

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: Range Resources-Pine Mountain,

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 08-0415-2202-01

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

HEARING DATE: February 16, 2016

TAX ID NUMBERS: Tax Map Identification Numbers for all parcels affected by this petition are shown on:
Exhibit E - Exhibit EE

DRILLING UNIT: VC-537867

DICKENSON COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is Range Resources-Pine Mountain,, P. O. Box 2136, Abingdon, VA 24212, (276)628-9001. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660 .

2. Relief Sought

Petition to disburse funds from the escrow account for well VC-537867, to all known owners in Tract 3. VGOB 08-0415-2202-01.

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

Petition to disburse funds from the escrow account for well VC-537867, to all known owners in Tract 1. VGOB 08-0415-2202-01.

6. Attestation

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

TOTAL UNIT AREA

= 58.77 ACRES

--- DENOTES MINERAL LINE
- - - - DENOTES SURFACE LINE
- - - - DENOTES SURFACE & MINERAL LINES

FINAL PLAT

The undersigned hereby certifies that the final location is within ten (10) feet of the location shown on the well plat dated FEBRUARY 28, 2008.

LATITUDE 37°10'00"

LONGITUDE 82°15'00"

Lease No. 906889 / T-303

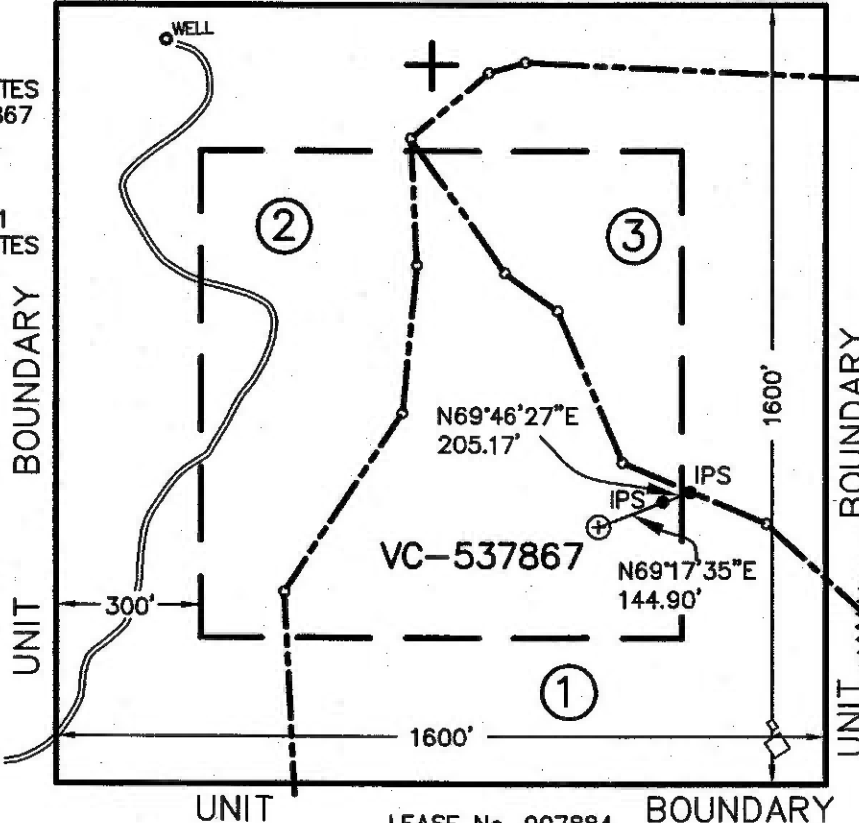
JOHN HAY
199.61 ACRES
HEARTWOOD FORESTLAND FUND IV, LP - Surface
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &
RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal
RANGE RESOURCES-PINE MOUNTAIN, INC. - Oil, Gas & CBM
GAS 26.45 AC. - 45.00%

AS-DRILLED
CCC COORDINATES
OF WELL VC-537867
N 19428.09
E 30624.56



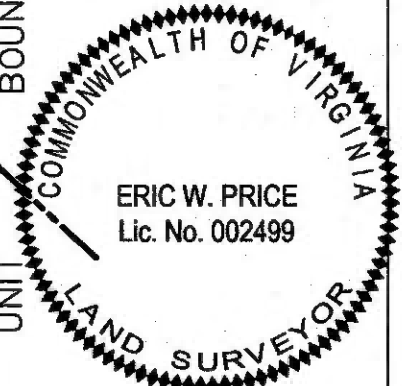
AS-DRILLED
STATE PLANE
NAD 27 COORDINATES
OF WELL VC-537867
N 320570.70
E 899111.41
LAT 37.15331
LON -82.278441
NAD 83 COORDINATES
N 3601448.49
E 10382095.97

Lease No. 242008
NELSON C. & MINNIE EDWARDS -
Surface, Oil, Gas (CBM)
51.10 ACRES
LEASE No. 906889 / TC-181
JOHN HAY
148.40 ACRES
DICKENSON-RUSSELL COAL COMPANY,
LLC/ALPHA LAND & RESERVES,
LLC/ACIN, LLC/WBRD, LLC - Coal
RANGE RESOURCES-PINE MOUNTAIN,
INC. - (CBM)
GAS 12.98 AC. - 22.09%



