

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: V-537538

TRACT(S): A portion of 2

LOCATION: DICKENSON County, Virginia

TAX ID NUMBERS: Tax Map Identification Numbers for all parcels affected by this order are shown on: Exhibit B

DOCKET NUMBER: VGOB-06-1114-1765-01

APPLICANTS: EQT Production Company on behalf of Tessie M. Bates

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
December 18, 2012

APPEARANCES: James Kaiser on behalf of EQT Production Company

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 04/17/2007, Recorded on 05/01/2007, Deed Book/Instrument No. 437, Page 357.
2. Supplemental Order, Recorded on 11/01/2007, Deed Book/Instrument No. 444, Page 619.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the December 18, 2012 hearing and considered whether to:

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

FINDINGS: Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

Tract 2 of the Original Order and Supplemental showed Ms. Tessie Bates as an unknown claimant. Due to continued due diligence, Tessie M. Bates has been located. The petitioner is requesting that her money be disbursed and she be placed on direct pay.

RELIEF GRANTED:

VGOB Disbursement
Unit V-537638
VGOB-06-1114-1765-01

Table 1
Tracts: A portion of 2

			Fractional	Net Acreage	Royalty	Escrowed	Percent of
			Ownership	Ownership	Split	Acres	Escrowed Funds
			in Tract	in Tract	Agreement	Disbursed	Disbursed
Item	Tract	Disbursement Table					
		Total acreage in escrow before disbursement				11.05840	
2	Tract 2 (total acreage)			17.49			
1	2	Tessie M. Bates/66 Bush Street, Apt #4, Fall River, MA 02724-3268		1.4575	100.00%	1.4575	13.1800%

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 continue 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.

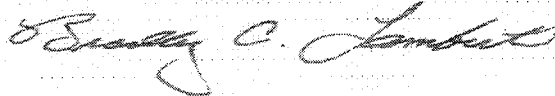
CONCLUSION:

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.

DONE AND EXECUTED this 3 day of January, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

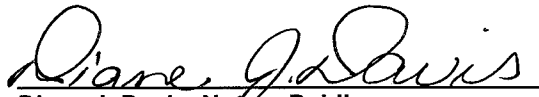
DONE AND PERFORMED this 3 day of January, 2013 by Order of the Virginia Gas and Oil Board.



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

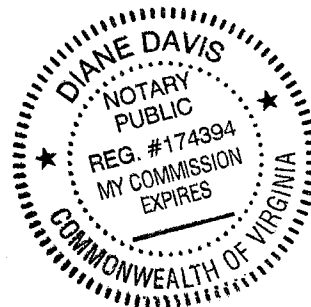
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 3rd day of 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 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.



Diane J. Davis, Notary Public
174394

My Commission expires: September 30, 2013



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EQT Production Company

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 06-1114-1765-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) A portion of 2
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: December 18, 2012

DRILLING UNIT: V-537538

DICKENSON COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is EQT Production Company, 225 North Shore Drive, Pittsburgh, PA 15212, (412)553-5700. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660.

2. Relief Sought

A petition for disbursement of funds for Well V-537538 for funds for Tessie M. Bates in Tract 2 previously identified as an unknown owner.

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)

Conventional

5. Factual basis for relief requested

Tract 2 of the Original Order and Supplemental showed Ms. Tessie Bates as an unknown claimant. Due to continued due diligence, Tessie M. Bates has been located. The petitioner is requesting that her money be disbursed and she be placed on direct pay.

6. Attestation

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

TOTAL UNIT AREA
= 112.69 ACRES

--- DENOTES MINERAL LINE

--- DENOTES SURFACE LINE

--- DENOTES SURFACE & MINERAL LINES

STATE PLANE

NAD 27 COORDINATES
OF WELL V-537538
296909.68
845115.72
LAT 37.082299
LON -82.460147

NOTE !!

SEE WELL PLAT SUPPLEMENT

SHEET 2 FOR TRACT INFORMATION.

