

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

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>	)	VIRGINIA GAS
		)	AND OIL BOARD
RELIEF SOUGHT:	(1) ESTABLISHMENT OF THE DRILLING	)	
	UNIT DEPICTED IN <b>EXHIBIT A</b> HERETO	)	DOCKET NO.
	AND SERVED BY WELL NO. <u>900035</u>	)	<u>VGOB-12-0313-3046</u>
	<b>containing 112.69 acres</b>	)	
	(herein "Subject Drilling Unit")	)	
	PURSUANT TO VA. CODE § 45.1-361.20;	)	
	(2) POOLING OF INTERESTS IN	)	
	SUBJECT DRILLING UNIT PURSUANT TO	)	
	VA. CODE § 45.1-361.21, FOR THE	)	
	PRODUCTION OF GAS OTHER THAN	)	
	COALBED METHANE GAS FROM SUBJECT	)	
	FORMATIONS (herein referred	)	
	to as " <b>Conventional Gas</b> " or "Gas");	)	
	and (3) DESIGNATE THE APPLICANT	)	
	AS THE UNIT OPERATOR FOR THE	)	
	SUBJECT DRILLING UNIT	)	
		)	
LEGAL DESCRIPTION:		)	
		)	
	DRILLING UNIT SERVED BY WELL NUMBERED	)	
	<u>900035</u> TO BE DRILLED IN	)	
	THE LOCATION DEPICTED ON <b>EXHIBIT A</b> HERETO,	)	
	<b>Big Sandy Fuel Corporation Tract</b>	)	
	<b>4,141.88 acres</b>	)	
	<b>HAYSI QUADRANGLE</b>	)	
	<b>SANDLICK DISTRICT</b>	)	
	<b>DICKENSON COUNTY, VIRGINIA</b>	)	
	(the "Subject Lands" are more particularly	)	
	described on <b>Exhibit A</b> attached hereto	)	
	and made a part hereof)	)	
		)	
TAX MAP IDENTIFICATION NUMBERS:		)	
		)	
	TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS	)	
	AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBIT(S)	)	
	<u>B-3</u> WHICH IS/ARE ATTACHED TO AND A PART OF	)	
	THIS ORDER.	)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m. March 13, 2012**, at the Russell County Office Building, Highland Drive, Lebanon, Virginia.

2. Appearances: **Timothy E. Scott** appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code § 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of the Application filed herein; and (3) that the persons set forth in their Application and Notice of Hearing have been identified by Applicant through its due diligence as Owners or Claimants of Conventional Gas interests underlying Subject Drilling Unit, including those set out in **Exhibit B-3** who have not heretofore leased, sold or voluntarily agreed with the Applicant to pool their Gas interests in Subject Drilling Unit. Unknown and/or Unlocatable Owners/Claimants in the Subject Drilling Unit are listed on **Exhibit E**. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19 B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of due process.
4. Amendments: Exhibits B and B-3.
5. Dismissals: Alan Markum, Virginia Treadway, Betty Morefield and Stanley Morefield, Sherri Lynn Bass, Sue Blankenship, Carolyn Arrington Smith, Lew Wallace Friend.
6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.20, the Board establish Subject Drilling Unit to be served by **Well No. 900035**; and (2) that pursuant to Va. Code § 45.1-361.21, the Board pool the rights, interests and estates in and to the Conventional Gas of the known and unknown persons listed in the attached **Exhibit B-3**, and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Conventional Gas from the Subject Drilling Unit established for Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "Well Development and/or Operation in the Subject Drilling Unit"); and, (3) that the Board designate **Range Resources-Pine Mountain, Inc.** as Unit Operator.
7. Relief Granted: The requested relief in this cause shall be and hereby is granted.
- 7.1 The Board hereby: (1) establishes Subject Drilling Unit pursuant to Va. Code § 45.1-361.20; (2) pursuant to Va. Code § 45.1-361.21 C 3, designates **Range Resources-Pine Mountain, Inc.** (hereinafter "Unit Operator") as the Operator authorized to drill and operate **Well No. 900035** in the Subject Drilling Unit at the location depicted on the plat attached hereto as **Exhibit A** to produce Conventional Gas from Subject Formations, subject to the permit provisions contained in § 45.1-361.27 *et seq.*, Code of Virginia, 1950 as amended, to § 4 VAC 25-150 *et seq.*, Gas and Oil Regulations and to § 4 VAC 25-160 *et seq.*, Virginia Gas and Oil Board Regulations, all as amended from time to time; and (3) pursuant to Va. Code § 45.1-361.21A, the rights, interests, and estates in and to the Conventional Gas in Subject Drilling Unit including those of the known and unknown persons listed on **Exhibit B-3**, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns, and successors, both immediate and remote, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands. There are no applicable field rules and the unit is subject to statewide spacing requirements of Va. Code § 45.1-361.17.
8. Election and Election Period: In the event any Gas owner named in the Application and Notice of Hearing has not heretofore reached a voluntary agreement to share in the operation of the well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said Gas owner and the