COORDINATES
OF BENCH MARK
S 77498.41
E 22826.48
ELEV. = 1754.09

LEASE No. 907884
ROSCOE EDWARDS, et ux (2/3 int.) - surface, oil, gas (CBM)
42.00 ACRES
Unleased
JAMES P. HAY HEIRS, et al (1/3 int.) - surface, oil, gas (CBM)
LEASE No. 906889 / TC-181
JOHN HAY
148.40 ACRES
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &
RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal
RANGE RESOURCES-PINE MOUNTAIN INC. - CBM
GAS 19.34 AC. - 32.91%



NOTE !!!
WELL COORDINATES ARE BASED ON CLINCHFIELD
COAL COMPANY'S COORDINATE SYSTEM
CLINCHFIELD COAL COMPANY COORDINATES ARE
CALCULATED FROM STATE PLANE WELL COORDINATES.
PROPERTY INFORMATION PROVIDED BY EQUITABLE
PRODUCTION COMPANY.
ELEVATIONS ARE BASED ON NGS CONTROL ST. PAUL 2.

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-537867(56AO)

TRACT No. UNLEASED ELEVATION 1849.91 (GPS) QUADRANGLE HAYSI

COUNTY DICKENSON DISTRICT SANDLICK SCALE: 1" = 400' DATE AUGUST 4, 2008

THIS PLAT IS A NEW PLAT ; AN UPDATED PLAT ; OR A FINAL LOCATION PLAT X

PROPOSED TOTAL DEPTH OF WELL =

+ 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.

Eric W. Price
8-4-08

LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

(AFFIX SEAL)

T&L

VGOB Disbursement

Unit VC-537867

VGOB-08-0415-2202-01

Table 1

Tracts: A portion of 1

Fractional	Net Acreage	Royalty	Escrowed	Percent of	Disbursement			
Ownership	Ownership	Split	Acres	Escrowed				
in Tract	inTract	Agreement	Disbursed	Disbursed				
			19.34000					
1	Tract 1 (total acreage)		19.3400					
1	1	Roscoe Edwards & Joyce Edwards\359 Morgan Anderson Lane; Birchleaf; VA 24220		12.8933	75.00%	9.6700	49.9999%	\$4,334.01
2	1	EnerVest Operating; LLC\Dept. 962-1; P.O. Box 4346; Houston; TX 77210		12.8933	25.00%	3.2233	16.6666%	\$1,444.67

Wells contributing to the escrow account: VC-537867

EXHIBIT "E"
VC-537867
VGOB 08/04/15-2202-01
 REVISED as of 1/14/2016

<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>1</u>	James P. Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6116667
TAX ID 3435	A. McClellan Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6116667
	Columbus Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6116667
	Pheby Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6116667
Tract 1 Totals			10.970000%	6.4467
TOTAL			10.970000%	6.4467

EXHIBIT "EE"
VC-537867
VGOB 08/04/15-2202-01
 REVISED as of 1/14/2016

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>1</u>	Roscoe Edwards & Joyce Edwards h/w 359 Morgan Anderson Ln. Birchleaf, VA 24220	Leased-RRPM 907335	21.940000%	12.8933333
TAX ID 3435	Subsequent to split agreement. EnerVest Operating, LLC Attn: Jim McKinney 408 West Main Street Abingdon, VA 24210 <i>*formerly Range Resources-Pine Mountain, Inc.</i>	Leased-RRPM 906889		
Tract 3 Totals			21.940000%	12.8933

COAL ESTATE ONLY
The coal estate is released pursuant HB2058

<u>1</u>	EnerVest Operating, LLC Attn: Jim McKinney 408 West Main Street Abingdon, VA 24210	Leased 906889 TC-181	32.910000%	19.3400
Mineral Only				
Tract 1 Totals			32.910000%	19.3400

Exhibit J
VC-537867
VGOB 08/04/15-2202-01

<u>Payment Date</u>	<u>Amount</u>
12/9/2010	\$6.27
12/9/2010	\$154.09
12/9/2010	\$123.21
12/9/2010	\$114.17
12/9/2010	\$102.20
12/9/2010	\$123.24
12/9/2010	\$117.72
12/9/2010	\$86.96
12/9/2010	\$84.04
12/9/2010	\$61.06
12/9/2010	\$64.53
12/9/2010	\$70.27
12/9/2010	\$78.59
12/9/2010	\$71.61
12/9/2010	\$57.51
12/9/2010	\$89.19
12/9/2010	\$109.92
12/9/2010	\$120.16
12/9/2010	\$198.33
12/9/2010	\$159.72
12/9/2010	\$156.90
12/9/2010	\$110.98
12/9/2010	\$134.92
12/9/2010	\$128.03
12/9/2010	\$151.92
12/9/2010	\$157.07
12/9/2010	\$108.55
12/9/2010	\$118.47
1/13/2011	\$98.31
2/11/2011	\$148.08
3/11/2011	\$161.99
4/12/2011	\$135.10
5/11/2011	\$135.16
6/11/2011	\$142.52
7/13/2011	\$147.83
8/10/2011	\$144.33
9/12/2011	\$150.12
10/12/2011	\$149.33
11/10/2011	\$123.33
12/9/2011	\$123.32
1/17/2012	\$111.18
2/10/2012	\$110.17
3/12/2012	\$93.99
4/13/2012	\$69.41
5/11/2012	\$65.95
6/12/2012	\$46.65
7/11/2012	\$47.05
8/10/2012	\$59.20
9/12/2012	\$70.62
10/10/2012	\$79.82
11/9/2012	\$61.44
12/12/2012	\$79.69
1/10/2013	\$93.54

