

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**PETITIONER:** EQT Production Company

**DIVISION OF GAS AND OIL**

**DOCKET NO:** VGOB 05-1115-1535-02

**RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING TRACT(S) 5  
(2) AND AUTHORIZATION FOR DIRECT  
PAYMENT OF ROYALTIES**

**HEARING DATE:** May 21, 2013

**DRILLING UNIT:** VC-536082

**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-536082, VGOB 05/11/15-1535.

**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 5 as created by Board Order VGOB 05/11/15-1535. 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.

SK 472PS 747

9,879'

LATITUDE 37°02'30"

LONGITUDE 82°47'30"

**TOTAL UNIT AREA  
= 58.77 ACRES**

DMLR Permit # 1101770

**UNIT BOUNDARY**

COMMONWEALTH OF VIRGINIA  
 9-09-09  
 PHILLIP M. SEALS  
 Lic. No. 1570  
 LAND SURVEYOR

**FINAL PLAT**

The undersigned hereby certifies that the final location is within ten (10') feet of the location shown on the well plat dated 08-28-08.

STATE PLANE  
 NAD 83 COORDINATES OF  
 WELL VC-638082  
 N 3,582,986.48  
 E 10,368,804.79

GCC  
 COORDINATES OF  
 WELL VC-638082  
 S 29,807.20  
 E 17,098.34

LAT. & LONG.  
 (NAD 27 DECIMAL DEGREES)  
 OF WELL VC-638082  
 37.018691  
 82.324818

**NOTE:**  
 ELEVATIONS WERE DETERMINED BY GPS & TRIGONOMETRIC METHODS BASED ON CORS L801.  
 THE BOUNDARY LINES SHOWN HEREON ARE BASED ON DEEDS, PLATS, AND MAPS OF RECORD OR SURVEYS BY OTHERS, AND DO NOT DEPICT A CURRENT BOUNDARY SURVEY.  
 PROPERTY INFORMATION PROVIDED BY EQUITABLE PRODUCTION COMPANY.

**WELL LOCATION PLAT (Nora Grid # BT 48)**

COMPANY EQUITABLE PRODUCTION CO. WELL NAME OR NUMBER VC-638082  
 TRACT NO. Lease Number 905997 QUADRANGLE Nora  
 DISTRICT Kenody  
 WELL COORDINATES (VIRGINIA STATE PLANE 27) N 272,120.94 E 883,620.32  
 ELEVATION 2,590.94 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.  
 COUNTY Dickenson SCALE: 1" = 400' DATE 09-09-09  
 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.

652.50  
Form DGO-GO-7  
Rev. 1-08

*Phillip M. Seals*  
LICENSED LAND SURVEYOR

(AFFIX SEAL)

12

Property Ownership Information for EPCO Well # VC-536082

①

LEASE NO. 906889L / TL-223  
CHARLES TURNER  
599.00 ACRES  
STANDARD BANNER COAL CORP. - coal & oil (cbm)  
LEASE NO. 906897  
MARY MAYES - surface & gas (cbm)  
66.00 ACRES  
GAS 38.05 AC. 64.74 %

②

LEASE NO. 906889L / TL-223  
CHARLES TURNER  
599.00 ACRES  
STANDARD BANNER COAL CORP. -  
surface, coal, oil, gas & cbm  
GAS 1.86 AC. 2.84%

③

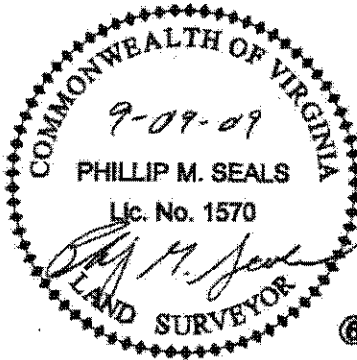
LEASE NO. 906889L/TL-223  
CHARLES TURNER  
599.00 ACRES  
STANDARD BANNER COAL CORP.-  
surface, coal, oil, gas & cbm

④

LEASE NO. 906889L/TL-223  
CHARLES TURNER  
599.00 ACRES  
STANDARD BANNER COAL CORP. - coal & oil (cbm)  
UNLEASED  
LAWRENCE TURNER HEIRS  
13.00 ACRES  
surface & gas (cbm)  
GAS 0.90 AC. 0.51 %

OF

LEASE NO. 244712  
B.H. LONG HEIRS  
30.975 ACRES  
surface & gas (cbm)  
GAS 11.95 AC. 20.35%



⑤

LEASE NO. 906889L/ TL-223  
CHARLES TURNER  
599.00 ACRES  
STANDARD BANNER COAL CORP. - coal & oil (cbm)  
LEASE NO. 244728  
LAMBERT LAND, LLC - surface & gas (cbm)  
50.00 ACRES  
GAS 1.10 AC. 1.87%

