

130001267

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB 10/06/15-2722

ELECTIONS, UNIT: VCI-539006

(hereinafter "Subject Drilling Unit").

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on November 3, 2010, and recorded in Instrument # 100003099 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on November 17, 2010, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
 - (a) The Board Order directed EQT Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
 - (b) The designated operator filed its affidavit of mailing dated December 10, 2010, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
 - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the

Designated Operator has filed its affidavit dated June 28, 2012, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
 - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Bank & Trust Company, Trust Division, 38 E. Valley Drive, Bristol, VA 24201 (276) 466-9222, Attn: Debbie Davis, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company, Trust Division, 38 E. Valley Drive, Bristol, VA 24201 (276) 466-9222, Attn: Debbie Davis, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 2 day of June, 2013 by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 2nd 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, that he executed the same and was authorized to do so.



Diane J. Davis
Diane J. Davis, Notary Public
174394

My Commission expires: September 30, 2013

DONE AND PERFORMED this 11 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 2nd day of June, 2013, personally before me a notary public in and for the Commonwealth of Virginia, 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 he executed the same and was authorized to do so.

Diane J. Davis
Diane J. Davis, Notary Public
174394

My Commission expires: September 30, 2013



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of EQT Production Company, for Forced Pooling of Interests in Unit Number VCI-539006 VGOB Docket No. VGOB-10/06/15-2722 in the Prater Magisterial District of Buchanan County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of *WILHOIT & KAISER*, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on November 3, 2010, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on November 17, 2010.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow as either unknown claimants or conflicting claimants under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

See Exhibit E

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.

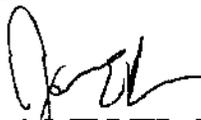
NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

See Exhibit B-3

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said *annexed supplemental order* sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 28th day of June, 2012.



Affiant

State of Tennessee)
County of Sullivan)

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of EQT Production Company, a corporation, on behalf of the corporation, this 28th day of June, 2012.



My commission expires: October 24, 2012.

Well Coordinates: (Geographic N27)
37.152016° -82.158725°

Latitude 37° 10' 00"

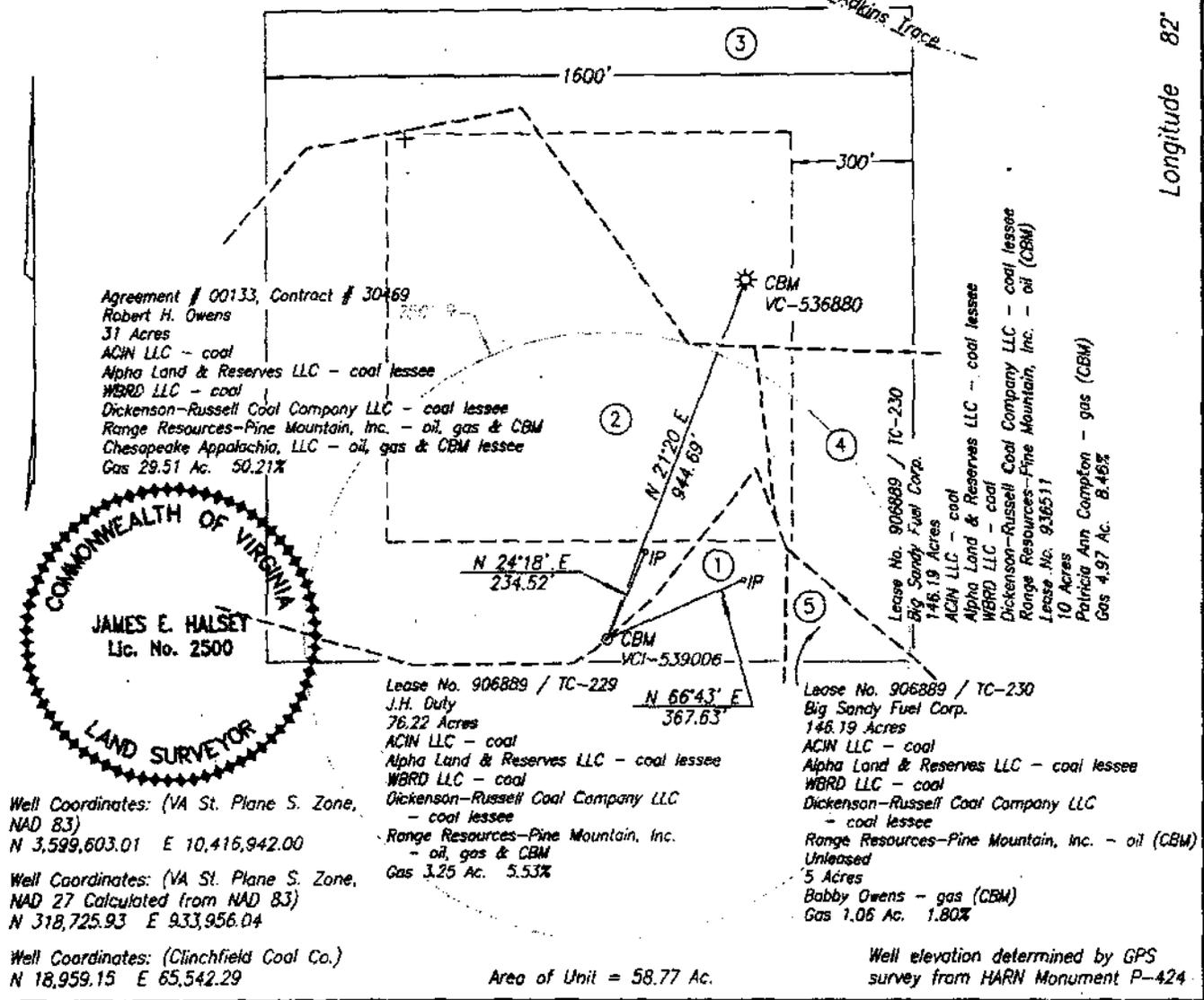
Note 1: The boundary lines shown hereon are based on deeds, plats and maps of record and do not depict a current boundary survey. The property ownership information was provided by EQT Production Company.

