

*Instrument prepared by:***VIRGINIA GAS AND OIL BOARD***Order recorded under:***CODE OF VIRGINIA  
§ 45.1-361.26**

BEFORE THE VIRGINIA GAS AND OIL BOARD

**RELIEF SOUGHT:** An Order for Disbursement of Escrowed Funds**JURISDICTION:** *Code of Virginia* § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: 825694  
 TRACT(S): Tracts 1 & 2  
 LOCATION: Buchanan County, Virginia

**DOCKET NUMBER:** VGOB-06-1017-1749-01**APPLICANTS:** Range Resources-PMI on behalf of Michael Kauble, Trustee of the may Sue Heirs Trust and Range Resources-Pine Mountain, Inc..**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
November 15, 2011**APPEARANCES:** James Kaiser on behalf of Range Resources-PMI, Sharon Pigeon, Sr. Assistant Attorney General representing the Board..**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 04/17/2007 (Chesapeake Appalachia), Recorded on 04/30/2007, Instrument No. 070001685
2. Supplemental Order Executed 01/15/2008 (Chesapeake Appalachia) , Recorded on 01/23/2008, Instrument No. 080000260.
3. Amended Supplemental Order Executed 11/06/2008 (Chesapeake Appalachia), Recorded on 11/12/2008, Instrument No. 080004223
4. A transfer of unit operator took place changing Designated Unit Operator to Range Resources.

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the November 15, 2011 hearing and consider whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract 1 & 2 identified in the attached miscellaneous petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tracts 1 & 2 relative to the interests of the Applicants identified in the attached miscellaneous petition. Chesapeake Appalachia had found the owner and started paying direct but had not come to the Board to release funds. Range Resources, the new unit operator recognized the funds were still in escrow and needed to be released.
- (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 original petition escrowed the May Sue Heirs as unknown owners of the gas for the subject drilling unit.
2. Further due diligence found that the May Sue Heirs were in a trust administered by Michael Kauble, Trustee. Proper documentation was submitted to the operator to verify same..
3. Range Resources requests that all money which is in escrow for this docket be released as shown in Table 1 attached to this order.

| VGOB Approved Disbursement                  |               | Fractional  | Net Acreage                                 | Royalty   | Escrowed  | Percent of     |         |          |
|---|---------------|---|---|-----------|-----------|----------------|---------|----------|
| 825694                                      |               | Ownership   | Ownership                                   | Split     | Acres     | Escrowed Funds |         |          |
|   |               | in Tract  | in Tract                                    | Agreement | Disbursed | Disbursed      |         |          |
| TABLE 1                                     |               |   |   |           |           |                |         |          |
| Tract 2                                     |               |   |   |           |           |                |         |          |
| Item  | Tract         | Disbursement Table                                  |   |           |           |                |         |          |
| Total acreage in escrow before disbursement |               |   |   |           | 15.8500   |                |         |          |
| 1   | Tract 1 Total |   |   |           |           | 11.46          |         |          |
| 1   | 1             | Michael Kauble, Trustee of the May Sue Harris Trust | 525 White Cottage Rd., N., Angwin, CA 94508 |           | 11.4600   | 100.0%         | 11.4600 | 72.3028% |
|   | 2             | Tract 2 Total                                       |   |           |           |                | 4.39    |          |
| 2   | 2             | Michael Kauble, Trustee of the May Sue Harris Trust | 525 White Cottage Rd., N., Angwin, CA 94508 |           | 4.3900    | 100.0%         | 4.3900  | 27.6972% |

**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.**

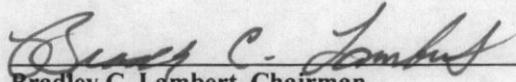
**APPEALS:**

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.

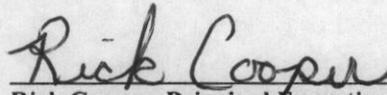
**Effective Date:**

**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.

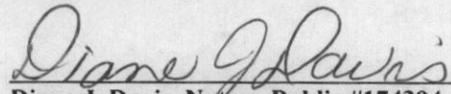
  
Bradley C. Lambert, Chairman  
Virginia Gas and Oil Board

DONE AND PERFORMED this 17<sup>th</sup> day of APRIL, 2012 BY Order of the Virginia Gas and Oil Board.

