

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EQT Production Company

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 08-0916-2328-01

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

HEARING DATE: May 21, 2013

DRILLING UNIT: VC-539762

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 funds on behalf of Thomas Dotson for Well VC-539762, VGOB 08/09/16-2328.

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

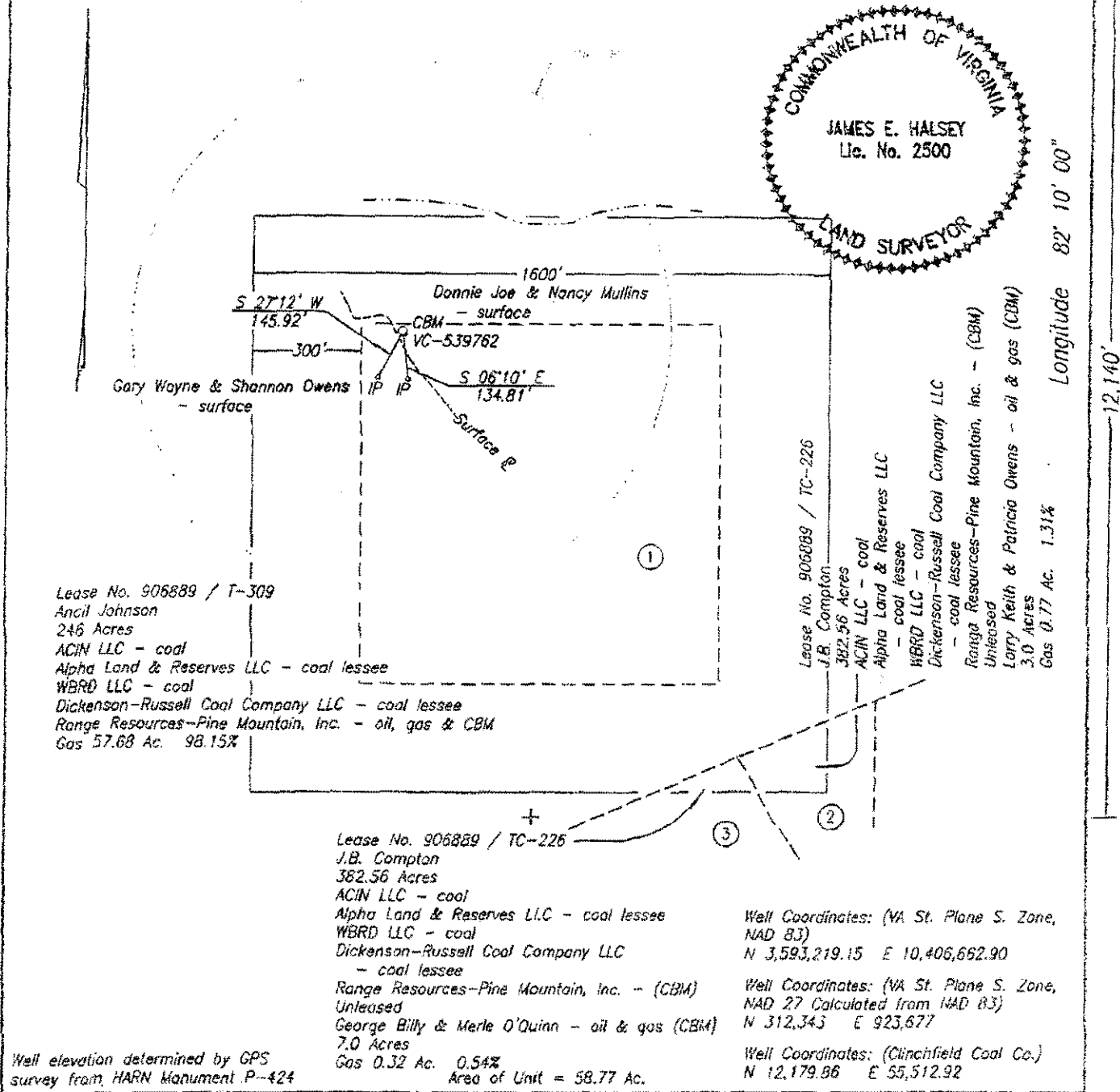
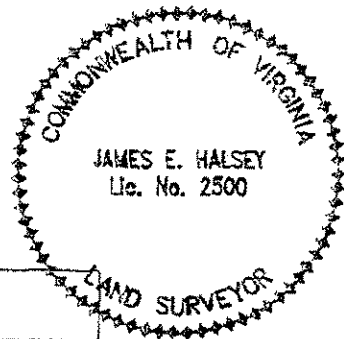
Range Resources-Pine Mountain was a conflicting claimant with Thomas Dotson with regard to Tract 2 as created by VGOB 08/09/16-2328. To resolve this conflict, a letter dated March 17, 2013, signed by Phil Horn, Land Manager for Range Resources-Pine Mountain is attached hereto.

