

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**PETITIONER:** EQT Production Company

**DIVISION OF GAS AND OIL**

**DOCKET NO:** VGOB 07-0220-1888-01

**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 2, 999 (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES (3) AND DISMISSAL OF COAL OWNERS PURSUANT TO CODE OF VIRGINIA SECTION 45.1-361.22:2.**

**HEARING DATE:** June 21, 2016

**TAX ID NUMBERS:** Tax Map Identification Numbers for all parcels affected by this petition are shown on: Exhibit B

**DRILLING UNIT:** VC-537150

**WISE COUNTY, VIRGINIA**

**PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS**

**1. Petitioner and its counsel**

Petitioner is EQT Production Company, 625 Liberty Avenue, EQT Plaza, Suite 1700, Pittsburgh, PA 15222, 412-395-3921. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660 .

**2. Relief Sought**

Pursuant to House Bill 2058, petition for release of escrowed funds on behalf of all known gas owners on Tract 2 of Well # VC-537150, VGOB 07/02/20/1888 as identified on the attached Exhibit EE and petition for direct payment to EQT for overpayment due to too much interest attributed to the escrow payments.

**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**

Pursuant to House Bill 2058, petition for release of escrowed funds on behalf of all known gas owners on Tract 2 of Well # VC-537150, VGOB 07/02/20/1888 as identified on the attached Exhibit EE and petition for direct payment to EQT for overpayment due to too much interest attributed to the escrow payments.

**6. Attestation**

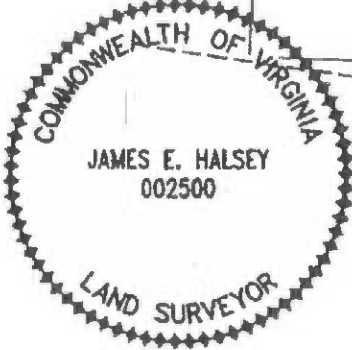
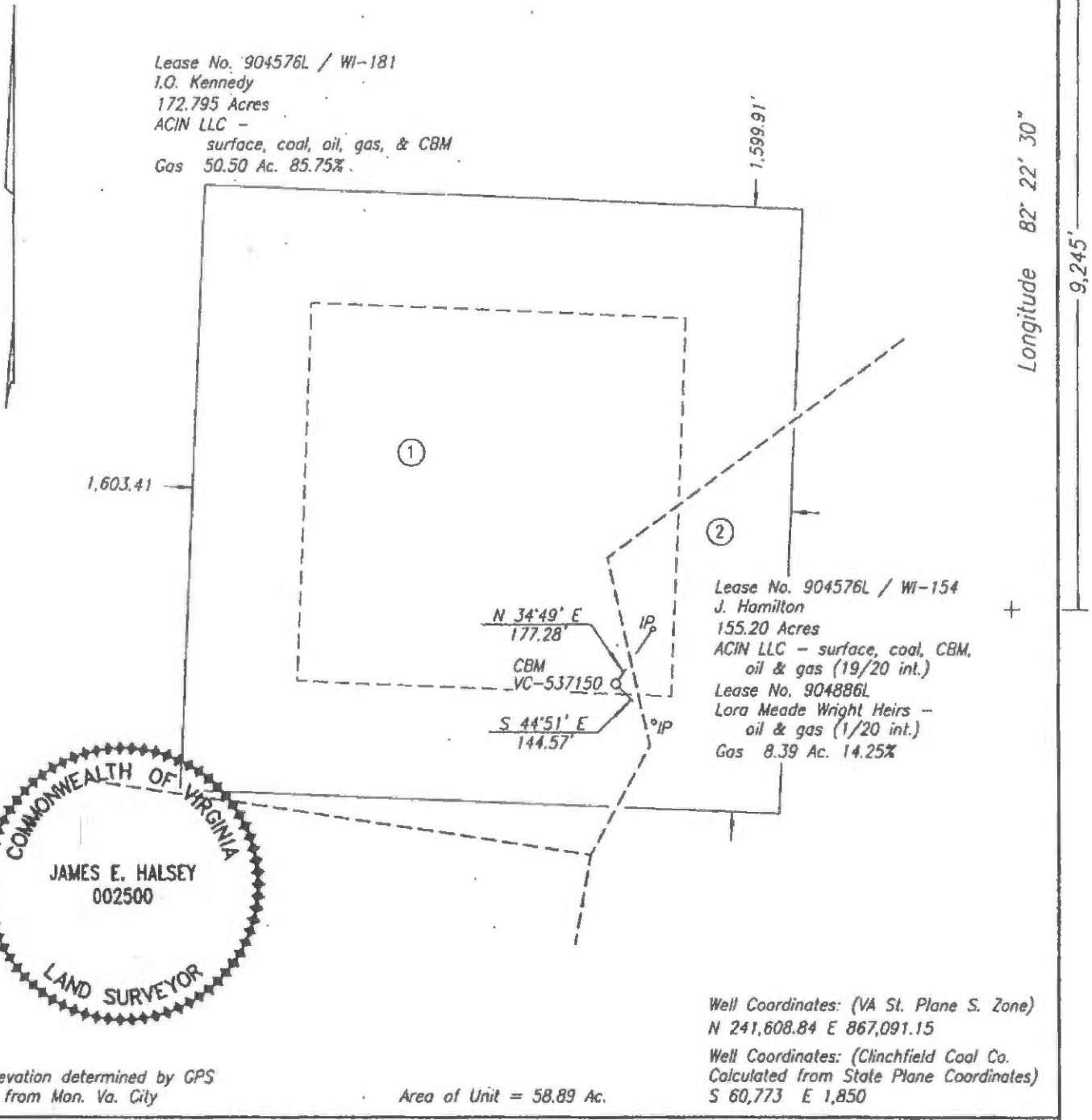
The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