EQUITABLE PRODUCTION

Cloverleaf Square, Building B
Big Stone Gap, VA 24219
www.eqt.com

TEL 276.523.5003
FAX 276.523.7852 Operations
276.523.7857 Land

March 4, 2008

James E. Kaiser, Esq.
Wilhoit & Kaiser
220 Broad St.
Kingsport, TN 37660

Re: Application for Compulsory Pooling
EPC Well No. VC-537867
Haysi Quad, Dickenson County, Virginia

Dear Jim:

This letter shall serve as your authorization to represent Equitable Production Company ("EPC"), before the Virginia Gas and Oil Board ("Board") for a compulsory pooling for all outstanding gas interests to form a statutory drilling unit for EPC Well No. VC-537867.

Please apply for a hearing on the Board's April 15, 2008 Docket.

Please find enclosed herewith the following documents:

1. Certified Well Plat dated February 28, 2008 (Exhibit "A").
2. Tract Ownership (Exhibit "B").

Lease Status:	<u>Leased</u>	<u>Unleased</u>
Gas Estate	89.03%	10.97%
Coal Estate	100.00%	0.00%

3. AFE submitted: March 4, 2008

Dry Hole Costs - \$131,203.00
Completed Cost - \$328,516.00

TOTAL UNIT AREA

= 58.77 ACRES

- — — — — DENOTES MINERAL LINE
- - - - - DENOTES SURFACE LINE
- — — — — DENOTES SURFACE & MINERAL LINES

Lease No. 906889 / T-303
 JOHN HAY
 199.61 ACRES
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 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &
 RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal
 RANGE RESOURCES-PINE MOUNTAIN, INC. - Oil, Gas & CBM
 GAS 26.45 AC. - 45.00%

CCC COORDINATES
 OF WELL VC-537867
 N 19428.56
 E 30624.26

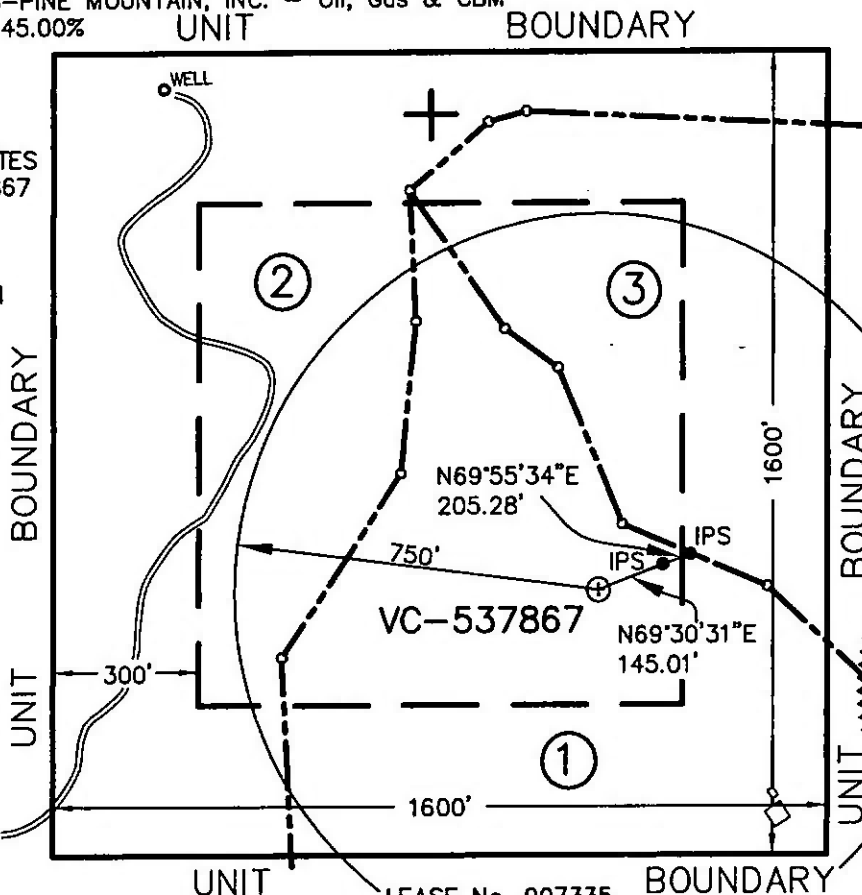
LATITUDE 37°10'00"

