

IN THE CIRCUIT COURT OF KANAWHA COUNTY, WEST VIRGINIA

**BRANCH BANKING AND
TRUST COMPANY, *et al.*,**

Plaintiffs,

v.

Civil Action No. 01-C-3912
(Hon. Jennifer Bailey Walker, Judge)

CABOT OIL & GAS CORP., *et al.*,

Defendants.

**NOTICE OF PENDENCY OF CLASS ACTION PROPOSED SETTLEMENT WITH
DEFENDANT CABOT OIL & GAS CORPORATION, ET AL.**

TO: THE MEMBERS OF THE “CABOT CLASS”

**IMPORTANT NOTICE: YOUR LEGAL RIGHTS MAY BE AFFECTED BY THIS
NOTICE PLEASE READ THIS NOTICE CAREFULLY.**

THIS NOTICE OF SETTLEMENT DOES NOT REQUIRE YOU TO DO ANYTHING. YOU CAN CONTACT YOUR OWN ATTORNEY AND TAX ADVISORS CONCERNING THIS NOTICE. IF YOU TAKE NO ACTION WHATSOEVER AND THE CABOT SETTLEMENT IS APPROVED, YOU WILL RECEIVE A PAYMENT, IF APPLICABLE, IN ACCORDANCE WITH THE FORMULA SET FORTH IN THE ATTACHMENT TO THIS NOTICE APPROXIMATELY 45 DAYS AFTER FINAL COURT APPROVAL.

1. Why You Should Read This Notice:

This notice is sent to you to inform you about the proposed settlement of the class action lawsuit that was brought on behalf of royalty payees who have received royalty payments from Cabot Oil & Gas Corporation (“Cabot”) for natural gas produced and transported on Cranberry Pipeline Corporation in the State of West Virginia. The settlement has been preliminarily approved by the Court. As explained below, you will be entitled to benefits under this settlement if the settlement receives final approval by the Court.

According to Cabot’s records, you are a member of the class of royalty payees defined below

who are covered by a proposed settlement of this case, referred to as the “Cabot Lawsuit” or the “Lawsuit”. In this notice, the settlement is referred to as the “Cabot Settlement” and the class of Cabot royalty payees covered by the Settlement is referred to as “Cabot Class.” The Court has appointed the Plaintiffs as class representatives for the Cabot Class.

This Notice describes who will participate in the proposed Cabot Settlement, the nature and history of the Cabot Lawsuit, the benefits of the proposed Cabot Settlement and some factors to consider in regard to the Cabot Settlement. This notice also explains that the Judge who has jurisdiction over this case will hold a final fairness hearing on February 12, 2008 to decide whether to approve the Cabot Settlement. This notice describes your legal rights in connection with the Cabot Settlement and the hearing on its final approval, including your right to examine the Settlement documentation and to object and be heard at the final fairness hearing should you so desire.

2. WHAT IS A CLASS ACTION?

The Cabot Lawsuit was certified by the Court as a class action on January 5, 2006. A class action is a type of lawsuit in which a named Plaintiff brings a suit on behalf of all of the members of a similarly situated group (the Class Members) to recover damages and other relief for the entire group, without the necessity of each member filing an individual lawsuit, incurring expenses or appearing as an individual plaintiff. Class actions are used by the courts when the claims raise issues of law or fact that are common to the Class Members making it fair to bind all class members to the orders and judgments in the case, without the necessity of multiple lawsuits involving the same claims over and over.

The Plaintiffs that brought this suit and have been approved by the Court as Class Representatives are (1) Branch Banking & Trust Company (BB&T) trustee of the Nan Nash Grosscup Trust and lessor under an oil and gas lease dated June 21, 1982 and (2) Hardy Oil & Gas, LLC. Joshua I. Barrett and the law firm of DiTrapano, Barrett & DiPiero, PLLC, in Charleston, West Virginia, and James Walter Turner in Charleston, West Virginia, represent all Cabot Class Members as “Class Counsel.”

