

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) AND § 45.1-361.22:2

UNIT/WELL NAME: 536616

TRACT(S): 001

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-05-1115-1532-02

APPLICANTS: EnerVest Operating, LLC on behalf of John M. Lamie; Esq., Range Resources Corporation, Weyerhaeuser Company

HEARING DATE AND LOCATION: On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

APPEARANCES: Tim Scott on behalf of EnerVest Operating, LLC

PRIOR PROCEEDINGS:

1. Supplemental Order.
2. Original Pooling Order Executed 01/10/2006, Recorded on 01/12/2006, Deed Book/Instrument No. 06-000173.
3. Supplemental Order Executed 01/11/2006, Recorded on 01/12/2006, Deed Book/Instrument No. 06-0000173.

NOTICE:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 001 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 001 relative to the interests of the Applicants identified in the attached petition.
- (3) Close the escrow account under this docket number.

FINDINGS: Code of Virginia § 45.1-361.22 AND § 45.1-361.22:2

Applicant has certified and represented to the Board that:

Petition to disburse funds from the escrow account for well 536616 to all known owners in Tract 1, VGOB 05-1115-1532, pursuant to Order Approving Settlement and Quieting Title as to Yellow Poplar Lumber Company Tract 11.

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.

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DONE AND EXECUTED this 3 day of August, 2017 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

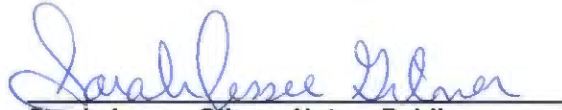
DONE AND PERFORMED this 3 day of August, 2017 by Order of the Virginia Gas and Oil Board.



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

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 3rd day of August, 2017, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.


Sarah Jessee Gilmer, Notary Public
262946

My Commission expires: July 31, 2021



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EnerVest Operating, LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 05-1115-1532-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 001 (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES (3) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.1-361.22:2.

HEARING DATE: On June 16, 2015, the Virginia Gas and Oil Board, on its own motion, granted the Director of the Division of Gas and Oil the authority to process coal owner dismissal disbursements that have no pending deficiencies or issues. Code of Virginia Section 45.1-361.22:2. Effective date: July 1, 2015.

DRILLING UNIT: 536616

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is EnerVest Operating, LLC, 408 W Main Street, Abingdon, VA 24210, 276-628-9001. Petitioner's counsel is Tim Scott, McKinnis & Scott Law Firm, 135 W. Main St., Kingsport, TN 37660.

2. Relief Sought

Petition to disburse funds from the escrow account for well 536616 to all known owners in Tract 1, VGOB 05-1115-1532, pursuant to Order Approving Settlement and Quieting Title as to Yellow Poplar Lumber Company Tracts 4 and 11