6. Attestation

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

Well Coordinates: (Geographic N27)
37.133397° -82.193110°

Latitude 37° 10' 00"



Lease No. 906889 / T-309
Ancil Johnson
246 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - oil, gas & CBM
Gas 57.68 Ac. 98.15%

Lease No. 906889 / TC-226
J.B. Compton
382.56 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC
- coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC
- coal lessee
Range Resources-Pine Mountain, Inc. - (CBM)
Unleased
Larry Keith & Patricia Owens - oil & gas (CBM)
3.0 Acres
Gas 0.77 Ac. 1.31%

Lease No. 906889 / TC-226
J.B. Compton
382.56 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC
- coal lessee
Range Resources-Pine Mountain, Inc. - (CBM)
Unleased
George Billy & Merle O'Quinn - oil & gas (CBM)
7.0 Acres
Gas 0.32 Ac. 0.54%
Area of Unit = 58.77 Ac.

Well Coordinates: (VA St. Plane S. Zone, NAD 83)
N 3,593,219.15 E 10,406,662.90
Well Coordinates: (VA St. Plane S. Zone, NAD 27 Calculated from NAD 83)
N 312,343 E 923,677
Well Coordinates: (Clinchfield Coal Co.)
N 12,179.86 E 55,512.92

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

WELL LOCATION PLAT (Nora Grid AT-72)

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-539762
TRACT NO. Le No. 906889/T-309 ELEVATION 2,015.80' QUADRANGLE Prater
COUNTY Dickenson DISTRICT Sandlick SCALE 1" = 400' DATE 7-08-2008

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 "B"
VC-539762
 Revised 4/9/2013

<u>TR</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 TAX ID 20491	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/T-309	98.150000%	57.6800	0.12268750	RI	
					0.85881250	WI	
Tract 1 Totals					98.150000%	57.6800	0.98150000
2 TAX ID 19857	Tom Dotson 305 Hill Road Southern Pines, NC 28387	Unleased	1.310000%	0.7700	0.00163750	RI	
					0.01146250	WI	
Tract 2 Totals					1.310000%	0.7700	0.01310000
3 TAX ID 7616	George B. O'Quinn & Merle O'Quinn, H/W 941 Steves Branch Bee, VA 24217	Leased Range Resources	0.540000%	0.3200	0.00067500	RI	
					0.00472500	WI	
Tract 3 Totals					0.540000%	0.3200	0.00540000
TOTAL GAS ESTATE			100.000000%	58.7700	1.00000000		
Percentage of Unit Leased			98.150000%				
Percentage of Unit Unleased			1.850000%				
Acreage in Unit Leased				57.6800			
Acreage in Unit Unleased				1.0900			

Coal Estate Only

1 TAX ID 20491	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/T-309	98.150000%	57.6800	0.12268750	RI	
					0.85881250	WI	
Tract 1 Totals					98.150000%	57.6800	0.98150000
2 TAX ID 9224	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham	Leased 906889/TC-226	1.310000%	0.7700	0.00163750	RI	

P.O. Box 2136
 Abingdon, VA. 24212

	Equitable Production Company			0.01146250	WI
Tract 2 Totals			1.310000%	0.7700	0.01310000

3	Range Resources-Pine Mountain, Inc.	Leased	0.5400000%	0.3200	0.00067500	RI
TAX ID 9224	ATTN: Jerry Grantham	906889/TC-226				
	P.O. Box 2136					
	Abingdon, VA. 24212					

	Equitable Production Company			0.00472500	WI
Tract 3 Totals			0.5400000%	0.3200	0.00540000

TOTAL COAL ESTATE		100.000000%	58.7700	1.00000000	
--------------------------	--	--------------------	----------------	-------------------	--

Percentage of Unit Leased	100.000000%
Percentage of Unit Unleased	0.000000%

Acreage in Unit Leased	58.7700
Acreage in Unit Unleased	0.0000

* Interst formerly owned by Larry and Patricia Owens. See attached deed.

