

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**PETITIONER:** EQT Production Company

**DIVISION OF GAS AND OIL**

**DOCKET NO:** VGOB 07-0821-1989-02

**RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING TRACT(S) 3  
(2) AND AUTHORIZATION FOR DIRECT  
PAYMENT OF ROYALTIES**

**HEARING DATE:** May 21, 2013

**DRILLING UNIT:** VC-536867

**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**

Petition for disbursement of escrowed funds on behalf of Lambert Land for Well VC-536867, VGOB 07/08/21-1989.

**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)**

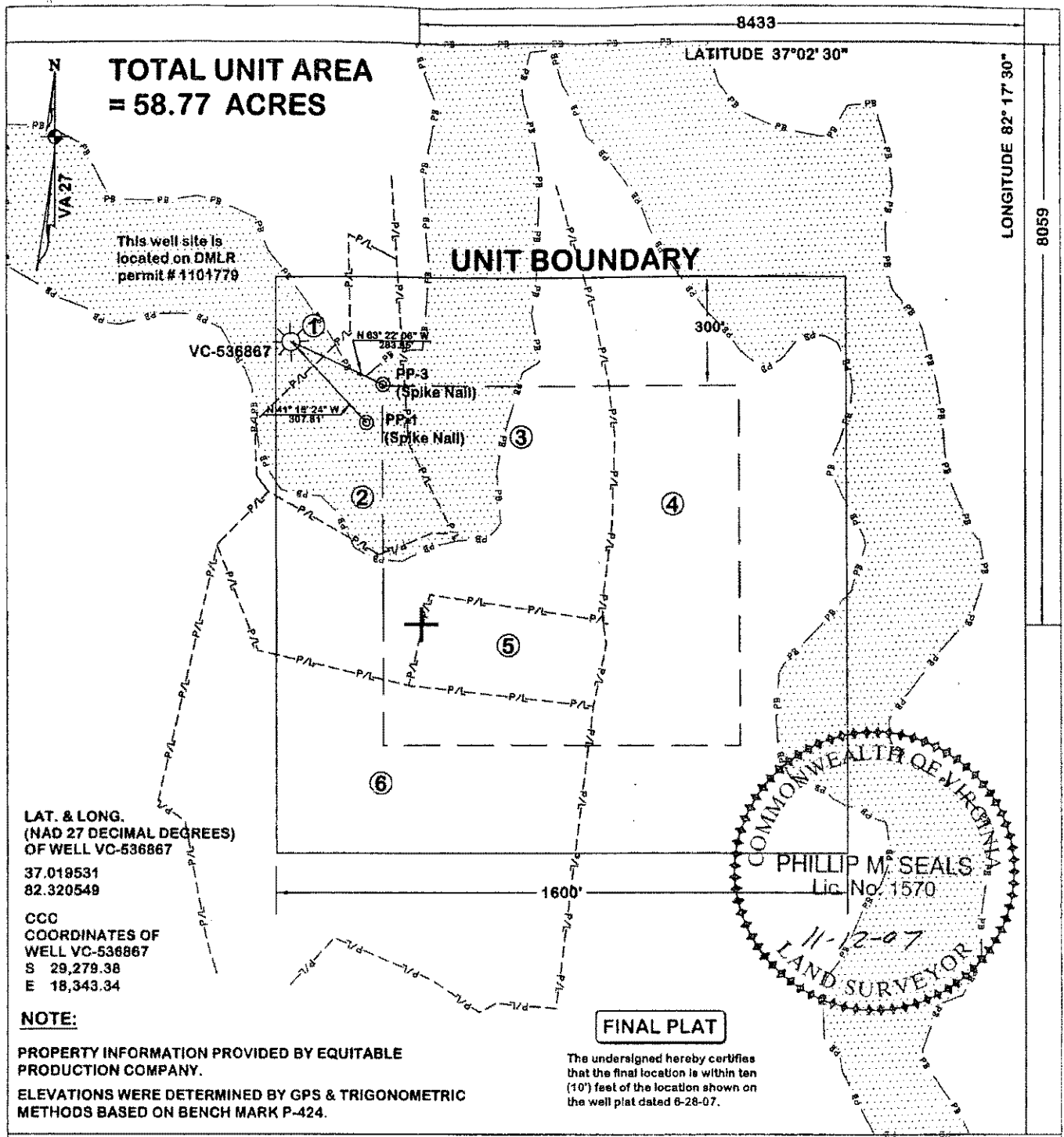
Coalbed Methane

**5. Factual basis for relief requested**

Standard Banner Coal Corporation was a conflicting claimant with Lambert Land, LLC with regard to Tract 3 as created by Board Order VGOB 07/08/21-1989. To resolve this conflict, a letter dated March 21, 2013 signed by Conrad McNeer, President of Standard Banner Coal Corporation is attached hereto.

**6. Attestation**

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



**WELL LOCATION PLAT**

COMPANY EQUITABLE PRODUCTION CO. WELL NAME OR NUMBER VC-536867

TRACT NO. TL-223 QUADRANGLE Nora

DISTRICT Kenady

WELL COORDINATES (VIRGINIA STATE PLANE 27) N 272,398.03 E 884,878.82

ELEVATION 2163.53 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.

