Tract 4 is Charles B. Counts & Kathryn Counts, Cheri Simoneko, Connie & Bill Godfrey, Nicole and Daniel Connolly for the subject drilling unit.
3. Range Resources, by letters dated December 26, 2011 waived 75% of the proceeds held in the escrow account and retained 25% of the proceeds. The same percentage division will be for all future production payments..

RELIEF GRANTED:

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 CLOSE 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.

Table 1

		VGOB Approved Disbursement		Fractional	Net Acreage	Royalty	Escrowed	Percent of
		VGOB-06-0919-1716-01		Ownership	Ownership	Split	Acres	Escrowed Funds
		VC-536087		in Tract	in Tract	Agreement	Disbursed	Disbursed
TABLE 1								
A Portion of Tract 3 & 4								
Item	Tract	Disbursement Table						
		Total acreage in escrow before disbursement					3.7901	
	3	Tract 3 Total		2.52				
1	3	Nigel Counts (O&G)	7825 Laurinburg Rd., Raeford, NC 28376-6951		2.5200	75.0%	1.8900	49.8668%
2	3	Range Resources-Pine Mountain (Coal)	P. O. Box 2136, Abingdon, VA 24210		2.5200	25.0%	0.6300	16.6223%
	4	Tract 4 Total		0.95				
1	4	Charles Counts (O&G)	3503 Ardem Dr., Warren, MI 48092		0.6350	75.0%	0.4763	12.5656%
2	4	Range Resources-Pine Mountain	P. O. Box 2136, Abingdon, VA 24210		0.6350	25.0%	0.1588	4.1885%
3	4	Cheri Simonenko (O&G)	591 White Cabin Rd., Roscommon, MI 48653		0.1588	75.0%	0.1191	3.1424%
4	4	Range Resources-Pine Mountain	P. O. Box 2136, Abingdon, VA 24210		0.1588	25.0%	0.0397	1.0475%
5	4	Nicole & Daniel Connolly (O&G)	1744 Patterson, Ortonville, MI 48462		0.1588	75.0%	0.1191	3.1424%
6	4	Range Resources-Pine Mountain	P. O. Box 2136, Abingdon, VA 24210		0.1588	25.0%	0.0397	1.0475%
7	4	Connie and Bill Godfrey (O&G)	1280 West Oro Grand Dr., Pueblo West, CO 81007		0.3175	75.0%	0.2381	6.2828%
8	4	Range Resources-Pine Mountain	P. O. Box 2136, Abingdon, VA 24210		0.3175	25.0%	0.0794	2.0943%

Effective Date:

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

DONE AND EXECUTED this 17 day of April, 2012, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert

**Bradley C. Lambert, Chairman
Virginia Gas and Oil Board**

DONE AND PERFORMED this 17th day of April, 2012 BY Order of the Virginia Gas and Oil Board.

Rick Cooper

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

Staff

**COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL)**

Acknowledged on this 17th day of April, 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

Diane J. Davis, Notary Public #174394

My commission expires: 09/30/2013



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: EQT Production Company on behalf of Charles B Counts and Katherine K. Counts, Cheri Lyn Simoneko, Connie and Bill Godfrey, Nicole Lyn and Daniel M Connolly, Nigel Counts (Heir of Madeline M Counts), and Range Resources-Pine Mountain Inc.

DOCKET NUMBER: VGOB 06/09/19-1716-01

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds on behalf of Charles B Counts and Kathryn Kirsh Counts Cheri Lyn Simoneko, Connie and Bill Godfrey, Nicole Lyn and Daniel M Connolly, Nigel Counts (Heir of Madeline M Counts), and Range Resources-Pine Mountain Inc.

LEGAL DESCRIPTIONS: Drilling Unit Number VC-536087 created by Board Order Dated February 27, 2007 VGOB 06/09/19-1716 in Dickenson County, Virginia.

HEARING DATE: March 13, 2012

MISCELLANEOUS PETITION

1. Party: Applicant herein is Charles B Counts, Jr. and Katherine Counts, (hereinafter "Plaintiffs), whose address is 3505 Arden Drive, Warren, MI 48092, Cheri Lyn Simoneko, (hereinafter "Plaintiffs), whose address is 591 White Cabin, Roscommon, MI 48653, Connie and Bill Godfrey, (hereinafter "Plaintiffs), whose address is 1280 West Oro Grande Drive, Pueblo West, Colorado 81007, Nicole Lyn and Daniel M Connolly, (hereinafter "Plaintiffs), whose address is 1744 Patterson, Ortonville, Michigan 48462, Nigel Counts, (hereinafter "Plaintiffs), whose address is 7825 Laurinburg Rd., Raeford, NC 28376-6951, and Range Resources-Pine Mountain Inc. (hereinafter "Plaintiffs), whose address is P.O. Box 2136, Abingdon, VA 24212.
2. Facts:
 - a. Equitable was designated as the Operator and Applicants interests were Pooled in the VC-536087 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on February 23, 2007, pursuant to Docket No. VGOB 06/09/19-1716 and recorded in the Circuit Court Clerk's Office Dickenson County, Virginia on February 27, 2007, Deed Book 435, Page 132 (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 **Tracts 3 & 4** as created by Board Order as VGOB 06/09/19/1716 is the applicable Tract.
- e. To resolve this conflict, a Letter dated December 20, 2006, signed by Jerry Grantham, Vice President 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.
- 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.
- 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.

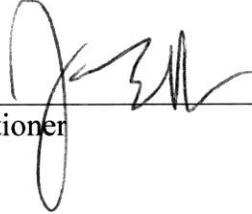
Dated this 10th day of February, 2012.

By:  _____
 Petitioner

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

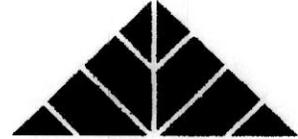


Petitioner

		VGOB 06/09/19-1716 VC-536087	Acreage Interest Disbursed	Split Agreement	Escrowed Acres Total	% of Escrowed Funds	Disbursement \$
Item	Tract	Disbursement Table					
		Totals			3.7901		
1	3	Nigel Counts (Madeline Counts' Heir)	2.52	75%	1.8900	49.866758%	\$6,137.91
2	3	Range Resources-Pine Mountain	2.52	25%	0.6300	16.622253%	\$2,045.97
3	4	Charles B Counts	0.635	75%	0.4763	12.565632%	\$1,546.66
4	4	Range Resources-Pine Mountain	0.635	25%	0.1588	4.188544%	\$515.55
5	4	Cheri Lyn Simonenko	0.1588	75%	0.1191	3.142397%	\$386.79
6	4	Range Resources-Pine Mountain	0.1588	25%	0.0397	1.047466%	\$128.93
7	4	Nicole and Daniel Connolly	0.1588	75%	0.1191	3.142397%	\$386.79
8	4	Range Resources-Pine Mountain	0.1588	25%	0.0397	1.047466%	\$128.93
9	4	Connie Godfrey and Bill Godfrey	0.3175	75%	0.2381	6.282816%	\$773.33
10	4	Range Resources-Pine Mountain	0.3175	25%	0.0794	2.094272%	\$257.78

**PINE MOUNTAIN
Oil and Gas, Inc.**

P.O. Box 2136
406 West Main Street
Abingdon, Virginia 24212
Phone: (276) 628-9001
Fax: (276) 628-7248



February 19, 2007

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

Re: Permanent Split of Royalty
VC-536087, VC-536088, VC-536089, VC-536360
and any future CBM Wells
Charles B. Counts, et al 34.42 and 140.58 Acre Tracts
Dickenson County, Virginia

Dear Ms. Freeman:

Enclosed are copies of a letters dated December 26, 2006, between Pine Mountain Oil and Gas, Inc. and Connie Godfrey and Bill Godfrey; Cheri Lyn Simoneko; Charles B. Counts and Kathryn Kirsh Counts; and Nicole Lyn Simoneko Connolly and Daniel M. Connolly 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 34.42 and 140.58 acre leased tracts. So please release the escrowed royalty to above owners, and Pine Mountain Oil and Gas, Inc. and begin making all future payments to above parties.