615'

Well Coordinates: (Geographic N27)  
36.933042° -82.377094°

Latitude 36° 57' 30"

Lease No. 904576L / WI-181  
I.O. Kennedy  
172.795 Acres  
ACIN LLC -  
surface, coal, oil, gas, & CBM  
Gas 50.50 Ac. 85.75%



Lease No. 904576L / WI-154  
J. Hamilton  
155.20 Acres  
ACIN LLC - surface, coal, CBM,  
oil & gas (19/20 int.)  
Lease No. 904886L  
Lora Meade Wright Heirs -  
oil & gas (1/20 int.)  
Gas 8.39 Ac. 14.25%

Well Coordinates: (VA St. Plane S. Zone)  
N 241,608.84 E 867,091.15  
Well Coordinates: (Clinchfield Coal Co.  
Calculated from State Plane Coordinates)  
S 60,773 E 1,850

Well elevation determined by GPS  
survey from Mon. Va. City

Area of Unit = 58.89 Ac.

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-537150  
TRACT NO. Le. No. 904576L/WI-181 ELEVATION 2,228.59' QUADRANGLE Coeburn  
COUNTY Wise DISTRICT Lipps SCALE 1" = 400' DATE 1-08-2007

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-537150**  
**VGOB - 07/02/20-1888**  
Revised 5/2/16

<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	ACIN, LLC Attn: John Mooney P.O. Box 2827 Huntington, WV 25727	Leased 904576L/ WI-181	85.750000%	50.5000
<b>Tract 1 Totals</b>			85.750000%	50.5000
2	ACIN, LLC Attn: John Mooney P.O. Box 2827 Huntington, WV 25727	Leased 904576L/ WI-154	13.537500%	7.9705
	Jackie Wright & Carol Wright, h/w 1228 Copper Ridge Road Castlewood, VA 24224	Unleased	0.118750%	0.0699
	Fred Wright & Judy Wright, h/w 74 Spring Valley Road Bristol, VA 24201	Leased 904886.04	0.118750%	0.0699
	Jerry Wright & Mary Wright, h/w 56 Peewee St Castlewood, VA 24283	Leased 904886.02	0.118750%	0.0699
	Heirs of Gene & Linda Wright PO Box 72 St. Paul, VA 24283	Leased 904886.03	0.118750%	0.0699
	Mildred Gay McCoy & Burt McCoy, w/h 353 Augusta Dr. Abingdon, VA 24211	Leased 904886.01	0.118750%	0.0699
	Johnny Wayne Weaver & Jody Weaver, h/w 16315 Georgia Hwy 315 Ellerslie, GA 31807	Unleased	0.039583%	0.0262
	Andrew Naudzunas, I 11 Collins Street, B7 Seabrook, NH 03874-4654	Unleased	0.039583%	0.0262