COUNTY Dickenson SCALE: 1" = 400' DATE 11-12-07

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.

952.56  
 Form DGO-GO-7  
 Rev. 1-88

*Phillip M. Seals*

LICENSED LAND SURVEYOR

(AFFIX SEAL)

**EXHIBIT PL-1**

**Property Ownership Information for EPCO Well # VC-536867**

①

LEASE NO. 244712L  
B.H. LONG HEIRS TRACT  
30.975 ACRES  
B.H. LONG HEIRS-surface & gas (cbm)  
LEASE NO. 241490L TL-223  
STANDARD BANNER COAL CORP.- coal & oil (cbm)  
5747.00 ACRES  
WELLMORE ENERGY COMPANY.- coal lessee  
GAS 1.19 AC. 2.02%

②

LEASE NO. 241490L/ TL-223  
STANDARD BANNER COAL CORP. - coal & oil (cbm)  
5747.00 ACRES  
WELLMORE ENERGY COMPANY - coal lessee  
UNLEASED  
LAWRENCE TURNER HEIRS - surface & gas (cbm)  
GAS 5.05 AC. 8.61%

③

LEASE NO. 241490L/ TL-223  
STANDARD BANNER COAL CORP.- coal & oil (cbm)  
5747.00 ACRES  
WELLMORE ENERGY COMPANY.- coal lessee  
LEASE NO. 244728  
LAMBERT LAND, LLC.- gas (cbm)  
GAS 14.88 AC. 25.32%

④

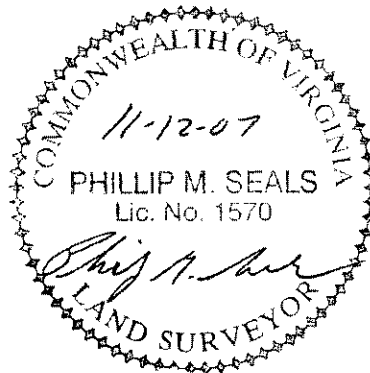
LEASE NO. 241490L/ TL-223  
STANDARD BANNER COAL CORP.-  
5747.00 ACRES  
coal, oil, gas & cbm  
WELLMORE ENERGY COMPANY - coal lessee  
GAS 25.35 AC. 43.13%

⑤

UNLEASED  
J.L. TURNER HEIRS- gas (cbm)  
3.00 ACRES  
LEASE NO. 241490L/ TL-223  
STANDARD BANNER COAL CORP.-  
5747.00 ACRES  
coal, oil (cbm)  
WELLMORE ENERGY COMPANY - coal lessee  
GAS 3.00AC. 5.10%