Operator, then, such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date of receipt of a copy of this Order. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed his written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

- 9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in **Exhibit B-3** who has not reached a voluntary agreement with the Operator may elect to participate in the Well Development and Operation on the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the Well Development and Operation, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Completion-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs: **\$595,732.00**

Any gas owner and/or claimants named in **Exhibit B-3**, who elects this option (Option 1) understands and agrees that their initial payment under this option is for their proportionate share of the Applicant's estimate of actual costs and expenses. It is also understood by all persons electing this option that they are agreeing to pay their proportionate share of the actual costs and expenses as determined by the operator in this Board Order.

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's "Percent of Unit" times the Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Completed-for-Production Cost as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the Well Development and Operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in **Exhibit B-3** in the unit who has not reached a voluntary agreement with the Operator may elect to accept a cash bonus consideration of **\$30.00** per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Gas produced from any Well Development and Operation covered by this Order multiplied by the Gas owner's percentage Interest Within Unit as set forth in the Application and Notice of Hearing (for purposes of this Order, net proceeds shall be actual proceeds

received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within one hundred twenty (120) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this Order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing Gas owner in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any Well Development and Operation covered hereby and such electing person shall be deemed to and hereby does lease and assign its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the Well Development and Operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any Gas Owner or Claimant named in **Exhibit B-3** hereto who does not reach a voluntary agreement with the Operator may elect to share in the Well Development and Operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator"] so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. Any Gas Owner and/or Claimant named in **Exhibit B-3** who elects this option (Option 3) understands and agrees that Completed-for-Production Costs are the Operator's actual costs for well development and operation. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which his interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in **Exhibit B-3** hereto does not reach a voluntary agreement with the Applicant and fails to do so within the time, in the manner, and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed Well Development and Operation in Subject Drilling Unit and shall be deemed, subject to any final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to Gas in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in **Exhibit B-3** elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within one hundred twenty (120) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in **Exhibit B-3** is unable to reach a voluntary agreement to share in the Well Development and Operation contemplated by this Order at a rate of payment agreed to mutually by said Owner or Claimant and the Applicant, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the Well Development and Operation in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Applicant such person's right, interests, and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections.

13. Unit Operator (or Operator): **Range Resources-Pine Mountain, Inc.** shall be and hereby is designated as Unit Operator authorized to drill and operate **Well No. 900035** in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code § 45.1-361.27 *et seq.*, §§ 4 VAC 25-150 *et seq.*, Gas and Oil Regulations and §§ 4 VAC 25-160 *et seq.*, Virginia Gas and Oil Board Regulations, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

**Range Resources-Pine Mountain, Inc.**  
**406 West Main Street**  
**P. O. Box 2136**  
**Abingdon, VA 24212**  
**Phone: (276) 619-2583**  
**Fax: (276) 628-7246**  
**Attn: Philip S. Horn, Land Manager**