By copy of this letter, we are notifying Connie and Bill Godfrey; Cheri Lyn Simoneko; Charles B. Counts and Kathryn Counts and Nicole Lyn Simoneko Connolly and Daniel M. Connolly 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

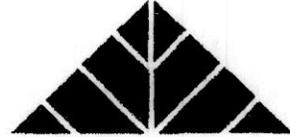
Enclosures

cc: Connie Godfrey, Cheri Lyn Simoneko,
Charles B. Counts and Nicole Lyn Simoneko Connolly

**PINE MOUNTAIN
Oil and Gas, Inc.**

P.O. Box 2138
406 W. Main Street
Abingdon, Virginia 24212
Phone: (276) 628-9001
Fax: (276) 628-7246

December 20, 2006



Mr. and Mrs. Charles B. Counts
3505 Arden
Warren, Michigan 48092

Re: Permanent Split of CBM Royalty
Charles B. Counts, et al 34.42 and 140.58 Acre Tracts
VC-536087, VC-536088, VC-536089 and VC-536360 Wells
Dickenson County, Virginia

Dear Mr. and Mrs. Counts:

As you are aware, Equitable Production Company ("EPC"), has drilled the referenced coalbed methane gas wells on a tracts of land (the "Property" or "Subject Tract") in which Pine Mountain Oil and Gas, Inc. ("PMOG") owns the coalbed methane gas through its deed from the former coal owner underlying the Property and you own an undivided interest in the gas. The above has created conflicting claims as to the ownership of the coalbed methane gas on the Subject Tract between ("PMOG"), as the owner of the coalbed methane gas through its deed from the former coal owner, and you, as the owner of an undivided interest in the gas. Plats indicating the location of the wells within the operating units are enclosed for your reference.

Due to our conflicting interests in the Subject Tract, EPC, as operator of the unit, has placed all royalty proceeds attributable to our conflicting interests into an escrow account. These royalty proceeds will remain in the escrow account until either a final legal determination of our conflicting claims to the coalbed methane gas is made or we reach an agreement on the division of the royalty proceeds. The most economical and expedient way to secure a release of the escrowed funds is for us to enter into an agreement which sets forth how the funds are to be distributed. Accordingly, in order to avoid the expense and time required to resolve the ownership question through the courts, PMOG proposes resolving this matter by the agreement described below. Such an agreement will allow us to request distribution of the proceeds presently held in the escrow account and direct payment of all future proceeds.

PMOG proposes that you receive disbursement of 75% of the proceeds held in the escrow account on the above-mentioned wells and that PMOG receive disbursement of 25% of the proceeds held in the escrow account on the above-mentioned wells. PMOG proposes the same percentage division for all future production payments which may accrue to our conflicting interests from the above-mentioned wells. PMOG will, at its sole expense, pursue the administrative process required to secure release of the proceeds held in the escrow account and will absorb all future costs of administering this letter agreement. None of these expenses and costs will be deducted from your 75% of the royalty proceeds. It is also agreed that the royalty from any future coalbed methane gas wells drilled upon the subject tract or upon other lands in which the subject tract is pooled therewith will be permanently split in the same 75%/25% proportion. In addition, wells VC-702975, VC-535915, VC-504510, VC-535668 and VC-535670 are not covered by this agreement since all of the royalty has been previously released by Pine Mountain Oil and Gas, Inc.

If this division of proceeds is agreeable with you, PMOG will diligently pursue the administrative processes required to secure release of the proceeds in the escrow account to you and PMOG. You will be provided with copies of the correspondence to EPC, requesting distribution of the escrowed funds as well as the directive to EPC to pay all future royalties and other benefits attributable to our conflicting interests in the same 75% / 25% proportion.

This letter agreement effects a permanent division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned wells and future wells which is binding upon you, your heirs and assigns and PMOG and its successors and assigns. By entering into this agreement, the parties agree to refrain from making any claim or bringing any suit against the other party attacking the other party's coalbed methane interests set forth in this letter agreement. It is expressly agreed by the parties hereto that the division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned well shall remain subject to this letter agreement, regardless of any subsequent judicial determination of ownership of coalbed methane in the Commonwealth of Virginia. Provided, however, nothing contained in this letter agreement shall change or alter the parties' common law rights and liabilities or the legal title to their respective coal and gas estates.

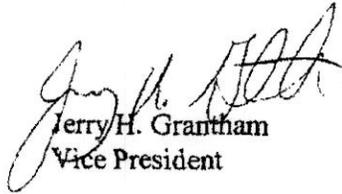
By entering into this letter agreement, you confirm that you are the current record title owner of an undivided interest in the gas estate underlying the tract attributed to Charles B. Counts, et al on the enclosed plats. If you are not the current gas owner, please notify us immediately.

By accepting the terms and conditions of this letter agreement, you are directing EPC to disburse royalties in accordance with this agreement. It is understood and agreed that no other terms or conditions of your lease with EPC are affected by this letter agreement.

Please evidence your agreement to these terms by signing this letter agreement on the line indicated below and returning this letter agreement to PMOG in the enclosed self-addressed, stamped envelope. If you have any questions, please do not hesitate to call Phil Horn at 276-619-2583.

Sincerely,

PINE MOUNTAIN OIL AND GAS, INC.


Jerry H. Grantham
Vice President

Enclosures

BK 497 Pg 675A

AGREED TO AND ACCEPTED BY

BY: Charles B. Counts
CHARLES B. COUNTS

Kathryn Kirsch Counts
KATHRYN KIRSCH COUNTS

PINE MOUNTAIN OIL AND GAS, INC.

BY: Jerry H. Grantham
JERRY H. GRANTHAM
VICE PRESIDENT

STATE OF MICHIGAN

COUNTY OF OAKLAND, to-wit:

I, JENNIFER ANN MOROSKI, a Notary Public in and for the State and County aforesaid, do hereby certify Charles B. Counts and Kathryn Kirsch Counts, whose names are signed to the writing hereto annexed, have this day acknowledged the same before me, in said County and State.

Given under my hand and notarial seal this the 26th day of January, ^{2007.}~~2006.~~

My commission expires 4-6-2013.

Jennifer Ann Moroski
Notary Public

JENNIFER ANN MOROSKI
NOTARY PUBLIC, STATE OF MI
COUNTY OF OAKLAND
MY COMMISSION EXPIRES Apr 6, 2013
NOTING IN COUNTY OF OAKLAND

COMMONWEALTH OF VIRGINIA

COUNTY OF WASHINGTON, to-wit:

I, Philip S. Horn, a Notary Public in and for the State and County aforesaid, do hereby certify that Jerry H. Grantham, Vice President of Pine Mountain Oil and Gas, Inc., whose name as such is signed to the writing hereto annexed, bearing date the 20th day of December, 2006, has this day, before me, in my said County acknowledged the said writing on behalf of said corporation.

Given under my hand and notarial seal this the 5th day of January, ^{2007.}~~2006.~~

My commission expires 1/31/07.

Philip S Horn
Notary Public

**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

December 26, 2006



Ms. Cheri Lyn Simoneko
591 White Cabin
Roscommon, Michigan 48653-8002

Re: Permanent Split of CBM Royalty
Charles B. Counts, et al 34.42 and 140.58 Acre Tracts
VC-536087, VC-536088, VC-536089 and VC-536360 Wells
Dickenson County, Virginia

Dear Ms. Simoneko:

As you are aware, Equitable Production Company ("EPC"), has drilled the referenced coalbed methane gas wells on a tracts of land (the "Property" or "Subject Tract") in which Pine Mountain Oil and Gas, Inc. ("PMOG") owns the coalbed methane gas through its deed from the former coal owner underlying the Property and you own an undivided interest in the gas. The above has created conflicting claims as to the ownership of the coalbed methane gas on the Subject Tract between ("PMOG"), as the owner of the coalbed methane gas through its deed from the former coal owner, and you, as the owner of an undivided interest in the gas. Plats indicating the location of the wells within the operating units are enclosed for your reference.