⑥

LEASE NO. 906889L/ TL-223  
CHARLES TURNER  
599.00 ACRES  
STANDARD BANNER COAL CORP. - coal & oil (cbm)  
LEASE NO. 906891  
WAYNE & GENEVIE RINER  
25.98 ACRES  
surface & gas (cbm)  
GAS 4.98 AC. 7.42 %

⑦

LEASE NO. 906889L/ TL-223  
CHARLES TURNER  
599.00 ACRES  
STANDARD BANNER COAL CORP. - coal & oil (cbm)  
LEASE NO. 906792  
DAVID H. & CATHY ADKINS- surface & gas (cbm)  
17.142 ACRES  
GAS 0.25 AC. 0.43%

⑧

LEASE NO. 906889L/ TL-223  
CHARLES TURNER  
599.00 ACRES  
STANDARD BANNER COAL CORP. - coal & oil (cbm)  
UNLEASED  
JOHN L. & LOIS GAY JENKINS- surface & gas (cbm)  
5.41 ACRES  
GAS 0.84 AC. 1.09 %

⑨

LEASE NO. 906889L/ TL-223  
CHARLES TURNER  
599.00 ACRES  
STANDARD BANNER COAL CORP. - coal & oil (cbm)  
UNLEASED  
JOHN L. & LOIS GAY JENKINS- surface & gas (cbm)  
0.8136 ACRES  
GAS 0.67 AC. 0.97 %



# EXHIBIT "B"

## VC-536082

<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>				
1 Tax I.D. # 05106	Delmar H. Mayes Mary Mayes P.O. Box 286 Dante, VA 24237	Leased 905997	64.740000%	38.0500
2 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889 TL-223	2.640000%	1.5500
3 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889 TL-223	20.330000%	11.9500
<b>OR</b>				
<u>B.H. Long Heirs</u>				
Minerals Only	Joseph A. Long Tabitha G. Long P.O. Box 261 Castlewood, VA 24224	Leased 244712	10.165000%	5.9750
Minerals Only	Denny Long Sharon M. Long P.O. Box 361 Lebanon, VA 24266	Leased 244712	3.388333%	1.9917
Minerals Only	Judy L Manuel P.O. Box 314 Lebanon, VA 24266	Leased 244712	3.388333%	1.9917
Minerals Only	Timothy R Long Vera V. Long Rt. 2 Box 938 Castlewood, VA	Leased 244712	3.388333%	1.9917
4 Tax I.D. 06259	Lawrence Turner Heirs Unknown & Unlocatable	Unleased	0.510000%	0.3000
5 Tax I.D. # 04920	Lambert Land LLC P.O. Box 490	Leased 244728	1.870000%	1.1000

# EXHIBIT "B"

## VC-536082

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Nora, VA 24272			
6 Tax I.D. # 04777	Wayne Riner Genevie Riner 4907 Long Road Nora, VA 24272	Leased 906891	7.420000%	4.3600
7 Tax I.D. # 04769	David H. Adkins Cathy Adkins 4966 Long Ridge Road Nora, VA 24272	Leased 906762	0.430000%	0.2500
8 Tax I.D. # 04810	John L. Jenkins Lois Gay Jenkins 4626 Long Ridge Road Nora, VA 24272	Unleased	1.090000%	0.6400
9 Tax I.D. # 19150	John L. Jenkins Lois Gay Jenkins 4626 Long Ridge Road Nora, VA 24272	Unleased	0.970000%	0.5700
	<b>TOTAL GAS ESTATE</b>		<b>100.000000%</b>	<b>58.7700</b>
	Percentage of Unit Leased		97.430000%	
	Percentage of Unit Unleased		2.570000%	
	Acreage in Unit Leased			57.2600
	Acreage in Unit Unleased			1.5100
	<b><u>Coal Estate Only</u></b>			
1 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	64.740000%	38.0500
2 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	2.640000%	1.5500
3 Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso	Leased 906889	20.330000%	11.9500

# EXHIBIT "B"

## VC-536082

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	P.O. Box 750 Wise, VA 24293			
<b>4</b> Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	0.510000%	0.3000
<b>5</b> Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	1.870000%	1.1000
<b>6</b> Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	7.420000%	4.3600
<b>7</b> Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	0.430000%	0.2500
<b>8</b> Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	1.090000%	0.6400
<b>9</b> Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 906889	0.970000%	0.5700
	<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-536082**  
 REVISED 04/03/2013