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

Coalbed Methane

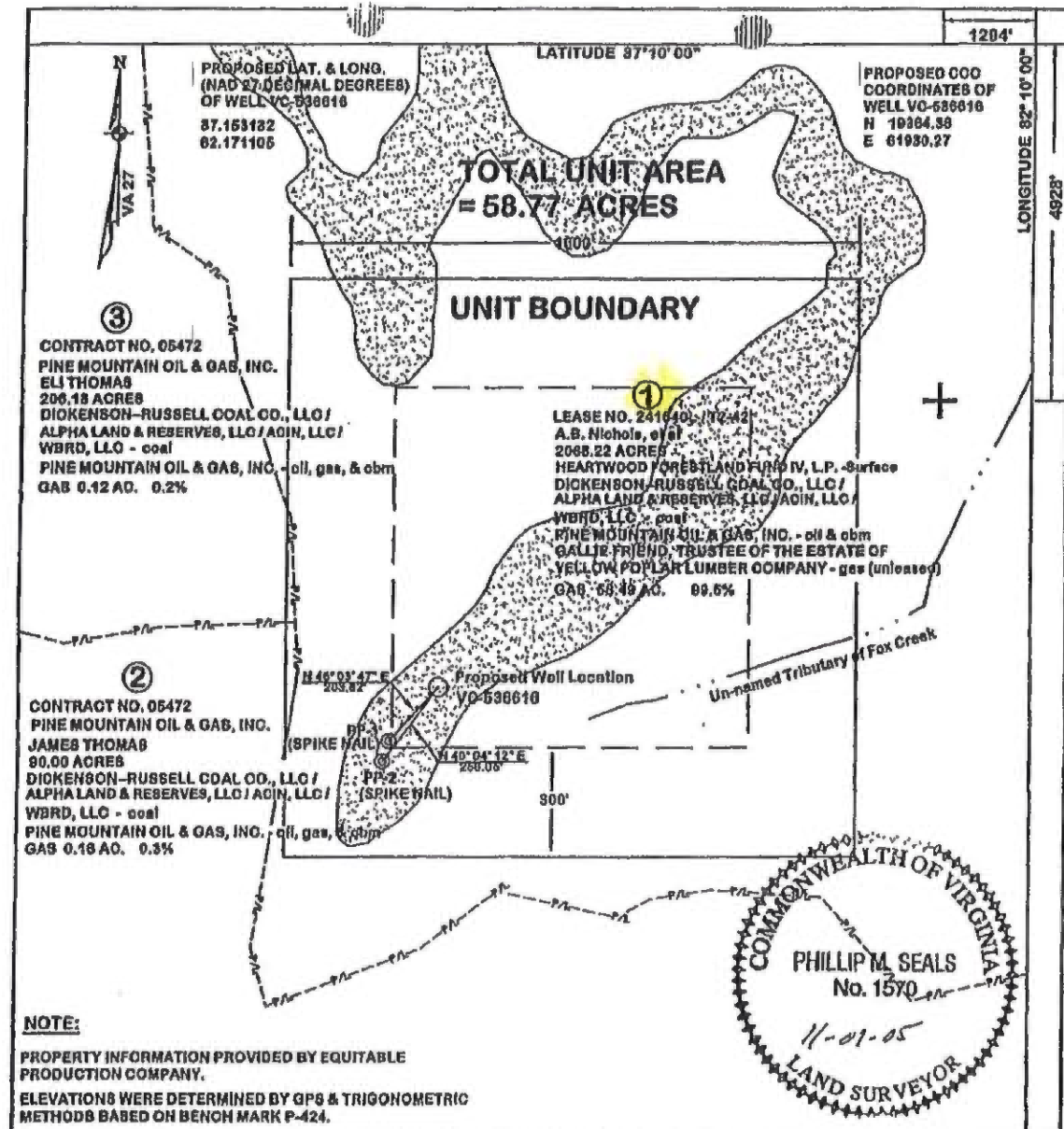
5. Factual basis for relief requested

Petition to disburse funds from the escrow account for well 536616 to all known owners in Tract 1, VGOB 05-1115-1532, pursuant to Order Approving Settlement and Quieting Title as to Yellow Poplar Lumber Company Tract 11.

6. Attestation

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

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WELL LOCATION PLAT

COMPANY EQUITABLE PRODUCTION CO. **WELL NAME OR NUMBER** VC-538616
TRACT NO. T2-42 **QUADRANGLE** Prater
DISTRICT Prater
WELL COORDINATES (VIRGINIA STATE PLANE 27) N 319271.92 E 930366.26
ELEVATION 1965.25 **METHOD USED TO DETERMINE ELEVATION:** GPS & TRIG.
COUNTY Buchanan **SCALE:** 1" = 400' **DATE** 11-01-05
THIS PLAT IS A NEW PLAT **; AN UPDATED PLAT** **; OR A FINAL LOCATION PLAT**

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

Form DGO-00-7
 Rev. 1-98
 610.11

Phillip M. Seals

LICENSED LAND SURVEYOR

(AFFIX SEAL)

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EXHIBIT "E"
VC-536616
VGOB 05-1115-1532

<u>TR</u>	<u>LESSOR</u>	<u>LEASE</u> <u>STATUS</u>	<u>INTEREST</u> <u>WITHIN</u> <u>UNIT</u>	<u>GROSS</u> <u>ACREAGE</u> <u>IN UNIT</u>
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		N/A		
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EXHIBIT "EE"
VC-536616
VGOB 05-1115-1532

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<u>TR</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	**John M. Lamie, Esq., Trustee for Yellow Poplar Lumber Co. Browning, Lamie & Gifford, PC PO Box 519 Abingdon, VA 24212	Unleased	49.750000%	29.2450
	**Range Resources Corporation Attn: David Poole, Esq. 100 Throckmorton Street Suite 1200 Ft. Worth, TX 76102	Unleased	24.875000%	14.6225
	**Weyerhaeuser Company Attn: Pamela J. Reed, CPL Sr. Land Manager Energy & Natural Resources 220 Occidental Ave S Seattle, WA 98104	Unleased	24.875000%	14.6225
	Total		99.500000%	58.4900
	<i>** Family Galle Friend, Trustee of the Estate of Yellow Poplar Lumber Company Unknown</i>			
		<u>Coal Estate Only</u>		
1	**Range Resources Corporation Attn: David Poole, Esq. 100 Throckmorton Street Suite 1200 Ft. Worth, TX 76102 <i>**Family Pine Mountain Oil & Gas, Inc.</i>	Owned	99.500000%	58.4900

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IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

CLERKS OFFICE U.S. DIST. COURT
AT ABINGDON, VA
FILED

JUN 07 2017

JULIA C. DUDLEY CLERK
BY: *J. Allee*
DEPUTY CLERK

WEYERHAEUSER COMPANY and)
WEYERHAEUSER NR COMPANY,)

Plaintiffs,)

v.)

Case No. 1:13CV00062

YELLOW POPLAR LUMBER)
COMPANY, INC., et al.)