Due to our conflicting interests in the Subject Tract, EPC, as operator of the unit, has placed all royalty proceeds attributable to our conflicting interests into an escrow account. These royalty proceeds will remain in the escrow account until either a final legal determination of our conflicting claims to the coalbed methane gas is made or we reach an agreement on the division of the royalty proceeds. The most economical and expedient way to secure a release of the escrowed funds is for us to enter into an agreement which sets forth how the funds are to be distributed. Accordingly, in order to avoid the expense and time required to resolve the ownership question through the courts, PMOG proposes resolving this matter by the agreement described below. Such an agreement will allow us to request distribution of the proceeds presently held in the escrow account and direct payment of all future proceeds.

PMOG proposes that you receive disbursement of 75% of the proceeds held in the escrow account on the above-mentioned wells and that PMOG receive disbursement of 25% of the proceeds held in the escrow account on the above-mentioned wells. PMOG proposes the same percentage division for all future production payments which may accrue to our conflicting interests from the above-mentioned wells. PMOG will, at its sole expense, pursue the administrative process required to secure release of the proceeds held in the escrow account and will absorb all future costs of administering this letter agreement. None of these expenses and costs will be deducted from your 75% of the royalty proceeds. It is also agreed that the royalty from any future coalbed methane gas wells drilled upon the subject tract or upon other lands in which the subject tract is pooled therewith will be permanently split in the same 75%/25% proportion. In addition, wells VC-702975, VC-535915, VC-504510, VC-535668 and VC-535670 are not covered by this agreement since all of the royalty has been previously released by Pine Mountain Oil and Gas, Inc.

December 26, 2006

Page 2 of 3

If this division of proceeds is agreeable with you, PMOG will diligently pursue the administrative processes required to secure release of the proceeds in the escrow account to you and PMOG. You will be provided with copies of the correspondence to EPC, requesting distribution of the escrowed funds as well as the directive to EPC to pay all future royalties and other benefits attributable to our conflicting interests in the same 75% / 25% proportion.

This letter agreement effects a permanent division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned wells and future wells which is binding upon you, your heirs and assigns and PMOG and its successors and assigns. By entering into this agreement, the parties agree to refrain from making any claim or bringing any suit against the other party attacking the other party's coalbed methane interests set forth in this letter agreement. It is expressly agreed by the parties hereto that the division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned well shall remain subject to this letter agreement, regardless of any subsequent judicial determination of ownership of coalbed methane in the Commonwealth of Virginia. Provided, however, nothing contained in this letter agreement shall change or alter the parties' common law rights and liabilities or the legal title to their respective coal and gas estates.

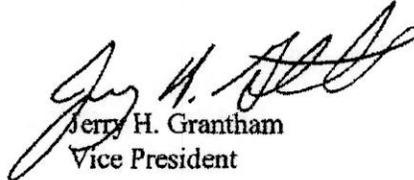
By entering into this letter agreement, you confirm that you are the current record title owner of an undivided interest in the gas estate underlying the tract attributed to Charles B. Counts, et al on the enclosed plats. If you are not the current gas owner, please notify us immediately.

By accepting the terms and conditions of this letter agreement, you are directing EPC to disburse royalties in accordance with this agreement. It is understood and agreed that no other terms or conditions of your lease with EPC are affected by this letter agreement.

Please evidence your agreement to these terms by signing this letter agreement on the line indicated below and returning this letter agreement to PMOG in the enclosed self-addressed, stamped envelope. If you have any questions, please do not hesitate to call Phil Horn at 276-619-2583.

Sincerely,

PINE MOUNTAIN OIL AND GAS, INC.



Jerry H. Grantham
Vice President

Enclosures

December 26, 2006
Page 3 of 3

AGREED TO AND ACCEPTED BY

BY: Cheri Lyn Simoneko
CHERI(LYN)SIMONEKO

PINE MOUNTAIN OIL AND GAS, INC.

BY: Jerry H. Grantham
JERRY H. GRANTHAM
VICE PRESIDENT

STATE OF MICHIGAN

COUNTY OF Roscommon, to-wit:

I, Cynthia R. Osborn, a Notary Public in and for the State and County aforesaid, do hereby certify Cheri Lyn Simoneko, 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 and notarial seal this the 3rd day of February, 2007.

My commission expires April 1, 2012.

CYNTHIA R. OSBORN
Notary Public, State of Michigan
County of Roscommon

Cynthia R. Osborn
Notary Public

My Commission Expires Apr. 1, 2012
Acting in the County of

COMMONWEALTH OF VIRGINIA ROSCOMMON

COUNTY OF WASHINGTON, to-wit:

I, Philip Horn, a Notary Public in and for the State and County aforesaid, do hereby certify that Jerry H. Grantham, Vice President of Pine Mountain Oil and Gas, Inc., whose name as such is signed to the writing hereto annexed, bearing date the 26th day of December, 2006, has this day, before me, in my said County acknowledged the said writing on behalf of said corporation.

Given under my hand and notarial seal this the 26th day of January, 2007.

My commission expires 1/31/07

Philip Horn
Notary Public

**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

December 26, 2006



Mr. and Mrs. Bill Godfrey
1280 West Oro Grande Drive
Pueblo West, Colorado 81007

Re: Permanent Split of CBM Royalty
Charles B. Counts, et al 34.42 and 140.58 Acre Tracts
VC-536087, VC-536088, VC-536089 and VC-536360 Wells
Dickenson County, Virginia

Dear Mr. and Mrs. Godfrey:

As you are aware, Equitable Production Company ("EPC"), has drilled the referenced coalbed methane gas wells on a tracts of land (the "Property" or "Subject Tract") in which Pine Mountain Oil and Gas, Inc. ("PMOG") owns the coalbed methane gas through its deed from the former coal owner underlying the Property and you own an undivided interest in the gas. The above has created conflicting claims as to the ownership of the coalbed methane gas on the Subject Tract between ("PMOG"), as the owner of the coalbed methane gas through its deed from the former coal owner, and you, as the owner of an undivided interest in the gas. Plats indicating the location of the wells within the operating units are enclosed for your reference.

Due to our conflicting interests in the Subject Tract, EPC, as operator of the unit, has placed all royalty proceeds attributable to our conflicting interests into an escrow account. These royalty proceeds will remain in the escrow account until either a final legal determination of our conflicting claims to the coalbed methane gas is made or we reach an agreement on the division of the royalty proceeds. The most economical and expedient way to secure a release of the escrowed funds is for us to enter into an agreement which sets forth how the funds are to be distributed. Accordingly, in order to avoid the expense and time required to resolve the ownership question through the courts, PMOG proposes resolving this matter by the agreement described below. Such an agreement will allow us to request distribution of the proceeds presently held in the escrow account and direct payment of all future proceeds.

PMOG proposes that you receive disbursement of 75% of the proceeds held in the escrow account on the above-mentioned wells and that PMOG receive disbursement of 25% of the proceeds held in the escrow account on the above-mentioned wells. PMOG proposes the same percentage division for all future production payments which may accrue to our conflicting interests from the above-mentioned wells. PMOG will, at its sole expense, pursue the administrative process required to secure release of the proceeds held in the escrow account and will absorb all future costs of administering this letter agreement. None of these expenses and costs will be deducted from your 75% of the royalty proceeds. It is also agreed that the royalty from any future coalbed methane gas wells drilled upon the subject tract or upon other lands in which the subject tract is pooled therewith will be permanently split in the same 75%/25% proportion. In addition, wells VC-702975, VC-535915, VC-504510, VC-535668 and VC-535670 are not covered by this agreement since all of the royalty has been previously released by Pine Mountain Oil and Gas, Inc.

December 26, 2006

Page 2 of 3

If this division of proceeds is agreeable with you, PMOG will diligently pursue the administrative processes required to secure release of the proceeds in the escrow account to you and PMOG. You will be provided with copies of the correspondence to EPC, requesting distribution of the escrowed funds as well as the directive to EPC to pay all future royalties and other benefits attributable to our conflicting interests in the same 75% / 25% proportion.

