

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

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB-08-1021-2362

ELECTIONS: V-530116

(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 requirements 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 October 8, 2009, and recorded in Deed Book 712, Page 931 in the Office of the Clerk of the Circuit Court for Russell County, Virginia on October 21, 2009, (herein "Board Order") and (2) to complete the record regarding elections. The Board Order established a drilling unit and pooled all interests 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 Range Resources-Pine Mountain, Inc., (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;
  - (b) The Designated Operator filed its affidavit of mailing dated April 22, 2010, disclosing that it was unable to mail a correct copy of the

Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

- (c) The Board Order required each Respondent whose interests, 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 April 22, 2010, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.7C (herein "Affidavit of Elections" annexed hereto), wherein it has, for each Respondent whose interests, 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(s) made, if any; and (iii) whether, by reason of 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, interests, estates and claims in Subject Drilling Unit to the Designated Operator;
- (d) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Bank & Trust Company, Trust Division, P. O. Box 3860, Kingsport, Tennessee 37664; Tel: (423) 246-3700; 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 July 18, 2006. The Affidavit of Elections indicates that the escrow of funds is required with regard to V-530116.
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, to the extent escrow was required and to the extent it pertained to the elections and interests of the Respondents who have entered into a royalty split agreement and no longer require escrow of any funds, the Applicant is hereby directed to provide the Board with reconciliation of its and the Escrow Agent's records so that any funds affected by this Order may be disbursed in an appropriate manner.
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 Supplemental Order stating that a true and correct copy of this Supplemental Order was mailed within seven (7) days from the date of

receipt of this Supplemental Order to each Respondent 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 as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 3 day of Nov., 2010, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 3 day of Nov., 2010, by the Order of this Board.

David E. Asbury, Jr.  
David E. Asbury  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA )  
COUNTY OF RUSSELL )

Acknowledged on this 3<sup>rd</sup> day of November, 2010, 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 David E. Asbury, 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 J. Davis, Notary  
174394

My commission expires: 9/13/13



**VIRGINIA:*****BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Range Resources-Pine Mountain, Inc, for Establishment of a Drilling Unit and the Forced Pooling of Interests in V-530116, Docket No. VGOB-08-1021-2362 in the Castlewood District, Duty Quadrangle, Russell County, Virginia.

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

Timothy E. Scott (herein Affiant), being duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of MCKINNIS & SCOTT, the Agent for the Designated Operator, with offices located at 135 W. Main Street, Suite 200, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on October 8, 2009, by the Virginia Gas and Oil Board regarding the captioned conventional gas unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That although 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, he was unable to do so inasmuch as all parties were either unknown or unlocatable and such affidavit that such mailing was not possible has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Lebanon, Virginia;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender written notice of their election of the option selected under Paragraph 9 of the Order to the Designated Operator within thirty (30) days from the date of receipt of a copy of the recorded Order;
5. That the Designated Operator, by and through its agent, McKinnis & Scott, Attorneys-at-Law, has established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interests 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 Drilling Unit; that the following persons or entities delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day elections period:

NONE

6. That the interest and/or claims of the following persons or entities (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 under the Board's Order pooling the captioned Unit, as unknown or unlocatable:

See Exhibit E

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

None

8. That the Designated Operator with regard to persons previously requiring the services of the Escrow Agent have now reached an agreement regarding their interests or claims that allows Applicant/Designated Operator to make royalty distribution without the need to escrow funds which would otherwise be in conflict:

None

9. That the Respondents identified in Exhibit B-3 hereto have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective coalbed methane rights, interests and claims shall be deemed to have leased to Applicant/Designated Operator pursuant to and in accordance with Paragraph 10 of the Board Order dated August 31, 2009:

See Exhibit B-3

10. The Designated Operator requests that the following persons be dismissed as Respondents:

None

That pursuant to the provisions of 4VAC 25-160.70.A.10 and .C and VAC 25-160-80, 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 and 45.1-361.22.A.3 and .4.

Dated at Kingsport, Tennessee, this 22<sup>nd</sup> day of April, 2010.

Timothy E. Scott  
Timothy E. Scott, Affiant

Taken, subscribed and sworn to before me by Timothy E. Scott, the Agent for Range Resources-Pine Mountain, Inc., a corporation, on behalf of the corporation, this 22<sup>nd</sup> day of April, 2010.

Amanda K. Courtney  
Notary Public

My commission expires: 7/6/10



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1002832

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 11-18, 2010. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 4:00 o'clock P.M, after payment of \$        tax imposed by Sec. 58.1-802.

