

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EnerVest Operating, LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 08-0617-2258-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) A portion of 005, 006 (2) AND AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES.

HEARING DATE: May 16, 2017

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

DRILLING UNIT: 504473

DICKENSON COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is EnerVest Operating, LLC, 408 W Main Street, Abingdon, VA 24210, 276-628-9001. Petitioner's counsel is .

2. Relief Sought

Petition to disburse funds from the escrow account for well V504473, to all known owners in Tracts 5 and 6, VGOB 08-0617-2258 and pursuant to Final Order of court in Case No CL 16-115 of record at Deed Book 543, Page 464 in the Dickenson County Clerk's Office.

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)

Conventional

5. Factual basis for relief requested

Petition to disburse funds from the escrow account for well V504473, to all known owners in Tracts 5 and 6, VGOB 08-0617-2258 and pursuant to Final Order of court in Case No. CL 16-115 of record at Deed Book 543, Page 464 in the Dickenson County Clerk's Office

6. Attestation

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

580'

Well Coordinates: (Geographic N27)
37.011541' -82.293743'

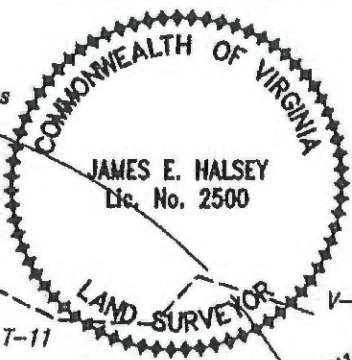
Latitude 37° 02' 30"

82° 17' 30"

Longitude 10,970'

--- Mineral Line
- - - Surface Line

Lease No. 906889 / T2-128
Kemmerer
79.23 Acres
Range Resources-Pine Mountain, Inc. - oil & gas
Gas 10.37 Ac. 9.20%



Lease No. 244728
J.M. Ervin
77.05 Acres
Lambert Land, LLC - coal, oil & gas
Gas 24.52 Ac. 21.77%

Lease No. 906889 / T-11
Jessee Bean
361 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
Gas 45.53 Ac. 40.40%

Heartwood Forestland Fund IV, L.P. - surface

Lease No.
Charles W. Grizzle Heirs
- oil & gas
77.35 Acres
Gas 9.30 Ac. 8.25%

Lease No. 244728
Lambert Land, LLC - coal (Below Lower Banner Seam)
ACIN LLC - coal (Lower Banner & Above Seams)
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal (Lower Banner & Above Seams)
Dickenson-Russell Coal Company LLC - coal lessee
Heartwood Forestland Fund IV, L.P. - surface
Lambert Land, LLC - oil & gas
Gas 5.87 Ac. 5.21%

Lease No. 245424
N.K. Rasnick Heirs Tr.
27.75 Acres
N.K. Rasnick Heirs - oil & gas
Gas 17.10 Ac. 15.17%

Well Coordinates: (Va. St. Plane S. Zone,
NAD 83)
N 3,550,050.00 E 10,375,567.05

Well Coordinates: (Va. St. Plane S. Zone,
NAD 27, calculated from NAD 83 coord.)
N 269,176.01 E 892,581.79

Well Coordinates: (Clinchfield Coal Co.)
S 32,189.43 E 26,160.05

FINAL PLAT

Area of Unit = 112.69 Ac.

WELL LOCATION PLAT

The undersigned hereby certifies
that the final location is within ten
(10') feet of the location shown
on the well plat dated 5-15-2008.