⑥

LEASE NO. 906891  
WAYNE & GENEVIE RINER- gas (cbm)  
25.68 ACRES  
LEASE NO. 241490L/ TL-223  
STANDARD BANNER COAL CORP.-  
5747.00 ACRES  
coal, oil (cbm)  
WELLMORE ENERGY COMPANY - coal lessee  
GAS 9.30 AC. 15.82%





**EXHIBIT "B"**  
**VC-536867**

<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	Denny Long and Sharon M. Long, h/w Rt. 3 Box 361 Lebanon, VA 24266	Leased 244712L	0.00505	0.2975
	Joseph R. Long and Tabitha G. Long, h/w P.O. Box 261 Castlewood, VA 24224	Leased 244712L	0.00505	0.2975
	Judy Manuel, single P.O. Box 314 Lebanon, VA 24266	Leased 244712L	0.00505	0.2975
	Timothy R. Long and Vera W. Long, h/w Rt. 2 Box 90-L Castlewood, VA 24224 TAX ID Minerals Only	Leased 244712L	0.00505	0.2975
2	Lawrence Turner Heirs Unknown/Unlocatable TAX ID Minerals Only	Unleased	8.61%	5.05
3	Lambert Land, LLC. Box 490 Nora, VA 24272 TAX ID 4920	Leased 906216	25.32%	14.88
4	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	43.13%	25.35
5	J.L. Turner heirs Unknown/Unlocatable TAX ID Minerals Only	Unleased	5.10%	3.000
6	Wayne Riner and Genevie Riner, h/w 4907 Long Ridge Nora, VA 24272 TAX ID 4777	Leased 906891	15.82%	9.3000
<b>TOTAL GAS ESTATE</b>			<b>100.000000%</b>	<b>58.7700</b>
Percentage of Unit Leased			86.290000%	
Percentage of Unit Unleased			13.710000%	
Acreage in Unit Leased				50.7200
Acreage in Unit Unleased				8.0500

**EXHIBIT "B"**  
**VC-536867**

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
		<u>Coal Estate Only</u>		
1	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	2.020000%	1.1900
2	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	8.610000%	5.0500
3	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	25.320000%	14.8800
4	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	43.130000%	25.3500
5	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	5.100000%	3.0000
6	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	15.820000%	9.3000
	<b>TOTAL COAL ESTATE</b>		<b>100.000000%</b>	<b>58.7700</b>
	Percentage of Unit Leased		100.000000%	
	Percentage of Unit Unleased		0.000000%	
	Acreage in Unit Leased			58.7700
	Acreage in Unit Unleased			0.0000

**EXHIBIT "E"**  
**VC-536867**

Revised 3/28/2013

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<b><u>Gas Estate Only</u></b>				
1	Denny Long and Sharon M. Long, h/w Rt. 3 Box 361 Lebanon, VA 24266	Leased 244712L	0.00505	0.2975
TAX ID Minerals Only				
	Joseph R. Long and Tabitha G. Long, h/w P.O. Box 261 Castlewood, VA 24224	Leased 244712L	0.00505	0.2975
	Judy Manuel, single P.O. Box 314 Lebanon, VA 24266	Leased 244712L	0.00505	0.2975
	Timothy R. Long and Vera W. Long, h/w Rt. 2 Box 90-L Castlewood, VA 24224	Leased 244712L	0.00505	0.2975
2	Lawrence Turner Heirs Unknown/Unlocatable	Unleased	8.61%	5.05
TAX ID Minerals Only				
5	J.L. Turner heirs Unknown/Unlocatable	Unleased	5.10%	3.000
TAX ID Minerals Only				
<b>TOTAL</b>			<b>15.730000%</b>	<b>9.2400</b>
<b><u>Coal Estate Only</u></b>				
1	Standard Banner Coal Corp. Attn: Mike Clisso	Leased 241490	2.020000%	1.1900
TAX ID 5362				