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the well covered hereby within seven hundred and thirty (730) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which the well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the two-year period referenced herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating the well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions: Applicant has represented to the Board that there **are** Unknown and/or Unlocatable Gas Owners within the Subject Drilling Unit whose interests are subject to the escrow requirements of Paragraph 16.1 of the Subject Drilling Unit; and, the Applicant has represented to the Board that there **are no** conflicting claimants in the Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.2 hereof. Therefore, by this Order and unless and until otherwise ordered by the Board, the Escrow Agent named herein, or any successor named by the Board, **is** required to establish an interest-bearing escrow account for **Tracts 8 and 15 representing 3.27236667%** of the Subject Drilling Unit (herein "Escrow Account"), and to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described in Paragraphs 16.1 and 16.2:

Debbie Davis, Trust Officer  
First Bank & Trust Company  
38 East Valley Drive  
Bristol, VA 24201

16.1 Escrow Provisions for Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment or other payment shall not be commingled with any funds of the Unit Operator and shall, pursuant to Va. Code § 45.1-361.21 D, be deposited by the Operator into the Escrow Account, commencing within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of,

and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to order of the Board in accordance with Va. Code § 45.1-361.21 D.

- 16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to Unit Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.1-361.22 A 2, 45.1-361.22 A 3 and 45.1-361.22 A 4, be deposited by the Operator into the Escrow Account within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.
17. Special Findings: The Board specifically and specially finds:
- 17.1. Applicant is **Range Resources-Pine Mountain, Inc.** Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 17.2. Applicant **Range Resources-Pine Mountain, Inc.** is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;
- 17.3. Applicant **Range Resources-Pine Mountain, Inc.** claims ownership of Gas leases on **88.73658929%** percent of Subject Drilling Unit and the right to explore for, develop, and produce Gas from same;
- 17.4. Applicant has proposed the drilling of **Well No. 900035** to a depth of **5,430** feet on the Subject Drilling Unit at the location depicted on **Exhibit A** to develop the pool of Gas in Subject Formations, and to complete and operate **Well No. 900035** for the purpose of producing Conventional Gas.
- 17.5. The estimated production of the life of the proposed **Well No. 900035** is **500 mmcf**.
- 17.6. With this Application, notice was provided to everyone claiming an ownership interest relative to the production of conventional gas in the Subject Drilling Unit. Set forth in **Exhibit B-3**, is the name and last known address of each Owner or Claimant identified by the Applicant as Gas owners in Subject Drilling Unit who has not, in writing, leased to the Applicant or the Unit Operator or agreed to voluntarily pool his interests in Subject Drilling Unit for its development. Gas interests unleased to the Operator and listed in **Exhibit B-3** represent **11.26341071%** percent of Subject Drilling Unit;
- 17.7. Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in the Wells are those options provided in Paragraph 9 above;
- 17.8. The Subject Drilling Unit does not constitute an unreasonable or arbitrary exercise of Applicant's right to explore for or produce Gas;
- 17.9. The relief requested and granted is just and reasonable, is supported by substantial

evidence and will afford each person listed and named in **Exhibit B-3** hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Conventional Gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt by the Unit Operator to each Respondent named in **Exhibit B-3** pooled by this Order and whose address is known.

19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED**.

21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.

22. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 9<sup>th</sup> day of January, 2013, by a majority of the Virginia Gas and Oil Board.

*Bradley C. Lambert*  
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 9<sup>th</sup> day of January, 2013, by Order of the Board.

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

STATE OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 9<sup>th</sup> day of January, 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 Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