LONGITUDE 82°15'00"

4865'



STATE PLANE
 NAD 27 COORDINATES
 OF WELL VC-537867
 N 320571.11
 E 899111.23
 LAT 37.153311
 LON -82.278441



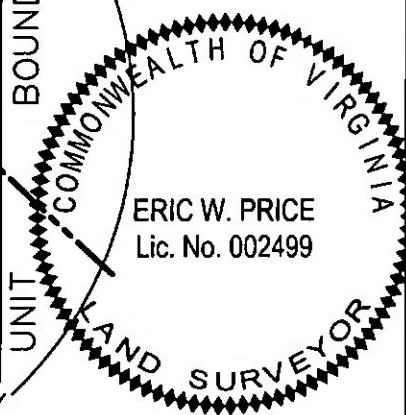
Lease No. 242008
 NELSON C. & MINNIE EDWARDS -
 Surface, Oil, Gas (CBM)
 51.10 ACRES
 LEASE No. 906889 / TC-181
 JOHN HAY
 148.40 ACRES
 DICKENSON-RUSSELL COAL COMPANY,
 LLC/ALPHA LAND & RESERVES,
 LLC/ACIN, LLC/WBRD, LLC - Coal
 RANGE RESOURCES-PINE MOUNTAIN,
 INC. - (CBM)
 GAS 12.98 AC. - 22.09%

COORDINATES
 OF BENCH MARK
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 CALCULATED FROM STATE PLANE WELL COORDINATES.
 PROPERTY INFORMATION PROVIDED BY EQUITABLE
 PRODUCTION COMPANY.
 ELEVATIONS ARE BASED ON NGS CONTROL ST. PAUL 2.

LEASE No. 907335
 ROSCOE EDWARDS, et ux (2/3 int.) - surface, oil, gas (CBM)
 42.00 ACRES
 Unleased
 JAMES P. HAY HEIRS, et al (1/3 int.) - surface, oil, gas (CBM)
 LEASE No. 906889 / TC-181
 JOHN HAY
 148.40 ACRES
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &
 RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal
 RANGE RESOURCES-PINE MOUNTAIN INC. - CBM
 GAS 19.34 AC. - 32.91%



WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-537867
 TRACT No. UNLEASED ELEVATION 1847.28 (GPS) QUADRANGLE HAYSI
 COUNTY DICKENSON DISTRICT SANDLICK SCALE: 1" = 400' DATE FEBRUARY 28, 2008
 THIS PLAT IS A NEW PLAT x; AN UPDATED PLAT ; OR A FINAL LOCATION PLAT
 PROPOSED TOTAL DEPTH OF WELL =

+ 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.

E.W.P.

2-28-08

(AFFIX SEAL)

T&L LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

9587PLAT.DWG

EXHIBIT "B"
VC-537867

<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	Roscoe Edwards & Joyce Edwards h/w 359 Morgan Anderson Ln. Birchleaf, VA 24220 TAX ID 3435	Leased 907335	21.940000%	12.8933
	James P. Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	A. McClellan Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	Columbus Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	Pheby Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
2	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 TAX ID 1827854	Leased 906889/T-303	45.000000%	26.4500
3	Nelson Edwards and Minnie Edwards Edmund Carter Edwards P.O. Box 21 Birchleaf, VA 24220 TAX ID 3592	Leased 242208 242608	22.0900000%	12.98
TOTAL GAS ESTATE			100.000000%	58.7700
Percentage of Unit Leased			89.030000%	
Percentage of Unit Unleased			10.970000%	
Acreage in Unit Leased				52.3233
Acreage in Unit Unleased				6.4467

*unleased
.0411375~*

*Leased
.0838625~*

04/15/2008

08/04/15-2202

wachovr A AB NO

167144

EXHIBIT "B"
VC-537867

<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	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 TAX ID 12043	Leased 906889/TC181	32.910000%	19.3400
2	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 TAX ID 1827854	Leased 906889/T-303	45.000000%	26.4500
3	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 TAX ID 12043	Leased 906889/TC181	22.090000%	12.9800
	TOTAL COAL ESTATE		100.000000%	58.7700
	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 "B-3"
VC-537867**

<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	James P. Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	A. McClellan Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	Columbus Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	Pheby Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	TOTAL		10.970000%	6.4467

EXHIBIT "E"
VC-537867

<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	James P. Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	A. McClellan Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	Columbus Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
	Pheby Hay Heirs Unknown/Unlocatable	Unleased	2.742500%	1.6117
3	Nelson Edwards and Minnie Edwards c/o Edmund Carter Edwards P.O. Box 21 Birchleaf, VA 24220 TAX ID 3592	Leased 2422008	22.0900000%	12.98
	TOTAL		33.060000%	19.4267
<u>Coal Estate Only</u>				
1	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 TAX ID 12043	Leased 906889/TC181	10.970000%	6.4467
3	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 TAX ID 12043	Leased 906889/TC181	22.090000%	12.9800
	TOTAL		33.060000%	19.4267