<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>				
<u>3</u>	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso PO Box 750 Wise, VA 24293	Leased 906889 TL -223	20.33%	11.95
<b>OR</b>				
	<u>B.H. Long Heirs</u>			
	Joseph A. Long Tabitha G. Long P.O. Box 261 Castlewood, VA 24224 Minerals Only	Leased 244712	10.165000%	5.9750
	Denny Long Sharon M. Long P.O. Box 361 Lebanon, VA 24266 Minerals Only	Leased 244712	3.388333%	1.9917
	Judy L Manuel P.O. Box 314 Lebanon, VA 24266 Minerals Only	Leased 244712	3.388333%	1.9917
	Timothy R Long Vera V. Long Rt. 2 Box 938 Castlewood, VA Minerals Only Lebanon, VA 24266	Leased 244712	3.388333%	1.9917
<u>4</u>	Lawrence Turner Heirs Unknown & Unlocatable Tax I.D. 06259	Unleased	0.510000%	0.3000
<u>8</u>	John L. Jenkins Lois Gay Jenkins 4626 Long Ridge Road Nora, VA 24272 Tax I.D. # 04810	Unleased	1.090000%	0.6400
<u>9</u>	John L. Jenkins Lois Gay Jenkins 4626 Long Ridge Road Nora, VA 24272 Tax I.D. # 19150	Unleased	0.970000%	0.5700
	<b>Total Gas Estate</b>		<b>22.900000%</b>	<b>13.4600</b>

**EXHIBIT "E"**  
**VC-536082**  
 REVISED 04/03/2013

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u> <u>Coal Estate Only</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
3	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	20.330000%	11.9500
4	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	0.510000%	0.3000
8	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	1.090000%	0.6400
9	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	0.970000%	0.5700
<b>Total Coal Estate</b>			<b>22.900000%</b>	<b>13.4600</b>

**EXHIBIT "EE"**

**VC-536082**

REVISED 04/03/2013

<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>				
<b>1</b> Tax I.D. # 05106	Delmar H. Mayes* Mary Mayes P.O. Box 286 Dante, VA 24237 <i>*Monies never escrowed, agreement reached</i>	Leased 905997	32.370000%	19.0250
<b>6</b> Tax I.D. # 04777	Wayne Riner Genevieve Riner 4907 Long Road Nora, VA 24272 <i>*Monies never escrowed, agreement reached</i>	Leased 906891	3.710000%	2.1800
<b>7</b> Tax I.D. # 04769	David H. Adkins Cathy Adkins 4966 Long Ridge Road Nora, VA 24272 <i>*Monies never escrowed, agreement reached</i>	Leased 906762	0.215000%	0.1250
	<b>TOTAL</b>		36.295000%	21.3300
<u>Coal Estate Only</u>				
<b>1</b> Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 <i>*Monies never escrowed, agreement reached</i>	Leased 906889	32.370000%	19.0250
<b>6</b> Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 <i>*Monies never escrowed, agreement reached</i>	Leased 906889	3.710000%	2.1800
<b>7</b> Tax I.D. # 11814	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 <i>*Monies never escrowed, agreement reached</i>	Leased 906889	0.215000%	0.1250
	<b>TOTAL</b>		36.295000%	21.3300
	<b>TOTAL AFTER 50/50 ROYALTY SPLITS</b>		<b>72.590000%</b>	<b>42.6600</b>

**EXHIBIT "EE"**

**VC-536082**

REVISED 04/03/2013

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
		<u>Disbursement</u>		
5	Lambert Land LLC P.O. Box 490 Nora, VA 24272 Tax I.D. # 04920	Leased 244728	1.870000%	1.1000
5	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293 Tax I.D. # 11814	Leased 906889	0.000000%	0.0000
<b>Total After Standard Banner Waiver</b>			<b>1.870000%</b>	<b>1.1000</b>

**536082 Reconciliation**

<b>Pmt Date</b>	<b>Amount</b>
07/13/2011	15,964.58
08/10/2011	134.01
09/12/2011	135.10
10/12/2011	134.70
11/10/2011	112.79
12/09/2011	112.30
01/17/2012	102.88
02/10/2012	98.69
03/12/2012	83.41
04/13/2012	60.53
05/11/2012	58.01
06/12/2012	40.91
07/11/2012	41.76
08/10/2012	52.62
09/12/2012	65.15
10/10/2012	70.23
11/09/2012	55.43
12/12/2012	69.72
01/10/2013	82.25
02/11/2013	<u>90.19</u>
<b>EQT Total Payments</b>	<b>\$17,565.26</b>

**February 2013 Escrow Agent Summary**

<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>
VC536082	1535	EQT	\$17,524.33	\$90.19	\$0.34	\$3.65	(\$1.46)	(\$2.73)	\$17,614.32



# 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