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

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER V-504473
TRACT NO. Lease No. 244728 ELEVATION 2,080.39' QUADRANGLE Nora
COUNTY Dickenson DISTRICT Kenady SCALE 1" = 400' DATE 9-03-2008

This Plat is a new plat ; an updated plat ; or a final location plat x

+ 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 "E" - Escrow Owners
VGOB 08-0617-2258-01
V-504473**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
Gas Estate Only				
5	Clyde Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.03160417	0.03562500
	Butch Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.03160417	0.03562500
	Chuck Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.03160417	0.03562500
	Jacky Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.01354464	0.01526786
	Mickey Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.01354464	0.01526786
	Buddy Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.01354464	0.01526786
	Zelma Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.01354464	0.01526786
	Brenda Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.01354464	0.01526786
	Linda Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.01354464	0.01526786
	Myrtle Martin Unknown Address Tax Card ID - Minerals Only	Unleased	0.01354464	0.01526786

Eugene Martin Unknown Heirs Tax Card ID - Minerals Only	Unleased	0.11846942	0.13354167
Darrell Martin Unknown Heirs Tax Card ID - Minerals Only	Unleased	0.09481250	0.10687500
Kay & Pat O'Mally Unknown Address Tax Card ID - Minerals Only	Unleased	0.02370313	0.02671875
Stacy Hughes Unknown Address Tax Card ID - Minerals Only	Unleased	0.02370313	0.02671875
June Humphrey Unknown Address Tax Card ID - Minerals Only	Unleased	0.02370313	0.02671875
Billie Martin Smith Unknown Address Tax Card ID - Minerals Only	Unleased Life Estate		
Janet & Eddie Benton Unknown Address Tax Card ID - Minerals Only	Unleased Remainder	0.12641667	0.14250000
Mike & Brenda Smith Unknown Address Tax Card ID - Minerals Only	Unleased Remainder	0.12641667	0.14250000
Jeannie & Jackie Hubbard Unknown Address Tax Card ID - Minerals Only	Unleased Remainder	0.12641667	0.14250000
Harold Rasnick Unknown Heirs Tax Card ID - Minerals Only	Unleased	0.75850000	0.85500000
Tilden Rasnick, deceased Unknown Heirs Tax Card ID - Minerals Only	Unleased	3.03400000	3.42000000
TOTAL GAS ESTATE		4.64576630	5.23682292

**Exhibit "EE" - Escrow Owners
VGOB 08-0617-2258-01
V-504473**

Tract	Lessor	Lease Status	Interest Within Unit	Gross Acreage in Unit
Gas Estate Only				
5	<u>Helen & Carl Bailey Heirs</u> Joe Bailey 9652 Dante Mtn Rd Dante, VA 24237 Tax Card ID - Minerals Only	Unleased	0.25283333	0.28500000
	Randall M. Bailey 9699 Dante Mountain Rd Dante, VA 24237 Tax Card ID - Minerals Only	Unleased	0.25283333	0.28500000
	Nicholas T. Bailey 21055 Campground Rd Bristol, VA 24202 Tax Card ID - Minerals Only	Unleased	0.25283333	0.28500000
	Joyce & Frank Eisenbarth 124 Chestnut Ridge Dr. Jonesborough, TN 37659 Tax Card ID - Minerals Only	Unleased	0.02370313	0.02671875
	Stewart & Jennie Sutherland 4927 Sugar Grove Hwy. Sugar Grove, VA 24375 Tax Card ID - Minerals Only	Unleased	0.25283333	0.28500000
	Mary Ann & Jeff Roach 5108 Wakefield Ln Wichita Falls, TX 76310 Tax Card ID - Minerals Only	Unleased	0.06320833	0.07125000
	Elizabeth LeeAnn Murray 2700 Blithe Drive Chester, VA 23831 Tax Card ID - Minerals Only	Unleased	0.06320833	0.07125000
	Hagan Barry Cox 3701 Harvette Drive North Chesterfield, VA 23237 Tax Card ID - Minerals Only	Unleased	0.06320833	0.07125000

6	EnerVest Operating, LLC Attn: Jim McKinney 408 West Main Street Abingdon, VA 24210 <i>*previously reflected as Charles W. Grizzle</i> Tax Card ID - Minerals Only	Owned	8.25000000	9.30000000
	TOTAL GAS ESTATE		9.47466146	10.68046875