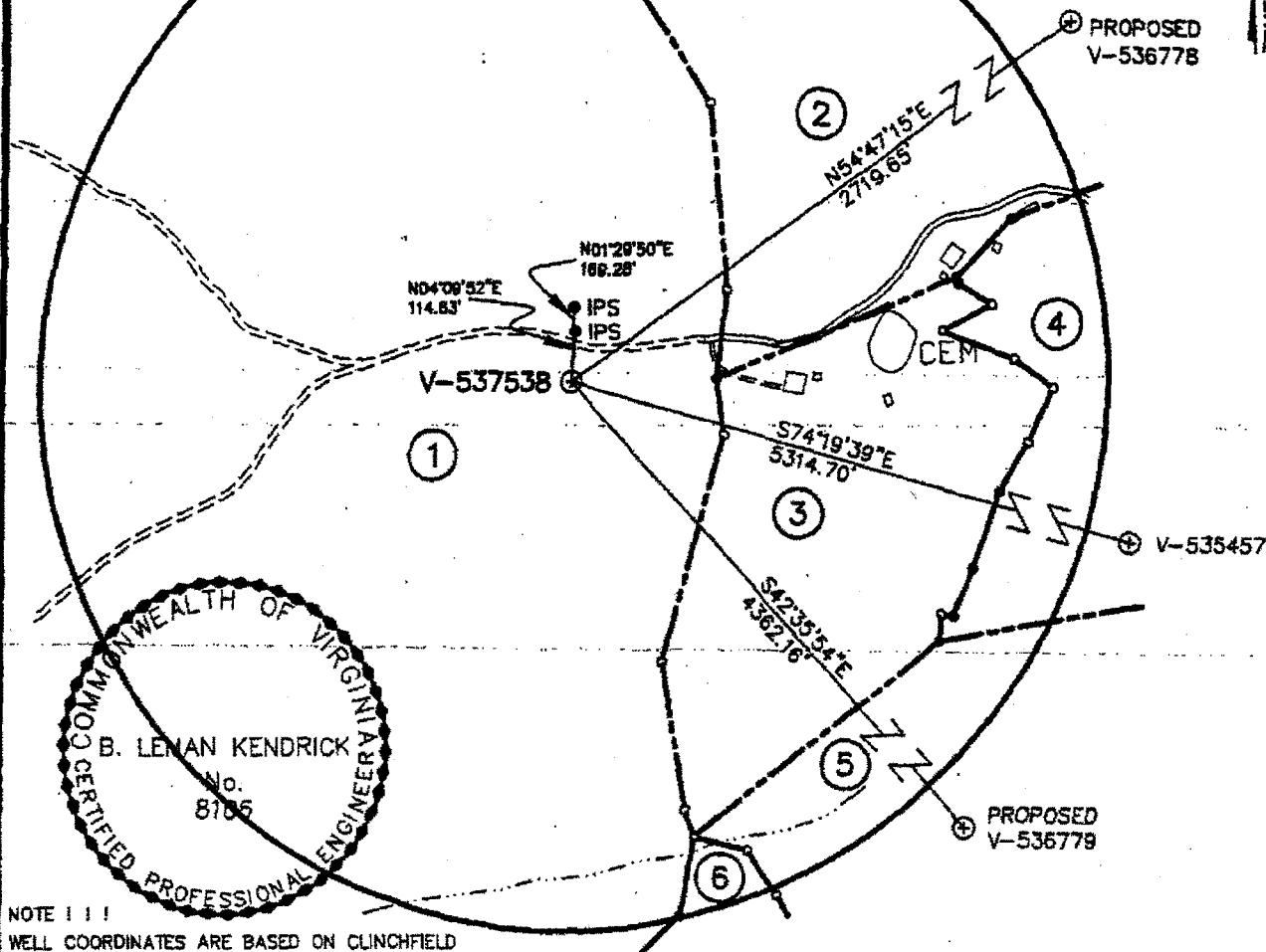
LATITUDE 37°05'00

CCC COORDINATES
OF WELL V-537538
S 6426.65
W 22371.99

LONGITUDE 82°27'30

377'

TRUE



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.

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

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER V-537538

TRACT No. LEASE NO. 241490L/T-669 ELEVATION 2225.70 (GPS) QUADRANGLE CANEY RIDGE

COUNTY DICKENSON DISTRICT KENADY SCALE: 1" = 400' DATE OCTOBER 3, 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.