This letter agreement effects a permanent division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned wells and future wells which is binding upon you, your heirs and assigns and PMOG and its successors and assigns. By entering into this agreement, the parties agree to refrain from making any claim or bringing any suit against the other party attacking the other party's coalbed methane interests set forth in this letter agreement. It is expressly agreed by the parties hereto that the division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned well shall remain subject to this letter agreement, regardless of any subsequent judicial determination of ownership of coalbed methane in the Commonwealth of Virginia. Provided, however, nothing contained in this letter agreement shall change or alter the parties' common law rights and liabilities or the legal title to their respective coal and gas estates.

By entering into this letter agreement, you confirm that you are the current record title owner of an undivided interest in the gas estate underlying the tract attributed to Charles B. Counts, et al on the enclosed plats. If you are not the current gas owner, please notify us immediately.

By accepting the terms and conditions of this letter agreement, you are directing EPC to disburse royalties in accordance with this agreement. It is understood and agreed that no other terms or conditions of your lease with EPC are affected by this letter agreement.

Please evidence your agreement to these terms by signing this letter agreement on the line indicated below and returning this letter agreement to PMOG in the enclosed self-addressed, stamped envelope. If you have any questions, please do not hesitate to call Phil Horn at 276-619-2583.

Sincerely,

PINE MOUNTAIN OIL AND GAS, INC.


Jerry H. Grantham
Vice President

Enclosures

December 26, 2006

Page 3 of 3

AGREED TO AND ACCEPTED BY

BY: Connie Godfrey
CONNIE GODFREY
Bill Godfrey
BILL GODFREY

PINE MOUNTAIN OIL AND GAS, INC.

BY: Jerry H. Grantham
JERRY H. GRANTHAM
VICE PRESIDENT

STATE OF COLORADO

COUNTY OF Pueblo, to-wit:

I, Melissa S. Lateer, a Notary Public in and for the State and County aforesaid, do hereby certify Connie Godfrey and Bill Godfrey, whose names are signed to the writing hereto annexed, have this day acknowledged the same before me, in said County and State.

Given under my hand and notarial seal this the 1st day of February, ~~2006~~ ²⁰⁰⁷

My commission expires 10/18/2008

Melissa S. Lateer
Notary Public


My commission expires 10/18/2008

COMMONWEALTH OF VIRGINIA

COUNTY OF WASHINGTON, to-wit:

I, Philip S Horn, a Notary Public in and for the State and County aforesaid, do hereby certify that Jerry H. Grantham, Vice President of Pine Mountain Oil and Gas, Inc., whose name as such is signed to the writing hereto annexed, bearing date the 20th day of December, 2006, has this day, before me, in my said County acknowledged the said writing on behalf of said corporation.

Given under my hand and notarial seal this the 5th day of JANUARY, ~~2006~~ ²⁰⁰⁷

My commission expires 1/31/07

Philip S Horn
Notary Public

**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

December 26, 2006



Mr. and Mrs. Daniel M. Connolly
1744 Patterson
Ortonville, Michigan 48462

Re: Permanent Split of CBM Royalty
Charles B. Counts, et al 34.42 and 140.58 Acre Tracts
VC-536087, VC-536088, VC-536089 and VC-536360 Wells
Dickenson County, Virginia

Dear Mr. and Mrs. Connolly:

As you are aware, Equitable Production Company ("EPC"), has drilled the referenced coalbed methane gas wells on a tracts of land (the "Property" or "Subject Tract") in which Pine Mountain Oil and Gas, Inc. ("PMOG") owns the coalbed methane gas through its deed from the former coal owner underlying the Property and you own an undivided interest in the gas. The above has created conflicting claims as to the ownership of the coalbed methane gas on the Subject Tract between ("PMOG"), as the owner of the coalbed methane gas through its deed from the former coal owner, and you, as the owner of an undivided interest in the gas. Plats indicating the location of the wells within the operating units are enclosed for your reference.

Due to our conflicting interests in the Subject Tract, EPC, as operator of the unit, has placed all royalty proceeds attributable to our conflicting interests into an escrow account. These royalty proceeds will remain in the escrow account until either a final legal determination of our conflicting claims to the coalbed methane gas is made or we reach an agreement on the division of the royalty proceeds. The most economical and expedient way to secure a release of the escrowed funds is for us to enter into an agreement which sets forth how the funds are to be distributed. Accordingly, in order to avoid the expense and time required to resolve the ownership question through the courts, PMOG proposes resolving this matter by the agreement described below. Such an agreement will allow us to request distribution of the proceeds presently held in the escrow account and direct payment of all future proceeds.

PMOG proposes that you receive disbursement of 75% of the proceeds held in the escrow account on the above-mentioned wells and that PMOG receive disbursement of 25% of the proceeds held in the escrow account on the above-mentioned wells. PMOG proposes the same percentage division for all future production payments which may accrue to our conflicting interests from the above-mentioned wells. PMOG will, at its sole expense, pursue the administrative process required to secure release of the proceeds held in the escrow account and will absorb all future costs of administering this letter agreement. None of these expenses and costs will be deducted from your 75% of the royalty proceeds. It is also agreed that the royalty from any future coalbed methane gas wells drilled upon the subject tract or upon other lands in which the subject tract is pooled therewith will be permanently split in the same 75%/25% proportion. In addition, wells VC-702975, VC-535915, VC-504510, VC-535668 and VC-535670 are not covered by this agreement since all of the royalty has been previously released by Pine Mountain Oil and Gas, Inc.

December 26, 2006

Page 2 of 3

If this division of proceeds is agreeable with you, PMOG will diligently pursue the administrative processes required to secure release of the proceeds in the escrow account to you and PMOG. You will be provided with copies of the correspondence to EPC, requesting distribution of the escrowed funds as well as the directive to EPC to pay all future royalties and other benefits attributable to our conflicting interests in the same 75% / 25% proportion.

This letter agreement effects a permanent division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned wells and future wells which is binding upon you, your heirs and assigns and PMOG and its successors and assigns. By entering into this agreement, the parties agree to refrain from making any claim or bringing any suit against the other party attacking the other party's coalbed methane interests set forth in this letter agreement. It is expressly agreed by the parties hereto that the division of the accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned well shall remain subject to this letter agreement, regardless of any subsequent judicial determination of ownership of coalbed methane in the Commonwealth of Virginia. Provided, however, nothing contained in this letter agreement shall change or alter the parties' common law rights and liabilities or the legal title to their respective coal and gas estates.

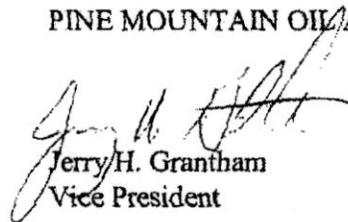
By entering into this letter agreement, you confirm that you are the current record title owner of an undivided interest in the gas estate underlying the tract attributed to Charles B. Counts, et al on the enclosed plats. If you are not the current gas owner, please notify us immediately.

By accepting the terms and conditions of this letter agreement, you are directing EPC to disburse royalties in accordance with this agreement. It is understood and agreed that no other terms or conditions of your lease with EPC are affected by this letter agreement.

Please evidence your agreement to these terms by signing this letter agreement on the line indicated below and returning this letter agreement to PMOG in the enclosed self-addressed, stamped envelope. If you have any questions, please do not hesitate to call Phil Horn at 276-619-2583.

Sincerely,

PINE MOUNTAIN OIL AND GAS, INC.



Jerry H. Grantham
Vice President

Enclosures

December 26, 2006

Page 3 of 3

AGREED TO AND ACCEPTED BY

BY: Nicole Lyn Simoneko Connolly
NICOLE LYN SIMONEKO CONNOLLY

Daniel M. Connolly
DANIEL M. CONNOLLY

PINE MOUNTAIN OIL AND GAS, INC.