TESTE: ANN S. McREYNOLDS, CLERK  
BY: Shula Kitchin D. CLERK

Original returned this date to: VA GAS FOIL

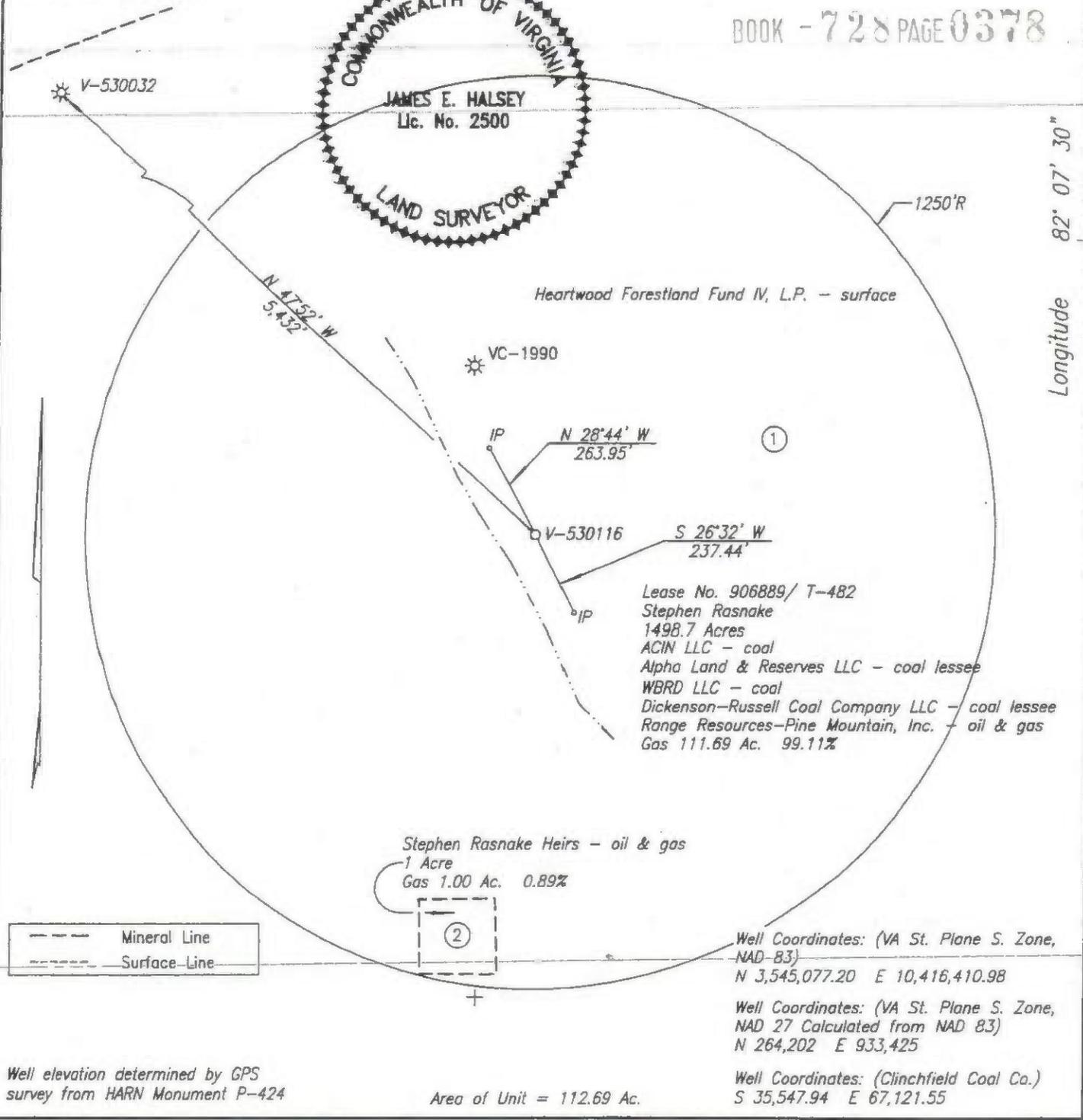
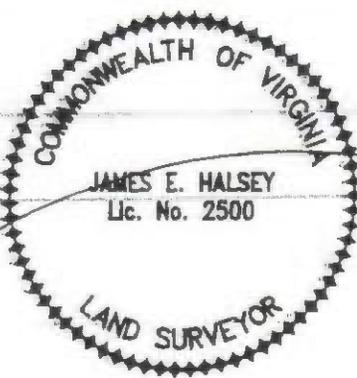
Well Coordinates: (Geographic N27)  
37.002315° 82.153308°

Latitude 37° 02' 30"

BOOK - 728 PAGE 0378

Longitude 82° 07' 30"

14,340'



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

Area of Unit = 112.69 Ac.

WELL LOCATION PLAT

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER V-530116  
TRACT NO. LS. No. 906889/T-482 ELEVATION 1,975.54' QUADRANGLE Duty  
COUNTY Russell DISTRICT Castlewood SCALE 1" = 400' DATE 9-04-2008  
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. Halsey  
Licensed Professional Engineer or Licensed Land Surveyor

Exhibit A

**Exhibit "B-3" - Unleased Owners**  
**Well No. V-530116**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
		<b>Gas Estate Only</b>		
2	Stephen Rasnake Unknown Heirs	Unleased	0.89000000	1.00000000
	<b>TOTAL GAS ESTATE</b>		0.89000000	1.00000000

**Exhibit "E" - Escrow Owners  
Well No. V-530116**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
<b>Gas Estate Only</b>				
2	Stephen Rasnake Unknown Heirs	Unleased	0.89000000	1.00000000
<b>TOTAL GAS ESTATE</b>			0.89000000	1.00000000