**EXHIBIT "B"**  
**VC-537150**  
**VGOB - 07/02/20-1888**  
**Revised 5/2/16**

Andrew Naudzunus, II 32 Providence Hill Rd Atkinson, NH 03811	Unleased	0.039583%	0.0262
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<b><u>Tract 2 Totals</u></b>	Unleased	<u>14.250000%</u>	<u>8.3987</u>
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<b>TOTAL GAS ESTATE</b>		<b>100.000000%</b>	<b>58.8987</b>
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Percentage of Unit Leased		99.762500%	
Percentage of Unit Unleased		23.750000%	

Acreage in Unit Leased			58.7501
Acreage in Unit Unleased			0.1486

**Coal Estate Only**

1	ACIN, LLC	Leased	85.750000%	50.5000
TAX ID 019077	Attn: John Mooney	904576L/ WI-111		
	P.O. Box 2827			
	Huntington, WV 25727			

<b><u>Tract 1 Totals</u></b>		<u>85.750000%</u>	<u>50.5000</u>
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2	ACIN, LLC	Leased	14.250000%	8.3900
TAX ID 019081	Attn: John Mooney	904576L/ WI-114		
	P.O. Box 2827			
	Huntington, WV 25727			

<b><u>Tract 2 Totals</u></b>		<u>14.250000%</u>	<u>8.3900</u>
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<b>TOTAL</b>		<b>100.000000%</b>	<b>58.890000</b>
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Percentage of Unit Leased		100.00%	
Percentage of Unit Unleased		0.00%	

Acreage in Unit Leased			58.8900
Acreage in Unit Unleased			0.0000

**EXHIBIT "E"**  
**VC-537150**  
**VGOB - 07/02/20-1888**  
Revised 5/9/16

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Gas Estate</u>			
2	Jackie Wright & Carol Wright, h/w 1228 Copper Ridge Road Castlewood, VA 24224	Unleased	0.118750%	0.0699
	Jerry Wright & Mary Wright, h/w 56 Peewee St Castlewood, VA 24283	Leased 904886.02	0.118750%	0.0699
	Heirs of Gene & Linda Wright PO Box 72 St. Paul, VA 24283	Leased 904886.03	0.118750%	0.0699
	Mildred Gay McCoy & Burt McCoy, w/h 353 Augusta Dr. Abingdon, VA 24211	Leased 904886.01	0.118750%	0.0699
	Andrew Naudzunas, II 32 Providence Hill Rd Atkinson, NH 03811	Unleased	0.039583%	0.0262
	<b>Total Gas Estate</b>		0.514583%	0.3058

**EXHIBIT "EE"**  
**VC-537150**  
**VGOB - 07/02/20-1888**  
 Revised 5/9/16

<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>				
2	Fred Wright & Judy Wright, h/w 74 Spring Valley Road Bristol, VA 24201	Leased 904886.04	0.118750%	0.0699
	Johnny Wayne Weaver & Jody Weaver, h/w 16315 Georgia Hwy 315 Ellerslie, GA 31807	Unleased	0.039583%	0.0262
	Andrew Naudzunas, I 32 Providence Hill Rd Atkinson, NH 03811	Unleased	0.039583%	0.0262
	<b>Total Gas Estate</b>		<b>0.197916%</b>	<b>0.1223</b>
<b><u>Coal Estate Only</u></b>				
*Coal estate is released pursuant to HB 2058				
2	ACIN, LLC Attn: John Mooney P.O. Box 2827 Huntington, WV 25727	Leased 904576L/ WI-114	0.197916%	0.1223
	<b>Total Coal Estate</b>		<b>0.633331%</b>	<b>0.3931</b>

BEFORE THE VIRGINIA GAS AND OIL BOARD

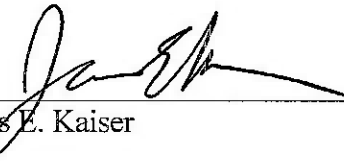
Applicant: EQT Production Company )  
Relief Sought: Well No. VC-537150 ) Docket No.  
Supplemental Order for Disbursement of Escrowed Funds ) VGOB-07-02/20-1888-01  
on behalf of all known owners in Tract 2 )

AFFIDAVIT OF MAILING  
(CERTIFICATE OF SERVICE)