P.O. Box 750  
Wise, VA 24293

TL-223

2 TAX ID 5362	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 241490 TL-223	8.610000%	5.0500
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5 TAX ID 5362	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 241490 TL-223	5.100000%	3.0000
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<b>TOTAL</b>			<b>15.730000%</b>	<b>9.2400</b>
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**Exhibit EE**  
**VC-536867**  
**VGOB 07/08/21-1989**  
**Revised 3/28/2013**

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>GROSS ACREAGE IN UNIT</u>
<b><u>Disbursement -01</u></b>			
6	Wayne Riner and Genevie Riner, h/w 4907 Long Ridge Nora, VA 24272	Leased 906891	4.65
6	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 241490 TL-223	4.65
<b><u>Disbursement -02</u></b>			
3	Lambert Land, LLC. Box 490 Nora, VA 24272 TAX ID 4920	Leased 906216	14.88
3	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	0.0000

Reconciliation Well 536867

Prod Date	Prnt Date	Deck Dcml	Own Net
01/2008	03/10/2008	0.07108750	366.34
01/2008	03/10/2008	0.07108750	109.75
01/2008	03/10/2008	0.07108750	267.68
02/2008	04/08/2008	0.07108750	89.01
02/2008	04/08/2008	0.07108750	446.56
02/2008	04/08/2008	0.07108750	300.97
03/2008	05/07/2008	0.07108750	151.94
03/2008	05/07/2008	0.07108750	509.47
03/2008	05/07/2008	0.07108750	382.21
04/2008	06/09/2008	0.07108750	198.72
04/2008	06/09/2008	0.07108750	515.25
04/2008	06/09/2008	0.07108750	420.96
05/2008	07/14/2008	0.07108750	190.22
05/2008	07/14/2008	0.07108750	685.39
05/2008	07/14/2008	0.07108750	522.21
06/2008	08/07/2008	0.07108750	536.52
06/2008	08/07/2008	0.07108750	227.84
06/2008	08/07/2008	0.07108750	667.08
07/2008	09/05/2008	0.07108750	233.52
07/2008	09/05/2008	0.07108750	805.79
07/2008	09/05/2008	0.07108750	640.51
08/2008	10/10/2008	0.07108750	555.80
08/2008	10/10/2008	0.07108750	168.23
08/2008	10/10/2008	0.07108750	433.09
09/2008	11/07/2008	0.07108750	508.30
09/2008	11/07/2008	0.07108750	381.52
09/2008	11/07/2008	0.07108750	118.17
10/2008	12/09/2008	0.07108750	152.99
10/2008	12/09/2008	0.07108750	349.75
10/2008	12/09/2008	0.07108750	412.40
11/2008	01/12/2009	0.07108750	101.26
11/2008	01/12/2009	0.07108750	358.54
11/2008	01/12/2009	0.07108750	282.72
11/2008	01/12/2009	0.07108750	-282.72
11/2008	01/12/2009	0.07108750	-101.26
11/2008	01/12/2009	0.07108750	-358.54
11/2008	01/12/2009	0.07108750	100.10
11/2008	01/12/2009	0.07108750	354.45
11/2008	01/12/2009	0.07108750	279.50
01/2009	04/14/2010	0.07108750	322.58
01/2009	04/14/2010	0.07108750	257.29
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02/2009	04/09/2009	0.07108750	55.30
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03/2009	05/12/2009	0.07108750	193.86
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04/2009	06/08/2009	0.07108750	54.79
04/2009	06/08/2009	0.07108750	139.14
04/2009	06/08/2009	0.07108750	132.58
05/2009	07/10/2009	0.07108750	103.82
05/2009	07/10/2009	0.07108750	46.22
05/2009	07/10/2009	0.07108750	116.76