**EXHIBIT "EE"
VC-537867**

<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	Roscoe Edwards & Joyce Edwards h/w 359 Morgan Anderson Ln. Birchleaf, VA 24220 TAX ID 3435	Leased 907335	21.940000%	12.8933
TOTAL			21.940000%	12.8933
<u>Coal Estate Only</u>				
1	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 TAX ID 12043	Leased 906889/TC181	21.940000%	12.8933
TOTAL			21.940000%	12.8933

EQUITABLE PRODUCTION

Equitable Production Comp

1710 Pennsylvania Avenue
Charleston, WV 25328
(304) 348-3800

AUTHORIZATION FOR EXPENDITURE					
Well Name:	537867 VC-537867 (537867)			AFE Number:	2175378671A
Operator:	Equitable Production Company			AFE Date:	1/29/2008
AFE Group:	BigStoneGap 2008	AFE Type:	Drilling	Job Start Date:	
Prospect:				County, State:	Dickenson, VA
Q/Q/Q-S/T/R:	/ / - / /			Field:	
Location:					
Well Type:		Depth:		Prep. By:	
Surface Located:	ft. from line		ft. from line		
	Long:	Lat:	Xloc:	Yloc:	
Bott. Hole Located:	ft. from line		ft. from line		
	Long:	Lat:	Xloc:	Yloc:	
Working Interest:	0.00000000%	Before Casing:	0.00000000%	After Casing:	0.00000000%
Lease Name (ID):	Unknown (Unknown)			NRI:	0.00000000%
Current BOPD:	0	Current MCFPD:	0	Current BWPD:	0
Expected BOPD:	0	Expected MCFPD:	0	Expected BWPD:	0

Intangible		Notes	Drilling	Dry Hole	Completion	Total
180013	CONTRACT FOOTAGE	2049' @ \$22.00 (2008)	\$45,078	\$45,078	\$0	\$45,078
180015	DAYWORK	(2008)	\$1,600	\$1,600	\$0	\$1,600
180030	CONTRACTOR SETUP	(2008)	\$2,700	\$2,700	\$0	\$2,700
180061	GPS, SURVEY, WELL PLAT, PERM	GBH	\$4,200	\$4,200	\$0	\$4,200
180093	LOCATION PIT LINERS		\$4,000	\$4,000	\$0	\$4,000
180094	LOCATION CONSTRUCTION, DOZ		\$28,000	\$28,000	\$0	\$28,000
180096	ROCKING, CULVERTS & STONE L		\$9,500	\$9,500	\$0	\$9,500
180111	PIT TREATMENT/RESTORATION/		\$7,500	\$7,500	\$0	\$7,500
180180	OPEN HOLE LOGGING		\$4,500	\$4,500	\$0	\$4,500
180231	CEMENTING - SURFACE CASING (HES		\$5,400	\$5,400	\$0	\$5,400
180341	SURFACE DAMAGES, LOCATION	GBH	\$5,000	\$5,000	\$0	\$5,000
180720	OPERATOR OVERHEAD		\$4,500	\$4,500	\$0	\$4,500
180733	LAND CONTRACTOR COST	BHC/GBH	\$4,000	\$4,000	\$0	\$4,000
181021	SERVICE RIG / COILED TUBING &		\$0	\$0	\$6,000	\$6,000
181071	PERFORATING, CASED HOLE LOG	Key	\$0	\$0	\$9,200	\$9,200
181101	CEMENTING - PROD. CASING (FL	HES	\$0	\$0	\$11,300	\$11,300
181122	SERVICE COMPANY, NITROGEN,	HES - 5 stage (190")	\$0	\$0	\$47,700	\$47,700
181141	TANKS/PITS/DOZER-COMPLETIO		\$0	\$0	\$7,500	\$7,500
181151	PIPELINE CONSTRUCTION & REC	922' of 4' @ 12.50	\$0	\$0	\$20,725	\$20,725
181161	WATER HAULING IN-COMPLETIO		\$0	\$0	\$3,500	\$3,500
181202	WELLHEAD TIE IN. LABOR, ETC.	Shupe	\$0	\$0	\$4,150	\$4,150
181215	DRILLING/FRAC FLUID DISPOSAL	Shupe	\$0	\$0	\$3,000	\$3,000
181701	CONSULTING SER, SUPERVION		\$0	\$0	\$700	\$700
181971	REGULAR WAGES		\$2,000	\$2,000	\$0	\$2,000
Total Intangible Cost :			\$127,978	\$127,978	\$113,775	\$241,753
Tangible		Notes	Drilling	Dry Hole	Completion	Total
182019	PRODUCTION CASING: NEW	2079' @ \$5.44	\$0	\$0	\$11,310	\$11,310
182022	CASING: CONDUCTOR & DRIVE		\$750	\$750	\$0	\$750
182030	SURFACE CASING	330' @ \$7.50	\$2,475	\$2,475	\$0	\$2,475
182036	NEW TUBING	2049' @ \$3.28	\$0	\$0	\$6,721	\$6,721
182051	CASING HEAD, TUBINGHEAD, WE		\$0	\$0	\$1,700	\$1,700
182055	VALVES & FITTINGS	Shupe	\$0	\$0	\$2,600	\$2,600
182060	GATHERING LINES	922' of 4" @ 5.80	\$0	\$0	\$5,882	\$5,882
182061	PIPELINE FITTINGS & TIE IN FITT	Addison	\$0	\$0	\$4,500	\$4,500
182079	MEASUREMENT VALVES & FITTI	Shupe	\$0	\$0	\$11,000	\$11,000
182131	TANK & TANK HCP FITTINGS, TA	Shupe	\$0	\$0	\$6,200	\$6,200
182151	ARTIFICIAL LIFT SURFACE VALV	Shupe/L.Necce	\$0	\$0	\$29,700	\$29,700
182161	SUCKER RODS & DOWNHOLE PU	CH - OK	\$0	\$0	\$3,925	\$3,925
Total Tangible Cost :			\$3,225	\$3,225	\$83,538	\$86,763