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

My commission expires: September 30, 2013



**Exhibit "B"**  
**900035 Revised 3/6/2012**

<b>Tract</b>	<b>Lessor</b>	<b>Lease Status</b>	<b>Interest Within Unit</b>	<b>Gross Acreage in Unit</b>
<b>Gas Estate Only</b>				
1	Range Resources - Pine Mountain, Inc. Attn: Jerry Grantham PO Box 2136 Abingdon, VA 24212 Tax ID # - 20117	Owner	56.81000000	64.02000000
2	Range Resources - Pine Mountain, Inc. Attn: Jerry Grantham PO Box 2136 Abingdon, VA 24212 Tax ID # - 20128	Owner	7.30000000	8.23000000
3	Michael Bruce Markum AKA Freeman Lee Wood Haysi Regional Jail PO Box 535 Haysi, VA 24256 Tax ID # - 8560	Leased	2.19000000	2.47000000
4	Danny Lee Fuller 651 Little Rock House Rd Haysi, VA 24256 Tax ID # -7106	Leased	3.82000000	4.30000000
5	Danny Lee Fuller 651 Little Rock House Rd Haysi, VA 24256 Tax ID # -7092	Leased	0.96000000	1.08000000
6	Michael B Fuller 202 Noah Belle Lane Haysi, VA 24256 Tax ID # -13461	Leased	4.76000000	5.37000000
7	Ray R & Carolyn Sue Wolford PO Box 220 Breaks, VA 24607 Tax ID # -7132	Leased	2.05000000	2.31000000

8	Tax ID # -Minerals Only			
	James Fuller Unknown	Unleased	0.20875000	0.23500000
	Bud Fuller Unknown	Unleased	0.20875000	0.23500000
	Clara Sykes Unknown	Unleased	0.04175000	0.04700000
	Shirley Deel 1950 Greenbriar Road Haysi, VA 24256	Leased	0.04175000	0.04700000
	Faye Boyd 1951 Old Coochs Bridge Road Newark, DE 19702	Leased	0.04175000	0.04700000
	Billy J Sykes 13 North Skyward Drive Newark, DE 19713	Leased	0.04175000	0.04700000
	Gary Wayne Markum 223 Chestnut Way Middletown, DE 19709	Leased	0.00695833	0.00783333
	Sylvia Markum Channell 25 Gallant Fox Ct Bear, DE 19701	Unleased	0.00695833	0.00783333
	Billy Joe Woods PO Box 555 Haysi, VA 24256	Leased	0.00695833	0.00783333
	Melissa & Jeff Taylor 696 Newberry Ridge Clintwood, VA 24228	Leased	0.00695833	0.00783333
	Rebecca Deel Centennial Heights Haysi, VA 24256	Unleased	0.00695833	0.00783333
	Michael Bruce Markum AKA Fleeman Lee Wood Haysi Regional Jail PO Box 535 Haysi, VA 24256	Leased	0.00695833	0.00783333
	Lloyd Reeves 625 Union Church Road Elkton, MD 21921	Unleased	0.01391667	0.01566667
	Alan Markum 324 Gray Mount Circle Elkton, MD 21921	Leased	0.01391667	0.01566667

Carolyn Rushings Unknown	Unleased	0.01391667	0.01566667
Virginia Treadway 929 Culp Road Berkley Springs, WV 25411	Leased	0.12525000	0.14100000
Anita Belcher PO Box AA Haysi, VA 24256	Unleased	0.12525000	0.14100000
Delores Duty 147 Blankenship Lane Haysi, VA 24256	Leased	0.04175000	0.04700000
Betty & Stanley Morefield 4915 Deskins Road Vansant, VA 24656	Leased	0.04175000	0.04700000
Roberta Looney PO Box 1961 Abingdon, VA 24212	Leased	0.04175000	0.04700000
Sherri Lynn Bass 724 North Huckelberry Ave Bear, DE 19701	Leased	0.02087500	0.02350000
Robert Charles Blankenship 713 Elkton Road Newark, DE 19711	Unleased	0.02087500	0.02350000
Sue Blankenship 8339 Lovers Gap Road Vansant, VA 24656	Leased	0.04175000	0.04700000
Larry G Blankenship Unknown	Unleased	0.04175000	0.04700000
Fronia Fuller 4825 Marseilles Detroit, MI 48224	Leased	0.25050000	0.28200000
Maggie Hall Heirs Unknown	Unleased	0.25050000	0.28200000
<b>Tract 8 Totals</b>		<b>1.67000000</b>	<b>1.88000000</b>