06/2009	08/12/2009	0.07108750	105.67
06/2009	08/12/2009	0.07108750	49.70
06/2009	08/12/2009	0.07108750	114.50
07/2009	09/10/2009	0.07108750	56.74
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08/2009	10/12/2009	0.07108750	93.51
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08/2009	10/12/2009	0.07108750	96.82
09/2009	11/09/2009	0.07108750	69.83
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10/2009	12/09/2009	0.07108750	52.87
10/2009	12/09/2009	0.07108750	114.80
10/2009	12/09/2009	0.07108750	103.09
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11/2009	01/13/2010	0.07108750	140.95
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12/2009	02/10/2010	0.07108750	111.49
12/2009	02/10/2010	0.07108750	146.12
12/2009	02/10/2010	0.07108750	49.41
01/2010	03/09/2010	0.07108750	79.83
01/2010	03/09/2010	0.07108750	195.57
01/2010	03/09/2010	0.07108750	167.87
02/2010	04/14/2010	0.07108750	61.95
02/2010	04/14/2010	0.07108750	134.24
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03/2010	05/10/2010	0.07108750	147.80
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05/2010	07/13/2010	0.07108750	49.06
05/2010	07/13/2010	0.07108750	130.83
05/2010	07/13/2010	0.07108750	110.78
06/2010	08/10/2010	0.07108750	44.96
06/2010	08/10/2010	0.07108750	120.35
06/2010	08/10/2010	0.07108750	102.12
07/2010	09/10/2010	0.07108750	48.71
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08/2010	10/11/2010	0.05131250	42.92
08/2010	10/11/2010	0.05131250	94.78
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09/2010	11/11/2010	0.05131250	62.17
10/2010	12/09/2010	0.05131250	67.21
10/2010	12/09/2010	0.05131250	31.21
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11/2010	01/13/2011	0.05131250	22.31
11/2010	01/13/2011	0.05131250	61.32
11/2010	01/13/2011	0.05131250	48.64
12/2010	02/11/2011	0.05131250	29.75
12/2010	02/11/2011	0.05131250	92.97
12/2010	02/11/2011	0.05131250	72.34
01/2011	03/11/2011	0.05131250	86.97
01/2011	03/11/2011	0.05131250	73.95
01/2011	03/11/2011	0.05131250	36.03
02/2011	04/12/2011	0.05131250	61.56
02/2011	04/12/2011	0.05131250	77.73
02/2011	04/12/2011	0.05131250	27.10
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03/2011	05/11/2011	0.05131250	76.92
04/2011	06/11/2011	0.05131250	28.27
04/2011	06/11/2011	0.05131250	64.05
04/2011	06/11/2011	0.05131250	82.58
05/2011	07/13/2011	0.05131250	76.48
05/2011	07/13/2011	0.05131250	31.70
05/2011	07/13/2011	0.05131250	65.13
06/2011	08/10/2011	0.05131250	66.07
06/2011	08/10/2011	0.05131250	77.90
06/2011	08/10/2011	0.05131250	31.64
07/2011	09/12/2011	0.05131250	75.50
07/2011	09/12/2011	0.05131250	30.30
07/2011	09/12/2011	0.05131250	61.81
08/2011	10/12/2011	0.05131250	31.86
08/2011	10/12/2011	0.05131250	64.18
08/2011	10/12/2011	0.05131250	76.83
09/2011	11/10/2011	0.05131250	53.43
09/2011	11/10/2011	0.05131250	64.34
09/2011	11/10/2011	0.05131250	28.37
10/2011	12/09/2011	0.05131250	24.71
10/2011	12/09/2011	0.05131250	52.39
10/2011	12/09/2011	0.05131250	67.99
11/2011	01/17/2012	0.05131250	22.31
11/2011	01/17/2012	0.05131250	47.57

