

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: Torch Energy Advisors Incorporated (herein)
"Torch") and Pocahontas Gas Partnership)
(herein "PGP") (Torch and PGP sometimes) VGOB
collectively referred to as "Applicants")) 92/02/18-0184-01
)
)
RELIEF SOUGHT: Accountings, Disbursements from Escrow)
Account, and Amendment of Board's)
Pooling Order for Drilling Unit SLW6 in)
Docket No. VGOB 92/02/18-0184)
entered April 29, 1992, and recorded)
May 1, 1992, in Deed Book 390,)
Page 677 (herein "Pooling Order"); the)
Board's Supplemental Order Regarding)
Elections Entered in Docket No. VGOB)
92/02/18-0184 Entered on April 4, 1996, and)
Recorded April 17, 1996 in Deed)
Book 447, Page 810 (herein "Supplemental)
Order") and the Board's Amended Supplemental)
Order recorded June 26, 1998 at Deed Book 478,)
Page 712 (herein "Amended Supplemental Order");)
all recordings being in the Office of the Circuit)
Court of Buchanan County, Virginia)
)
LEGAL)
DESCRIPTION: Drilling Unit Number SLW-6 as Created)
by Board Order Effective as of February)
18, 1992, Docket No. VGOB)
92/01/21-0180 as amended by Board)
Orders in VGOB Docket Nos.)
93/06/22-0385 and 95/04/18-0498 (herein "Subject)
Drilling Unit") in the Hurricane Magisterial District,)
Buchanan County, Virginia (herein)
"Subject Lands"))

REPORT OF THE BOARD

FINDINGS AND ORDER

1. **Hearing Date and Place:** This matter came on for hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on April 21, 1998, and as a result of action taken by the Board on that date, and as a result of the subsequent accountings filed by the Operator with the Board, the Board hereby enters this Order.
2. **Appearances:** Jill Harrison of the firm Penn Stuart appeared in behalf of the Applicants; Sandra B. Riggs, Assistant Attorney General was present to advise the Board.
3. **Jurisdiction and Notice:** Pursuant to Va. Code § 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the establishment and maintenance of the escrow account established by the Board for the Subject Drilling Unit pursuant to the terms of the Pooling Order, the Supplemental Order and the Amended

Supplemental Order (herein "Escrow Account") into which the Unit Operator is required to deposit those funds specified in the escrow requirements of the Virginia Gas and Oil Act (herein "Act") found at Va. Code § 45.1-361.21.D., 45.1-361.22.A.2., 45.1-361.22.A.3, and 45.1-361.22.A.4. (herein "Escrowed Funds"). Further, the Board finds: (1) that it does not have jurisdiction to resolve conflicting claims of ownership to the Coalbed Methane Gas being produced by the Unit Operator from wells located on Subject Drilling Unit, (2) that it does not have jurisdiction to interpret voluntary agreements between the Gas owners/claimants and the Unit Operator or to abridge or contravene the provisions of such agreements, and (3) that pursuant to Va. Code § 45.1-361.22.A.5, it does have jurisdiction and authority to disburse funds from the Escrow Account provided there has first been either a legal determination of Applicants' entitlement with respect to the liquidated amount of the funds on deposit in the Escrow Account attributable or allocable to Applicants' interest therein or there is an agreement by all of the owners/claimants within the drilling unit as to the amount of their respective Entitlement to the Escrowed Funds. The Applicants have represented to the Board that they have given notice to all parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code §§ 45.1-361.19 and 45.1-361.22 to notice of this application, i.e., those persons set forth in Exhibit E hereto (persons identified by the Operator in the Escrow Accounting as being owners/claimants whose interests in Subject Drilling Unit are subject to the escrow requirements of the Act and the Pooling Order (persons whose Entitlements have purportedly been placed by the Unit Operator into the Escrow Account and who, according to the Operator, are the claimants to the Escrowed Funds). The Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. **Prior Proceedings:**