9	Lonnie Dean Fuller 164 Noah Belle Lane Haysi, VA 24256 Tax ID # -13115	Leased	0.44000000	0.50000000
10	Lonnie Dean Fuller 164 Noah Belle Lane Haysi, VA 24256 Tax ID # -Minerals Only	Leased	3.63000000	4.09000000
11	Denny & Lois Sutherland 224 Caudle Lane Haysi, VA 24256 Tax ID # -8223	Leased	1.03000000	1.16000000
12	Matthew Baker 1522 Bartlick Road Haysi, VA 24256 Tax ID # -Minerals Only	Leased	0.21000000	0.23500000
	Sheena Dean Baker 1522 Bartlick Road Haysi, VA 24256 Tax ID # -Minerals Only	Leased	0.21000000	0.23500000
	<b>Tract 12 Totals</b>		<b>0.42000000</b>	<b>0.47000000</b>
13	Mavis & Earl Fields 152 Caudle Lane Haysi, VA 24256 Tax ID # -6576	Leased	2.27000000	2.56000000
14	Johnny Ray & Thelma R Fuller PO Box 733 Haysi, VA 24256 Tax ID # -7096	Leased	0.27000000	0.30000000
15	<b>Tax ID # -Minerals Only</b> John Mullins Unknown	Unleased	1.23800000	1.39500000
	Carolyn Arrington Smith 1312 Sycamore Ct Charlottesville, VA 22901	Leased	0.30950000	0.34875000
	Shirley Arrington Whitt 1650 Cool Spring Road Charlottesville, VA 22901	Leased	0.30950000	0.34875000
	Walter Roger Powers PO Box 222 Grundy, VA 24614	Leased	0.30950000	0.34875000

Ginger P Robertson PO Box 862 Grundy, VA 24614	Leased	0.30950000	0.34875000
Mary Ruth House Friend 1700 Bethel Road Nicholasville, KY 40356	Unleased	0.17685714	0.19928571
Margaret E Friend Kelsey Friend Drive Pikeville, KY 41501	Unleased	0.17685714	0.19928571
Thurman Bruce Friend Unknown	Unleased	0.17685714	0.19928571
Lew Wallace Friend 817 Bell Air Drive Galion, OH 44833	Leased	0.17685714	0.19928571
Ballard Lowe Friend 3617 Pinecrest Circle Duluth, GA 30136	Leased	0.17685714	0.19928571
Jessie Evelyn Friend Newson 955 Wine Island Road Danville, KY 40422	Unleased	0.17685714	0.19928571
Noah Steven Friend PO Box 215 Lowes Br Pikeville, KY 41501	Unleased	0.05895238	0.06642857
Carolyn Mae Friend Carter Conway PO Box 113 Pikeville, KY 41502	Unleased	0.05895238	0.06642857
Jennifer Friend Rummel 103 Church Street Columbia, KY 42728	Unleased	0.05895238	0.06642857
Virginia Lowe 4576 N Mayo Trail Pikeville, KY 41501	Unleased	0.15475000	0.17437500
Geneva Hamilton 140 Maple Road Harold, KY 41635	Unleased	0.15475000	0.17437500
Nancy Barrowman 703 Kinnikinnick Branch Pikeville, KY 41501	Unleased	0.15475000	0.17437500

Betty Hobson 5433 N Mayo Trail Pikeville, KY 41501	Unleased	0.15475000	0.17437500
Dan Stamper, Jr PO Box 802 Pikeville, KY 41502	Unleased	0.15475000	0.17437500
Shirley Justice 5445 N Mayo Trail Pikeville, KY 41501	Unleased	0.15475000	0.17437500
Teresa Stamper Flockhart 1845 Poplar Road Stafford, VA 22554	Unleased	0.05158333	0.05812500
Betty Stamper Johnson 5445 N Mayo Trail Pikeville, KY 41501	Unleased	0.05158333	0.05812500
Harria Stamper Walters 5665 Cardigan Trace Sugar Hill, GA 30518	Leased	0.05158333	0.05812500
Fon Michael Johnson, Jr 160 College Street, Apt 214 Pikeville, KY 41501	Unleased	0.07737500	0.08718750
Jimmy Dan Johnson PO Box 4412 Pikeville, KY 41502	Unleased	0.07737500	0.08718750
Jack Foster Mullins 729 Kinnikinnick Branch Pikeville, KY 41501	Unleased	0.41266667	0.46500000
Jill Mullins Cornelius 3102 SE Guinevers Lane Port Lucie, FL 34952	Leased	0.41266667	0.46500000
Donna Sue Mullins Justice 55 Kinnikinnick Branch Pikeville, KY 41501	Unleased	0.41266667	0.46500000
Rhea Sue Mullins 14614 Pine Glen Circle Lutz, FL 33549	Unleased	0.41266667	0.46500000
Emma Belle Mullins Leslie 5476 N Mayo Trail Pikeville, KY 41501	Unleased	0.82533333	0.93000000