Exhibit "J"
VGOB 08-0617-2258-01
V-504473

<u>Payment Date</u>	<u>Amount</u>
2/11/2013	\$ 829.08
2/11/2013	\$ 347.33
2/11/2013	\$ 279.58
2/11/2013	\$ 227.73
2/11/2013	\$ 124.06
2/11/2013	\$ 111.08
2/11/2013	\$ 69.00
2/11/2013	\$ 65.29
2/11/2013	\$ 67.15
2/11/2013	\$ 75.03
2/11/2013	\$ 80.61
2/11/2013	\$ 49.87
2/11/2013	\$ 60.37
2/11/2013	\$ 67.75
2/11/2013	\$ 63.12
2/11/2013	\$ 96.50
2/11/2013	\$ 89.58
2/11/2013	\$ 71.21
2/11/2013	\$ 18.09
2/11/2013	\$ 50.61
2/11/2013	\$ 48.05
2/11/2013	\$ 55.61
2/11/2013	\$ 54.85
2/11/2013	\$ 36.87
2/11/2013	\$ 109.37
2/11/2013	\$ 80.12
2/11/2013	\$ 18.36
2/11/2013	\$ 31.65
2/11/2013	\$ 36.42
2/11/2013	\$ 33.27
2/11/2013	\$ 39.03
2/11/2013	\$ 58.88
2/11/2013	\$ 52.37
2/11/2013	\$ 50.78
2/11/2013	\$ 46.69
2/11/2013	\$ 39.02
2/11/2013	\$ 37.12
2/11/2013	\$ 38.73
2/11/2013	\$ 36.25
2/11/2013	\$ 31.43
2/11/2013	\$ 21.59
2/11/2013	\$ 19.67
2/11/2013	\$ 13.53
2/11/2013	\$ 14.33
2/11/2013	\$ 18.26
2/11/2013	\$ 35.48
2/11/2013	\$ 21.96
2/11/2013	\$ 15.78
2/11/2013	\$ 35.23
2/11/2013	\$ 33.75

2/11/2013	\$	61.77
3/13/2013	\$	33.27
4/10/2013	\$	28.99
5/10/2013	\$	31.36
6/10/2013	\$	33.59
7/8/2013	\$	38.36
8/12/2013	\$	42.21
9/13/2013	\$	13.03
10/10/2013	\$	48.19
11/13/2013	\$	27.76
12/11/2013	\$	30.82
1/10/2014	\$	16.79
2/11/2014	\$	16.21
3/12/2014	\$	23.17
4/10/2014	\$	41.23
5/14/2014	\$	24.16
6/13/2014	\$	32.82
7/9/2014	\$	26.24
8/14/2014	\$	30.91
9/30/2014	\$	36.02
10/31/2014	\$	31.40
11/28/2014	\$	29.23
12/31/2014	\$	30.15
1/30/2015	\$	26.68
2/27/2015	\$	24.25
3/31/2015	\$	17.06
4/30/2015	\$	17.53
5/29/2015	\$	23.22
6/30/2015	\$	8.98
7/31/2015	\$	19.93
8/31/2015	\$	20.86
9/30/2015	\$	20.18
10/30/2015	\$	22.11
11/30/2015	\$	18.85
12/31/2015	\$	18.16
1/29/2016	\$	13.66
2/29/2016	\$	15.67
3/30/2016	\$	16.80
4/26/2016	\$	13.84
5/25/2016	\$	9.49
6/27/2016	\$	9.92
7/28/2016	\$	7.72
8/26/2016	\$	10.81
9/28/2016	\$	19.05
10/27/2016	\$	16.60
11/29/2016	\$	17.92
12/22/2016	\$	18.09
1/30/2017	\$	12.40
2/28/2017	\$	11.95

Total **\$ 5,166.90**

DGO January 2017 Summary Sheet

	<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</u>	<u>Ending Market Value</u>
8002258	V504473	2258	ENERVEST	\$5,237.62		\$18.09	\$0.84		(\$0.44)	\$5,256.11

Difference \$ 5,166.90
 \$5,256.11
 \$ (89.21)

VIRGINIA:

IN THE CIRCUIT COURT OF DICKENSON COUNTY

ENERVEST ENERGY INSTITUTIONAL)
FUND XIV-A, L.P.,)

ENERVEST ENERGY INSTITUTIONAL)
FUND XIV-WIC, L.P.,)

and)

ENERVEST ENERGY INSTITUTIONAL)
FUND XIV-1A, L.P.,)

Plaintiffs,)

v.)

