

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EQT Production Company

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 09-1117-2633-02

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

HEARING DATE: March 13, 2012

DRILLING UNIT: VC-536630

BUCHANAN 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 from EQT Production Company, LLC for the disbursement of funds from escrow on behalf of Hurley Ratliff (Life Estate) and Range Resources-Pine Mountain, Inc. for Tract 1, Unit VC-536630.

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

Range Resources-Pine Mountain Oil and Gas, Inc. was a conflicting claimant with Mr. Hurley Ratliff with regards to Tract 2 as created by Board Order VGOB 09-1117-2633. To resolve this conflict, a letter dated November 18, 2011, signed by Jerry H. Grantham, Vice-President of Range Resources-Pine Mountain, Inc. waving any claims to past or future royalties attributable to the interests of Mr. Hurley Ratliff in this well.

6. Attestation

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

DGO-7 Supplement
WELL UNIT PROPERTY OWNER INDEX
VC-536630

(1)

Drill Tract
Lease No. 906889L/T2-47
Agreement No. I-064340
Allen James
166.00 Acres
Jack & Norma Owens – Surface
ACIN, LLC et al. – Coal
Range Resources – Pine Mountain, Inc. – Oil, Gas & CBM
10.24 Acres – 17.42%

(2)

Lease No. 906889L/TC-230
Big Sandy Fuel Corp.
146.19 Acres
Hurley Ratliff, et al – Surface
ACIN, LLC et al – Coal
Range Resources – Pine Mountain, Inc. – Oil (CBM)
Lease No. 950988
80 Acres
Hurley & Betty Ratliff (Life Estate) – Gas (CBM)
Barbara Crouse & Linda Duty (Remainder) – Gas (CBM)
36.25 Acres – 61.69%

(3)

Lease No. 906889L/TC-230
Big Sandy Fuel Corp.
146.19 Acres
ACIN, LLC et al. – Coal
Range Resources – Pine Mountain, Inc. – Oil (CBM)
Lease No. 909980
40.00 Acres
Joseph Dwayne Tiller – 70% Gas (CBM)
Fate Gains Compton – 30% Gas (CBM)
11.41 Acres – 19.41%

(4)

Lease No. 906889L/TC-230
Big Sandy Fuel Corp.
146.19 Acres
ACIN, LLC et al – Coal
Range Resources – Pine Mountain, Inc. – Oil (CBM)
Unleased
5.00 Acres
Bobby & Molley Owens – Gas (CBM)
0.48 Acres – 0.82%

(5)

Lease No. 906889L/TC-230
Big Sandy Fuel Corp.
10.00 Acres
ACIN, LLC et al. – Coal
Range Resources – Pine Mountain, Inc. – Oil (CBM)
Lease No. 936511
10.00 Acres
Patricia Ann Compton – Gas (CBM)
0.39 Acres – 0.66%

13

EXHIBIT "E"**VC-536630**

Revised 12/06/2011

<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>				
<u>3</u>	Lowell C. Compton & Patrica Compton (h/w) 8240 Beatrice Street Westland, MI 48185	Unleased	0.118800	6.9800
<u>4</u>	Bobby Owens & Molley Owens (h/w) P.O. Box 11 Haysi, VA 24256	Unleased	0.015100	0.8900
<u>5</u>	Joseph Dewayne Tiller 3443 Combs Ridge Road Honaker, VA 24260	Leased 909980	0.009170	0.5390
	Fate Gains Compton 251 Decaur Road Stafford, VA 22554	Leased 990980	0.003930	0.2310
	Total		14.70000000%	8.640000

Coal Estate Only

3	Range Resources-Pine Mountain, INC. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-230	0.118800	6.9800
4	Range Resources-Pine Mountain, INC. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-230	0.015100	0.8900
5	Range Resources-Pine Mountain, INC. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889 TC-230	0.013100	0.7700
	Total		14.700000000%	8.640000