BY: Jerry H. Grantham
JERRY H. GRANTHAM
VICE PRESIDENT

STATE OF MICHIGAN

COUNTY OF Genesee, to-wit:

I, Sherry S. Cudd, a Notary Public in and for the State and County aforesaid, do hereby certify Nicole Lyn Simoneko Connolly and Daniel M. Connolly, whose names are signed to the writing hereto annexed, have this day acknowledged the same before me, in said County and State.

Given under my hand and notarial seal this the 19 day of January, ^{2007.}~~2006.~~

My commission expires 8-23-11.

SHERRY S. CUDD
NOTARY PUBLIC, STATE OF MI
COUNTY OF GENESSEE
MY COMMISSION EXPIRES Aug 23, 2011
ACTING IN COUNTY OF Genesee
COMMONWEALTH OF VIRGINIA

Sherry S. Cudd
Notary Public

COUNTY OF WASHINGTON, to-wit:

I, Philip S. Horn, a Notary Public in and for the State and County aforesaid, do hereby certify that Jerry H. Grantham, Vice President of Pine Mountain Oil and Gas, Inc., whose name as such is signed to the writing hereto annexed, bearing date the 20th day of December, 2006, has this day, before me, in my said County acknowledged the said writing on behalf of said corporation.

Given under my hand and notarial seal this the 5th day of JANUARY, ^{2007.}~~2006.~~

My commission expires 1/31/07.

PHILIP S. HORN
NOTARY PUBLIC, STATE OF MI
COUNTY OF WASHINGTON
MY COMMISSION EXPIRES 1/31/07
ACTING IN COUNTY OF Washington
COMMONWEALTH OF VIRGINIA

Philip S. Horn
Notary Public

**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

December 26, 2006



Mr. and Mrs. Bill Godfrey
1280 West Oro Grande Drive
Pueblo West, Colorado 81007

Re: Permanent Split of CBM Royalty
Charles B. Counts, et al 34.42 and 140.58 Acre Tracts
VC-536087, VC-536088, VC-536089 and VC-536360 Wells
Dickenson County, Virginia

Dear Mr. and Mrs. Godfrey:

As you are aware, Equitable Production Company ("EPC"), has drilled the referenced coalbed methane gas wells on a tracts of land (the "Property" or "Subject Tract") in which Pine Mountain Oil and Gas, Inc. ("PMOG") owns the coalbed methane gas through its deed from the former coal owner underlying the Property and you own an undivided interest in the gas. The above has created conflicting claims as to the ownership of the coalbed methane gas on the Subject Tract between ("PMOG"), as the owner of the coalbed methane gas through its deed from the former coal owner, and you, as the owner of an undivided interest in the gas. Plats indicating the location of the wells within the operating units are enclosed for your reference.

Due to our conflicting interests in the Subject Tract, EPC, as operator of the unit, has placed all royalty proceeds attributable to our conflicting interests into an escrow account. These royalty proceeds will remain in the escrow account until either a final legal determination of our conflicting claims to the coalbed methane gas is made or we reach an agreement on the division of the royalty proceeds. The most economical and expedient way to secure a release of the escrowed funds is for us to enter into an agreement which sets forth how the funds are to be distributed. Accordingly, in order to avoid the expense and time required to resolve the ownership question through the courts, PMOG proposes resolving this matter by the agreement described below. Such an agreement will allow us to request distribution of the proceeds presently held in the escrow account and direct payment of all future proceeds.

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December 26, 2006

Page 2 of 3

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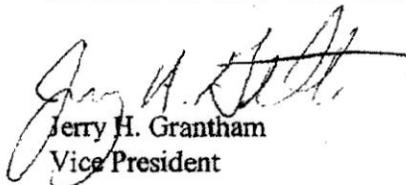
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Please evidence your agreement to these terms by signing this letter agreement on the line indicated below and returning this letter agreement to PMOG in the enclosed self-addressed, stamped envelope. If you have any questions, please do not hesitate to call Phil Horn at 276-619-2583.

Sincerely,

PINE MOUNTAIN OIL AND GAS, INC.



Jerry H. Grantham
Vice President

Enclosures

December 26, 2006

Page 3 of 3

AGREED TO AND ACCEPTED BY

BY: Connie Godfrey
CONNIE GODFREY
Bill Godfrey
BILL GODFREY

PINE MOUNTAIN OIL AND GAS, INC.

BY: Jerry H. Grantham
JERRY H. GRANTHAM
VICE PRESIDENT

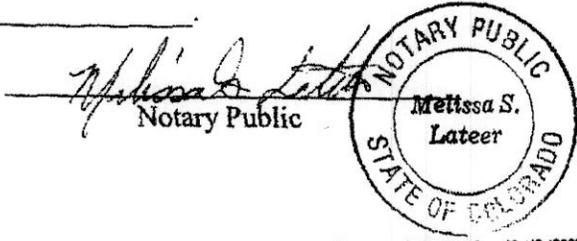
STATE OF COLORADO

COUNTY OF Pueblo, to-wit:

I, Melissa S. Lateer, a Notary Public in and for the State and County aforesaid, do hereby certify Connie Godfrey and Bill Godfrey, whose names are signed to the writing hereto annexed, have this day acknowledged the same before me, in said County and State.

Given under my hand and notarial seal this the 1st day of February, ~~2006~~ ²⁰⁰⁷

My commission expires 10/18/2008



My commission expires 10/18/2008

COMMONWEALTH OF VIRGINIA

COUNTY OF WASHINGTON, to-wit:

I, Philip S Horn, a Notary Public in and for the State and County aforesaid, do hereby certify that Jerry H. Grantham, Vice President of Pine Mountain Oil and Gas, Inc., whose name as such is signed to the writing hereto annexed, bearing date the 20th day of December, 2006, has this day, before me, in my said County acknowledged the said writing on behalf of said corporation.

Given under my hand and notarial seal this the 5th day of January, ~~2006~~ ²⁰⁰⁷

My commission expires 1/31/07

Philip S Horn
Notary Public

RECORDED 11 MAR 52

Last Will and Testament

of

Madeleine M. Counts

NORTH CAROLINA
CUMBERLAND COUNTY

I, **Madeleine M. Counts** of Cumberland County, North Carolina do hereby revoke all wills and codicils heretofore made by me, and do make, publish and declare this to be my LAST WILL AND TESTAMENT.

ARTICLE I

FAMILY. My immediate family consists of my children, **Nigel T. Counts, Lindsay P. Counts, Tammy M. Counts, and Sonia Renee Counts.** Throughout this Will, when I say "my children," I mean my children as above-named.

I specifically have not made any provisions for my daughter, **Tammy M. Counts,** for reasons known to my and my family.

ARTICLE II

PAYMENTS OF EXPENSES AND DEBTS. I direct that my funeral expenses, including the costs of a suitable grave marker, the costs of administering my estate and all legal debts allowable as claims against my estate to be paid out of the general funds of my estate.

ARTICLE III

PAYMENT OF TAXES. I direct that all estate, inheritance, succession, transfer or other death taxes imposed by reason of my death upon property passing under or outside of this will and made payable under the laws of the United States, this State or any other state or country be paid out of the general funds of my estate as an administrative expense, without apportionment, except that my Executor shall make such claim as is permitted by law for any such death taxes assessed against my estate.

ARTICLE IV

SPECIFIC BEQUESTS OF PERSONAL PROPERTY.

1. I give and bequeath the sum of \$5,000 (five thousand dollars) to my son, **Lindsay P. Counts,** and my book collection.
2. I give and bequeath the sum of \$5,000 (five thousand dollars) to my daughter, **Sonia Renee Counts:**

Madeleine M. Counts (SEAL)
Page 1 of 4 of the Will of Madeleine M. Counts

3. I give and bequeath the sum of \$5,000 (five thousand dollars) to my grandson **Vernon Wayne Williford II.**
4. I give and bequeath my 5 diamond 14k gold anniversary ring to my niece, **Melinda Gail Sykes.**
5. I give and bequeath my china cabinet to my daughter-in-law, **Susan Counts.**
6. I give and bequeath all of my household furnishings; household utensils, kitchen ware, etc. equally to **Lindsay P. Counts** and **Sonia Renee Counts.**
7. I give and bequeath the mineral right in that certain tract of land of 32 (thirty-two) acres located in Dickenson County, Virginia, to my son **Nigel T. Counts.**

ARTICLE V

SPECIFIC BEQUEST AND DEVISE OF REAL PROPERTY.