Case No. CL16-115

CHARLES W. GRIZZLE,)
and)

UNKNOWN HEIRS, SUCCESSORS, AND)
ASSIGNS OF CHARLES W. GRIZZLE)
("Parties Unknown"),)

Defendants.)

COPIES AS DIRECTED 12-12-16

FINAL ORDER

Plaintiffs, EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-WIC, L.P., and EnerVest Energy Institutional Fund XIV-1A, L.P., filed their Complaint for declaratory judgment on August 4, 2016, seeking to establish their title to the oil and gas (including coalbed methane gas) on that certain tract of land known as the R.W. Ervin 77.06 acre tract (the "Ervin Tract"), to establish their right to proceeds from production of oil and gas from the Ervin Tract, including any

royalties in escrow, and to establish that Defendants, Charles W. Grizzle and Unknown Heirs, Successors and Assigns of Charles W. Grizzle, have no valid claims to the oil and gas on the Ervin Tract or to the proceeds from the production on that Tract.

Upon the Affidavit for Order of Publication filed by Plaintiffs, the Court entered the Order of Publication on August 4, 2016. Notice was published in the Dickenson Star for four consecutive weeks beginning August 10, 2016, as required by the Order of Publication, and the Certificate of Publication was filed on September 27, 2016.

On September 6, 2016, Plaintiffs filed their Motion for Appointment of a Guardian Ad Litem for Defendants, Unknown Heirs, Successors, and Assigns of Charles W. Grizzle. The Court entered the Order appointing Susan J. Wood as Guardian Ad Litem on September 12, 2016. Susan J. Wood, as Guardian Ad Litem, filed her Answer on September 26, 2016.

Defendants have not otherwise appeared or filed responsive pleadings, and the deadline set in the Order of Publication, October 5, 2016, has expired.

On September 27, 2016, Plaintiffs filed a Notice of Trial for the trial on November 1, 2016. The Notice of Trial was properly served on Susan J. Wood, Guardian Ad Litem.

On November 1, 2016, Plaintiffs and Susan J. Wood, Guardian Ad Litem, appeared for trial. Plaintiffs introduced evidence in support the claims in their Complaint, including without limitation evidence of the record chain of title to the Ervin

Tract. Plaintiffs rested and no further evidence was presented. Thereafter, the Court took the case under advisement.

By letter dated November 15, 2016, the Court announced its decision in the case. Based on the record and evidence in the case, and for the reasons stated in its letter, the Court finds and determines as follows:

1. Sufficient and proper notice was given to Defendants under the Order of Publication, and Defendants have not appeared.
2. The Ervin Tract was conveyed to Charles W. Grizzle by deed dated January 5, 1888, recorded in the Dickenson County Clerk's Office in Deed Book 8, page 461.
3. The Ervin Tract was then conveyed by Charles W. Grizzle and Delilah Grizzle, his wife, to Robert W. Ervin, by deed dated January 22, 1897, recorded in the Clerk's Office, in Deed Book 15, page 139 (the "Ervin Deed").
4. The Ervin Deed conveys the Ervin Tract "with all its appurtenances; provided however that the coal gasses oils and minerals are sold and deeded to other parties and are hereby excepted."
5. When the Ervin Deed was executed, the only minerals on the Ervin Tract that had been sold or deeded to other parties was the coal, which Charles W. Grizzle and Delilah Grizzle, his

wife, conveyed to S.D. May and H.H. Dickenson by deed dated March 4, 1890, recorded in the Clerk's Office in Deed Book 8, page 477. This deed did not convey the oil, gas, or other minerals on the property.