EXHIBIT "EE"

VC-536630

Revised 12/06/2011

<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>				
	Hurley Ratliff (Life Estate) 1058 Willie Road Vansant, VA 24666	Leased 950988	0.678900	39.900000
	Barbara Crouse and Junior Crouse, W/H (Remainderman) 1104 Twin Branch road Grundy, VA 24614			
	Linda Duty and Kermit Duty, W/H (Remainderman) 2584 Hobbs Branch Road Grundy, VA 24614			
	Total subsequent to RR-PM Waiver		0.678900	39.900000

Not provided

RECEIVED
FEB 2012
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VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: EQT Production Company on behalf of Hurley Ratliff (Life Estate), and Range Resources-Pine Mountain Inc.

DOCKET NUMBER: VGOB 09/11/17-2633-002 02

RELIEF SOUGHT: Supplemental Order for Disbursement of Escrowed Funds on behalf of Hurley Ratliff (Life Estate), and Range Resources-Pine Mountain Inc.

LEGAL DESCRIPTIONS: Drilling Unit Number VC-536630 created by Board Order Dated December 18, 2009, VGOB 09/11/17-2633 in the Magisterial District, Buchanan County, Virginia.

HEARING DATE: March 13, 2012

MISCELLANEOUS PETITION

1. Party: Applicant herein are: Hurley Ratliff, (hereinafter "Plaintiff"), whose address is 1058 Willie Road, Vansant, VA 24656, 24651 and Range Resources-Pine Mountain Inc. (hereinafter "Plaintiffs), whose address is P.O. Box 2136, Abingdon, VA 24212.
2. Facts:
 - a. Equitable was designated as the Operator and Applicants interests were Pooled in the VC-536630 Unit by Order of the Virginia Gas and Oil Board (hereinafter "Board") executed on December 18, 2009, pursuant to Docket No. VGOB 09/11/17-2633 and recorded in the Circuit Court Clerk's Office of Buchanan County, Virginia on December 30, 2009, Instrument Number 090003954 (hereinafter "Order").
 - b. The order and Supplemental Order required the Escrow Agent named and appointed therein to establish an interest-bearing escrow account for funds pertaining to the above-referenced Unit and subject to escrow pursuant to the terms of the Order.
 - c. The Order and Supplemental Order further required the Operator to deposit bonus and royalty payments with the Escrow agent which could not be made because the person(s) entitled hereto could not be made certain due to conflicting claims of ownership.
 - d. Range Resources-Pine Mountain Oil and Gas, Inc. was a conflicting claimant with the above-listed Plaintiffs with regard to Tract 1, as created by Board Order as VGOB 09/11/17-2633 is the applicable Tract.
 - e. To resolve this conflict, a Letter dated November 18, 2011, signed by Jerry H. Grantham, Vice President of Range Resources-Pine Mountain, is attached hereto and incorporated herein as Exhibit "A".