4.1 At the Board's hearing on February 18, 1992 in Docket No. VGOB 92/02/18-0184, the Board granted the relief sought by Pocahontas Gas Partnership (herein "Operator") and pooled the interests in the Subject Formations in the Subject Drilling Unit underlying the Subject Lands for the production of coalbed methane gas (herein collectively referred to as "Coalbed Methane Gas" or "Gas") from active gob areas of the pool defined as those strata correlative to the coal seams and the coal seams below the Tiller Seam, including the Lower Castle, Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, C, War Creek, Pocahontas No. 10, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7 Pocahontas, No. 6 Pocahontas No. 5, Pocahontas, No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams or pools, and all zones in communication therewith and all productive extensions thereof (herein "Subject Formations") pursuant to Va. Code §§ 45.1-361.21 and 45.1-361.22, and the terms of the Pooling Order, and the Board named the PGP as the Operator. The Supplemental Order, which incorporated the Operator's Affidavit of Election, was entered by the Board *sua sponte* on April 4, 1996 to comply with the requirements of the Board's Regulation 4 VAC 26-160.70.C. by supplementing the Pooling Order to complete the record regarding elections and to identify to the Board those claimants whose interests were subject to the escrow requirements of Act and the Pooling Order.

4.2 In their application to the Board to withdraw those funds in the Escrow Account which Applicants claim are uniquely attributable to their mutually conflicting Gas interests within Subject Drilling Unit, the Applicants warranted and represented to the Board that:

a. Torch, CCC and PGP are the sole claimants to the following interests within Subject Drilling Unit:

<u>Tract</u>	<u>Aggregate Undivided Interest In Tract</u>	<u>Aggregate Interest in Unit</u>
17	PGP – 100% of Oil and Gas Trust- 100% of Coal	6.14754%
5	PGP – 100% of Oil and Gas	13.57986%

Trust – 100% of Coal

Total

19.72740%

- b. By Assignment and Bill of Sale dated as of December 29, 1997 (herein “Assignment”), effective September 4, 1991 Trust assigned to Torch (1) the Gas Lease Royalty insofar as it relates to the production of Methane from the Conflict Property and the Non-Conflict Property and any gas royalty rights with respect to Methane that arise by operation of law or otherwise in all properties and lands pooled, unitized, communitized or consolidated with such properties (the “Royalty Interest”) and (2) the royalties which have been held in escrow by Premier Bank as Escrow Agent and the royalty held by PGP pending the resolution of the conflicting claims to the Gas Lease Royalty, other than royalties that have been released or will be released pursuant to the term of the Garden Realty Settlement Agreement (the “Escrowed Funds”).
 - c. That by the Assignment Trust assigned to Torch the Escrowed Funds attributable to the tracts identified in paragraph 4.2.a. above.
 - d. Trust, Torch and CCC by agreement dated December 30, 1997 (herein “Settlement Agreement”) agreed that the portion of the Escrowed Funds uniquely attributable to their conflicting interests in Subject Drilling Unit, once determined, were to be paid as follows: a sum equal to fifty percent (50%) to CCC and a sum equal to fifty percent (50%) to Torch.
- 4.3 Through the application filed herein, the Applicants seek a partial disbursement of funds from the Escrow Account. A review of the Pooling Order, Supplemental Order, and Amended Supplemental Order reveals that the Applicants have purportedly entered into voluntary agreements with the Operator with respect to their interests in Subject Drilling Unit and:
- a. The Operator’s Affidavit of Election of March 18, 1996 which was attached to and made a part of the Supplemental Order indicates that no interests within Subject Drilling Unit were subject to the escrow requirements of the Act and the Pooling Order.
 - b. Notwithstanding the fact that the Supplemental Order did not indicate Operator’s intention to escrow fund due Applicants pursuant to the terms of their voluntary agreements, testimony presented to the Board at its hearing of this matter revealed that the Operator had purportedly deposited funds attributable to said interests in the Escrow Account; therefore, the Board instructed the Operator to file an amended Affidavit of Election to support an Amended Supplemental Order to properly reflect those interests in Subject Drilling Unit for which funds were actually being deposited by the Operator into the Escrow Account.
 - c. In compliance with the Board’s instructions, the Operator filed with the Board the Amended Supplemental Order attaching an amended Affidavit of Election. A copy of the Exhibit E to the amended Affidavit of Election entitled “List of Conflicting Owners/Claimants that require escrow” is attached hereto and made a part hereof (herein “Exhibit E”). According to Exhibit E: (1) Tracts 19, 20, 21, 22, 23, 24, 25, 26, 27, 27A, 27B, 27C, 27D, and 27E of Subject Drilling Unit have conflicting claims to the Gas and are subject to the Escrow Requirements of the Act, and (2) proceeds from the production of Gas from Subject Drilling Unit allocable to said tracts at some undetermined time commenced being escrowed by the Operator in the Escrow Account.
 - d. According to the amended Affidavit of Election and Exhibit E attached thereto and hereto:
 - (1) Trust/Torch and PGP are the sole claimants within Tracts 20, 22, 24, 25, 27C, and 27D of Subject Drilling Unit which represents 36.682 acres or 19.73052 percent of Subject Drilling Unit.
 - (2) Tract 20 is a 25.062-acre tract representing 13.48035 percent of Subject Drilling Unit, Tract 22 is a 4.854-acre tract representing 2.61087 percent of Subject Drilling Unit; Tract 24 is a 0.185-acre tract representing .09951