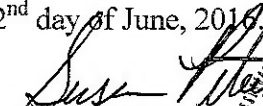
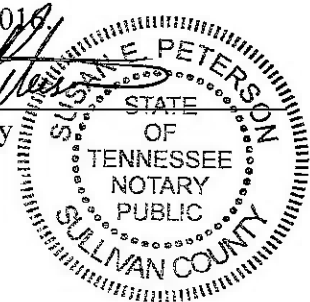
STATE OF TENNESSEE )  
COUNTY OF SULLIVAN )

James E. Kaiser, of lawful age, being duly sworn, upon oath, deposes and says:

- (1) He is a partner with WILHOIT & KAISER, Agent for EQT Production Company ("EQT") and makes this affidavit on behalf of EQT.
- (2) Based upon information and belief, the names and last-known addresses, where such addresses are known, of the parties owning an interest in the oil and gas in this cause are set forth and attached hereto.
- (3) On the 5th day of May, 2016, true and correct copies of the Application and the Notice of Hearing in this matter were placed in the United States mail in Kingsport, TN, certified mail, return receipt requested, postage prepaid, duly addressed to the parties at their respective addresses as set forth in the attached Exhibit B which is hereby made a part of this Affidavit.
- (4) Notice of this cause has therefore been served by mail pursuant to the applicable statutes and rules of the Board.

  
James E. Kaiser

SUBSCRIBED AND SWORN TO before me this 2<sup>nd</sup> day of June, 2016.

  
Susan Peterson, Notary  


My commission expires: August 24, 2016.

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Andrew Naudzunas, I  
32 Providence Hill Rd  
Atkinson, NH 03811



9590 9402 1344 5285 9078 80

2. Article Number (Transfer from service label)  
7009 2820 0002 7705 6854

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 *Andrew Naudzunas*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  Priority Mail Express®  
 Adult Signature  Registered Mail™  
 Adult Signature Restricted Delivery  Registered Mail Restricted Delivery  
 Certified Mail®  Return Receipt for Merchandise  
 Certified Mail Restricted Delivery  Signature Confirmation™  
 Collect on Delivery  Signature Confirmation Restricted Delivery  
 Collect on Delivery Restricted Delivery  Restricted Delivery

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Johnny Wayne Weaver &  
Jody Weaver  
16315 Georgia Hwy 315  
Ellerslie, GA 31807



9590 9402 1344 5285 9078 73

2. Article Number (Transfer from service label)  
7009 2820 0002 7705 6847

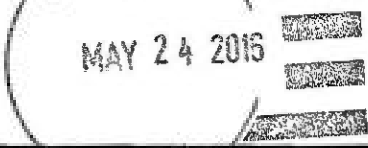
PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 *JW Weaver*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No



3. Service Type  Priority Mail Express®  
 Adult Signature  Registered Mail™  
 Adult Signature Restricted Delivery  Registered Mail Restricted Delivery  
 Certified Mail®  Return Receipt for Merchandise  
 Certified Mail Restricted Delivery  Signature Confirmation™  
 Collect on Delivery  Signature Confirmation Restricted Delivery  
 Collect on Delivery Restricted Delivery  Restricted Delivery

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Fred Wright & Judy Wright  
74 Spring Valley Road  
Bristol, VA 24201



9590 9402 1344 5285 9078 66

2. Article Number (Transfer from service label)  
7009 2820 0002 7705 6830

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 *Fred Wright*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  Priority Mail Express®  
 Adult Signature  Registered Mail™  
 Adult Signature Restricted Delivery  Registered Mail Restricted Delivery  
 Certified Mail®  Return Receipt for Merchandise  
 Certified Mail Restricted Delivery  Signature Confirmation™  
 Collect on Delivery  Signature Confirmation Restricted Delivery  
 Collect on Delivery Restricted Delivery  Restricted Delivery

Tracking  
VC-537150  
07/02/20-1888-01

Fred Wright & Judy Wright  
74 Spring Valley Road  
Bristol, VA 24201

Johnny Wayne Weaver &  
Jody Weaver  
16315 Georgia Hwy 315  
Ellerslie, GA 31807