Note 2: The well will be drilled within 10' of the permitted coordinates.

Lease No. 906889 / T2-42
A.B. Nichols, et al.
2,088.22 Acres
Heartwood Forestland Fund IV, L.P. - surface
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - oil (CBM)
Unleased
Gaffie Friend Trustee of the Estate of Yellow Poplar Lumber Co. - gas (CBM)
Gas 19.98 Ac. 34.00%

5,350'

Longitude 82° 07' 30"



Agreement # 00133, Contract # 30469
Robert H. Owens
31 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - oil, gas & CBM
Chesapeake Appalachia, LLC - oil, gas & CBM lessee
Gas 29.51 Ac. 50.21%

COMMONWEALTH OF VIRGINIA
JAMES E. HALSET
Lic. No. 2500
LAND SURVEYOR

Lease No. 906889 / TC-229
J.H. Duly
76.22 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - oil, gas & CBM
Gas 3.25 Ac. 5.53%

Lease No. 906889 / TC-230
Big Sandy Fuel Corp.
146.19 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - oil (CBM)
Unleased
5 Acres
Bobby Owens - gas (CBM)
Gas 1.06 Ac. 1.80%

Well Coordinates: (VA St. Plane S. Zone, NAD 83)
N 3,599,603.01 E 10,416,942.00
Well Coordinates: (VA St. Plane S. Zone, NAD 27 Calculated from NAD 83)
N 318,725.93 E 933,956.04
Well Coordinates: (Clinchfield Coal Co.)
N 18,959.15 E 65,542.29

Area of Unit = 58.77 Ac.

Well elevation determined by GPS survey from HARN Monument P-424

WELL LOCATION PLAT (Nora Grid AO-78)

COMPANY EQT Production Company WELL NAME AND NUMBER VCI-539006
TRACT NO. Le. No. 906889/TC-229 ELEVATION 2,004.65' QUADRANGLE Prater
COUNTY Buchanan DISTRICT Prater SCALE 1" = 400' DATE 3-25-2010

This Plat is a new plat x; an updated plat ; or a final location plat
+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

James E. Halset
Licensed Professional Engineer or Licensed Land Surveyor

EXHIBIT "B"
VCI-539006

<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	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-229	5.530000%	3.2500
2	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Chesapeake Appalachia, LLC., Lessee ATTN: Mike Rossiter 6100 N Western Avenue Oklahoma City, OK 73118	Leased Agreement Number 30469 with Chesapeake, LLC	50.210000%	29.5100
3	Gallie Friend, Trustee of the Estate of Yellow Poplar Lumber Company Unknown/Unlocatable	Unleased	34.000000%	19.9800
4	Patricia Ann Compton, widow 8240 Beatrice Westland, MI 48185-1870	Leased 936511	8.460000%	4.9700
5	Bobby Owens Unknown/Unlocatable	Unleased	1.800000%	1.0600
	TOTAL GAS ESTATE		100.000000%	55.5200
	Percentage of Unit Leased		64.200000%	
	Percentage of Unit Unleased		35.800000%	
	Acreage in Unit Leased			34.4800
	Acreage in Unit Unleased			21.0400

EXHIBIT "B"
VCI-539006

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
		<u>Coal Estate Only</u>		
1	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-229	5.530000%	3.2500
2	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Chesapeake Appalachia, LLC., Lessee ATTN: Mike Rossiter 6100 N Western Avenue Oklahoma City, OK 73118	Leased Agreement Number 30469 with Chesapeake, LLC	50.210000%	29.5100
3	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 T2-42	34.000000%	19.9800
4	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-230	8.460000%	4.9700
5	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-230	1.800000%	1.0600
	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 "B-3"
VCI-539006**

<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	Gallie Friend, Trustee of the Estate of Yellow Poplar Lumber Company UnknownUnlocatable	Unleased	34.000000%	19.9800
5	Bobby Owens UnknownUnlocatable	Unleased	1.800000%	1.0800
TOTAL UNLEASED			35.800000%	21.0400

EXHIBIT "E"
VCI-539006

<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	Gallie Friend, Trustee of the Estate of Yellow Poplar Lumber Company Unknown	Unleased	34.000000%	19.9800
4	Patricia Ann Compton, widow 8240 Beatrice Westland, MI 48185-1870	Leased 936511	8.460000%	4.9700
5	Bobby Owens Unknown/Unlocatable	Unleased	1.800000%	1.0600
Total Gas Estate			44.260000%	26.0100
<u>Coal Estate Only</u>				
3	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 T2-42	34.000000%	19.9800
4	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-230	8.460000%	4.9700
5	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-230	1.800000%	1.0600
Total Coal Estate			44.260000%	26.0100

INSTRUMENT #130001267
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JULY 11, 2013 AT 01:55PM

BEVERLY S. TILLER, CLERK
RECORDED BY: #XB