EXHIBIT "E"
VC-539762
Revised 4/10/2013

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
		<u>N/A</u>		

EXHIBIT "EE"
VC-539762
 Revised 4/10/2013

<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>				
3 TAX ID 7616	George B. O'Quinn & Merle O'Quinn, H/W 941 Steves Branch Bee, VA 24217 <i>Agreement reached. No escrow required</i>	Unleased	0.5400000%	0.3200
TOTAL			0.540000%	0.3200
<u>Coal Estate Only</u>				
TAX ID 9224	Range Resources-Pine Mountain, Inc ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 <i>Agreement reached. No escrow required</i>	Leased 906889/TC-226	0.5400000%	0.3200
TOTAL			1.080000%	0.6400
Current Disbursement				
<u>Gas Estate Only</u>				
2 TAX ID 19857	Tom Dotson* 305 Hill Road Southern Pines, NC 28387	Unleased	1.310000%	0.7700
Total after RR-PM Waiver			1.310000%	0.7700
<u>Coal Estate Only</u>				
2 TAX ID 9224	Range Resources-Pine Mountain, Inc ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 906889/TC-226	0.000000%	0.0000
Total after RR-PM Waiver			<u>0.000000%</u>	<u>0.0000</u>

* Interst formerly owned by Larry and Patricia Owens. See attached deed.

Production Month	Payment Date	Amount
12/2008	8/10/2011	\$2.76
12/2008	8/10/2011	\$0.79
12/2008	8/10/2011	\$2.21
01/2009	8/10/2011	\$1.56
01/2009	8/10/2011	\$0.55
01/2009	8/10/2011	\$1.94
02/2009	8/10/2011	\$0.28
02/2009	8/10/2011	\$1.08
02/2009	8/10/2011	\$0.84
03/2009	8/10/2011	\$0.33
03/2009	8/10/2011	\$0.91
03/2009	8/10/2011	\$0.77
04/2009	8/10/2011	\$0.54
04/2009	8/10/2011	\$0.22
04/2009	8/10/2011	\$0.57
05/2009	8/10/2011	\$0.22
05/2009	8/10/2011	\$0.56
05/2009	8/10/2011	\$0.49
06/2009	8/10/2011	\$0.51
06/2009	8/10/2011	\$0.23
06/2009	8/10/2011	\$0.55
07/2009	8/10/2011	\$0.26
07/2009	8/10/2011	\$0.53
07/2009	8/10/2011	\$0.54
08/2009	8/10/2011	\$0.22
08/2009	8/10/2011	\$0.43
08/2009	8/10/2011	\$0.44
09/2009	8/10/2011	\$0.16
09/2009	8/10/2011	\$0.36
09/2009	8/10/2011	\$0.32
10/2009	8/10/2011	\$0.48
10/2009	8/10/2011	\$0.54
10/2009	8/10/2011	\$0.24
11/2009	8/10/2011	\$0.69
11/2009	8/10/2011	\$0.60
11/2009	8/10/2011	\$0.26
12/2009	8/10/2011	\$0.72
12/2009	8/10/2011	\$0.24
12/2009	8/10/2011	\$0.56
01/2010	8/10/2011	\$1.04
01/2010	8/10/2011	\$1.23
01/2010	8/10/2011	\$0.50
02/2010	8/10/2011	\$0.98
02/2010	8/10/2011	\$0.39
02/2010	8/10/2011	\$0.85
03/2010	8/10/2011	\$0.82
03/2010	8/10/2011	\$0.93
03/2010	8/10/2011	\$0.41
04/2010	8/10/2011	\$0.67
04/2010	8/10/2011	\$0.55
04/2010	8/10/2011	\$0.26
05/2010	8/10/2011	\$0.79
05/2010	8/10/2011	\$0.67
05/2010	8/10/2011	\$0.29