percent of Subject Drilling Unit; Tract 25 is a 3.661-acre tract representing 1.96918 percent of Subject Drilling Unit; Tract 27C is a 1.76-acre tract representing 0.94667 percent of Subject Drilling Unit; and Tract 27D is a 1.16-acre tract representing 0.62394 percent of Subject Drilling Unit.

- 4.4 To comply with instructions given to the Operator by the Board at its hearing of this matter on April 21, 1998, by letter dated August 12, 1998 from Mark Swartz of the firm Swartz & Stump, the Operator forwarded to the Board an accounting entitled "Affidavit RE: Amended Supplemental Orders" (herein "Escrow Accounting") incorporating a schedule setting forth the total royalties the Operator represents it deposited into the Escrow Account allocated among fourteen (14) tracts within Subject Drilling Unit, including the six (6) tracts for which Applicants seek a disbursement herein (herein "Escrow Accounting"). The Escrow Accounting indicates that for the period January 1992 to July 1998 the Operator deposited the following sums attributable to the tracts indicated into the Escrow Account:

Tract 19	9100069-11A	\$49,565.61	
Tract 20	9100069-12A	37,911.15	(Trust and PGP)
Tract 21	9100069-13A	10,006.02	
Tract 22	9100069-2A	7,342.86	(Trust and PGP)
Tract 23	9100069-15A	31,714.93	
Tract 24	9100069-14A	279.95	(Trust and PGP)
Tract 25	9100069-3A	5,538.11	(Trust and PGP)
Tract 26	9100069-6A	44,432.52	
Tract (27)	9100069-7A	23,610.78	
Tract 27A	9100069-9A	3,911.73	
Tract 27B	9100069-8A	7,936.42	
Tract 27C	9100069-4A	2,686.29	(Trust and PGP)
Tract 27D	9100069-5A	1,770.60	(Trust and PGP)
Tract 27E	9100069-10A	422.88	

- 4.5 By action taken by the Board on October 20, 1998 in VGOB Docket No. 97/05/20-0581, Application of Hugh McRae Land Trust and Garden Realty Corporation to Withdraw from the Escrow Account funds attributable or allocable to their conflicting but settled Gas ownership interests in Tracts 26 of Subject Drilling Unit, the Board instructed the Escrow Agent (1) from records filed with it by the Operator and in cooperation with the Operator, to perform the work necessary to create subaccounts and to allocate the funds on deposit in the Escrow Account to the various tracts within Subject Drilling Unit for which funds have been escrowed by the Operator and (2) to report back to the Board its progress on November 17, 1998.

5. **Relief Requested:** Applicants requested that the Board (1) calculate the amount(s), in the aggregate, attributable to Tracts 17 and 5 pursuant to the terms of Applicants' voluntary agreements with the Operator, (2) provide for an accounting of said sums by the Operator and by the Escrow Agent to the Applicants, (3) disburse all sums due the Applicants by virtue of their voluntary agreements and/or the Pooling Order, including applicable earnings, whether held by the Operator and/or the Escrow Agent, in the manner set forth in the Settlement Agreement, and (4) direct the Operator in the future to discontinue the payment of Applicants' entitlements attributable to their conflicting claims within Tract 17 and 5 into the Escrow Account, but rather to disburse such funds, including any applicable earnings, together with an accounting thereof, to Applicants in accordance with the Settlement Agreement.

6. **Special Findings:**

- 6.1. While the Supplemental Order did not identify Applicants' interest in Subject Drilling Unit as being subject to the Escrow Requirements of the Act or of the Pooling Order, the Operator's affidavit filed in support of the Amended Supplemental Order and the Operator's affidavit filed

as part of the Escrow Accounting reflect that the Operator is depositing funds into the Escrow Account for the tracts identified in Paragraph 4.4 above and on Exhibit E hereto. The Board is unable to determine from the evidence presented when the Operator commenced depositing funds attributable to Applicants' interest in Subject Drilling Unit into the Escrow Account, or the period of time during which said funds have been on deposit in the Escrow Account.