11/2011	01/17/2012	0.05131250	62.36
12/2011	02/10/2012	0.05131250	60.48
12/2011	02/10/2012	0.05131250	45.26
12/2011	02/10/2012	0.05131250	19.57
01/2012	03/12/2012	0.05131250	15.08
01/2012	03/12/2012	0.05131250	50.11
01/2012	03/12/2012	0.05131250	36.93
02/2012	04/13/2012	0.05131250	38.03
02/2012	04/13/2012	0.05131250	27.92
02/2012	04/13/2012	0.05131250	10.63
03/2012	05/11/2012	0.05131250	36.16
03/2012	05/11/2012	0.05131250	13.25
03/2012	05/11/2012	0.05131250	27.84
04/2012	06/12/2012	0.05131250	9.23
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04/2012	06/12/2012	0.05131250	19.60
05/2012	07/11/2012	0.05131250	19.75
05/2012	07/11/2012	0.05131250	25.29
05/2012	07/11/2012	0.05131250	9.85
06/2012	08/10/2012	0.05131250	31.96
06/2012	08/10/2012	0.05131250	12.37
06/2012	08/10/2012	0.05131250	24.90
07/2012	09/12/2012	0.05131250	30.06
07/2012	09/12/2012	0.05131250	13.21
07/2012	09/12/2012	0.05131250	40.12
08/2012	10/10/2012	0.05131250	28.93
08/2012	10/10/2012	0.05131250	12.11
08/2012	10/10/2012	0.05131250	39.02
09/2012	11/09/2012	0.05131250	32.53
09/2012	11/09/2012	0.05131250	13.85
09/2012	11/09/2012	0.05131250	25.93
10/2012	12/12/2012	0.05131250	33.26
10/2012	12/12/2012	0.05131250	12.94
10/2012	12/12/2012	0.05131250	45.91
11/2012	01/10/2013	0.05131250	39.10
11/2012	01/10/2013	0.05131250	17.29
11/2012	01/10/2013	0.05131250	51.46
12/2012	02/11/2013	0.05131250	118.45

**EQT Total Payments 22,136.90**  
~~2503.56~~ Disbursement -01  
19,633.34

**Escrow Agent Summary February 2013**

	<u>Unit Name</u>	<u>Docket #</u>	<u>Unit Operator</u>	<u>Beginning Market</u>	<u>Deposit Type</u>	<u>Money Deposits</u>	<u>Money Mkt</u>	<u>CDARS Interest</u>	<u>Fees for 01/2013</u>	<u>Audit Costs</u>	<u>Ending Market</u>
8001989	VC536867	1989	EQT	\$16,458.59		\$118.45	\$0.41	\$3.28	(\$1.37)	\$2.57	\$16,756.79



# **Standard Banner Coal Corporation**

## **Land and Energy Resources**

29059 Rivermont Drive, Meadowview, Virginia 24361

March 21, 2013

Dennis Sutherland, Managing Member  
Lambert Land, LLC  
P. O. Box 191  
Abingdon, VA 24212

Re: Permanent Release of CBM Royalty - Voluntary Units, Dickenson  
County, Virginia VC-536082 VC-535889 VC-503440 VC-536867

Dear Mr. Sutherland:

As you are aware, EQT Production Company ("EQT") has drilled the above-referenced coalbed methane gas wells on a 30 acre tract as voluntary drilling unit on which Standard Banner owns the coal and Lambert Land owns the gas. For these wells, Standard Banner and Lambert Land are listed as having conflicting claims. The plats indicating the location of each well within the operating unit are enclosed for reference with the Lambert interest being listed as the 30 acre G.B. Lambert tract.

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, Standard Banner, in consideration addressed in a separate letter of the same date, hereby waives any claims to past or to future royalties attributable to Lambert's interest in these and any other wells on this tract.

By copy of this letter, Standard Banner is requesting EQT to initiate distribution directly to Lambert of all current royalties, as well as all future royalties, attributable to the interests in these wells.

Sincerely,



Conrad McNeer  
President

enclosures as stated

cc: Kristie Rudick, EQT, P.O. Box 23536, Pittsburgh, PA 15222  
Nicole Atkison, EQT, P.O. Box 23536, Pittsburgh, PA 15222