- f. The amounts deposited with the Escrow Agent regarding the Unit need to be determined and distributed accordingly.
- g. Any escrow amount, not yet deposited into the escrow account, held by Operator should also be determined, and distributed to Applicants/Plaintiffs herein, accordingly.
- h. Applicants/Plaintiffs herein do hereby request that the Board enter amended supplemental order for the Unit directing the Escrow Agent and the Operator to disburse to the aforesaid Plaintiff the funds attributable to the previous conflicting claim with Range Resources-Pine Mountain, held in escrow for the VGOB number as listed above.
 1. The Applicants certify that the matters set forth in the application, to the best of their knowledge, information, and belief, are true and correct and that the form and content of the Application and conform to the requirements of relevant Board regulations and orders.
 2. Legal Authority: Va. Code Ann. §45.1-361.1 et seq., 4 VAC 25-160, and such other regulations and Board orders promulgated pursuant to law.
 3. Relief Sought: Applicants request that the Board issue amended supplement order amending all prior orders affecting the Unit which amended supplement order will provide as follows:
 - a. Determining the amount of funds attributable to the Applicants/Plaintiffs herein.
 - b. Directing the Escrow Agent to determine the amount of funds attributable to Applicants/Plaintiffs herein, provide an accounting hereof, and disburse the funds on deposit with the Escrow Agent, including any applicable interest, pertaining to the interest in the Unit shown above for distribution.
 - c. Directing the Operator to determine the amount of funds attributable to the Applicants/Plaintiffs herein, provide an accounting thereof, and disburse the units in its hands, if any, subject to escrow but not then on deposit with the Escrow Agent, including any applicable interest, at the time of the Supplemental Order requested therein is executed, attributable to the Applicants/Plaintiffs herein for distribution.
 - d. Directing the Operator to disburse the funds, including any applicable interest, and provide an accounting thereof, which it may receive after the date of the execution of the amended supplemental order requested in the Application, if any, attributable to the Applicants/Plaintiff herein, and to discontinue the payment of such funds into Escrow.
 - e. Granting such other relief as is merited by the evidence and is just and equitable whether or not such relief has been specifically requested herein.

Dated this 10th day of February, 2012.

By:

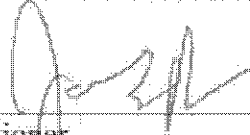


Petitioner

Address: Wilhoit & Kaiser
220 Broad St, Ste. 301
Kingsport, TN 37660

CERTIFICATE

The foregoing application to the best of my knowledge, information and belief is true and correct. Notice was given pursuant to Va. Code Ann. §45.1-361.19.

A handwritten signature in black ink, appearing to be "Joseph", written over a horizontal line.

Petitioner



RANGE RESOURCES

November 18, 2011

Mr. Hurley R. Ratliff
1058 Willie Road
Vansant, VA 24656

Ms. Barbara Crouse
1104 Twin Branch Road
Grundy, VA 24614

Ms. Linda Duty
2584 Hobbs Branch Road
Grundy, VA 24614

**Re: Permanent Release of CBM Royalty
Well VC-536629, VC-536636, VC-536630, VC-537307, and VC-537305
Buchanan County, Virginia**

Dear Mr. Ratliff, Ms. Crouse, and Ms. Duty:

As you are aware, EQT Production Company ("EQT") has drilled the above-referenced coalbed methane gas wells on an 80 acre tract ("Subject Tract") either under a pooling order from the Virginia Gas and Oil Board ("Board") or as voluntary drilling unit. For these wells, we are listed as having conflicting claims. Range Resources - Pine Mountain, Inc. ("RRPM") is listed as claiming under a coal title, and you are listed as claiming under a gas title. The plat indicating the location of the well within the operating unit (for each well listed above) is enclosed for your reference.

EQT, as operator of the unit, has placed or will place all royalty proceeds attributable to conflicting claims into an escrow or suspense account. In order to allow release of the royalty proceeds, RRPM hereby waives any claims to past or to future royalties attributable to your interest in these wells.

By copy of this letter, RRPM is requesting EQT to initiate distribution directly to you of all current royalties, as well as all future royalties, attributable to your interests in this well.

Please be advised that EQT may require that you demonstrate that you are the current owner of the gas estate. You should work directly with EQT on that issue.

Range Resources - Pine Mountain, Inc.
409 W. Main Street

P. O. Box 2136

Abingdon, VA 24212

Tel. (276) 826-9901

Fax (276) 828-7288

Abingdon: 779628-1

Mr. Hurley R. Ratliff
Ms. Barbara Crouse
Ms. Linda Dury
November 18, 2011
Page 2

If you have any questions, please do not hesitate to call me at 276-619-2584.

Sincerely,

RANGE RESOURCES-PINE MOUNTAIN, INC.


Jerry H. Grantham
Vice President

Enclosure

cc: Kristie Shannon, EQT
Alma Tolman, EQT
Debbie Louthian, RRPM