Equitable Production Comp
 1710 Pennsylvania Avenue
 Charleston, WV 25328
 (304) 348-3800

AUTHORIZATION FOR EXPENDITURE									
Well Name:	537867 VC-537867 (537867)					AFE Number:	2175378671A		
Operator:	Equitable Production Company					AFE Date:	1/29/2008		
AFE Group:	BigStoneGap 2008	AFE Type:	Drilling		Job Start Date:				
Prospect:					County, State:	Dickenson, VA			
Q/Q/Q-S/T/R:	/ / - / /				Field:				
Location:									
Well Type:					Depth:	0	Prep. By:		
Surface Located:	ft. from line				ft. from line				
	Long:	Lat:	Xloc:	Yloc:					
Bott. Hole Located:	ft. from line				ft. from line				
	Long:	Lat:	Xloc:	Yloc:					
Working Interest:	0.00000000%	Before Casing:	0.00000000%	After Casing:	0.00000000%				
Lease Name (ID):	Unknown (Unknown)				NRI:	0.00000000%			
Current BOPD:	0	Current MCFPD:	0	Current BWPD:	0				
Expected BOPD:	0	Expected MCFPD:	0	Expected BWPD:	0				
Total AFE Costs:					\$131,203	\$131,203	\$197,313	\$328,516	

Approved by:

MAH

Date: 3-4-08

Well Information:

Well No:	VC537867	API #:	45051
Lease Name:	Unknown	Carter Coord:	- -
Lease/Fee No:	Unknown	Latitude:	
Quadrangle:	HAYSI	Longitude:	
County, ST:	Dickenson, VA	Waters:	
PUD #:		AFE #:	
VA File #:			

Projected Depths:

Gas Test:	At all casing points, open mines and/or voids. Notify EQT personnel of any shows.	FT
Coal:	According to coal letter and offsets this well will NOT penetrate existing deep mine workings	FT
Proj. Baffles:	Drilling engineer will pick baffles as discussed previously. Direct any questions to the Geologists.	FT
Fresh Water:		FT
Salt Water:		FT
Elevation at Staked Location (ft)	1847	Total Depth (ft): 2049

Offset Wells:

537869, 536426, 537774

Estimated Formation Tops

Formation Name	Top Depth	Base Depth	Comments
Jawbone	722		
Greasy Creek	1094		
C-Seam	1320		
Warcreek	1427		
Beckley	1465		
Lower Horsepen	1546		
X-Seam	1616		
Poco # 6	1817		
Poco # 5	1835		
Poco # 4	1855		
Poco # 3	1924		
Total Depth	2049		

Driving Directions**Geology Remark**

According to coal letter and offsets this well will NOT penetrate existing deep mine workings;
 Consent to stimulate the Jawbone/Tiller coals is Approved;
 E-Logging is not requested for this well;
 Shallowest coal to complete is approx. 1037 ft MD;
 This well should encounter approx. 190 inches of treatable coal that will be completed with a 5-stage foam frac;
 The estimated TD includes 125 ft below Poco#3;
 The closest, most recent well is VC-537869 (2007).
 "Depth of the surface casing should be verified once the water well information is available showing depths and elevations of all water wells within 1000' of this location."

Logging Program:**Intermediate:**

TD: Hi Res GR, Density, Temp. & Noise.

Drilling Sample Require No

Tentative Casing Schedule:

	Casing OD	Casing Depth
Conductor	12 3/4"	40 ft.
Conductor 2		ft.
Surface	7"	300 ft.
Intermediate		ft.
Production	4 1/2"	2049 ft.

Drilling Remarks

Solid, no top hole water, no mining, BUILD AFTER 537788 h

Contacts:

Geologist:	Luke Schanken	4123953317
Backup Geologist:		
Engineer:	Katrine Berg	4123953926
Landman:	George Hefin	2765237851
Drilling Superintendent:	Mike Butcher	2765237835

PINE MOUNTAIN Oil and Gas, Inc.