06/2010	8/10/2011	\$0.28
06/2010	8/10/2011	\$0.74
06/2010	8/10/2011	\$0.63
07/2010	8/10/2011	\$0.77
07/2010	8/10/2011	\$0.88
07/2010	8/10/2011	\$0.30
08/2010	8/10/2011	\$0.77
08/2010	8/10/2011	\$0.87
08/2010	8/10/2011	\$0.39
09/2010	8/10/2011	\$0.53
09/2010	8/10/2011	\$0.23
09/2010	8/10/2011	\$0.61
10/2010	8/10/2011	\$0.68
10/2010	8/10/2011	\$0.55
10/2010	8/10/2011	\$0.24
11/2010	8/10/2011	\$0.13
11/2010	8/10/2011	\$0.33
11/2010	8/10/2011	\$0.26
12/2010	8/10/2011	\$0.39
12/2010	8/10/2011	\$1.24
12/2010	8/10/2011	\$0.96
01/2011	8/10/2011	\$1.11
01/2011	8/10/2011	\$0.46
01/2011	8/10/2011	\$0.94
02/2011	8/10/2011	\$0.36
02/2011	8/10/2011	\$0.80
02/2011	8/10/2011	\$1.01
03/2011	8/10/2011	\$0.36
03/2011	8/10/2011	\$0.79
03/2011	8/10/2011	\$0.99
04/2011	8/10/2011	\$0.84
04/2011	8/10/2011	\$0.37
04/2011	8/10/2011	\$1.09
05/2011	8/10/2011	\$1.09
05/2011	8/10/2011	\$0.92
05/2011	8/10/2011	\$0.45
06/2011	8/10/2011	\$0.96
06/2011	8/10/2011	\$0.46
06/2011	8/10/2011	\$1.14
07/2011	9/12/2011	\$0.50
07/2011	9/12/2011	\$1.24
07/2011	9/12/2011	\$1.01
08/2011	10/12/2011	\$0.52
08/2011	10/12/2011	\$1.04
08/2011	10/12/2011	\$1.25
09/2011	11/10/2011	\$1.05
09/2011	11/10/2011	\$0.87
09/2011	11/10/2011	\$0.46
10/2011	12/9/2011	\$0.88
10/2011	12/9/2011	\$0.41
10/2011	12/9/2011	\$1.14
11/2011	1/17/2012	\$0.83
11/2011	1/17/2012	\$0.38
11/2011	1/17/2012	\$1.08
12/2011	2/10/2012	\$0.36

12/2011	2/10/2012	\$1.09
12/2011	2/10/2012	\$0.82
01/2012	3/12/2012	\$0.71
01/2012	3/12/2012	\$0.28
01/2012	3/12/2012	\$0.97
02/2012	4/13/2012	\$0.73
02/2012	4/13/2012	\$0.55
02/2012	4/13/2012	\$0.20
03/2012	5/11/2012	\$0.68
03/2012	5/11/2012	\$0.52
03/2012	5/11/2012	\$0.24
04/2012	6/12/2012	\$0.18
04/2012	6/12/2012	\$0.38
04/2012	6/12/2012	\$0.49
05/2012	7/11/2012	\$0.20
05/2012	7/11/2012	\$0.38
05/2012	7/11/2012	\$0.49
06/2012	8/10/2012	\$0.63
06/2012	8/10/2012	\$0.49
06/2012	8/10/2012	\$0.24
07/2012	9/12/2012	\$0.62
07/2012	9/12/2012	\$0.27
07/2012	9/12/2012	\$0.83
08/2012	10/10/2012	\$0.67
08/2012	10/10/2012	\$0.28
08/2012	10/10/2012	\$0.92
09/2012	11/9/2012	\$0.66
09/2012	11/9/2012	\$0.53
09/2012	11/9/2012	\$0.28
10/2012	12/12/2012	\$0.26
10/2012	12/12/2012	\$0.68
10/2012	12/12/2012	\$0.95
11/2012	1/10/2013	\$1.12
11/2012	1/10/2013	\$0.85
11/2012	1/10/2013	\$0.37
12/2012	2/11/2013	\$2.62
EQT Payments Through 2/2013		<u>\$97.00</u>

<u>Unit Name</u>	<u>Docket #</u>	<u>Unit Operator</u>	<u>Beginning Market Value</u>	<u>Deposits</u>	<u>Money Mkt Interest</u>	<u>CDARS Interest</u>	<u>Fees for 01/2013</u>	<u>Audit Costs</u>	<u>Ending Market Value</u>
VC539762	2328	EQT	\$94.32	\$2.62	\$0.01	\$0.00	(\$0.01)	(\$0.02)	\$96.92