Ronnie Small Unknown	Unleased	0.03095000	0.03487500
Clyde Taylor, Jr PO Box 3226 Pikeville, KY 41502	Unleased	0.30176250	0.34003125
Garland L Wagner 38240 Warren Road Westland, MI 48185-1939	Unleased	0.30176250	0.34003125
Ollie Gladys Spears Wagner 3303 Roxbury Drive Lexington, KY 40503	Unleased	0.30176250	0.34003125
Raymond Wagner 320 Groveland Road Mt. Dona, FL 32757	Unleased	0.30176250	0.34003125
Janiv Blackburn 787 Cowpen Road Pikeville, KY 41501	Unleased	2.47600000	2.79000000
Thelma M Meadows Bellans 7325 Willow Highway Glandledge, MI 48837	Unleased	0.17685714	0.19928571
Pearl Mullins Blair Unknown	Unleased	0.17685714	0.19928571
Gervis Mullins Unknown	Unleased	0.17685714	0.19928571
Lena Mullins Meade Unknown	Unleased	0.17685714	0.19928571
Florence Mullins Hughes Unknown	Unleased	0.17685714	0.19928571
Millard Meade Unknown	Unleased	0.17685714	0.19928571
Crawford Meade Unknown	Unleased	0.17685714	0.19928571
<b>Tract 15 Totals</b>		<b>12.38000000</b>	<b>13.95000000</b>
<b>TOTAL GAS ESTATE</b>		<b>100.00000000</b>	<b>112.69000000</b>
Percentage of Unit Leased		88.73658929	
Percentage of Unit Unleased		11.26341071	
Acreage in Unit Leased		99.99919643	
Acreage in Unit Unleased		12.69080357	

**Exhibit "B-3" - Unleased Owners**  
**900035 Revised 3/6/2012**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
	<b>Gas Estate Only</b>			
8	<b>Tax ID # -Minerals Only</b>			
	James Fuller Unknown	Unleased	0.20875000	0.23500000
	Bud Fuller Unknown	Unleased	0.20875000	0.23500000
	Clara Sykes Unknown	Unleased	0.04175000	0.04700000
	Sylvia Markum Channell 25 Gallant Fox Ct Bear, DE 19701	Unleased	0.00695833	0.00783333
	Rebecca Deel Centennial Heights Haysi, VA 24256	Unleased	0.00695833	0.00783333
	Lloyd Reeves 625 Union Church Road Elkton, MD 21921	Unleased	0.01391667	0.01566667
	Carolyn Rushings Unknown	Unleased	0.01391667	0.01566667
	Anita Belcher PO Box AA Haysi, VA 24256	Unleased	0.12525000	0.14100000
	Robert Charles Blankenship 713 Elkton Road Newark, DE 19711	Unleased	0.02087500	0.02350000
	Larry G Blankenship Unknown	Unleased	0.04175000	0.04700000
	Maggie Hall Heirs Unknown	Unleased	0.25050000	0.28200000
	<b>Tract 8 Totals</b>		<b>0.93937500</b>	<b>1.05750000</b>

