

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**PETITIONER:** EQT Production Company

**DIVISION OF GAS AND OIL**

**DOCKET NO:** VGOB 05-1115-1534-01

**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-503440

**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-503440, VGOB 05/11/15-1534.

**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)**

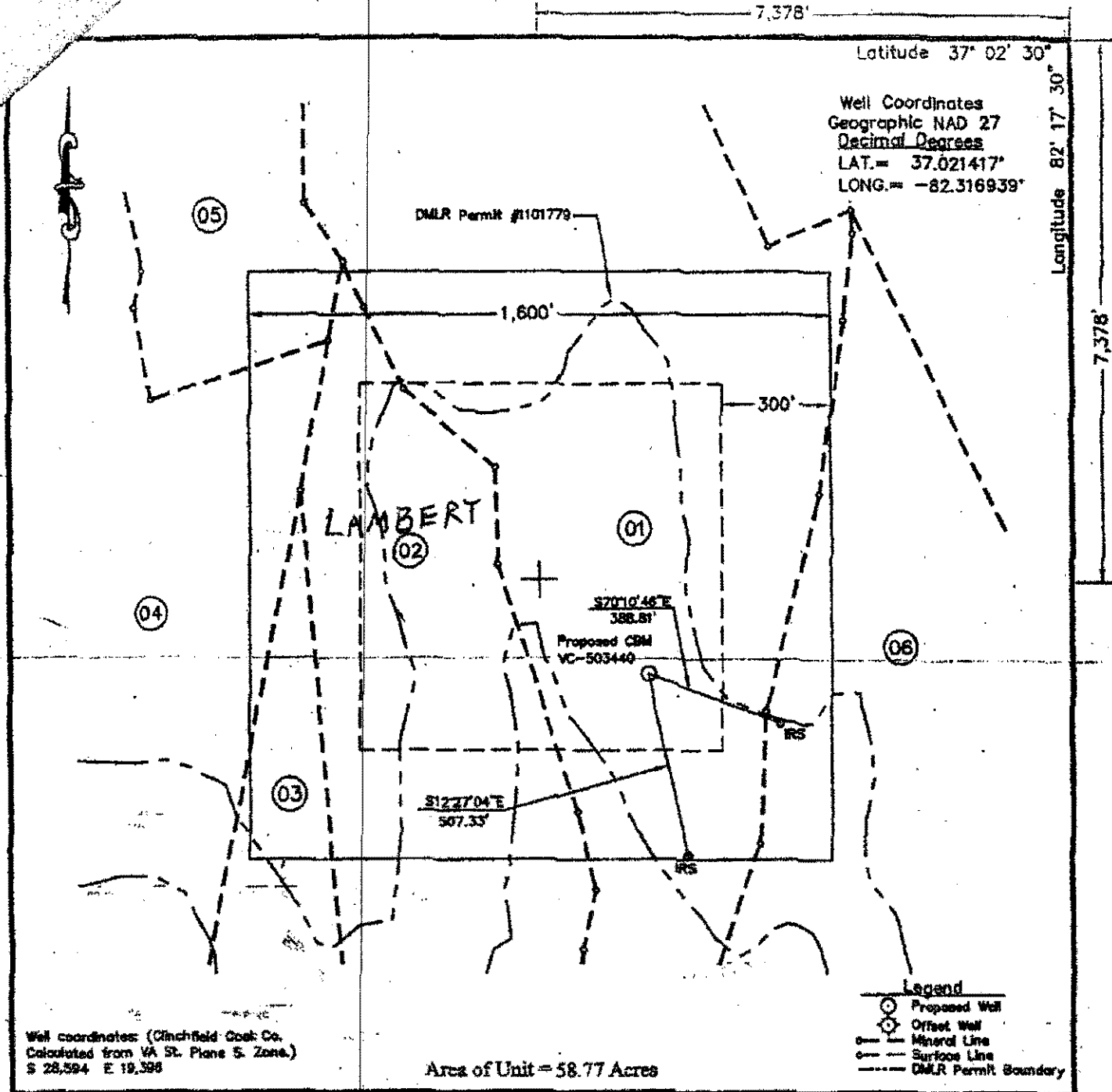
Coalbed Methane

**5. Factual basis for relief requested**

Standard Banner Coal Corporation was a conflicting claimant with Lanbert Land, LLC with regard to Tract 2 as created by Board Order VGOB 05/11/15-1534. 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 Coordinates  
 Geographic NAD 27  
 Decimal Degrees  
 LAT. = 37.021417°  
 LONG. = -82.316939°