①

LEASE No. 241490 / T-889
A.B. NICHOLS / R.H. POWERS
480.00 ACRES
HEARTWOOD FORESTLAND FUND IV - surface
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
PINE MOUNTAIN OIL & GAS, INC. - oil & gas
GAS 70.73 AC. - 62.78%

②

LEASE No. 906610
J.L. WALLEN HEIRS
35.00 ACRES
J.L. WALLEN HEIRS - surface, oil & gas
LEASE No. 904576L DI-44
JOSEPH B. STANLEY
400.45 ACRES
DICKENSON-RUSSELL COAL COMPANY,
LLC/ALPHA LAND & RESERVES,
LLC/ACIN, LLC/WBRD, LLC - coal
GAS 17.49 AC. - 15.52%

③

UNLEASED
L. C. & DEBBIE HILL
19.00 ACRES
L. C. & DEBBIE HILL - surface, oil & gas
LEASE No. 904576L DI-44/DI-24
JOSEPH B. STANLEY/P.H. KENNEDY
400.45 ACRES/154.349 ACRES
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
GAS 14.67 AC. - 13.02%

④

UNLEASED
MARGIE CARTY
12.85 ACRES
MARGIE CARTY - surface, oil & gas
LEASE No. 904576L DI-44/DI-24
JOSEPH B. STANLEY/P.H. KENNEDY
400.45 ACRES/154.349
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
GAS 5.05 AC. - 4.48%

⑤

UNLEASED
ALBERT R. & GENEVA STANLEY HEIRS - oil & gas
±46.00 ACRES
DENNIS RATLIFF, et al - surface
LEASE No. 904576L DI-24
P. H. KENNEDY
154.349 ACRE
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
GAS 4.19 AC. - 3.72%

⑥

LEASE No. 906656
LESLIE VERL STANLEY, et al - oil & gas
11.15 ACRES
JAMES WESLEY BLEVINS, Sr. - surface
LEASE No. 904576L DI-24/DI-10
P.H. KENNEDY/JESSEE DAVIS
154.349 ACRES/128.026 ACRES
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
GAS 0.56 AC. - 0.50%



EQUITABLE PRODUCTION COMPANY
WELL No. V-537538
WELL PLAT SUPPLEMENT

PROJECT No.:
8740 PLAT.DWG

SCALE: 1" = 400'

BK 504PG 382

BK 437PG 368

①

LEASE No. 241490 / T-669
A.B. NICHOLS / R.H. POWERS
460.00 ACRES
HEARTWOOD FORESTLAND FUND IV - surface
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
PINE MOUNTAIN OIL & GAS, INC. - oil & gas
GAS 70.73 AC. - 62.76%

②

LEASE No. 906610
J.L. WALLEN HEIRS
35.00 ACRES
J.L. WALLEN HEIRS - surface, oil & gas
LEASE No. 904576L DI-44
JOSEPH B. STANLEY
400.45 ACRES
DICKENSON-RUSSELL COAL COMPANY,
LLC/ALPHA LAND & RESERVES,
LLC/ACIN, LLC/WBRD, LLC - coal
GAS 17.49 AC. - 15.52%

③

UNLEASED
L. C. & DEBBIE HILL
19.00 ACRES
L. C. & DEBBIE HILL - surface, oil & gas
LEASE No. 904576L DI-44/DI-24
JOSEPH B. STANLEY/P.H. KENNEDY
400.45 ACRES/154.349 ACRES
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
GAS 14.67 AC. - 13.02%

④

UNLEASED
MARGIE CARTY
12.85 ACRES
MARGIE CARTY - surface, oil & gas
LEASE No. 904576L DI-44/DI-24
JOSEPH B. STANLEY/P.H. KENNEDY
400.45 ACRES/154.349
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
GAS 5.05 AC. - 4.48%

⑤

UNLEASED
ALBERT R. & GENEVA STANLEY HEIRS - oil & gas
±46.00 ACRES
DENNIS RATLIFF, et al - surface
LEASE No. 904576L DI-24
P. H. KENNEDY
154.349 ACRE
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
GAS 4.19 AC. - 3.72%

⑥

LEASE No. 906656
LESLIE VERL STANLEY, et al - oil & gas
11.15 ACRES
JAMES WESLEY BLEVINS, Sr. - surface
LEASE No. 904576L DI-24/DI-10
P.H. KENNEDY/JESSEE DAVIS
154.349 ACRES/128.026 ACRES
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - coal
GAS 0.56 AC. - 0.50%



THOMPSON & LITTON

312 Clintwood Main Street
Suite 201
P.O. Box 1869

Clintwood, Virginia 24228

EQUITABLE PRODUCTION COMPANY

WELL No. V-537538

WELL PLAT SUPPLEMENT

SHEET 2

PROJECT No.:

8740 PLAT.DWG

SCALE: 1" = 400'