- 6.2. The Escrow Accounting filed with the Board by the Operator in August 1998 reflects that the Operator has deposited into the Escrow Account the sum of \$227,129.85 of which: \$55,528.96 is attributable to those tracts with Subject Drilling Unit for which Trust/Torch and PGP seek distribution pursuant to the Settlement Agreement; \$ 44,432.52 is attributable to the tract 26 for which Trust and Garden Realty Corporation seek distribution in VGOB Docket No. 97/05/20-0581 as referenced in Paragraph 4.5 above; leaving \$127,168.37 (plus any deposits made subsequent to the filing of the Accounting) attributable to tracts 19, 21, 23, 27, 27A, 27B and 27E for which the Board has received no applications for disbursement (herein, as applicable, said sums are referred to as "Principal").
- 6.3. Through the testimony, the application filed herein, and the Escrow Accounting the Applicants and the Operator have represented to the Board that: (1) the sole claimants to the Escrowed Funds attributable to Tracts 20, 22, 24, 25, 27C and 27D are Trust/Torch and PGP, (3) that Trust, Torch and PGP entered into the Settlement Agreement effective December 30, 1997 which authorizes fifty percent (50%) of the Escrowed Fund attributable to their aggregate interest to be paid to PGP and fifty percent (50%) to be paid to Torch.
- 6.4. The Pooling Order, the Supplemental Order, the Amended Supplemental Order, and the Board's contract with the Escrow Agent directed and authorized the Escrow Agent to set up one escrow account for the Subject Drilling Unit and to receive from the Operator for deposit into that account proceeds subject to the Escrow Requirements of the Act and the Pooling Order. Funds within the SLW6 Drilling Unit Escrow Account are not segregated by tract within the drilling unit, nor is interest accrued or fees assessed on a tract-by-tract basis.
- 6.5. Va. Code § 45.1-361.22.A.5. provides that *"The Board shall order payment of principal and accrued interest from the escrow account to all persons legally entitled thereto pursuant to the provisions of § 45.1-361.21 and the order of the Board. Such order shall be issued within thirty days of receipt of notification of the final legal determination of entitlement thereto or upon agreement of all claimants."* Neither the Act or the regulations promulgated pursuant thereto define the term "entitlement"; therefore, the Board in applying its common meaning as set forth in Black's Law Dictionary (right or benefits, income or property, which may not be abridged without due process), the Board defines the term "entitlement" as used in Va. Code § 45.1-361.22.A.5. to mean *"the liquidated dollar amount of that portion of the Escrowed Funds which is uniquely attributable to each Gas Owner's interest in Subject Drilling Unit to be comprised of the Principal deposited by the Operator into the Escrow Account, plus interest accruing on the Principal for the period of time said Principal was on deposit in the Escrow Account (herein "Interest"), less the fees charged by the Escrow Agent to the Escrow Account allocable to Applicants' interests in Subject Drilling Unit (herein "Fees") (herein Principal, plus Interests less Fees is collectively referred to as "Entitlement")."*
- 6.6. In determining whether or not Applicants have established their Entitlement in the Escrowed Funds, the board finds that: (1) with respect to the application herein, there has been no final legal determination of Applicants' entitlement to the Escrowed Funds, (2) all of the persons identified by the Operator as having or claiming Gas interests within the tracts for which funds are being deposited by the Operator into the Escrow Account have not resolved their conflicting claims or agreed to their respective Entitlement, and (3) that according to the Applicants and the Operator, with respect to Tracts 20, 22, 24, 25, 27C and 27D Trust/Torch and PGP are the sole claimants and they have resolved their conflicting claims within said tracts.

7. **Relief Granted:** Therefore:

7.1 Applicants' request for an accounting is granted and is hereby deemed satisfied by the Escrow Accounting, a copy of which was heretofore provided to the Applicants.

7.2 The Escrow Agent is directed to: (1) review all records filed with it by the Operator, or to meet with the Operator to obtain such records as are necessary to perform the work required to create subaccounts within the Escrow Account by tracing and posting on a tract-by-tract basis the funds on deposit in the Escrow Account (including Principal and the allocation of Interest and Fees) to the various tracts referred to in Paragraph 4.4 above, (2) reconcile the results of its work to the Escrow Accounting, and (3) to report back to the Board on November 17, 1998 with respect to its progress pertaining thereto and/or results thereof.