DMLR Permit #1101779

LAMBERT

S70°10'46"E  
 388.81'  
 Proposed CBM  
 VC-503440

S12°27'04"E  
 507.33'

- Legend
- Proposed Well
  - ⊙ Offset Well
  - Mineral Line
  - Surface Line
  - - - DMLR Permit Boundary

Well coordinates: (Climchfield Cook Co.  
 Calculated from VA St. Plane S. Zone.)  
 S 28.594 E 19.398

Area of Unit = 58.77 Acres

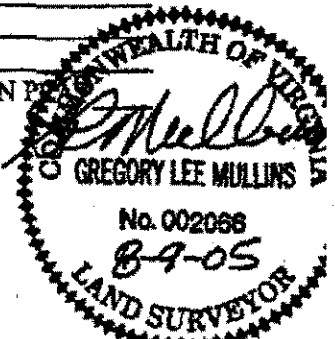
COMPANY: Equitable Production Company WELL NAME OR NUMBER: VC-503440  
 TRACT NUMBER: TL-223 QUADRANGLE: Nora  
 DISTRICT: Kenady  
 WELL COORDINATES (VIRGINIA STATE PLANE): N-273,041.52 E-885,959.76  
 ELEVATION: 2,149.63' METHOD USED TO DETERMINE ELEVATION:  
G.P.S. Observation from BKLY COR station

COUNTY: Dickenson SCALE: 1" = 400' DATE: 08-09-05

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 (optional).

*Gregory Lee Mullins*  
 Licensed Land Surveyor (Affix Seal)



SUPPLEMENTAL SHEET  
FOR VC-503440

01

Lease No. 241490L, TL-223  
John Salyer Tr.  
55.10 ACRES  
Standard Banner Coal Corp. -  
Surface, Coal, Oil, Gas & CBM  
Rapoca Energy Co. - Coal Lessee  
Gas 31.23 Ac., 53.14%

02

Lease No. 241490L, TL-223  
G. B. Lambert Tr.  
30.0 ACRES  
Standard Banner Coal Corp. -  
Coal & Oil  
Rapoca Energy Co. - Coal Lessee  
Lease No.  
Lambert Land, LLC. - Gas Leased  
Gas 17.45 Ac., 29.70%

03

Lease No. 241490L, TL-223  
Lawrence Turner Tr.  
13.0 ACRES  
Standard Banner Coal Corp. -  
Coal & Oil  
Rapoca Energy Co. - Coal Lessee  
Lease No.  
Lawrence Turner Heirs - Gas Unleased  
Gas 3.08 Ac., 5.23%

04

Lease No. 244712L  
B. H. Long Heirs Tr.  
30.975 ACRES  
B. H. Long Heirs - Gas  
Joseph R. & Tabitha G. Long - 1/2 Int.  
Denny & Sharon M. Long - 1/8 Int.  
Judy L. Manuel - 1/8 Int.  
Timothy R. & Vera V. Long - 1/8 Int.  
Lease No. 241490L  
Standard Banner Coal Corp. - Coal & Oil  
Rapoca Energy Co. - Coal Lessee  
Gas 2.58 Ac., 4.36%

05

Lease No. 241490L, TL-223  
McComas Long Tr.  
14.5 ACRES  
Standard Banner Coal Corp. -  
Coal, Oil, Gas & CBM  
Rapoca Energy Co. - Coal Lessee  
Gas 1.16 Ac., 1.97%

06

Lease No. 241490L, TL-223  
McComas Long Tr.  
33.61 ACRES  
Standard Banner Coal Corp. -  
Coal, Oil, Gas & CBM  
Rapoca Energy Co. - Coal Lessee  
Gas 3.29 Ac., 5.60%