15	Tax ID # -Minerals Only			
	John Mullins Unknown	Unleased	1.23800000	1.39500000
	Mary Ruth House Friend 1700 Bethel Road Nicholasville, KY 40356	Unleased	0.17685714	0.19928571
	Margaret E Friend Kelsey Friend Drive Pikeville, KY 41501	Unleased	0.17685714	0.19928571
	Thurman Bruce Friend Unknown	Unleased	0.17685714	0.19928571
	Jessie Evelyn Friend Newson 955 Wine Island Road Danville, KY 40422	Unleased	0.17685714	0.19928571
	Noah Steven Friend PO Box 215 Lowes Br Pikeville, KY 41501	Unleased	0.05895238	0.06642857
	Carolyn Mae Friend Carter Conway PO Box 113 Pikeville, KY 41502	Unleased	0.05895238	0.06642857
	Jennifer Friend Rummel 103 Church Street Columbia, KY 42728	Unleased	0.05895238	0.06642857
	Virginia Lowe 4576 N Mayo Trail Pikeville, KY 41501	Unleased	0.15475000	0.17437500
	Geneva Hamilton 140 Maple Road Harold, KY 41635	Unleased	0.15475000	0.17437500
	Nancy Barrowman 703 Kinnikinnick Branch Pikeville, KY 41501	Unleased	0.15475000	0.17437500
	Betty Hobson 5433 N Mayo Trail Pikeville, KY 41501	Unleased	0.15475000	0.17437500
	Dan Stamper, Jr PO Box 802 Pikeville, KY 41502	Unleased	0.15475000	0.17437500

Shirley Justice 5445 N Mayo Trail Pikeville, KY 41501	Unleased	0.15475000	0.17437500
Teresa Stamper Flockhart 1845 Poplar Road Stafford, VA 22554	Unleased	0.05158333	0.05812500
Betty Stamper Johnson 5445 N Mayo Trail Pikeville, KY 41501	Unleased	0.05158333	0.05812500
Fon Michael Johnson, Jr 160 College Street, Apt 214 Pikeville, KY 41501	Unleased	0.07737500	0.08718750
Jimmy Dan Johnson PO Box 4412 Pikeville, KY 41502	Unleased	0.07737500	0.08718750
Jack Foster Mullins 729 Kinnikinnick Branch Pikeville, KY 41501	Unleased	0.41266667	0.46500000
Donna Sue Mullins Justice 55 Kinnikinnick Branch Pikeville, KY 41501	Unleased	0.41266667	0.46500000
Rhea Sue Mullins 14614 Pine Glen Circle Lutz, FL 33549	Unleased	0.41266667	0.46500000
Emma Belle Mullins Leslie 5476 N Mayo Trail Pikeville, KY 41501	Unleased	0.82533333	0.93000000
Ronnie Small Unknown	Unleased	0.03095000	0.03487500
Clyde Taylor, Jr PO Box 3226 Pikeville, KY 41502	Unleased	0.30176250	0.34003125
Garland L Wagner 38240 Warren Road Westland, MI 48185-1939	Unleased	0.30176250	0.34003125
Ollie Gladys Spears Wagner 3303 Roxbury Drive Lexington, KY 40503	Unleased	0.30176250	0.34003125
Raymond Wagner 320 Groveland Road Mt. Dona, FL 32757	Unleased	0.30176250	0.34003125

Janiv Blackburn 787 Cowpen Road Pikeville, KY 41501	Unleased	2.47600000	2.79000000
Thelma M Meadows Bellans 7325 Willow Highway Glandledge, MI 48837	Unleased	0.17685714	0.19928571
Pearl Mullins Blair Unknown	Unleased	0.17685714	0.19928571
Gervis Mullins Unknown	Unleased	0.17685714	0.19928571
Lena Mullins Meade Unknown	Unleased	0.17685714	0.19928571
Florence Mullins Hughes Unknown	Unleased	0.17685714	0.19928571
Millard Meade Unknown	Unleased	0.17685714	0.19928571
Crawford Meade Unknown	Unleased	0.17685714	0.19928571
<b>Tract 15 Totals</b>		<b>10.32403571</b>	<b>11.63330357</b>
<b>TOTAL GAS ESTATE</b>		<b>11.26341071</b>	<b>12.69080357</b>

INSTRUMENT #130000168  
 RECORDED IN THE CLERK'S OFFICE OF  
 DICKENSON ON  
 FEBRUARY 19, 2013 AT 12:05PM  
 RICHARD W. EDWARDS, CLERK  
 RECORDED BY: CJF