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

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL)

Acknowledged on this 17<sup>th</sup> 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, Notary Public #174394

My commission expire: 09/30/2013



Subst 7-A

(revised 11/15/2011)

\$ 2,060.39

| Tract | VGOB-06/10/17-1749<br>825694                        | Disbursement Table | Acreage Interest<br>Disbursed | Split Agreement | Escrowed Acres<br>Total | % of<br>Escrowed Funds | Disbursement \$<br>As of 9/30/2011 |
|-------|---|--------------------|-------------------------------|-----------------|-------------------------|------------------------|------------------------------------|
|       |   | Totals             |                               |                 | 15.84622300             |                        |                                    |
| 1     | Michael Kauble, Trustee of the May Sue Harris Trust |                    | 11.45866700                   | 100%            | 11.45866700             | 72.31166064            | \$ 1,489.90                        |
| 2     | Michael Kauble, Trustee of the May Sue Harris Trust |                    | 4.387556                      | 100%            | 4.387556                | 27.68833936            | \$ 570.49                          |

Beginning Acreage in Escrow 15.84622300  
 Acreage Disbursed -15.84622300  
 0



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: Range Resources-PMI on behalf of May Sue Harris Trust, Trustee: Michael Kauble.

DOCKET NUMBER: VGOB 06/10/17-1749-01

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds on behalf of May Sue Harris Trust, Trustee: Michael Kauble.

LEGAL DESCRIPTIONS: Drilling Unit Number 825694 created by Board Order Dated April 17, 2007, VGOB 06/10/17-1749 in Buchanan County, Virginia.

HEARING DATE: November 15, 2011

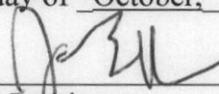
MISCELLANEOUS PETITION

1. Party: Applicants herein are May Sue Harris Trust, Trustee: Michael Kauble, (hereinafter "Plaintiffs), whose address is 525 White Cottage Road North, Angwin, CA 94508.
2. Facts:
  - a. Range Resources-PMI was designated as the Operator and Applicants interests were Pooled in the 825694 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on April 17, 2007, pursuant to Docket No. VGOB 06/10/17-1749 and recorded in the Circuit Court Clerk's Office Buchanan County, Virginia on April 30, 2007, Instrument #: 70001685 (hereinafter "Order").
  - b. The Order and Supplemental Order required the Escrow Agent named and appointed therein to establish an interest-bearing escrow account for funds pertaining to the above-referenced Unit and subject to escrow pursuant to the terms of the Order.
  - c. The Order and Supplemental Order further required the Operator to deposit bonus and royalty payments with the Escrow agent which could not be made because the person(s) entitled hereto could not be made certain due to conflicting claims of ownership.
  - d. Range Resources-Pine Mountain, Inc. was a conflicting claimant with the above-listed Plaintiffs with regard to Tracts 1&2 as created by Board Order as VGOB 06/10/17-1749 is the applicable Tracts.

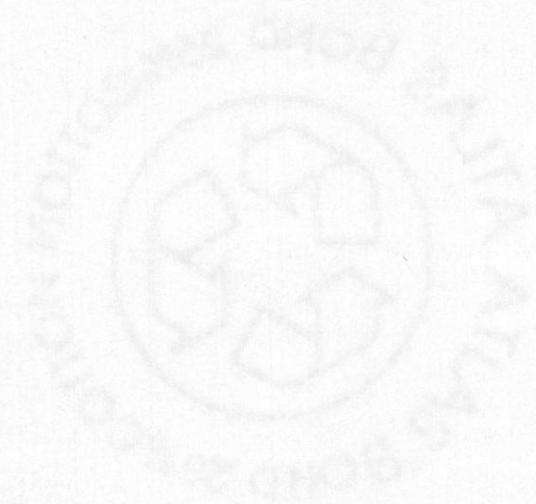
- e. The amounts deposited with the Escrow Agent regarding the Unit need to be determined and distributed accordingly.
- f. Any escrow amount, not yet deposited into the escrow account, held by Operator should also be determined, and distributed to Applicants/Plaintiffs herein, accordingly.
- g. Applicants/Plaintiffs 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 14th day of October, 2011.