In her previous ruling granting class certification, The Honorable Jennifer Bailey Walker, Circuit Judge of the Circuit Court of Kanawha County, West Virginia, ordered that anyone who fits the following description is automatically part of the Class:

Any person or entity having a lessor or non-working interest in any market-value lease, proceeds lease, or hybrid lease with any of the Cabot Defendants (including their predecessors and their assignees under “farm-out” or other assignments) as a lessee or mineral-interest owner, involving any well located in the state of West Virginia, which is or was connected directly or indirectly to the Cranberry Pipeline System. The class is limited to those who received or were otherwise entitled to a royalty payment under a market-value, proceeds or hybrid type lease from Cabot Defendants (including their predecessors) at any time during the time period from December 18, 1991, to the present.

3. THE CABOT LAWSUIT

Plaintiffs, on behalf of themselves and all other similarly situated royalty payees, filed this Lawsuit in December, 2001 against Cabot Oil & Gas Corporation (“Cabot Oil”), Cabot Oil & Gas Marketing Corporation (“Cabot Marketing”) and Cranberry Pipeline Corporation (“Cranberry”). Cabot Oil, Cabot Marketing, and Cranberry shall collectively be referred to as “Cabot” or the “Cabot Defendants.” The Lawsuit seeks monetary and declaratory relief against Cabot for a class of West Virginia private (non-governmental) royalty payees interconnected with the Cranberry pipeline system. The Honorable Jennifer Bailey Walker, Circuit Judge of Kanawha County, State of West Virginia, presides over this case.

The Cabot Lawsuit is about whether the Cabot Defendants can make deductions from royalties Cabot pays to its oil and gas lease royalty owners and, if so, in what amounts, and whether deductions from royalties were intentionally concealed from the leaseholders. It is also about whether Cabot met and properly calculated the royalty payment obligations owed to the leaseholders in accordance with the terms of the relevant leases.

The Plaintiffs specifically alleged Cabot deducted or adjusted from royalties certain charges that should not have been deducted. The Plaintiffs specifically alleged that under the relevant leases, Cabot should not have taken deductions from gas royalties for any costs or adjustments after the production from the wellhead through delivery to an interstate pipeline or end user. These deductions are referred to as “Post Production Costs,” and are more fully defined in the Settlement Agreement. Further, the Plaintiffs claimed even if some deductions were permissible, those taken were excessive. The Plaintiffs also alleged Defendants failed to make royalty payments in accordance with the royalty obligations under the leases, and instead paid all Royalty owners based on a method not provided for by the leases themselves. Additionally, the Plaintiffs asserted that Cabot committed fraud by intentionally failing to properly report deductions or adjustments from the royalties paid by Cabot to members of the Cabot Class. These claims are collectively referred to as the “Settled Claims” or “Claims.”

The Cabot Defendants have defended the Claims in this litigation strenuously. They not only contend royalties had been adequately and properly paid, but also counterclaim that Cabot was entitled to take deductions even greater than those actually taken during the relevant time period from December 18, 1991, to the present.

During the course of this action, the parties have engaged in extensive discovery including the production, exchange, and review of thousands of documents and electronic data and depositions of fact and expert witnesses concerning these Claims. The parties have filed numerous motions and briefs in support of their arguments in furtherance of this lawsuit, including the Plaintiffs’ successful motion to remand the case to the Circuit Court of Kanawha County following its initial removal by the Cabot Defendants to federal court, and the Plaintiffs’ motion for class certification allowing this action to proceed as a class action.