7.3 For the reasons set forth in Paragraph 6 above, Applicants' request for disbursement of funds from the Escrow Account is continued to allow for the presentation to the Board of the information required by Paragraph 7.2, and the give Applicants notice of the Escrow Agent's recap of the deposits it received for deposit into the Escrow Account on a tract-by-tract basis, (2) to allow Applicants an opportunity to review the Escrow Agent's recap and to notify the Board and all those entitled to notice of these proceedings whether or not Trust/Torch and PGP agree that the Operator's calculation of the Principal attributable to their respective interests in Subject Drilling Unit and the Escrow Agent's calculation of the net amount of each of their Entitlements represent their complete entitlement to and claim against the Escrow Account, (3) allow Applicants an opportunity to demonstrate that Trust, Torch and PGP have entered into a settlement agreement containing the same terms as the Settlement Agreement between Trust, Torch and CCC with respect to their conflicting claims.

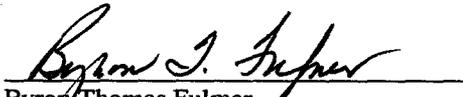
8. **Conclusion:** Therefore, the relief granted is just and reasonable, is supported by substantial evidence, and the Board is entering this Order granting the relief requested as more particularly set forth in Paragraph 7 above and IT IS SO ORDERED.

9. **Effective Date:** This Order shall be effective as of the date of its execution.

DONE AND EXECUTED this 16th day of November, 1998, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED this 16th day of November, 1998, by Order of this Board.


Byron Thomas Fulmer
Principal Executive to the Staff
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA)
COUNTY OF WISE)

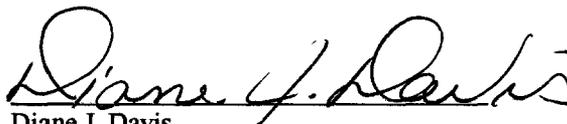
Acknowledged on this 16th day of November, 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


~~XXXXXXXXXX~~
Notary Public

My commission expires July 31, 2002

COMMONWEALTH OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 16th day of November, 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires September 30, 2001

List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
<u>Tract #19 - 32.476 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr E P. O. Box 29 Tazewell, VA 24651	32.48 acres	17.46820%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Coal Mountain Mining Company P. O. Box 675 Tazewell, VA 24651	32.48 acres	17.46820%
<u>Tract #20 - 25.062 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr E P. O. Box 29 Tazewell, VA 24651	25.06 acres	13.48035%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	25.06 acres	13.48035%
<u>Tract #21 - 6.556 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr E P. O. Box 29 Tazewell, VA 24651	6.56 acres	3.52634%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Thurman Wade P. O. Box 225 Oawood, VA 24631	6.56 acres	3.52634%
<u>Tract #22 - 4.854 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr E P. O. Box 29 Tazewell, VA 24651	4.85 acres	2.61087%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	4.85 acres	2.61087%

List of Conflicting Owners/Claimants that require escrow

	Net Acres In Unit	Interest In Unit
<u>Tract #23 - 20.780 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 2 P. O. Box 29 Tazewell, VA 24651	20.78 acres	11.17715%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Ernest Keen Heirs	20.78 acres	11.17715%
(a) Paul Keen Rt. 1, Box 52 Raven, VA 24639	3.46 acres 1/6 of 20.78 acres	1.86286%
(b) Ralph Keen Rt. 1, Box 52 Raven, VA 24639	3.46 acres 1/6 of 20.78 acres	1.86286%
(c) Arnold Keen P. O. Box 386 Oakwood, VA 24631	3.46 acres 1/6 of 20.78 acres	1.86286%
(d) Ruby Hale Cedar Bluff, VA 24609	3.46 acres 1/6 of 20.78 acres	1.86286%
(e) Anna R. Lambert Rt. 1, Box 52 Raven, VA 24639	3.46 acres 1/6 of 20.78 acres	1.86286%
(f) Ann McGowan Rt. 1, Box 52 Raven, VA 24639	3.46 acres 1/6 of 20.78 acres	1.86286%
<u>Tract #24 - 0.185 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 5 P. O. Box 29 Tazewell, VA 24651	0.19 acres	0.09951%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	0.19 acres	0.09951%
<u>Tract #25 - 3.661 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	3.66 acres	1.96918%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	3.66 acres	1.96918%