By:   
Petitioner

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



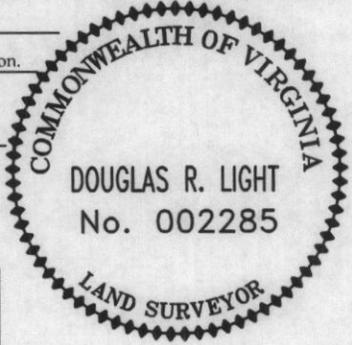
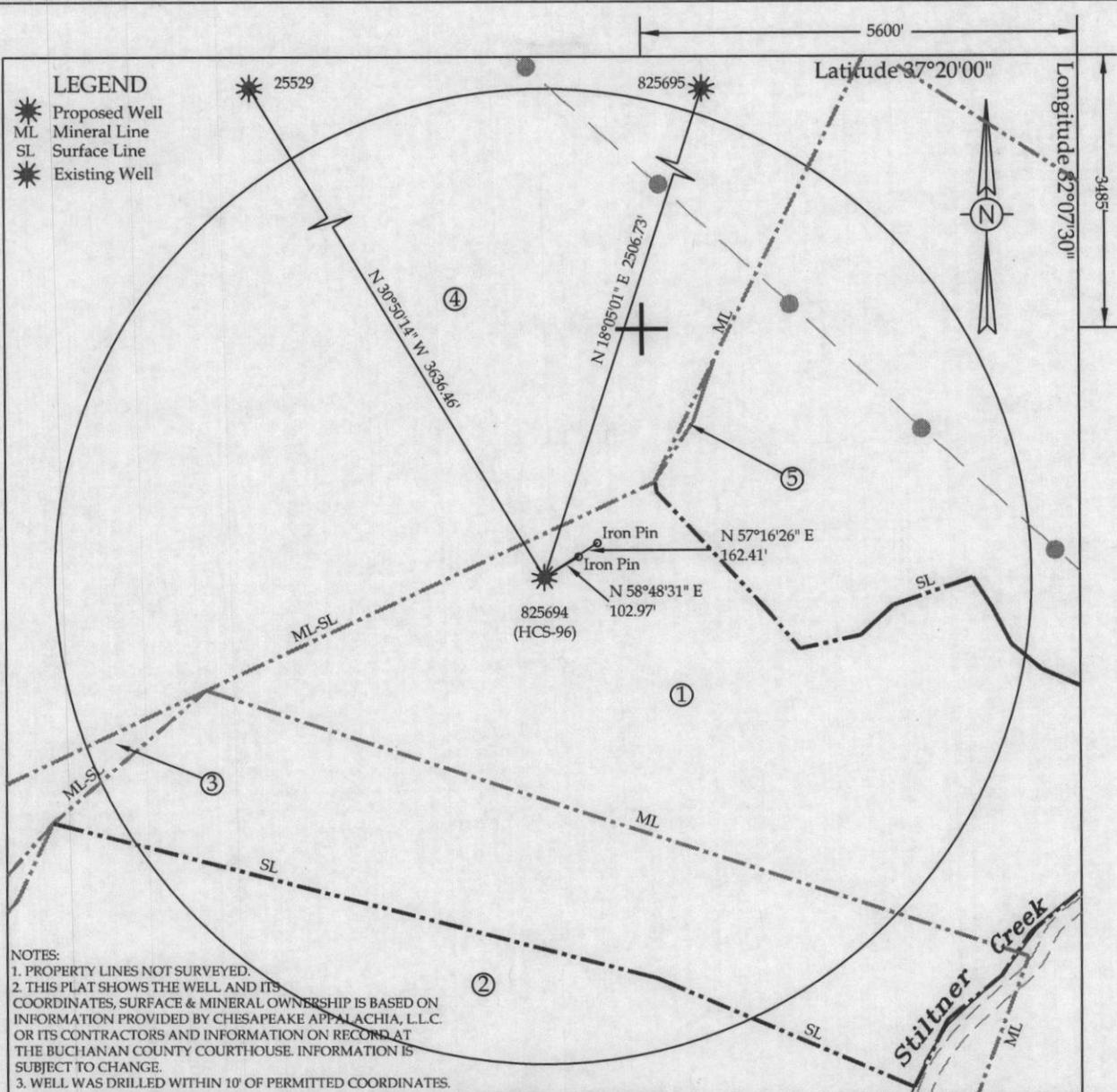


**CERTIFICATE**

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.

A handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be the name "John".

Petitioner



Range Resources - Pine Mountain, Inc. certifies that, to the best of its knowledge, information and belief, the original plat by Douglas R. Light is correct and accurate "as-drilled" but for the change of operator name. Range Resources - Pine Mountain, Inc. is the new operator of the asset and accepts and assumes any and all regulatory and statutory liability attached thereto with the transfer of the this permit.