Most recently, in June of 2007, Motions for Summary Judgment were filed by both Plaintiffs and Defendants. The Plaintiffs sought partial summary judgment that no deductions were allowable under any of the leases in the Cabot Class. The Cabot Defendants in response argued they were entitled to take deductions from royalty for all "Post Production Costs," more particularly, their cost of transporting gas on the Cranberry system, which costs included not only the costs of gathering, transmission, dehydration, compression, and operating on the Cranberry system generally but also reductions in volume resulting from fuel usage and "line loss" for lost and unaccounted for gas. Defendants also moved for summary judgment against certain groups of royalty owners within the class. Defendants specifically asked the Court for a ruling that Cabot was entitled to deduct "Post Production Costs" where such royalty owners had signed amendments to leases that specified the right to take such deductions. Cabot also asserted by separate summary judgment motion that certain royalty owners were estopped from denying Cabot's right to certain deductions where they had signed division orders containing language specifically stating Cabot had the right to take such deductions. Finally, Defendants asked the Court to rule that Plaintiffs' claims of fraud on the part of Defendants in connection with the alleged concealment of the deductions should be dismissed based on the statute of limitations.

On June 22, 2007, the Court heard oral argument on these motions. At the conclusion of the arguments the Court ruled from the bench that Cabot was not entitled to deduct any "Post Production Costs" for those leases and wells that were not subject to division orders or amended lease language specifying such deductions. However, as to the remainder of leases and wells, the Court has not yet ruled and the Court asked the parties to submit proposed findings of fact and conclusions of law for the Court's review. No rulings have been made by the Court as to the deductibility of "Post Production Costs" from royalty under leases or wells subject to such division orders or amendments. The Court also has made no rulings on the Plaintiffs' fraud claim.

The parties have engaged in extensive settlement negotiations covering a period of more than two years, including two formal mediation sessions and many informal negotiations and discussions in an effort to resolve this case. During the course of these negotiations, Cabot provided extensive additional data on a confidential basis concerning all of the claims and the production volumes and costs associated with them.

Class Counsel believe that the issues before the Court are complex and there is an uncertainty as to the outcome of the Cabot Lawsuit should it proceed to trial and possibly appeal. The Cabot Defendants have denied all of the Plaintiff's Claims and continue to deny any wrongdoing or liability to Plaintiffs or any member of the Cabot Class, in any amount, in connection with the Claims. Cabot contends Plaintiffs' Claims have no merit and that Cabot would prevail at trial in the Cabot Lawsuit, including any necessary appeal to the Supreme Court of Appeals of West Virginia, or higher. Class Counsel and the Plaintiffs examined both the benefits of the presently proposed Cabot Settlement and the risks of proceeding if the Cabot Settlement were rejected. In general, they have concluded that the proposed Settlement provides substantial benefit to the Plaintiffs and the Class; resolves substantial issues without further prolonged litigation and expense; avoids the delay and expense of likely appeals; eliminates

inherent risks of litigation; provides members of the Class with significant individual benefit; and is in the best interest of the Cabot Class. Plaintiffs and Class Counsel have concluded that the proposed Settlement is fair, reasonable and adequate.

Therefore, Class Counsel advised Plaintiffs to enter into the Cabot Settlement, which, if approved by the Court, will fully and finally resolve the Settled Claims (described in more detail in Section 4 below) of the Cabot Class. Class Counsel also advised Plaintiffs that they should agree to the Future Royalty Payment Methodology and Future Royalty Reporting Format described in more detail in Section 4 below.

A more complete description of the Cabot Lawsuit, its status and rulings made in the case are available in the file kept by the Clerk of Circuit Court of Kanawha County, West Virginia.

4. THE SETTLEMENT

As a potential member of the Cabot Class, you may be entitled to receive certain benefits in accordance with the proposed Cabot Settlement. However, you should examine the Preliminary Term Sheet and Confirmation of General Terms of Settlement Agreement (the “Settlement Agreement”) in addition to the summary contained within this Notice. You may view and download the Settlement Agreement and other documents through the internet at <http://www.ditrapanolaw.com/CM/Custom/Cases.asp>. To receive a paper copy of the Settlement Agreement, please make a written request to Class Counsel at the address provided herein.