Defendants,)

IN RE YELLOW POPLAR LUMBER)
COMPANY)

Case No. 1:15CV00037

Debtor)

**ORDER APPROVING SETTLEMENT AND QUIETING TITLE
AS TO YELLOW POPLAR LUMBER COMPANY TRACTS 4 AND 11**

On February 8, 2017, John M. Lamie, Trustee for the Estate of Yellow Poplar Lumber Company ("Trustee") moved the Court to approve a settlement by and among the Trustee, Weyerhaeuser Company and Weyerhaeuser NR Company (together, "Weyerhaeuser"), Range Resources-Pine Mountain, Inc. ("Range") and Range Resources-Appalachia, LLC, and EQT Production Company and EQT Production Nora, LLC (together, "EQT"). [ECF No. 520.] The terms of the settlement are memorialized in the proposed agreement between the parties dated January 25, 2017 ("Settlement Agreement"). [ECF No. 520-1.]

The dispute between the parties involves the ownership of the gas estate on Tracts 4 and 11 in a deed dated January 5, 1906, from Excelsior Coal and Lumber Corporation to Yellow Poplar Lumber Company, recorded in Buchanan County, Virginia, Deed Book 30, page 226, and

Dickenson County, Virginia, Deed Book 25, page 476. Tract 10 in this deed overlies a portion of Tract 11. The Court has previously entered an Order quieting title to the gas estate under Tract 10. As used in this Order, Tract 11 means that portion of Tract 11 that lies outside of Tract 10.

Among other things, the proposed Settlement Agreement resolves the competing claims of ownership as follows:

Title to Tract 11: The parties agree that they are undivided owners of the gas estate on Tract 11 in the following percentages: 25% Weyerhaeuser Company, 25% Range, 50% Trustee.

Title to Tract 4: The parties agree that Range and the Trustee are undivided owners of the gas estate on Tract 4 in the following percentages: 33% Range, 67% Trustee.

The Trustee having published the proposed settlement as ordered by the Court, there being no objections filed with the Court, and it otherwise appearing proper to approve the proposed settlement for all the reasons set forth in the Trustee's pleadings and the pleadings of the other parties, it is hereby ORDERED that the proposed Settlement Agreement is APPROVED and EFFECTIVE.

It is therefore ORDERED as follows:

1. The gas estate on Tract 11 is owned as follows:
 - Weyerhaeuser Company: 25% undivided interest;
 - Range: 25% undivided interest; and
 - Trustee: 50% undivided interest.
2. The gas estate on Tract 4 is owned as follows:
 - Range: 33% undivided interest; and

Trustee: 67% undivided interest.

As used in this Order, the term "gas estate" means all gas, including both conventional gas and coalbed methane gas.

It is further ORDERED that, except for claims reserved to Weyerhaeuser and the Trustee as stated in paragraphs 5 and 6 of the Settlement Agreement, all claims, counterclaims, and crossclaims brought by Weyerhaeuser, Range, Range Resources-Appalachia, LLC, EQT, and the Trustee in Case No. 1:13CV00062 are hereby dismissed with prejudice. Claims reserved in paragraphs 5 and 6 of the Settlement Agreement are dismissed without prejudice. Case No. 1:15CV00037 shall remain pending for further bankruptcy proceedings consistent with this Order.

This Order is a final decision of a court of competent jurisdiction adjudicating ownership of gas for purposes of Virginia Code § 45-361.22(5)(i) and allowing distribution of funds in escrow.

The Clerks of the Circuit Court of Buchanan County, Virginia, and the Circuit Court of Dickenson County, Virginia, are requested to record this Order in the land records of the Counties in the Grantor Index under the following names: YELLOW POPLAR LUMBER COMPANY, JOHN M. LAMIE, TRUSTEE OF THE ESTATE OF YELLOW POPLAR LUMBER COMPANY, W.M. RITTER LUMBER COMPANY, PLUM CREEK TIMBERLANDS, LP, PLUM CREEK MARKETING, INC., PLUM CREEK MANUFACTURING HOLDING COMPANY, INC., HIGHLAND RESOURCES, INC., WEYERHAEUSER COMPANY, WEYERHAEUSER NR COMPANY, BIG SANDY FUEL CORPORATION, RANGE RESOURCES-PINE MOUNTAIN, INC., and RANGE RESOURCES-APPALACHIA, LLC; and in the

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Grantee Index under the following names: WEYERHAEUSER COMPANY, RANGE
RESOURCES-PINE MOUNTAIN, INC., and JOHN M. LAMIE, TRUSTEE OF THE
ESTATE OF YELLOW POPLAR LUMBER COMPANY.

Each party shall bear their own costs and expenses unless otherwise separately
ordered by the Court.

ENTER this 7th day of June, 2017.


UNITED STATES DISTRICT JUDGE

INSTRUMENT 170001702
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY CIRCUIT COURT ON
August 14, 2017 AT 04:46 PM
BEVERLY S. TILLER, CLERK
RECORDED BY: GGB