Andrew Naudzunas, I  
32 Providence Hill Rd  
Atkinson, NH 03811

**EXHIBIT "J"**  
**VC-537150**  
**VGOB - 07/02/20-1888**  
 Revised 5/02/2016

<u>Payment Date</u>	<u>Amount</u>
1/13/2010	2,217.32
2/10/2010	\$66.85
3/9/2010	\$87.59
4/14/2010	\$94.00
5/10/2010	\$78.26
6/8/2010	\$51.74
7/13/2010	\$61.81
8/10/2010	\$58.51
9/10/2010	\$68.85
10/11/2010	\$69.63
11/11/2010	\$47.57
12/9/2010	\$51.40
1/13/2011	\$41.76
2/11/2011	\$63.04
3/11/2011	\$65.23
4/12/2011	\$55.20
5/11/2011	\$55.18
6/11/2011	\$57.77
7/13/2011	\$55.64
8/10/2011	\$57.60
9/12/2011	\$62.78
10/12/2011	\$63.94
11/10/2011	\$50.83
12/9/2011	\$50.55
1/17/2012	\$46.30
2/10/2012	<u>\$45.04</u>

**TOTAL PAYMENTS      \$3,724.39**

**February 2016 Escrow Agent Summary**

<u>Unit Name</u>	<u>Docket #</u>	<u>Unit Operator</u>	<u>Beginning Market Value</u>	<u>Deposit Type</u>	<u>Deposits</u>	<u>Money Mkt Interest</u>	<u>CDARS Interest</u>	<u>Fees for 6/30</u>	<u>Ending Market Value</u>
VC537150	1888	EQT	\$3,735.91			\$0.58		(\$0.31)	<b>\$3,736.18</b>



**Affidavit of Mailing – Coal Owner**

Commonwealth of Virginia

County of: WISE

**Applicant: EQT Corporation**

**Relief Sought: Disbursement Petition for VC-537150 / VGOB 07/02/20-1888**

I, Kristie Rudick, after being duly sworn upon oath, state as follows:

1. I am the Division Order Supervisor for EQT Corporation, and am responsible for the notification process required by Va. Code Ann. 45.1-361.19 of the Code of Virginia and 4VAC25-40.
2. That on April 5, 2016, pursuant to the requirements of House Bill 2058, notification was sent, via certified mail return receipt requested, to the listed coal owner(s). Said notification informed that the coal owner had 45 days from the date of notice to object to the disbursement on behalf of the oil and gas owner(s).
3. Notice of this cause has therefore been served by mail pursuant to the applicable statutes and rules of the Board.

Kristie Rudick

**Kristie Rudick**  
Division Order Supervisor  
EQT Corporation

State of: PENNSYLVANIA

County of: ALLEGHENY

Taken, subscribed, and sworn to before me this 5<sup>th</sup> day of MAY, 2016.

David J. Betts

Notary Public

My commission expires: MARCH 26, 2020

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <input checked="" type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Agent  <input checked="" type="checkbox"/> Addressee</p> <p>C. Date of Delivery</p>																
<p>1. Article Addressed to:</p> <p style="text-align: center;">Gregory F. Woolen  Vice President &amp; Chief Engineer  NRP (Operations) LLC  1260 Irvine Road  Huntington, WV 25705</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p>																
 <p style="text-align: center;">9590 9403 0287 5155 3971 46</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise																
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
<p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">7015 0640 0005 6520 8302</p>	<p style="text-align: right;">Domestic Return Receipt</p>																
<p>PS Form 3811, April 2015 PSN 7530-02-000-9053</p>																	

April 5, 2016

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Gregory F. Wooten  
Vice President & Chief Engineer  
NRP (Operating) LLC  
5260 Irwin Road  
Huntington, WV 25705

Re: House Bill 2058 - Petition for Disbursement from Escrow

Dear Mr. Wooten,

House Bill 2058 was signed by the Governor and became law effective July 1, 2015. This new law established a process for the Virginia Gas and Oil Board to disburse monies placed in escrow because of conflicting claims (between coal owners and the oil and gas owners).

In general, under this new law escrowed funds are to be paid to oil and gas owners unless the coal owner(s) provides the operator, EQT and The Division of Gas and Oil "with evidence of a proceeding" [as in a court case] "or an agreement." The new law gives coal owners/coal claimants **45 days** from the date of notice to provide this evidence.

Please be advised that pursuant to House Bill 2058, EQT will be applying to the Board for release of funds in escrow to the oil and gas owners for the following coalbed methane gas wells:

Well #	VGOB Docket #
703169	98/06/16-0670
537150	97/10/21-0612
773738	07/02/20-1888

If there is a prior proceeding or agreement that would prohibit the release of funds to the oil and gas owner, you **must** provide evidence of such to EQT and The Division of Gas and Oil within **45 days** of receipt of this letter.

Sincerely,

Deborah Lombardo  
Division Order Analyst