Under the Cabot Settlement Agreement, the “Settled Claims” will be resolved in this Settlement as follows:

A. Lump Sum Cash Payments

A Cash payment of Eleven Million, Six Hundred Thousand Dollars, (\$11,600,000.00) has been received and placed into a common settlement fund pending final approval of the settlement. Class Counsel and the Class Representatives have allocated this amount into three categories or groups as described in this Section (Sect. 4(A)), based on the Court’s rulings and based on the relative litigation risk as determined by Class Counsel. According to preliminary reviews and subject to further review by Counsel, each of the First Lease Group, Second Lease Group, and Third Lease Group comprise approximately one-third each of the total volume of gas production at issue in this case.

The **First Lease Group** is defined as those leases that do *not* have language specifically authorizing deductions of Post Production Costs and where no amendment to the leases or Division Orders have been validly executed that contain language specifically authorizing such deductions for the wells or lease specified. Class Counsel have allocated to the First Lease Group the gross aggregate amount of 5.4 Million Dollars (\$5,400,000). Examples of language deemed to authorize “Post Production Costs” are provided with the Settlement Agreement. However, language that only provides for payment or calculation of royalty “at the well”, “at the

wellhead”, “at the mouth of the well” or similar language shall not be deemed to authorize the deduction of Post Production Costs. The allocation for the First Lease Group is based on an estimation of the aggregate deduction, plus interest, and a risk factor estimated by Class Counsel. The allocation for the First Lease Group recognizes that the Court already has determined (subject to Cabot’s right of appeal) that no deductions were or are authorized under the leases in this group and therefore Class Counsel believes this allocation represents full reimbursement plus interest.

The **Second Lease Group** is defined as those leases or amended leases that include language that does specify some or all allowable deductions of “Post Production Costs” for the entire lease. Class Counsel have allocated to the Second Lease Group the gross aggregate amount of 1.8 Million Dollars (\$1,800,000) to Class Members. The allocation for the Second Lease Group is based on an estimation of the aggregate deduction, plus interest, and a risk factor estimated by Class Counsel. The allocation for the Second Lease Group provides for less than full reimbursement because the royalty owners signed a lease or lease amendment purporting to specifically authorize deductions for some or all “Post Production Costs”.

The **Third Lease Group** is defined as those leases or amended leases that do not have any language allowing deductions but there is a duly executed Division Order containing language specifically authorizing deductions of some or all “Post Production Costs” as to a specifically identified well or wells or all land embraced by the lease. Class Counsel have allocated to the Third Lease Group the gross aggregate amount of 4.4 Million Dollars (\$4,400,000). A more detailed description of the Third Lease Group is set forth below under the heading “Future Payment Methodology”. The allocation for the Third Lease Group is based on an estimation of the aggregate deduction, plus interest, and a risk factor estimated by Class Counsel. The allocation for the Third Lease Group provides for full reimbursement with only partial interest because the royalty owners signed a division order purporting to specifically authorize some or all deductions.

There are also special provisions regarding *de minimus* categories called the Fourth and Fifth Lease Groups:

The **Fourth Lease Group** pertains to 1) those members of the class whose leasehold interest and/or the volume of gas attributable to their interest is so small in relationship to the overall volume of gas in dispute for the class that to attempt to sort and classify their leasehold interest for purpose of computation of their interest in the settlement amount by type of lease (Proceeds, Market Value, or Hybrid) and to determine which lease group they fall in (First, Second or Third) would require an extraordinary amount of time and money and would be burdensome and expensive to the parties and to the detriment of the remaining members of the class, or 2) those members of the class whose interest is so small and the records regarding their leases and or interests have been sold, assigned or otherwise transferred or their interest has been sold, assigned, or passed by will or intestate succession so that a determination of their lease type and interest would be burdensome and expensive to the parties and to the detriment of the remaining members of the class. With respect to the Fourth Lease Group solely for purposes of

distribution of settlement funds an amount will be allocated, with the approval of the Court, as is believed to approximate their collective interest in the overall settlement as if they were members of the First Lease Group, and they will be paid on a pro rata basis by the total volume of gas attributable to their interest as compared to the total volume of gas believed to be in dispute for the entire class as if they were members of the First Lease Group.