List of Conflicting Owners/Claimants that require escrow

	Net Acres In Unit	Interest in Unit
<u>Tract #26 - 31.027 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Trust P. O. Box 29 Tazewell, VA 24651	31.03 acres	16.68881%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Garden Realty Corporation c/o Betty Boyd King 2370 Lyndhurst Avenue Winston-Salem, NC 27103	31.03 acres	16.68881%
<u>Tract #27 - 15.47 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Trust P. O. Box 29 Tazewell, VA 24651	15.47 acres	8.32101%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) W. J. Sisk Heirs	15.47 acres	8.32101%
(a) Dale Hodge Chambers Rt. 1, Box 82 Raven, VA 24639	5.16 acres 7/21 of 15.47 acres	2.77367%
(b) Larry Douglas Chambers Rt. 1, Box 81 Raven, VA 24639	8.10 acres 11/21 of 15.47 acres	4.35862%
(c) Jimmy Donald Sisk 3153 Creekside Drive Norton, OH 44203	0.55 acres 1/28 of 15.47 acres	0.29718%
(d) Walter Jackson "Bud" Sisk 229 Hesque Street Kingsport, TN 37665	0.55 acres 1/28 of 15.47 acres	0.29718%
(e) Nancy Sisk c/o Walter Jackson Sisk 229 Hesque Street Kingsport, TN 37665	0.55 acres 1/28 of 15.47 acres	0.29718%
(f) Maudie Ellen Sanders 600 North 583 Street Kokomo, IN 46901	0.55 acres 1/28 of 15.47 acres	0.29718%
<u>Tract #27A - 2.563 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Trust P. O. Box 29 Tazewell, VA 24651	2.56 acres	1.37859%

UNIT SLW6
Docket # VGOB-92-0218-0184-01
Exhibit E
List of Conflicting Owners/Claimants that require escrow

BOOK 478 PAGE 722

	Net Acres In Unit	Interest In Unit
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Ernest Addison Heirs	2.56 acres	1.37859%
(a) Myrtle Addison c/o Ralph Addison 13129 West Brook Drive Centerville, VA 22020	0.85 acres 1/3 of 2.563 acres	0.45953%
(b) Ralph Addison 13129 West Brook Drive Centerville, VA 22020	0.34 acres 2/15 of 2.563 acres	0.18381%
(c) Gayle Henderson Rt. 1, Box 325 Sugar Grove, VA 24375	0.34 acres 2/15 of 2.563 acres	0.18381%
(d) Helen McGrady 3790 Lynd Hurst Drive Fairfax, VA 22031	0.34 acres 2/15 of 2.563 acres	0.18381%
(e) Joe Addison P. O. Box 91 Nokesville, VA 22031	0.34 acres 2/15 of 2.563 acres	0.18381%
(f) Evelyn Massey P. O. Box 149 Centerville, VA 22020	0.34 acres 2/15 of 2.563 acres	0.18381%

Tract #27B - 5.20 Acre Tract

COAL FEE OWNERSHIP

(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	5.20 acres	2.79698%
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OIL & GAS FEE OWNERSHIP

(1) W. J. Sisk Heirs	5.20 acres	2.79698%
(a) Dale Hodge Chambers Rt. 1, Box 82 Raven, VA 24639	1.73 acres 7/21 of 5.20 acres	0.93233%
(b) Larry Douglas Chambers Rt. 1, Box 81 Raven, VA 24639	2.72 acres 11/21 of 5.20 acres	1.46508%
(c) Jimmy Donald Sisk 3153 Creekside Drive Norton, OH 44203	0.19 acres 1/28 of 5.20 acres	0.09989%
(d) Walter Jackson "Bud" Sisk 229 Hesque Street Kingsport, TN 37665	0.19 acres 1/28 of 5.20 acres	0.09989%
(e) Nancy Sisk c/o Walter Jackson Sisk 229 Hesque Street Kingsport, TN 37665	0.19 acres 1/28 of 5.20 acres	0.09989%

List of Conflicting Owners/Claimants that require escrow

	Net Acres In Unit	Interest in Unit
(f) Maudie Ellen Sanders 600 North 583 Street Kokomo, IN 46901	0.19 acres 1/28 of 5.20 acres	0.09989%
Tract #27C - 1.76 Acre Tract		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	1.76 acres	0.94667%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	1.76 acres	0.94667%
Tract #27D - 1.16 Acre Tract		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	1.16 acres	0.62394%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	1.16 acres	0.62394%
Tract #27E - 0.277 Acre Tract		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	0.28 acres	0.14899%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Corbett Jackson Rt. 1, Box 80 Raven, VA 24639	0.28 acres	0.14899%