**EXHIBIT "B"**  
**VC-503440**  
**VG0B 05/11/15-1534**

<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	06082 Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased- EPC 241490 Tract TL-223	53.140000%	31.2300
2	04920 Lambert Land LLC P.O. Box 490 Nora, VA 24272	Leased	29.700000%	17.4500
3	06259 Lawrence Turner Heirs Unknown & Unlocatable	Unleased	5.230000%	3.0800
4	<i>B.H. Long Heirs</i>  Joseph A. Long Tabitha G. Long P.O. Box 261 Castlewood, VA 24224  Denny Long Sharon M. Long P.O. Box 361 Lebanon, VA 24266  Judy L Manuel P.O. Box 314 Lebanon, VA 24266  Timothy R Long Vera V. Long Rt. 2 Box 938 Castlewood, VA	Leased 244712  Leased 244712  Leased 244712  Leased 244712	-0.000100%  0.000000%  0.000000%  0.000000%	-0.0001  0.0000  0.0000  0.0000
5	06044 Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased- EPC 241490L TL-223	1.970000%	1.1600
6	06079 Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased- EPC 241490L TL-223	5.600000%	3.2900
<b>TOTAL GAS ESTATE</b>			<b>95.639900%</b>	<b>56.2099</b>
Percentage of Unit Leased			94.770000%	
Percentage of Unit Unleased			5.230000%	
Acreage in Unit Leased				55.8900
Acreage in Unit Unleased				3.0800

**EXHIBIT "B"**  
**VC-503440**  
**VGOB 05/11/15-1534**

<u>TRACT</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	06082 Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased- EPC 241490 Tract TL-223	53.140000%	31.2300
2	04920 Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased-EPC 241490L TL-223	29.700000%	17.4500
3	06259 Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased -EPC 241490L	5.230000%	3.0800
4	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased -EPC 241490L	4.360000%	2.5600
5	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased -EPC 241490L	1.970000%	1.1600
6	Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased -EPC 241490L	5.600000%	3.2900
<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-503440**

revised 3/28/2013

<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	06259 Lawrence Turner Heirs Unknown & Unlocatable	Unleased	5.230000%	3.0800
4	B.H. Long Heirs			
	Joseph A. Long Tabitha G. Long P.O. Box 261 Castlewood, VA 24224	Leased 244712	2.179900%	1.2799
	Denny Long Sharon M. Long P.O. Box 361 Lebanon, VA 24266	Leased 244712	0.726700%	0.4267
	Judy L Manuel P.O. Box 314 Lebanon, VA 24266	Leased 244712	0.726700%	0.4267
	Timothy R Long Vera V. Long Rt. 2 Box 938 Castlewood, VA	Leased 244712	0.726700%	0.4267
	<b>Total Gas Estate</b>		<b>9.590000%</b>	<b>5.6400</b>

**EXHIBIT "EE"**  
**VC-503440**

revised 3/28/2013

<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>				
2	04920 Lambert Land LLC P.O. Box 490 Nora, VA 24272	Leased	29.700000%	17.4500
<b>Total Gas Estate</b>			29.700000%	17.4500
<u>Coal Estate Only</u>				
2	04920 Standard Banner Coal Corporation C/O Engineering Services Attn Mike Clisso P.O. Box 750 Wise, VA 24293	Leased-EPC 241490L TL-223		
<b>Total Coal Estate</b>			0.000000%	0.0000