The **Fifth Lease Group** pertains to those members of the class whose interests in the Future Royalties as compared to the overall volumes of gas production in dispute for the class is so small as to make the task of sorting and classifying their lease and determining whether they have executed amendments or Division Orders burdensome, disproportional and more expensive to the class than the amount to be distributed to such members of the class. Members of the Fifth Lease Group will be classified as having Proceeds leases and be treated as if they were members of the Third Lease Group unless they can by proof of claim duly filed with the Court satisfy the parties and the Court before the Final Approval that they should be classified otherwise, in which case they will be re-classified.

Individual class members will be paid out of the total amount allocated to each category, after deduction of court-allowed attorney's fees and costs. Each class member's share of the settlement will be computed on a pro-rata basis. Each member will receive a share, after deduction of such fees and expenses as may be determined by the Court, of the amount allocated to their Group (First, Second or Third Group), according to that members' total volume of production as a percentage of the total volume of gas produced in the Group into which their interest falls.

B. Future Payment Methodology

Additionally, Cabot and the Cabot Class have agreed on a method to pay all future royalties to begin after the Court approval of the final settlement, according to a new methodology referred to as the "Future Payment Methodology" such that if Cabot pays future royalties in accordance with the new methodology Cabot will be deemed to have met all its royalty obligations to the Cabot Class. The Future Payment Methodology is described in the definition for that term found in the Cabot Settlement Agreement, and provides that, for gas, the Cabot Class members will be paid as follows:

First Lease Group: No deductions for any Post Production Costs nor any fuel use or line loss, shall be taken where the leases do not have language specifically authorizing deduction of some or all "Post Production Costs" and where no Division Orders have been validly executed that contain authorization for such deductions for the wells, lease or lands specified. This will eliminate completely the 56.2 cent per MMBTU (Million British Thermal Units) deduction previously calculated and deducted by Cabot during time period at issue in this lawsuit, as well as the combined volumetric deduction for fuel use and lost and unaccounted for gas ("Line Loss") that most recently was assessed at 6.5 percent.

Second Lease Group: Where the lease or amended lease language does authorize deduction of some or all “Post Production Costs” (the Second Lease Group), Cabot may take a 42.5 cents per MCF (thousand cubic feet of gas) deduction from the Columbia Price or the Cranberry Pool Price (defined in the Settlement Agreement), constituting approximately a 25% reduction from the 56.2 cents per MMBTU previously calculated and deducted. In addition, actual measured fuel use (Fuel), as defined more fully in the Settlement Agreement, may be deducted from royalty volumes, but Cabot will not take any volumetric reduction for Line Loss as it has done in the past.

Third Lease Group: With respect to gas production from existing wells on leases (or any amendments thereto) that would be considered in the First Lease Group, but where the lessor or other owner has executed or had executed on their behalf by any duly authorized agent or trustee a Division Order that has language specifically authorizing the deduction of some or all Post Production Costs from a well or wells on the lease, the lease, or the lands covered by the lease, then for the production covered by the Division Order, COGC may deduct from the Columbia Price or the Cranberry Pool Price Fifteen Cents (\$.15) per MCF (a reduction of almost 74% from the previously calculated and deducted amount of 56.2 cents per MMBTU) plus a deduction in an amount equal to one half of Fuel use, but in no event may such deduction for Fuel for the Third Lease Group exceed a rate of Two Percent (2%). No deduction shall be taken for Line Loss. Where a lessor or other interest owner has executed a Division Order which states in the form or the property description that it applies generally to the lease or the lands covered by the lease or that it covers any well on the lease (the “Lease Division Orders”) then all production from existing wells on such lease shall be deemed to be in the Third Group even if a specific Division Order was not executed for each existing well on the lease. As to production from future wells to be drilled on a lease, where the lessor has executed a Lease Division Order or where the lessor has executed a Division Order covering each well currently producing on the Lease, then with respect to new wells drilled in the future on the lease, such Future Royalties for any new wells will be treated as being in the Third Lease Group but where a Division Order has been executed specific only to production from a well or wells on a lease and there is no other Division Order covering each of the currently producing wells on the lease then with respect to new wells drilled in the future on the lease such Future Royalties for any new wells will be treated as being in the First Lease Group.