DEED

THIS DEED, Made as of the 29th day of July, 2011, by and between **Larry Keith Owens & Patricia Gail Owens**, party(ies) of the first part, hereinafter known as "Grantor(s)", and **Thomas Dotson**, party the second part, hereinafter known as "Grantee", whose mailing address is: 305 Hill Road, Southern Pines, NC 28387

WITNESSED:

That for and in consideration of the sum of Two Thousand Five Hundred (\$2500.00) cash in hand paid, the receipt of which is hereby acknowledged, the Grantor(s) do(es) hereby grant, bargain, sell, and convey, with covenants of General Warranty of Title, unto the said Grantee, all of his/her right title, and interest in all the **Oil & Gas** underlying that certain tract or tracts of land, situated, lying and being in Dickenson County, Virginia, and being more particularly bounded and described as follows:

TAX ID NUMBER: 19857

BEGINNING at a stake in the upper edge of State Route 835; thence up the hill N 84 E 322 feet to a stake on top of the point and a chestnut called for (gone) and a corner to Darrell Owens tract; thence with the Darrell Owens tract down the said point in a Southward direction to a small white oak on said point, a corner to Trinkle Owens tract; thence with the said Trinkle Owens line reversed S 8 W to a stake in the upper edge of State Route 835; thence up Route 835 to the **BEGINNING**, containing 3 acres, more or less.

This being the same property secured by Deed dated the 11th day of May, 2001, from Ella Owens, to Larry Keith Owens & Patricia Gail Owens, and recorded in the Clerk's Office for the Circuit Court of Dickenson County, Virginia in Deed Book 417, Page 578, to which said deed reference is hereby made for a more particular description thereof.

TAX ID NUMBER: 7733

BEGINNING at a rock on the east bank of right hand fork of Steves Branch in George B. O'Quinn line; thence leaving the said line and up the Branch N 31 W 218 feet to a poplar on the east side of said branch; thence N 31 30 W 297 ft. to a stake above an old private road; thence N 25 30 W 146 ft. to a white oak above a private road, a corner to John H. Owens and Dannie Gilbert; thence down the said road S 49 30' E 342 feet to a stake on a cliff; thence S 75 E 122 ft. to a stake on the upper side of said private road; thence S 83 E 37 ft. to a stake on the west bank of a drain at the bend of the private road; thence down the said drain S 10 W 61 ft. to a maple on the east side of said drain at the bend of said road; thence down the said drain S 7 W 126 ft. to a steel stake in a rock; thence S 28 30' 73 ft. to a stake in the old private road; thence S 14 W 80 ft. to a maple on the bank of the old private road; thence S 15 30' E 52 ft. to a concrete marker above the old private road 76 ft. to the **BEGINNING**, containing 3.80 acres more or less.

This being the same property secured by Deed dated the 25th day of August, 1978, from John H. Owens & Ellie Owens, to Larry Keith Owens, and recorded in the Clerk's Office for the Circuit Court of Dickenson County, Virginia in Deed Book 198, Page 771, to which said deed reference is hereby made for a more particular description thereof.

The right to receive any royalties that are currently being held for grantor(s) in escrow or that may be due to owing in the future to grantor(s) on any tract or tracts of land conveyed herein is hereby assigned by the grantor(s) to the grantee(s).

Any Oil & Gas leases that have been previously executed by the Grantor(s) are hereby assigned to the Grantee.

EXCEPTING AND RESERVING any prior conveyances.

TO HAVE AND TO HOLD unto Grantee, his heirs and assigns, forever, together with all the appurtenances thereunto belonging.

CX 488PG 071

THIS DEED WAS PREPARED WITHOUT THE BENEFIT OF A TITLE EXAMINATION, NOR WAS ONE REQUESTED. THE DESCRIPTION USED IN THIS DEED WAS OBTAINED FROM A PRIOR DEED WHICH WAS PROVIDED BY THE PARTIES.

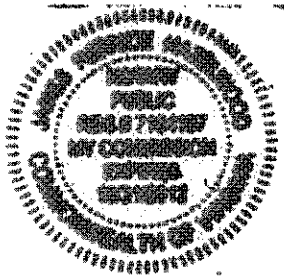
WITNESS the following signature(s).