**Well 503440 Reconciliation**

Prod Date	Pmt Date	Own Net
01/2006	11/19/2009	99.26
01/2006	11/19/2009	38.56
02/2006	11/19/2009	374.09
02/2006	11/19/2009	148.70
03/2006	11/19/2009	238.80
03/2006	11/19/2009	603.66
04/2006	11/19/2009	294.67
04/2006	11/19/2009	656.56
05/2006	11/19/2009	677.98
05/2006	11/19/2009	331.70
06/2006	11/19/2009	628.50
06/2006	11/19/2009	245.24
07/2006	11/19/2009	691.81
07/2006	11/19/2009	246.47
08/2006	11/19/2009	782.21
08/2006	11/19/2009	345.74
09/2006	11/19/2009	290.39
09/2006	11/19/2009	798.75
10/2006	11/19/2009	196.27
10/2006	11/19/2009	448.65
11/2006	11/19/2009	793.55
11/2006	11/19/2009	325.37
12/2006	11/19/2009	395.81
12/2006	11/19/2009	934.70
01/2007	11/19/2009	288.41
01/2007	11/19/2009	644.58
02/2007	11/19/2009	697.09
02/2007	11/19/2009	299.77
03/2007	11/19/2009	376.70
03/2007	11/19/2009	861.36
04/2007	11/19/2009	713.33
04/2007	11/19/2009	347.30
05/2007	11/19/2009	398.23
05/2007	11/19/2009	746.18
05/2007	11/19/2009	8.51
06/2007	11/19/2009	365.66
06/2007	11/19/2009	368.49
06/2007	11/19/2009	303.32
07/2007	11/19/2009	354.25
07/2007	11/19/2009	143.54
07/2007	11/19/2009	427.10
08/2007	11/19/2009	278.40
08/2007	11/19/2009	271.42
08/2007	11/19/2009	222.15
09/2007	11/19/2009	292.23
09/2007	11/19/2009	158.36
09/2007	11/19/2009	249.41
10/2007	11/19/2009	335.50
10/2007	11/19/2009	199.25
10/2007	11/19/2009	306.21
11/2007	11/19/2009	351.92
11/2007	11/19/2009	479.68
11/2007	11/19/2009	137.63
12/2007	11/19/2009	350.53
12/2007	11/19/2009	504.92
12/2007	11/19/2009	141.75
01/2008	11/19/2009	139.89
01/2008	11/19/2009	466.95
01/2008	11/19/2009	341.20
02/2008	11/19/2009	535.50
02/2008	11/19/2009	360.92
02/2008	11/19/2009	106.74
03/2008	11/19/2009	417.17
03/2008	11/19/2009	556.07
03/2008	11/19/2009	165.85
04/2008	11/19/2009	432.97
04/2008	11/19/2009	204.40

04/2008	11/19/2009	529.96
05/2008	11/19/2009	196.19
05/2008	11/19/2009	538.59
05/2008	11/19/2009	706.89
06/2008	11/19/2009	541.23
06/2008	11/19/2009	672.94
06/2008	11/19/2009	229.85
07/2008	11/19/2009	795.41
07/2008	11/19/2009	632.25
07/2008	11/19/2009	230.50
08/2008	11/19/2009	516.74
08/2008	11/19/2009	156.41
08/2008	11/19/2009	402.63
09/2008	11/19/2009	98.87
09/2008	11/19/2009	425.28
09/2008	11/19/2009	319.21
10/2008	11/19/2009	350.79
10/2008	11/19/2009	297.51
10/2008	11/19/2009	130.15
11/2008	11/19/2009	334.45
11/2008	11/19/2009	94.46
11/2008	11/19/2009	263.73
11/2008	11/19/2009	-334.45
11/2008	11/19/2009	-263.73
11/2008	11/19/2009	-94.46
11/2008	11/19/2009	330.63
11/2008	11/19/2009	93.38
11/2008	11/19/2009	260.70
12/2008	11/19/2009	299.49
12/2008	11/19/2009	373.46
12/2008	11/19/2009	106.98
01/2009	11/19/2009	84.47
01/2009	11/19/2009	241.21
01/2009	11/19/2009	302.42
02/2009	11/19/2009	188.35
02/2009	11/19/2009	48.54
02/2009	11/19/2009	147.14
03/2009	11/19/2009	59.64
03/2009	11/19/2009	143.96
03/2009	11/19/2009	169.74
04/2009	11/19/2009	43.20
04/2009	11/19/2009	104.58
04/2009	11/19/2009	109.73
05/2009	11/19/2009	99.81
05/2009	11/19/2009	44.43
05/2009	11/19/2009	112.26
06/2009	11/19/2009	49.17
06/2009	11/19/2009	104.51
06/2009	11/19/2009	113.25
07/2009	11/19/2009	119.25
07/2009	11/19/2009	117.46
07/2009	11/19/2009	57.65
08/2009	11/19/2009	96.61
08/2009	11/19/2009	49.05
08/2009	11/19/2009	93.29
09/2009	11/19/2009	33.18
09/2009	11/19/2009	77.35
09/2009	11/19/2009	68.80
10/2009	12/09/2009	111.03
10/2009	12/09/2009	99.70
10/2009	12/09/2009	51.13
11/2009	01/13/2010	117.01
11/2009	01/13/2010	134.76
11/2009	01/13/2010	51.73
12/2009	02/10/2010	142.71
12/2009	02/10/2010	48.26
12/2009	02/10/2010	108.89
01/2010	03/09/2010	72.50
01/2010	03/09/2010	152.44
01/2010	03/09/2010	177.60