DATE: OCTOBER 3, 2006

EXHIBIT "B"
V-537538
VGOB 06/11/14-1765
REVISED 11/08/06

<u>TRACT</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	Pine Mountain Oil & Gas, Inc.	Leased-EPC	62.76000000%	70.7300	0.07845000	RI
TAX ID 1827531	Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	241490L/T-669				
	Equitable Production Company				0.54915000	WI
Tract 1 Totals			62.760000%	70.7300	62.760000%	
2	<u>J. L. Wallen Heirs</u>					
TAX ID 13393						
TAX ID 13389	Joyce Wallen, widow Rt 1, Box 278 Clintwood, VA 24228	Unleased	0.32333333%	0.3644	0.00040417	RI
	Buddy H. Wallen 1085 Rotherwood Dr. Kingsport, TN 37660	Unleased	1.61666667%	1.8219	0.00202083	RI
	R.L. Wallen 1024 Wellington Blvd Kingsport, TN 37660	Unleased	1.61666667%	1.8219	0.00202083	RI
	Linda W. Wood and John Wood, W/H Unknown	Unleased	0.32333333%	0.3644	0.00040417	RI
	<u>Andrew Jackson Wallen Heirs:</u>					
	Jackie Wallen and Gayle Wallen, H/W Unknown	Unleased	0.25866667%	0.2915	0.00032333	RI
	Rita Wallen Unknown	Unleased	0.25866667%	0.2915	0.00032334	RI
	Harold Jean Wallen 6725 Yorkshire Dr. Avon, IN 46123	Unleased	0.25866667%	0.2915	0.00032334	RI
	Sandra Wallen Unknown	Unleased	0.25866667%	0.2915	0.00032334	RI
	Ricky Wallen 104 Pineville Drive Beckley, WV 25801-9357	Unleased	0.25866667%	0.2915	0.00032334	RI
	<u>Newton Wallen Heirs:</u>					
	Mackie Ann Wallen Unknown	Unleased	0.43111111%	0.4858	0.00053889	RI

Dan Olen Wallen Unknown	Unleased	0.43111111%	0.4858	0.00053889	RI
Additional Child Unknown	Unleased	0.43111111%	0.4858	0.00053889	RI
Tessie W. Bates Heirs Unknown	Unleased	1.29333333%	1.4575	0.00161667	RI
Lillian W. Ratliff, widow 80 Mount Vernon Drive Bristol, VA	Unleased	1.29333333%	1.4575	0.00161667	RI

**Edison Wallen and
Iola Wallen Heirs:**

Karen Wallen Pennington and Ernest Pennington, W/H 640 Garden Lane Bristol, VA 24201-1515	Leased-EPC 906610	1.29333333%	1.4575	0.00161667	RI
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Hattie W. Baker Heirs:

Andy James Baker and Sue Baker, H/W P.O. Box 1103 Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
Betty Baker, widow Route 1, Box 212B Reedy Creek Road Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
Steven Baker and Shelly Baker, H/W 4305 DC Caney Ridge Road Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
Janet Sue Baker Mullins and Jimmy Mullins, W/H 554 Walnut Street Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI

Palmer Glenn Baker Heirs:

Pennelope Baker Unknown	Unleased	0.08083333%	0.0911	0.00010104	RI
Phillip Baker and Lisa Baker, H/W 6502 Lake Vista Drive Mechanicsville, VA 23111	Leased-EPC 906610	0.08083333%	0.0911	0.00010104	RI
Beverly Baker, widow 2308 Wistar Ct. Richmond, VA 23294	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
Janie Baker Bise and Larry Bise, W/H 211 Reedy Ridge Road Clintwood, VA 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI
Carroll Ray Baker, widower 4305 DC Caney Ridge Road Clintwood, VA . 24228	Leased-EPC 906610	0.16166667%	0.1822	0.00020208	RI

George Reedy and Vesta Heirs:

Avon Reedy and Jean Reedy, H/W 18251 Clay Hill Stevensburg, VA 27741		Unleased	0.25866667%	0.2915	0.00032334	RI
5 Additional Children Unknown		Unleased	1.03466667%	1.1660	0.00129334	RI
<u>Rufus and Daisey Wallen Heirs:</u>						
Henrieta Wallen Lafferty and Bill Lafferty, W/H 700 Guld Blvd Indian Rocks Beach, FL. 33785-2644		Unleased	0.21555556%	0.2429	0.00026944	RI
Judy Wallen Stewart and Malcom Stewart, W/H 17256 Four Seasons Dr. Dumfries, VA 22025-1847		Unleased	0.21555556%	0.2429	0.00026944	RI
Paul Wallen P.O. Box 264 Old Flatwoods Rd. Coeburn, VA 24230		Leased-EPC 906610	0.21555556%	0.2429	0.00026944	RI
Freddie Wallen P.O. Box 264 Coeburn, VA 24230		Leased-EPC 906610	0.21555556%	0.2429	0.00026944	RI
Shirley Wallen Spenilla and Ross Spenilla, W/H 2922 Dungannon Road Coeburn, VA 24230		Leased-EPC 906610	0.21555556%	0.2429	0.00026944	RI
Loretta Wallen Switzer and John Switzer, W/H 1012 Center Lake Burrell Dr. Lutz, FL 33549-3501		Unleased	0.21555556%	0.2429	0.00026944	RI
Harry Seveny Unknown		Unleased	1.29333333%	1.4575	0.00161667	RI
Equitable Production Company					0.13580000	WI
Tract 2 Totals			15.520000%	17.4900	15.520000%	
3 TAX ID # 5127 L.C. Hill and Debbie Hill h/w 6020 Haverhill Court Springfield, VA 22152		Leased 906917	13.02000000%	14.6700	0.01627500	RI
Equitable Production Company					0.11392500	WI
Tract 3 Totals			13.020000%	14.6700	13.020000%	
4 TAX ID # 1457 Margie E. Carty, widow Rt. 2 Box 246 Coeburn, VA 24230		Unleased	4.48000000%	5.0500	0.00560000	RI
Equitable Production Company					0.03920000	WI
Tract 4 Totals			4.480000%	5.0500	4.480000%	
5 Minerals Only Albert R. Stanley and Geneva Stanley, Heirs Unknown		Unleased	3.72000000%	4.1900	0.00465000	RI

Equitable Production Company				0.03255000	WI
Tract 5 Totals			3.720000%	4.1900	3.720000%
6	Leslie Verl Stanley and	Leased-EPC	0.25000000%	0.2800	0.00031250 RI
Minerals Only	Diane A. Stanley h/w	906656			
	10349 Hamlin Dr.				
	Chester, VA 23831				
	Minerals Only				
	Larry Gene and	Leased	0.25000000%	0.2800	0.00031250 RI
	Diane H. Stanley h/w				
	41 Linder Circle				
	Homossassa, FL 34446				
Equitable Production Company				0.00437500	WI
Tract 6 Totals			0.500000%	0.5600	0.500000%
Total Gas Estate			100.00000000%	112.6900	1

EXHIBIT "E"
V-537538

Revised 7/2/2012

<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>				
2	Linda W. Wood and John Wood, W/H Unknown	Unleased	0.32333333%	0.3644
	<u>Andrew Jackson Wallen Heirs:</u>			
	Jackie Wallen and Gayle Wallen, H/W Unknown	Unleased	0.25866667%	0.2915
	Rita Wallen Unknown	Unleased	0.25866667%	0.2915
	Sandra Wallen Unknown	Unleased	0.25866667%	0.2915
	<u>Newton Wallen Heirs:</u>			
	Mackie Ann Wallen Unknown	Unleased	0.43111111%	0.4858
	Dan Olen Wallen Unknown	Unleased	0.43111111%	0.4858
	Additional Child Unknown	Unleased	0.43111111%	0.4858
	<u>Palmer Glenn Baker Heirs:</u>			
	Pennelope Baker Unknown	Unleased	0.08083333%	0.0911
	<u>George Reedy and Vesta Heirs:</u>			
	5 Additional Children Unknown	Unleased	1.03466667%	1.1660

Rufus and Daisey Wallen Heirs:

	Harry Seveny Unknown	Unleased	1.29333333%	1.4575
5	Albert R. Stanley and Geneva Stanley, Heirs Unknown	Unleased	3.72000000%	4.1900
	TOTAL		8.52150000%	9.6009

EXHIBIT "EE"
VC-537538

7/2/2012

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
2	<u>J. L. Wallen Heir</u>			
TAX ID 13393	Tessie M. Bates 68 Bush Street, Apt. #4 Fall River, MA 02724-3268	Unleased	1.29333333%	1.457500
	Total		1.29333333%	1.457500

INSTRUMENT #13000121
 RECORDED IN THE CLERK'S OFFICE OF
 DICKENSON ON
 MARCH 8, 2013 AT 10:35AM
 RICHARD W. EDWARDS, CLERK
 RECORDED BY: CUF