Larry K. Owens
Patricia Owens

STATE OF VIRGINIA

County of Dickenson, to-wit:

The foregoing instrument was acknowledged before me this 29th day of July 2011, by Larry Keith Owens & Patricia Gail Owens, whose name(s) is/are signed to the foregoing Deed bearing date of the 29th day of July, 2011, having this day personally appeared before me and acknowledged the same in my State and jurisdiction aforesaid.



James Patrick King
Notary Public

My Commission expires: October 31, 2012

Registration No: 7164197

INSTRUMENT #11000932
RECORDED IN THE CLERK'S OFFICE OF
DICKENSON ON
AUGUST 1, 2011 AT 10:13AM
\$2.50 GRANTOR TAX WAS PAID AS
REQUIRED BY SEC 58.1-802 OF THE VA. CODE
STATE: \$1.25 LOCAL: \$1.25

RICHARD W. EDWARDS, CLERK
RECORDED BY: CJF



March 11, 2013

EQT Corporation
P.O. Box 23536
Pittsburgh, PA 15222

ATTENTION: Kristie Rudick

RE: **Permanent Release of CBM Royalty
Well VC-539776, VC-539762, and VC-39764
Dickenson County, Virginia**

Dear Kristie:

I enclose a copy of the Permanent Release of CBM Royalty Packet with regard to Tom Dotson's interest in the aforesaid wells. A copy of each of the following source deeds is enclosed:

1. Deed dated August 4, 2011, of record in the Circuit Court Clerk's Office of Dickenson County, Virginia, in Deed Book 488, Page 709, by Darrell G. Owens and Patricia Owens to Thomas Dotson for the oil and gas underlying 6.5 acres, more or less, Tax ID Number 18015; and underlying 7 acres, more or less, Tax ID Number 7663.
2. Deed dated July 29, 2011, of record in the aforesaid Clerk's Office in Deed Book 488, Page 69, by Larry Keith Owens and Patricia Gail Owens to Thomas Dotson for the oil and gas underlying 3 acres, more or less, Tax ID Number 19857; and underlying 3.80 acres, more or less, Tax ID Number 7733.

Please notice George B. O'Quinn et ux conveyed their right, title, and interest in and to all of the oil and gas underlying a 20 acre, more or less, tract or parcel of land, Tax ID Number 7617, and a 10 acre, more or less, tract or parcel of land, Tax ID Number 7616, by deed dated August 13, 2011, of record in the Circuit Court Clerk's Office of Dickenson

EQT Corporation
Attention: Kristie Rudick
March 11, 2013
Page 2

County, Virginia, in Deed Book 489, Page 112. A copy of this deed is also enclosed for your reference. George B. O'Quinn et ux entered into an agreement with Range Resources-Pine Mountain, Inc., as to a permanent split of CBM Royalty, which letter is dated October 15, 2008, a copy of which is enclosed.

If you have any questions regarding the above or the enclosed, do not hesitate to contact this office.

Sincerely,

RANGE RESOURCES – PINE MOUNTAIN, INC.

A handwritten signature in cursive script that reads "Ann Edmisten".

Ann Edmisten, CLAS
Land Tech II

Enclosures

March 7, 2013



RANGE RESOURCES®

Mr. Tom Dotson
305 Hill Road
Southern Pines, NC 28387

Re: **Permanent Release of CBM Royalty**
Well VC-539776, VC-539762, and VC-539764
Dickenson County, Virginia

Dear Mr. Dotson:

As you are aware, EQT Production Company ("EQT") has drilled the above-referenced coalbed methane gas wells on the Darrell Owens et ux 6 acre tract and the Larry Keith Owens et ux 3 acre tract (being a portion of the J. B. Compton 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 or your predecessors in title are listed as claiming under a gas title. The plats indicating the location of each well within the operating unit is enclosed for your reference.

EQT, as operator of the units, 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 interests 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 these wells. 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.

Enclosed is a W-9 Form that you will need to complete by entering your Social Security Number in Part I and by signing and dating the Certification in Part II. A self-addressed, stamped envelope is enclosed for your convenience in returning the completed form to this office.

Mr. Tom Dotson
March 7, 2013
Page 2

If you have any questions, please do not hesitate to call me at 276-619-2583.

Sincerely,

RANGE RESOURCES-PINE MOUNTAIN, INC.



Phil Horn
Land Manager

Enclosures

cc: Kristie Rudick, EQT
Debbie Louthian, RRPM