Fourth Lease Group and Fifth Lease Group: The *de minimus* categories of the Fourth and Fifth Lease Group will not be compensated under this Section (Sect. 4(B)), but will be compensated as identified above (Sect. 4(A)).

The Future Payment Methodology also will differentiate “Proceeds” from “Market Value” and “Hybrid” leases, as those terms are defined in the Settlement Agreement, for purposes of computing royalty. Specifically, for “Proceeds” leases, Cabot shall compute royalty payable using a weighted average price of gas sales at the point of interconnection with interstate pipelines or other delivery points used by Cabot Marketing in the same manner as it has in the

past. With respect to Market Value and Hybrid leases, Cabot shall compute royalty payable based on the index price pertaining to “Prices of Spot Sale Gas Delivered to Pipelines” under the heading “Columbia Gas Transmission Corp.” published in the Inside F.E.R.C. Gas Market Report that is more fully set forth in the Settlement Agreement as the “Columbia Price”.

Finally, the Term Sheet provides in the event that the law of West Virginia is changed going forward which would require or allow a different method of computation of royalty, the parties have expressly reserved the right to seek a judicial declaration as to the applicability of such legislation and the proper method of implementation of any changes in royalty calculation for the leases in the class that may be allowed as of the effective date of any such legislation.

C. Other Provisions

Cabot has agreed to limit its future use of Division Orders. Cabot has agreed that in the future it will use Division Orders in the State of West Virginia for the sole and limited purpose of identifying ownership and proportionate interests. The parties have attached to the Settlement Agreement those forms that may be used in the future.

Cabot also has agreed to report future royalties according to the “Future Reporting Format” and provide certain royalty information. The “Future Reporting Format” is described in the definition of that term found in the Settlement Agreement.

Upon final Court approval, all members of the Cabot Class will receive the benefits of the Settlement and will be bound by the resulting Order in the Cabot Lawsuit, barring them from bringing any claim settled pursuant to the terms of the Settlement Agreement. Each member will receive payment of a pro-rata portion of that portion of the settlement amount allocated to the Group or Groups into which their leases fall, after deduction of such attorneys fees and expenses as may be determined by the Court, and may not bring future Claims against Cabot that are covered by this Settlement. Additionally, Cabot may pay and report royalties in the future according to the Future Payment Methodology and Future Reporting Format and such payment and reporting shall satisfy Cabot’s common law, contractual and statutory payment and reporting obligations to each member. This agreement will be such that if you sell or transfer your interest, the new owner or transferee also will be bound to accept (i) payment of Cabot royalties from Cabot Wells in accordance with the Future Payment Methodology and (ii) reporting of Cabot royalties from Cabot Wells pursuant to the Future Reporting Methodology. For more information, please read the Settlement Agreement.

For the purposes of distribution, you will receive with this notice a statement identifying which of the Group or Groups listed above you are in, and a statement of the volume which will be used to determine your pro rata share of the amounts allocated. You have until January 11, 2008 to advise the Special Master of any errors you believe may exist in your grouping(s) or volumes.