I give and bequeath my home located at 807 Faison Avenue, Fayetteville, North Carolina to my son, **Nigel T. Counts** and his wife, **Susan Counts.**

ARTICLE VI

RESIDUE.

All the rest, residue and remainder of my property, both real and personal, of whatsoever kind and wheresoever situated, to **Nigel T. Counts**, or to his living issue, per stirpes, should he predecease me.

ARTICLE VII

PRESUMPTION OF SURVIVAL. If my beneficiary and I shall die under such circumstances as to render it doubtful which of us died first, it shall be conclusively presumed that my beneficiary predeceased me.

ARTICLE VIII

ELIMINATION OF LEGATEE OR DEVISEE. If any legatee or devisee herein named shall institute, cause to be instituted, or voluntarily become a party to any caveat or any other legal proceeding instituted for the purpose of contesting this Will or any part thereof, or otherwise defeating or rendering legally void any portion of any provision herein contained, such legatee or devisee shall take nothing under the terms of this instrument, and shall be excluded from any share or participation in the distribution of my property or the proceeds from the sale thereof, and the portion of such property or proceeds that would otherwise pass to such legatee or devisee shall not

Madeleine M. Counts (SEAL)
Page 2 of 4 of the Will of Madeleine M. Counts

pass to them but shall become a part of my residuary estate and shall pass under the provisions of Article IV thereof.

ARTICLE IX

EXECUTOR. I hereby nominate, constitute and appoint **Nigel T. Counts** as Executor of this my LAST WILL AND TESTAMENT. I hereby give and grant unto my Executor full power and authority to sell any property at public or private sale, with or without advertisement, and without the approval of any court, and to do any act which in his opinion is for the best interest of my estate, and it is my Will and I direct that my said Executor shall not be required to furnish any bond for the faithful performance of his office, any provision of law to the contrary notwithstanding.

In the administration of my estate, I give to my Executor the powers set forth in North Carolina General Statutes Section §28a-13-3 and Section §32-27, subject to Section §32-26, as the same exist on the date of execution of this my Last Will and Testament, which powers are incorporated into this my Last Will and Testament by reference as if fully set forth herein.

If the said **Nigel T. Counts** shall predecease me or for any reason is unable to act as Executor under the terms of this my LAST WILL AND TESTAMENT, I hereby nominate, constitute and appoint my brother, **Harold R. Sykes** to serve as Executor and in such capacity shall possess and exercise all powers and authority herein conferred on my Executor.

Madeleine M. Counts (SEAL)
Page 3 of 4 of the Will of Madeleine M. Counts

ARTICLE X

DEFINITIONS. Throughout this Will the masculine gender shall be deemed to include the feminine, the singular the plural and the plural the singular. Adopted children are included in the terms: "issue," "grandchildren," "descendants," "children" and "next of kin". The paragraph headings are for convenience of reference only and shall not be considered terms of the will.

I, **Madeleine M. Counts**, the testatrix, sign my name to this instrument this 13th day of August, 2007, and being first duly sworn, do hereby declare to the undersigned authority that I sign and execute this instrument as my LAST WILL AND TESTAMENT, and that I sign it willingly, that I execute it as my free and voluntary act for the purposes therein expressed, and that I am eighteen (18) years of age or older, of sound mind, and under no constraint or undue influence.

Madeleine M. Counts (SEAL)
MADELEINE M. COUNTS

WE, C. Douglas Maxwell, Jr. and Kristen A. Reese, the witnesses, sign our names to this instrument, being first duly sworn, and do hereby declare to the undersigned authority that **Madeleine M. Counts**, the testatrix signs and executes this instrument as her LAST WILL AND TESTAMENT and that the testatrix signs it willingly, and that each of us, in the presence and hearing of the testatrix, hereby signs this Will as witness to the testatrix's signing, and that to the best of our knowledge the testatrix is eighteen (18) years or older, of sound mind, and under no constraint or undue influence.

[Signature]
Kristen A Reese

NORTH CAROLINA
CUMBERLAND COUNTY

Subscribed, sworn and acknowledged before me by **Madeleine M. Counts**, the Testatrix, and subscribed and sworn to before me by C. Douglas Maxwell and Kristen A. Reese, the witnesses, this 13th day of August, 2007.

Sue Ann Pennington
Notary Public

SEAL

My commission expires: 3/13/08

Madeleine M. Counts (SEAL)
Page 4 of 4 of the Will of Madeleine M. Counts

LATITUDE 37°07'30

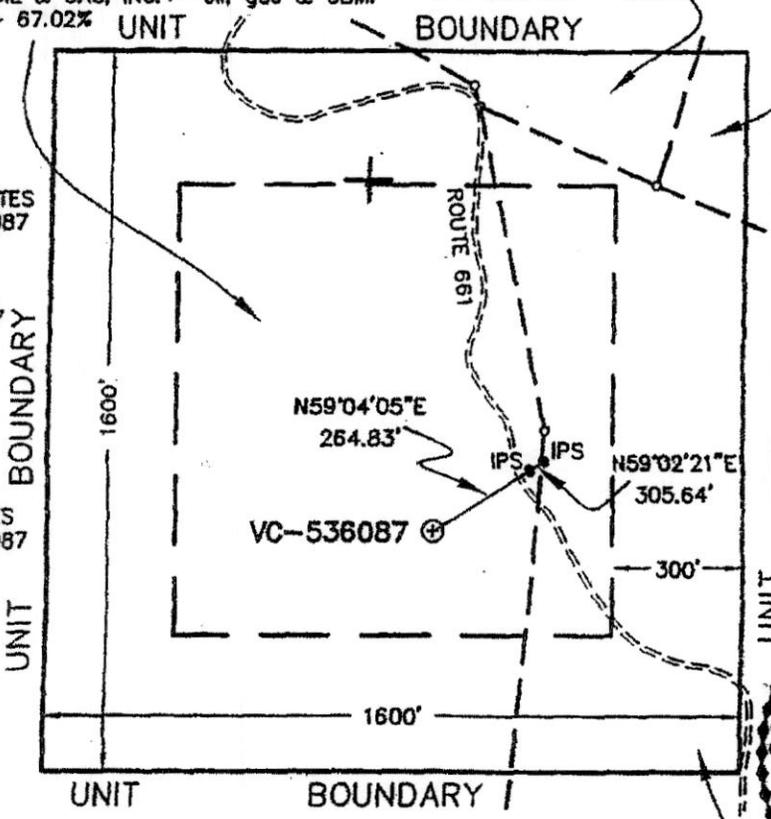
LONGITUDE 82°15'00

5696'

DENOTES SURFACE LINE
DENOTES SURFACE & MINERAL LINES

Lease No. 241490 / T-261
E.S. COUNTS
1500.00 ACRES
PARAMONT LAND COMPANY - surface
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
PINE MOUNTAIN OIL & GAS, INC. - oil, gas & CBM
GAS 39.39 AC. - 67.02%

Lease No. 241710L
JACK COUNTS
32.00 ACRES
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
PINE MOUNTAIN OIL & GAS, INC. - oil, gas & CBM
GAS 2.52 AC. - 4.29%

