

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA
- CHARLESTON DIVISION-

GARY P. JONES and SHIRLEY J. JONES,
individually, and H. DOTSON CATHER,
Trustee of Diana Goff Cather Trusts, and
MCDOWELL POCAHONTAS COAL
COMPANY, INC., a Virginia corporation,

Plaintiffs,

v.

Civil Action No. 2:06-cv-00671
(Judge Joseph R. Goodwin)

DOMINION TRANSMISSION, INC.,
a Delaware corporation, DOMINION
EXPLORATION & PRODUCTION, INC.,
a Delaware corporation, and DOMINION
APPALACHIAN DEVELOPMENT, LLC,
a Virginia corporation,

Defendants.

STIPULATION AND ORDER

Plaintiffs Gary P. Jones, Shirley J. Jones, H. Dotson Cather and McDowell Pocahontas Coal Company, Inc., by counsel, and Defendants Dominion Transmission, Inc. (“DTI”), Dominion Exploration & Production, Inc. (“DEPI”) and Dominion Appalachian Development, LLC (“DADI”) (collectively, the “Dominion Defendants”), by counsel, hereby stipulate and agree that Sections VI.A.2. and X.B. of the Amended Settlement Agreement entered into on July 14, 2008, should be and are hereby clarified to read as follows:

VI. Distribution of Compensation.

A. Benefit Notice and Claim Form.

...

2. Claim Form.

...

The Claim Form will provide that the Subclass Member (i) releases the Released Parties from any and all Royalty Claims through the Date of Settlement; (ii) warrants the Subclass Member's Ownership Period in the Covered Lease during the Compensation Period; and (iii) indemnifies Dominion in the event other claims are asserted against the Settlement Payments. The Claim Form will include the following provision concerning the foregoing:

The undersigned Class Member hereby RELEASES Dominion Resources, Inc., Dominion Resources Services, Inc., Dominion Transmission, Inc., Dominion Exploration & Production, Inc., and Dominion Appalachian Development, Inc., now Dominion Appalachian Development, LLC (hereinafter collectively referred to as "Dominion") and their predecessors, successors, and past and present subsidiaries, parents, assigns, affiliates, officers, directors, agents, attorneys, insurers and employees from any and all claims, causes of action, damages, or demands of whatsoever kind and character, whether known or unknown, for improper royalty payments, improper deductions, improper measurement, improper accounting for natural gas liquids, improper sales prices, breach of lease agreements, breach of fiduciary duty, fraud, violation of the West Virginia Consumer Credit and Protection Act (W. Va. Code § 46A-6-101, et seq.), violation of the flat rate statute (W. Va. Code § 22-6-8), and punitive damages, for failure to pay proper royalty on Flat Rate Leases and One-Eighth Leases through [insert date of Final Order and Judgment].

...

...

X. Miscellaneous Provisions; Assumptions; Estimates.

...

B. Dominion's determinations of Lessors, Monthly Royalty Rates, Royalty Payments for Flat Rate Leases and Monthly Volumes are based upon assumptions and estimates for certain periods. DTI assumed that the Lessors and Royalty Payments for Flat Rate Leases from June 1, 1996 to August 31, 1997, were the same as the Lessors and Royalty Payments for the first Royalty

Payment after that period as reflected in DTI's records. DTI estimated the Monthly Volumes for One-Eighth Wells for June 1996. DTI estimated the Monthly Volumes for Flat Rate Wells for June 2005 through May 2006. DTI's Flat Rate Well calculations do not include data for the suspense accounts that were escheated. As Dominion does not utilize Division Orders for Flat Rate Wells, the Division of Royalty Interest is determined for Flat Rate Wells based upon the percentage of the flat rate Royalty Payments paid to each Flat Rate Subclass Member on a well by well basis from June 1, 1996 to March 31, 2008, excluding amounts in suspense accounts (i.e. those accounts where the owners were unknown to Dominion and Royalty Payments were not received). If the Flat Rate Lease ownership changed after March 31, 2008, the Division of Royalty Interest is determined for Flat Rate Wells based upon the percentage of the flat rate Royalty Payments paid to each Flat Rate Subclass Member on a well by well basis for the entire Compensation Period, excluding amounts in suspense accounts. Where the Division of Royalty Interest is calculated in this manner for Flat Rate Wells, the months of ownership are considered as part of the Division of Royalty Interest calculation and the Monthly Percentage shall be 1.0 for determining the Gross Owner's Total. DEPI estimated the Monthly Volumes and Monthly Royalty Rates for June 1996 and July 1996. DEPI assumed that the Lessors for June and July 1996 were the same as the Lessors who received the first Royalty Payment after that period as reflected in DEPI's records. DADI estimated the Monthly Volumes and Monthly Royalty Rates from June 1, 1996 through October 31, 1998. DADI assumed that the Lessors from June 1996 through October 1998 were the same as the Lessors who received the first Royalty Payment after that period as reflected in DADI's records.

The parties further stipulate and agree that these clarifications do not affect the total value of the parties' settlement but clarify the claims released and the method of calculating the settlement proceeds distributed to Flat Rate Subclass Members. The parties further stipulate and agree that these clarifications do not affect the timeline for the settlement of this case or any of the dates established by the Court's Order Conditionally Certifying Temporary Settlement Class and Preliminarily Approving Settlement entered July 16, 2008 and Order rescheduling the Formal Fairness Hearing entered July 22, 2008.

STIPULATED and AGREED:

/s/ Marvin W. Masters /s/ whl

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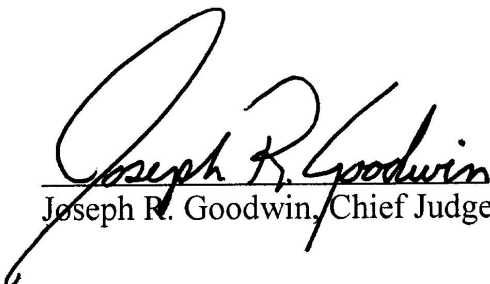
Counsel for Dominion Exploration &
Production, Inc.

Accordingly, the Court preliminarily approves this stipulation *nunc pro tunc* and ORDERS that Sections VI.A.2. and X.B. of the Amended Settlement Agreement entered into on

July 14, 2008, should be and are hereby clarified as set forth above. The Court DIRECTS the Clerk to send a copy of this Order to counsel of record and any unrepresented party.

It is so ORDERED.

ENTER: September 17, 2008


Joseph R. Goodwin
Joseph R. Goodwin, Chief Judge

CERTIFICATE OF SERVICE

I hereby certify that on the 17th day of September, 2008, I electronically filed the foregoing "Stipulation and Order" with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following CM/ECF participants:

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I hereby certify that I have mailed the document by United States Postal Service to the following non-CM/ECF participant:

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/s/ W. Henry Lawrence