**Exhibit "EE"**  
**825694**

| <b>Tract</b>           | <b>Lessor</b>   | <b>Interest<br/>Within Unit</b> | <b>Gross<br/>Acreage in<br/>Unit</b> |
|------------------------|---|---------------------------------|--------------------------------------|
| <b>Gas Estate Only</b> |   |                                 |                                      |
| 1                      | Michael Kauble<br>Trustee of the May Sue Harris Trust<br>525 White Cottage Road North<br>Angwin, CA 94508 | 10.16830800                     | 11.45866700                          |
| 2                      | Michael Kauble<br>Trustee of the May Sue Harris Trust<br>525 White Cottage Road North<br>Angwin, CA 94508 | 3.893474                        | 4.387556                             |

INSTRUMENT #120001093  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
JUNE 4, 2012 AT 02:31PM

BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB

## Hagy, Sharon (DMME)

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**From:** VITASHARE System [vitashare@vita.virginia.gov]  
**Sent:** Wednesday, June 13, 2012 3:27 PM  
**To:** Hagy, Sharon (DMME)  
**Subject:** New Transaction J4N38L6XRQYWGEIX-0003

Transaction details for Sharon Hagy(user shagy\_1) \_\_\_\_\_

Job Id: J4N38L6XRQYWGEIX-0003

Date: Wed, Jun 13, at 15:26

### 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: dldavis@firstbank.com, gloria.clark@dmme.virginia.gov, phorn@rangeresources.com, sep@wilhoitandkaiser.com

Message - Describe file attachment: Please see the recorded disbursement for docket 1749-01. Let me know if you are unable to download the file. Thanks, Sharon Hagy

Notify me when the file is downloaded?: Yes

Pin: 001381

### Files:

1749-01\_Disbursement.tif

View details here

<<http://vitashare.vita.virginia.gov/fcweb/viewJobLink.do?JOBIDX=J4N38L6XRQYWGEIX>>

Total Estimated File Size: 147 KB

Total Number of Files: 1

Estimated Upload Time: 00:00:37

**First Bank & Trust Company**  
8001749 - 825694  
Wealth Management Group  
Trade Date 06/20/2012

Settlement Date 06/20/2012  
Time Modified 06/20/2012  
Description VGOB Docket #06-1017-1749-01  
Well: 825694 Tract 2  
Payee May Sue Harris Trust  
FBO May Sue Harris Trust  
Tax Year 2012  
Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29356  
Gross Distribution \$570.67  
  
Net Distribution \$570.67

8001749 - 825694  
Trade Date 06/20/2012  
Settlement Date 06/20/2012  
Time Modified 06/20/2012  
Description VGOB Docket #06-1017-1749-01  
Well: 825694 Tract 2  
Payee May Sue Harris Trust  
FBO May Sue Harris Trust  
Tax Year 2012  
Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29356  
Gross Distribution \$570.67  
  
Net Distribution \$570.67

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.

**First Bank & Trust Company**  
Wealth Management Group

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

06/20/2012

68-446  
514

CHECK NO. 029356

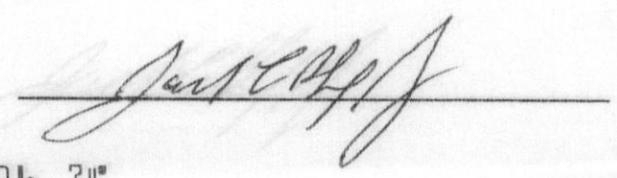
8001749 - 825694

Five hundred seventy and 67/100

\$570.67  
Dollars

PAY TO THE ORDER OF

MAY SUE HARRIS TRUST  
MICHAEL KAUBLE TRUSTEE  
PO BOX 769  
ANGWIN CA 94508



⑈029356⑈ ⑆051404464⑆ 2001 004 7⑈

**First Bank & Trust Company**  
8001749 - 825694  
*Wealth Management Group*

Trade Date 06/20/2012  
Settlement Date 06/20/2012  
Time Modified 06/20/2012  
Description VGOB Docket #06-1017-1749-01  
Well: 825694 Tract 1  
Payee May Sue Harris Trust  
FBO May Sue Harris Trust  
Tax Year 2012  
Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29354  
Gross Distribution \$1,489.72  
  
Net Distribution \$1,489.72

3001749 - 825694

Trade Date 06/20/2012  
Settlement Date 06/20/2012  
Time Modified 06/20/2012  
Description VGOB Docket #06-1017-1749-01  
Well: 825694 Tract 1  
Payee May Sue Harris Trust  
FBO May Sue Harris Trust  
Tax Year 2012  
Transaction Type Distribution Per Virginia Gas & Oil Board

Less:

Check Number 29354  
Gross Distribution \$1,489.72  
  
Net Distribution \$1,489.72

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**First Bank & Trust Company**  
*Wealth Management Group*

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

06/20/2012

68-446  
514

CHECK NO. 029354

8001749 - 825694

\$1,489.72

One thousand four hundred eighty nine and 72/100

Dollars

PAY TO THE ORDER OF

MAY SUE HARRIS TRUST  
MICHAEL KAUBLE TRUSTEE  
PO BOX 769  
ANGWIN CA 94508

⑈029354⑈ ⑆051404464⑆ 2001 004 7⑈