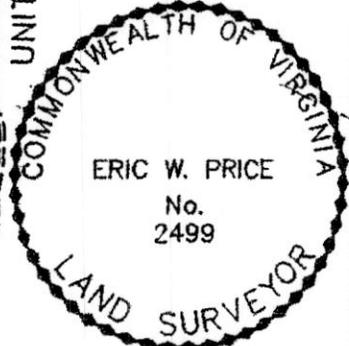


STATE PLANE
NAD 27 COORDINATES
OF WELL VC-536087
304594.90
898227.69
LAT 37.109368
LON -82.279277

CCC COORDINATES
OF WELL VC-536087
N 3429.10
E 30380.64

COORDINATES
OF BENCH MARK
S 77498.41
E 22826.48
ELEV. = 1754.09

Lease No. 241591L
CHARLES B. COUNTS
34.42 ACRES / 140.58 ACRES
CHARLES B. COUNTS, et al -
surface, oil & gas
Lease No. 244792 / TC-180
HAGAN & RASNAKE
1388.30
DICKENSON-RUSSELL COAL
COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN,
LLC/WBRD, LLC - coal
PINE MOUNTAIN OIL & GAS,
INC. - CBM
GAS 1.27 AC. - 2.16%



NOTE !!!
WELL COORDINATES ARE BASED ON CLINCHFIELD
COAL COMPANY'S COORDINATE SYSTEM
CLINCHFIELD COAL COMPANY COORDINATES ARE
CALCULATED FROM STATE PLANE WELL COORDINATES.
PROPERTY INFORMATION PROVIDED BY EQUITABLE
PRODUCTION COMPANY.
ELEVATIONS ARE BASED ON NGS CONTROL ST. PAUL 2.

Lease No. 241490 / T-352
E.J. RASNICK
91.83 ACRES
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
PINE MOUNTAIN OIL & GAS, INC. - oil, gas & CBM
GAS 15.59 AC. - 26.53%

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-536087
TRACT No. LEASE NO. 241490 / T-261 ELEVATION 2187.66 (GPS) QUADRANGLE NORA
COUNTY DICKENSON DISTRICT ERVINTON SCALE: 1" = 400' DATE JUNE 26, 2006
THIS PLAT IS A NEW PLAT x; AN UPDATED PLAT ; OR A FINAL LOCATION PLAT
PROPOSED TOTAL DEPTH OF WELL =

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO
24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.
Eric W. Price 6/26/06 (AFFIX SEAL)
LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

EXHIBIT "B"
VC-536087

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>
<u>Gas Estate Only</u>					
1 TAX ID: 1827731	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241490L T-261	66.940000%	39.3400	<u>0.08367500</u>
	EQT Production Company				<u>0.58572500</u>
Tract 1 Totals			<u>66.940000%</u>	<u>39.3400</u>	<u>0.66940000</u>
2 Tax ID: Not accessed/†	Dickenson County Virginia School Board P.O. Box 1127 Clintwood, VA 24228	Unleased	0.170000%	0.1000	<u>0.00021250</u>
	EQT Production Company				<u>0.00148750</u>
Tract 2 Totals			<u>0.170000%</u>	<u>0.1000</u>	<u>0.00170000</u>
3 TAX ID: 2538, 2537	Madeline Counts, widow* 807 Faison Avenue Fayetteville, NC 28304-1705	Leased-EPC 241710L	4.290000%	2.5200	<u>0.00536250</u>
	EQT Production Company				<u>0.03753750</u>
Tract 3 Totals			<u>4.290000%</u>	<u>2.5200</u>	<u>0.04290000</u>
4 TAX ID: 2506	Charles B. Counts, Jr. and Katherine Counts, H/W 3503 Arden Dr Warren, MI 48092	Leased-EPC 241591L	1.080000%	0.6350	<u>0.00135000</u>
	Cheri Lynn Simonenko 591 White Cabin Road Roscommon, MI 48653-8002	Leased-EPC 241591L	0.270000%	0.1588	<u>0.00033750</u>
	Nicole Connolly and Daniel M. Connolly, W/H 1744 Patterson Ortonville, MI 48462-9217	Leased-EPC 241591L	0.270000%	0.1588	<u>0.00033750</u>
	Connie Godfrey and Bill Godfrey, W/H 1280 West Oro Grand Dr Pueblo West, CO 81007	Leased-EPC 241591L	0.540000%	0.3175	<u>0.00067500</u>
	EQT Production Company				<u>0.01890000</u>
Tract 4 Totals			<u>2.160000%</u>	<u>1.2700</u>	<u>0.02160000</u>
5 TAX ID 1827806	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241490 T-352	26.440000%	15.5400	<u>0.03305000</u>
	EQT Production Company				<u>0.23135000</u>
Tract 5 Totals			<u>26.440000%</u>	<u>15.5400</u>	<u>0.26440000</u>
TOTAL GAS ESTATE			100.000000%	58.7700	1.00000000
Percentage of Unit Leased			99.830000%		
Percentage of Unit Unleased			0.170000%		
Acreage in Unit Leased				58.6700	
Acreage in Unit Unleased				0.1000	

Coal Estate Only

1	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 244792/TC-175	66.940000%	39.3400	<u>0.08367500</u>	RI
	EQT Production Company				<u>0.58572500</u>	
Tract 1 Totals			<u>66.940000%</u>	<u>39.3400</u>	<u>0.66940000</u>	
2	Dickenson County Virginia School Board P.O. Box 1127 Clintwood, VA 24228	Unleased	0.170000%	0.1000	<u>0.00021250</u>	RI
	EQT Production Company				<u>0.00148750</u>	
Tract 2 Totals			<u>0.170000%</u>	<u>0.1000</u>	<u>0.00170000</u>	
3	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC	4.290000%	2.5200	<u>0.00536250</u>	
	EQT Production Company				<u>0.03753750</u>	
Tract 3 Totals			<u>4.290000%</u>	<u>2.5200</u>	<u>0.04290000</u>	
4	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 244792/TC-180	2.160000%	1.2700	<u>0.00270000</u>	
	EQT Production Company				<u>0.01890000</u>	
Tract 4 Totals			<u>2.160000%</u>	<u>1.2700</u>	<u>0.02160000</u>	
5	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241490 T-352	26.440000%	15.5400	<u>0.03305000</u>	
	EQT Production Company				<u>0.23135000</u>	
Tract 5 Totals			<u>26.440000%</u>	<u>15.5400</u>	<u>0.26440000</u>	
TOTAL COAL ESTATE			100.000000%	58.7700	1.00000000	
Percentage of Unit Leased			99.830000%			
Percentage of Unit Unleased			0.170000%			
Acreage in Unit Leased				58.6700		
Acreage in Unit Unleased				0.1000		

* Per Last Will and Testament of Madeline Counts recorded in Dickenson County, VA, interest was transferred to:
Nigel Counts
7825 Laurinburg Rd
Raeford, NC 28376-6951

EXHIBIT EE
536087
 created 02/01/2012

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>SPLIT PERCENTAGE</u>
<u>Gas Estate Only</u>					
3	Nigel Counts* 7825 Laurinburg Rd Raeford, NC 28376-6951	Leased-EPC 241710L	3.217500%	1.8900	75%
4	Charles B. Counts, Jr. and Katherine Counts, H/W 3503 Arden Dr Warren, MI 48092	Leased-EPC 241591L	0.810000%	0.4763	75%
	Cheri Lynn Simonenko 591 White Cabin Road Roscommon, MI 48653-8002	Leased-EPC 241591L	0.202500%	0.1191	75%
	Nicole Connolly and Daniel M. Connolly, W/H 1744 Patterson Ortonville, MI 48462-9217	Leased-EPC 241591L	0.202500%	0.1191	75%
	Connie Godfrey and Bill Godfrey, W/H 1280 West Oro Grand Dr Pueblo West, CO 81007	Leased-EPC 241591L	0.405000%	0.2381	75%
<u>Total Subsequent to RR-PM 75%/25% Split Agreement</u>			4.837500%	2.8426	

Coal Estate Only

3	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC	1.072500%	0.6300	25%
4	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 244792/TC-180	0.540000%	0.3175	25%
<u>Total Subsequent to RR-PM 75%/25% Split Agreement</u>			1.612500%	0.9475	

* Formerly owned by:
Madeline Counts, widow
807 Faison Avenue
Fayetteville, NC 28304-1705

INSTRUMENT #120000757
RECORDED IN THE CLERK'S OFFICE OF
DICKENSON ON
JUNE 5, 2012 AT 10:00AM

RICHARD W. EDWARDS, CLERK
RECORDED BY: CJF

Hagy, Sharon (DMME)

From: VITASHARE System [vitashare@vita.virginia.gov]
Sent: Wednesday, June 13, 2012 3:23 PM
To: Hagy, Sharon (DMME)
Subject: New Transaction E32TW90C63NKPUY4-0005

Transaction details for Sharon Hagy(user shagy_1) _____

Job Id: E32TW90C63NKPUY4-0005

Date: Wed, Jun 13, at 15:22

Transaction Details:

Acknowledge Security Policy: I understand that this system is not intended for sensitive data.