6. The question presented is whether the Ervin Deed conveyed the oil, gas, and other minerals owned by Charles W. Grizzle or whether it excepted or reserved them, along with the coal.
7. This precise issue was recently decided by the Supreme Court of Virginia in *CNX Gas Co. v. Rasnake*, 287 Va. 163, 752 SE.2d 865 (2014). In that case, the grantor conveyed a tract but stated in the deed that “[t]his sale is not ment [sic] to convey any coals or minerals. The same being sold and deeded to other parties heretofore.” 287 Va. at 167, 752 SE.2d at 866. At the time of the deed, the grantor had conveyed the coal, but he had not conveyed the oil, gas, or other minerals. The Supreme Court held that the deed conveyed the oil, gas, and other minerals to the grantee. 287 Va. at 169, 752 SE.2d at 868.
8. Under the Supreme Court of Virginia's ruling in *Rasnake*, the Ervin Deed conveyed to Robert W. Ervin all of the interests that Charles W. Grizzle was capable of conveying, including

the oil, gas, and other minerals, and excepting only the previously-conveyed coal.

9. Range Resources-Pine Mountain, Inc. acquired the oil and gas on the Ervin Tract as successor-in-title to Robert W. Ervin. By deed dated April 13, 2016, recorded in the Clerk's Office in Deed Book 535, page 608, Range Resources-Pine Mountain, Inc. conveyed to Plaintiffs the oil and gas on the Ervin Tract along with any proceeds from production of the oil and gas.
10. Prior to the *Rasnake* decision, the Ervin Tract was force pooled for various conventional and coalbed methane gas wells. In filings with the Virginia Department of Mines, Minerals & Energy, Division of Gas and oil ("DMME"), the gas estate was incorrectly listed as being owned by the heirs of Charles W. Grizzle. These filings were made before the Supreme Court's decision in *Rasnake*.
11. Royalties from the gas production on the Ervin Tract are currently held in the DMME's escrow account.
12. As owner of the gas estate on the Ervin Tract, Plaintiffs have the right to all proceeds from production of gas on the Ervin Tract, including any royalties in escrow.

WHEREUPON, it appearing to the Court that Plaintiffs are entitled to the relief they seek, it is ORDERED as follows:

1. Plaintiffs are the owner of the oil and gas (including coalbed methane gas) on the Ervin Tract as stated in their deed which is recorded in the Clerk's Office in Deed Book 535, page 608.
2. Plaintiffs have the right to all proceeds from production of oil and gas from the Ervin Tract, including any royalties in escrow, and DMME should release all such royalties and accrued interest to Plaintiffs; and
3. Defendants have no valid claims to the oil or gas on the Ervin Tract or to the proceeds from the production of oil and gas on the Tract.

For fees and any costs incurred as Guardian Ad Litem, Plaintiffs shall pay to Susan J. Wood the amount of \$ 625.00.

The Clerk shall appropriately index this Final Order in the land records of this Court under the names of Charles W. Grizzle and Unknown Heirs, Successors, and Assigns of Charles W. Grizzle, as grantors, and EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-WIC, L.P., and EnerVest Energy Institutional Fund XIV-1A, L.P., as grantees, and send attested copies of this Order to counsel for Plaintiffs and to Susan J. Wood, Guardian Ad Litem.

Nothing further remaining to be done, the Clerk shall strike this case from the docket of the Court.

ENTER: this 9th day of ^{December}~~November~~, 2016.

Thomas J. ...
Judge

REQUESTED:

Wade W. Massie
Wade W. Massie
VSB No. 16616
Seth M. Land
VSB No. 75101
PENN, STUART & ESKRIDGE
P.O. Box 2288
Abingdon, Virginia 24212

Counsel for Plaintiffs

A COPY TESTE:
RICHARD EDWARDS, CLERK
BY: *[Signature]* DEPUTY CLERK

SEEN:

Susan J. Wood
Susan J. Wood
VSB No. 88121
GREG BAKER ATTORNEYS AT LAW, PLLC
P.O. Box 338
Clintwood, Virginia 24228

*Guardian Ad Litem for Unknown Heirs,
Successors and Assigns of Charles W. Grizzle*