5. THE COURT HAS CONDITIONALLY APPROVED THIS SETTLEMENT

The Court conditionally approved this settlement by order dated August 21, 2007. The Court has made no final determination as to the merits of the Cabot Lawsuit, and this notice and the Proposed Settlement do not imply that Cabot is liable to Plaintiffs or to any member of the Cabot Class for any of the Claims. Furthermore, if the Court does not ultimately approve the settlement as written in the Settlement Agreement after a hearing for final approval of the settlement (“Final Approval”), then all cash settlement proceeds paid into any escrow or trust fund plus any accrued earnings or interest shall be returned within two business days to Cabot Oil & Gas Corporation (“COGC”) upon demand.

6. MEMBERS OF THE CLASS

You do not need to take any action whatsoever (unless you are notified you are in the Fifth Lease Group that is described in Section 4.A. of this notice, in which case you have the opportunity to file a proof of claim if you believe you have been mis-classified). The Class representatives and the Class Counsel for the Cabot Class will represent your interest as a Member of the Cabot Class. You will not be charged for their services or any costs other than as described in this Notice. However, you will be bound by the judgment and final disposition of the case and will receive a Distribution Check for your share of the Settlement Fund approximately 45 days after the Approval Event (as defined in the Settlement Agreement). You will be barred from bringing any further legal action against Cabot or its affiliates for the claims described in this Notice and the Settlement Agreement.

As a member of the Cabot Class you will:

- 1) Receive your allocated share of the funds paid by Cabot.
- 2) Release all Claims as described in the Settlement Agreement.
- 3) Consent to the calculation of the royalty value pursuant to the Future Royalty Payment Methodology; and
- 4) Consent to the reporting of your royalties pursuant to the Future Royalty Reporting Format.

7. RIGHT TO OBJECT TO THE CABOT SETTLEMENT

You have the right to object to the settlement. All objections shall be in writing and must be filed on or before January 11, 2008, with this Court at the address of the Circuit Court Clerk as it appears in Section 10 below. In order to appear and be heard at the hearing, you must file a Notice of Intent to Appear at the Final Fairness Hearing with the Court by January 11, 2008, in addition to your written objection. You may appear personally or by separate legal

counsel. All objections must also be mailed to each of the following, postmarked on or before January 11, 2008:

Counsel for Settlement Class

Joshua I. Barrett
DiTrapano, Barrett and DiPiero PLLC
604 Virginia Street, East
Charleston, WV 25301

Counsel for Cabot

Timothy M. Miller
Robinson & McElwee
P.O. Box 1791
400 Fifth Third Bank
700 Virginia Street, East
Charleston, WV 25328

IF YOU WISH TO FILE AN OBJECTION, YOUR OBJECTION MUST SET FORTH THE FULL NAME, CURRENT ADDRESS AND TELEPHONE NUMBER OF THE PERSON MAKING THE OBJECTION. IN ADDITION, THE OBJECTION MUST INCLUDE: (A) A WRITTEN STATEMENT OF THE POSITION THAT THE OBJECTOR WISHES TO ASSERT; (B) A WRITTEN STATEMENT OF THE GROUNDS FOR THAT OBJECTION; AND (C) COPIES OF ANY PAPERS, BRIEFS OR OTHER DOCUMENTS THE OBJECTOR WISHES TO SUBMIT IN SUPPORT OF HIS OR HER OBJECTION. ANY CABOT CLASS MEMBER WHO DOES NOT FILE A NOTICE OF INTENT TO APPEAR AT THE FINAL FAIRNESS HEARING MAY BE PROHIBITED FROM PARTICIPATING AT THE HEARING. ANY CABOT CLASS MEMBER WHO DOES NOT FILE OBJECTIONS IN A TIMELY MANNER AS DESCRIBED IN THIS SECTION IS FORECLOSED FROM RAISING AN OBJECTION TO SUCH MATTERS.