Recipient's Email example- user1@virginia.gov, user2@virginia.gov: ATolman@eqt.com, dldavis@firstbank.com, gloria.clark@dmme.virginia.gov, KShannon@eqt.com, mbarbour@eqt.com, sep@wilhoitandkaiser.com

Message - Describe file attachment: Please see the recorded disbursement orders for the following dockets: 0683-01 0919-02 1325-02 1363-02 1568-02 1716-01 Please let me know if you are unable to download the files. Thank you, Sharon Hagy sharon.hagy@dmme.virginia.gov

Notify me when the file is downloaded?: Yes

Pin: 694089

Files:

- 0683-01_Disbursement.tif
- 0919-02_Disbursement.tif
- 1325-02_Disbursement.tif
- 1363-02_Disbursement.tif
- 1568-02_Disbursement.tif
- 1716-01_Disbursement.tif

View details here

<<http://vitashare.vita.virginia.gov/fcweb/viewJobLink.do?JOBIDX=E32TW90C63NKPUY4>>

Total Estimated File Size: 2132 KB

Total Number of Files: 6

Estimated Upload Time: 00:02:06



8001716 - VC536087

Trade Date 07/03/2012
Settlement Date 07/03/2012
Time Modified 07/02/2012
Description VGOB Docket #06-0919-1716-01
Well: VC536087 Tract 3

Payee Nigel Counts
FBO Nigel Counts
Tax Year 2012
Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29548
Gross Distribution \$6,188.61

Net Distribution \$6,188.61

8001716 - VC536087

Trade Date 07/03/2012
Settlement Date 07/03/2012
Time Modified 07/02/2012
Description VGOB Docket #06-0919-1716-01
Well: VC536087 Tract 3

Payee Nigel Counts
FBO Nigel Counts
Tax Year 2012
Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29548
Gross Distribution \$6,188.61

Net Distribution \$6,188.61

THIS DOCUMENT HAS A MULTI-COLORED FACE THAT CHANGES COLOR GRADUALLY. SEE LIST OF SECURITY FEATURES ON THE BACK. DO NOT CASH UNLESS ALL ARE PRESENT.



TRUST DIVISION
38 E VALLEY DRIVE
BRISTOL, VA 24201
(866) 505-1496

07/03/2012 68-446 514 CHECK NO. 029548

8001716 - VC536087

Six thousand one hundred eighty eight and 61/100 Dollars
PAY TO THE ORDER OF

NIGEL COUNTS
807 FAISON AVENUE
FAYETTEVILLE NC 28304

⑈029548⑈ ⑆051404464⑆ 2001 004 ⑈

Details on back
Security Features Included



8001716 - VC536087

Trade Date 07/03/2012
Settlement Date 07/03/2012
Time Modified 07/02/2012
Description VGOB Docket #06-0919-1716-01
Well: VC536087 Tract 3
Payee Range Resources - Pine Mountain
FBO Range Resources - Pine Mountain
Tax Year 2012
Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29549
Gross Distribution \$2,062.87
Net Distribution \$2,062.87

8001716 - VC536087

Trade Date 07/03/2012
Settlement Date 07/03/2012
Time Modified 07/02/2012
Description VGOB Docket #06-0919-1716-01
Well: VC536087 Tract 3
Payee Range Resources - Pine Mountain
FBO Range Resources - Pine Mountain
Tax Year 2012
Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29549
Gross Distribution \$2,062.87
Net Distribution \$2,062.87

THIS DOCUMENT HAS A MULTI-COLORED FACE THAT CHANGES COLOR GRADUALLY. SEE LIST OF SECURITY FEATURES ON THE BACK. DO NOT CASH UNLESS ALL ARE PRESENT.



TRUST DIVISION
38 E VALLEY DRIVE
BRISTOL, VA 24201
(866) 505-1496

07/03/2012

68-446
514

CHECK NO. 029549

8001716 - VC536087

Two thousand sixty two and 87/100

\$2,062.87
Dollars

PAY TO THE ORDER OF

RANGE RESOURCES - PINE MOUNTAIN
ATTN: JERRY GRANTHAM
PO BOX 2136
ABINGDON VA 24211

[Handwritten signature]

029549 051404464 200 004 711



8001716 - VC536087

Trade Date 07/03/2012
Settlement Date 07/03/2012
Time Modified 07/02/2012
Description VGOB Docket #06-0919-1716-01
Well: VC536087 Tract 4

Payee Charles Bernard Counts
FBO Charles Bernard Counts
Tax Year 2012
Transaction Type Distribution Per Virginia Gas & Oil Board

Check Number 29550
Gross Distribution \$1,559.43

Less:

Net Distribution \$1,559.43

8001716 - VC536087

Trade Date 07/03/2012
Settlement Date 07/03/2012
Time Modified 07/02/2012
Description VGOB Docket #06-0919-1716-01
Well: VC536087 Tract 4

Payee Charles Bernard Counts
FBO Charles Bernard Counts
Tax Year 2012
Transaction Type Distribution Per Virginia Gas & Oil Board

Check Number 29550
Gross Distribution \$1,559.43

Less:

Net Distribution \$1,559.43

THIS DOCUMENT HAS A MULTI-COLORED FACE THAT CHANGES COLOR GRADUALLY. SEE LIST OF SECURITY FEATURES ON THE BACK. DO NOT CASH UNLESS ALL ARE PRESENT.



TRUST DIVISION
38 E VALLEY DRIVE
BRISTOL, VA 24201
(866) 505-1496

07/03/2012

68-446
514

CHECK NO. 029550

8001716 - VC536087

\$1,559.43

One thousand five hundred fifty nine and 43/100

Dollars

PAY TO THE ORDER OF

CHARLES BERNARD COUNTS
3505 ARDEN
WARREN MI 48092

⑈029550⑈ 10514044641 2001 004 7⑈



8001716 - VC536087

Trade Date 07/03/2012

Settlement Date 07/03/2012

Time Modified 07/02/2012

Description VGOB Docket #06-0919-1716-01
Well: VC536087 Tract 4

Payee Range Resources - Pine Mountain

FBO Range Resources - Pine Mountain

Tax Year 2012

Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29552

Gross Distribution \$519.80

Net Distribution \$519.80

8001716 - VC536087

Trade Date 07/03/2012

Settlement Date 07/03/2012

Time Modified 07/02/2012

Description VGOB Docket #06-0919-1716-01
Well: VC536087 Tract 4

Payee Range Resources - Pine Mountain

FBO Range Resources - Pine Mountain

Tax Year 2012

Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29552

Gross Distribution \$519.80

Net Distribution \$519.80

THIS DOCUMENT HAS A MULTI-COLORED FACE THAT CHANGES COLOR GRADUALLY

SEE LIST OF SECURITY FEATURES ON THE BACK. DO NOT CASH UNLESS ALL ARE PRESENT.



TRUST DIVISION
38 E VALLEY DRIVE
BRISTOL, VA 24201
(866) 505-1496

07/03/2012

68-446
514

CHECK NO. 029552

8001716 - VC536087

Five hundred nineteen and 80/100

PAY TO THE ORDER OF

RANGE RESOURCES - PINE MOUNTAIN
ATTN: JERRY GRANTHAM
PO BOX 2136
ABINGDON VA 24211

\$519.80

Dollars

⑈029552⑈ 120544044644 2004 004 7⑈