02/2010	04/14/2010	151.50
02/2010	04/14/2010	59.76
02/2010	04/14/2010	129.51
03/2010	05/10/2010	134.69
03/2010	05/10/2010	117.53
03/2010	05/10/2010	58.89
04/2010	06/08/2010	102.33
04/2010	06/08/2010	84.47
04/2010	06/08/2010	40.29
05/2010	07/13/2010	46.66
05/2010	07/13/2010	105.36
05/2010	07/13/2010	124.41
06/2010	08/10/2010	43.53
06/2010	08/10/2010	116.49
06/2010	08/10/2010	98.85
07/2010	09/10/2010	118.42
07/2010	09/10/2010	135.57
07/2010	09/10/2010	46.77
08/2010	10/11/2010	115.99
08/2010	10/11/2010	59.04
08/2010	10/11/2010	130.33
09/2010	11/11/2010	78.10
09/2010	11/11/2010	91.50
09/2010	11/11/2010	35.85
10/2010	12/09/2010	37.42
10/2010	12/09/2010	80.60
10/2010	12/09/2010	100.38
11/2010	01/13/2011	63.44
11/2010	01/13/2011	80.00
11/2010	01/13/2011	29.09
12/2010	02/11/2011	38.85
12/2010	02/11/2011	121.46
12/2010	02/11/2011	94.49
01/2011	03/11/2011	114.00
01/2011	03/11/2011	47.22
01/2011	03/11/2011	96.93
02/2011	04/12/2011	36.24
02/2011	04/12/2011	62.30
02/2011	04/12/2011	103.91
03/2011	05/11/2011	100.18
03/2011	05/11/2011	79.02
03/2011	05/11/2011	36.17
04/2011	06/11/2011	107.53
04/2011	06/11/2011	83.40
04/2011	06/11/2011	36.79
05/2011	07/13/2011	42.48
05/2011	07/13/2011	102.51
05/2011	07/13/2011	87.31
06/2011	08/10/2011	88.50
06/2011	08/10/2011	104.35
06/2011	08/10/2011	42.37
07/2011	09/12/2011	43.76
07/2011	09/12/2011	109.05
07/2011	09/12/2011	89.25
08/2011	10/12/2011	88.93
08/2011	10/12/2011	106.44
08/2011	10/12/2011	44.14
09/2011	11/10/2011	71.76
09/2011	11/10/2011	86.41
09/2011	11/10/2011	38.11
10/2011	12/09/2011	92.06
10/2011	12/09/2011	33.47
10/2011	12/09/2011	70.93
11/2011	01/17/2012	65.26
11/2011	01/17/2012	85.54
11/2011	01/17/2012	30.61
12/2011	02/10/2012	82.83
12/2011	02/10/2012	26.79
12/2011	02/10/2012	61.99
01/2012	03/12/2012	72.40

01/2012	03/12/2012	21.79
01/2012	03/12/2012	53.38
02/2012	04/13/2012	54.08
02/2012	04/13/2012	15.12
02/2012	04/13/2012	39.71
03/2012	05/11/2012	46.18
03/2012	05/11/2012	16.93
03/2012	05/11/2012	35.56
04/2012	06/12/2012	30.10
04/2012	06/12/2012	10.89
04/2012	06/12/2012	23.14
05/2012	07/11/2012	26.85
05/2012	07/11/2012	34.36
05/2012	07/11/2012	13.39
06/2012	08/10/2012	43.39
06/2012	08/10/2012	33.79
06/2012	08/10/2012	16.79
07/2012	09/12/2012	42.06
07/2012	09/12/2012	56.14
07/2012	09/12/2012	18.48
08/2012	10/10/2012	61.39
08/2012	10/10/2012	19.07
08/2012	10/10/2012	45.51
09/2012	11/09/2012	44.62
09/2012	11/09/2012	18.99
09/2012	11/09/2012	35.58
10/2012	12/12/2012	45.39
10/2012	12/12/2012	17.66
10/2012	12/12/2012	62.66
11/2012	01/10/2013	52.21
11/2012	01/10/2013	68.73
11/2012	01/10/2013	23.09
12/2012	02/11/2013	160.79
		<u>46,171.46</u>

**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>
VC503440	1534	EQT	\$46,132.84	\$160.79	\$0.79	\$9.77	(\$3.84)	(\$7.18)	\$46,293.17



# **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