8. FINAL FAIRNESS HEARING

A final fairness hearing will be held February 12, 2008 at 2:00 p.m. in the Courtroom of the Honorable Jennifer Bailey Walker, in the Kanawha County Courthouse, 111 Court Street, Charleston, West Virginia 25301. The purpose of the hearing will be to determine finally whether the Proposed Settlement is fair, reasonable, adequate, should be finally approved, and a final judgment entered. The reasonableness of the attorney's fees and costs to be paid from the Cabot Settlement to Class Counsel also will be determined at this hearing. The hearing may be continued or adjourned without further notice to the Cabot Class.

If the settlement is approved, Plaintiffs and each member of the Cabot Class will be bound by the Settlement. Additionally, the respective heirs, executors, administrators, representatives, agents, successors, and assigns of the Cabot Class members will be deemed bound by the Settlement as to that member's royalty interests. Likewise, the Cabot Settlement will bind Cabot's successors and assigns.

9. ATTORNEYS FOR THE PARTIES

The Court ordered that the following lawyers represent you and the other Class Members: Joshua I. Barrett, DiTrapano Barrett & DiPiero, PLLC, 604 Virginia Street East, Charleston, WV

25301 and James W. Turner, Esq. These lawyers are called Plaintiffs' Co-Lead Counsel. You can contact them toll free at 1-800-371-2010. If you want to be represented by your own lawyer, you may hire one at your own expense.

From the inception of this lawsuit beginning in 2001 to the present, Plaintiffs' Counsel have not received any payment for their services in prosecuting the lawsuit, nor have they been reimbursed for any out-of-pocket expenses. If the Court approves the proposed settlement, Plaintiffs' Co-Lead Counsel will not seek any compensation from either the increased royalty payments that have been made to you since March of 2007, nor from the increased royalty payments that will be made to you in the future pursuant to this Settlement. Plaintiffs' Co-Lead Counsel will submit an application for an award of attorneys' fees and for reimbursement of expenses only from the lump sum cash payment common settlement fund (\$11,600,000) in an amount not to exceed 33.33% of the lump sum cash payment (a \$3,866,280 fee), and reimbursement of expenses incurred in connection with the prosecution of this litigation (estimated to not exceed \$150,000.00), plus interest on such fees and expenses at the same rate as earned by the lump sum cash payment settlement. Cabot's Counsel is responsible for their own attorneys fees and will not seek payment from this Settlement.

Attorneys for the Plaintiffs and the Cabot Class (Class Counsel"):

Joshua I. Barrett
604 Virginia Street, East
Charleston, WV 25301
(304) 342-0133
(304) 342-4605 (fax)

James W. Turner
P.O. Box 3883
Security Building, Suite 904
100 Capitol Street
Charleston, WV 25338
(304) 344-4000
(304) 345-5864 (fax)

Attorney for Cabot Oil & Gas Corporation:

Timothy Miller
Robinson & McElwee
P.O. Box 1791
400 Fifth Third Bank
700 Virginia Street, East
Charleston, WV 25328
(304) 344-5800
(304) 344-9566 (fax)

In any written correspondence with the attorneys, it is important that the envelope and any documents inside contain the following case name and identifying numbers:

BB&T, et al. v Cabot Oil and Gas Corp., et al.
Civil Action No. 01-C-3912

In addition, you must include your full name, address and telephone number.

10. IF YOU WANT TO INSPECT THE COURT FILE

The court file, which includes the complaints, answers, pleadings, court orders and other documents, including the Settlement Agreement, are available to you and the public for inspection, review and copying at the Circuit Clerk's office at the following address:

Circuit Court of Kanawha County
111 Court Street
Charleston, WV 25301

DO NOT WRITE OR TELEPHONE THE CLERK'S OFFICE OR THE CABOT DEFENDANTS if you have any questions about this notice or settlement. Please address any questions regarding the notice or the proposed Settlement in writing to Class Counsel. It is sufficient to address your questions to one of the Class Counsel listed above.

ANY QUESTIONS CONCERNING THE SETTLEMENT SHOULD BE DIRECTED TO CLASS COUNSEL.

DO NOT CALL COURT OR THE COURT CLERK