P.O. Box 2136
406 West Main Street
Abingdon, Virginia 24212
Phone: (276) 628-9001
Fax: (276) 628-7246



March 15, 2007

Mr. and Mrs. Roscoe Edwards
282 Shelby Lane
Birchleaf, Virginia 24220

Re: Permanent Split of CBM Royalty
Roscoe Edwards 42 Acre Tract
Dickenson County, Virginia

Dear Mr. and Mrs. Edwards:

As you are aware, Equitable Production Company ("EPC"), plans to drill coalbed methane gas wells on a tract of land covered by the above referenced 42 acre tract described in Dickenson County Deed Book 361, Page 82 (the "Property" or "Subject Tract") or upon other lands in which the subject tract is pooled therewith in which Pine Mountain Oil and Gas, Inc. ("PMOG") owns the coalbed methane gas through its deed from the former coal owner underlying the Property and you own the gas. The above has created a conflicting claim as to the ownership of the coalbed methane gas on the Subject Tract between ("PMOG"), as the owner of the coalbed methane gas through its deed from the former coal owner, and you, as the owner of the gas. A map indicating the approximate location of the property is enclosed for your reference.

Due to our conflicting interests in the Subject Tract, EPC, as operator of the unit, will place all royalty proceeds attributable to our conflicting interests into an escrow account. These royalty proceeds will remain in the escrow account until either a final legal determination of our conflicting claims to the coalbed methane gas is made or we reach an agreement on the division of the royalty proceeds. The most economical and expedient way to secure a release of the proposed escrowed funds is for us to enter into an agreement which sets forth how the funds are to be distributed. Accordingly, in order to avoid the expense and time required to resolve the ownership question through the courts, PMOG proposes resolving this matter by the agreement described below. Such an agreement will allow us to receive direct payment of all future proceeds.

PMOG proposes that you receive disbursement of 75% of the future proceeds and that PMOG receive disbursement of 25% of the future proceeds. PMOG will, at its sole expense, pursue the administrative process required to secure the proceeds and will absorb all future costs of administering this letter agreement. None of these expenses and costs will be deducted from your 75% of the royalty proceeds.

If this division of the proceeds is agreeable with you, PMOG will pursue the administrative processes required to secure the distribution of the future proceeds. You will be provided with copies of the correspondence to EPC, as well as the directive to EPC to pay all future royalties and other benefits attributable to our conflicting interests in the same 75% / 25% proportion.

This letter agreement effects a permanent division of any accrued, suspended or escrowed royalty payments and all future royalty payments on the above-mentioned tracts which is binding upon ACIN, LLC and its successors and assigns and PMOG and its successors and assigns. By entering into this agreement, the parties agree to refrain from making any claim or bringing any suit against the other party attacking the other party's coalbed methane interests set forth in this letter agreement. It is expressly agreed by the parties hereto that the division of all future royalty payments on the above-mentioned tracts shall remain subject to this letter agreement, regardless of any subsequent judicial determination of ownership of coalbed methane in the Commonwealth of Virginia. Provided, however, nothing contained in this letter agreement shall change or alter the parties' common law rights and liabilities or the legal title to their respective coal and gas estates.

By entering into this letter agreement, you confirm that you are the current record title owner of the gas estate underlying the tract. If you are not the current gas owner, please notify us immediately.

By accepting the terms and conditions of this letter agreement, you directing EPC to disburse royalties in accordance with this agreement. It is understood and agreed that no other terms or conditions of your lease with EPC are affected by this letter agreement.

Please evidence your agreement to these terms by signing this letter agreement on the line indicated below and returning this letter agreement to PMOG in the enclosed self-addressed, stamped envelope. If you have any questions, please do not hesitate to call me at 276-619-2583.

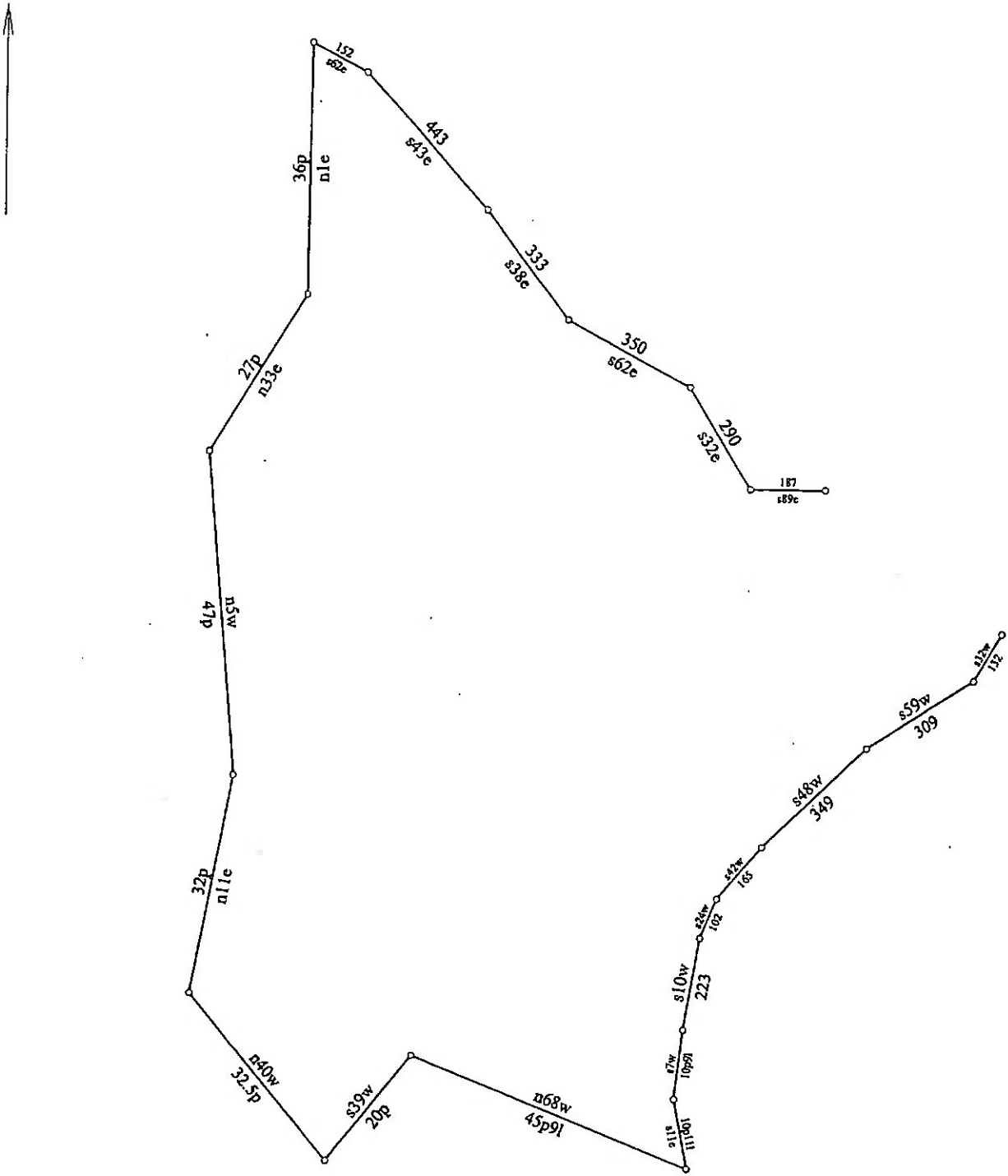
Sincerely,

PINE MOUNTAIN OIL AND GAS, INC.

A handwritten signature in cursive script that reads "Phil Horn".

Phil Horn
District Landman

Enclosures



Title: Roscoe Edwards...42 acres...DB: 361/82		Date: 10-05-2006
Scale: 1 inch = 400 feet	File: Roscoe Edwards...42 ac...DB. 361 Pg. 82.des	
Tract 1: 55.378 Acres: 2412286 Sq Feet: Closure = s52.1039e 559.40 Feet: Precision =1/13: Perimeter = 7336 Feet		
001=s32w 132	009=n68w 45p91	017=s43e 443
002=s59w 309	010=s39w 20p	018=s38e 333
003=s48w 349	011=n40w 32.5p	019=s62e 350
004=s42w 165	012=n11e 32p	020=s32e 290
005=s24w 102	013=n5w 47p	021=s89e 187
006=s10w 223	014=n33e 27p	
007=s7w 10p91	015=n1e 36p	
008=s11e 10p111	016=s62e 152	

AGREED TO AND ACCEPTED BY:

BY: Roscoe Edwards
ROSCOE EDWARDS

Joyce Edwards
JOYCE EDWARDS

PINE MOUNTAIN OIL AND GAS, INC.

BY: Phil Horn
PHIL HORN
DISTRICT LANDMAN

STATE OF Virginia

COUNTY OF Wise, to-wit:

I, Daniel D. Miller, a Notary Public in and for the State and County aforesaid, do hereby certify that Roscoe Edwards and wife, Joyce Edwards whose names are signed to the writing hereto annexed, have this day acknowledged the same before me in said County and State.

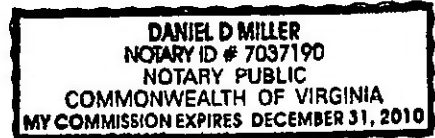
Given under my hand and notarial seal this the 25th day of February, 2007⁸

My commission expires 12/31/2010.

Daniel D. Miller
Notary Public

COMMONWEALTH OF VIRGINIA

COUNTY OF WASHINGTON, to-wit:



I, Raron A. Anderson, a Notary Public in and for the State and County aforesaid, do hereby certify that Phil Horn, District Landman, of Pine Mountain Oil and Gas, Inc., whose name as such is signed to the writing hereto annexed, bearing date the 15th day of March, 2007, has this day, before me, in my said County acknowledged the said writing on behalf of said corporation.

Given under my hand and notarial seal this the 15th day of March, 2007.

My commission expires 3/31/2011.

Raron A. Anderson
Notary Public