

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING
ELECTIONS, UNIT SLW-12
(herein "Subject Drilling Unit")
Depicted on the Plat
Attached Hereto as Exhibit A

DOCKET NO. VGOB-92/08/18-0249
VGOB-93/08/17-0394

REPORT OF BOARDFINDINGS AND ORDER

1. Hearing Date and Place: VGOB-93/08/17-0394 came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on August 17, 1993, Dickenson Conference Room, Southwest Virginia 4-H Center, Abingdon, Virginia upon application by Pocahontas Gas Partnership (herein the "Designated Operator") for entry of this Supplemental Order in compliance the requirements of § 7.C of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 (herein "Supplemental Order") to supplement the Order previously issued by the Board for Docket VGOB 92/0817/0249 on October 1, 1992, and recorded at Deed Book 399, Page 723, in the Office of the Clerk of Circuit Court, Buchanan County, Virginia, on October 8, 1992 (herein "Board Order"), to correct certain acreages and percentages in Subject Drilling Unit and to complete the record regarding elections. The Board Order pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Operator in the affidavit attached hereto and made a part hereof as Exhibit "B" (herein "Affidavit of Election").

2. Jurisdiction and Notice: The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, §45.1-361.1 et seq., Virginia Code, 1950 as amended. Based on the evidence presented, the Board finds that the Designated Operator has given notice to all parties entitled by §§45.1-361.19 and 45.1-361.22, Virginia Code, 1950 as amended, to notice of this application. The Board has caused notice of this hearing to be published as required by §45.1-361.19.B, Virginia Code, 1950 as amended. Whereupon, the Board hereby finds that the notices given hereby satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

3. Appearances: Elizabeth A. McClanahan, Penn, Stuart, Eskridge & Jones appeared for the Designated Operator, Pocahontas Gas Partnership; and Sandra B. Riggs, Assistant Attorney General was present to advise the Board.

4. Findings: The Board finds that:

(a) The Board Order directed the Designated Operator to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order. The Designated Operator, as directed, mailed copies of the Board Order on October 23, 1992;

(b) The Designated Operator filed its affidavit of mailing dated November 10, 1992, disclosing that it had mailed a true and correct copy of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;

(c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its Affidavit of Election dated July 14, 1993, in accordance with § 7.c of the Virginia Gas and Oil Board Regulations

and VR 480-05-22.2 (herein "Affidavit of Election") wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board Order, to have leased all their rights, interests, and claims in and to the Coalbed Methane Gas in Subject Drilling Unit to the Designated Operator;

(d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests");

(e) Subsequent to the entry of the Board Order and the expiration of the election period, the Designated Operator determined that certain of the acreage and percentages in the Subject Drilling Unit should be amended. The Designated Operator filed a Motion for Entry of this Supplemental Order on July 15, 1993, under Docket No. VGOB-93/08/17-0394 and brought on for hearing the amendments to said acreages and percentages;

(f) The Designated Operator filed a Statement of Interest dated November 8, 1993, as part of its Affidavit of Election.

(g) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Tazewell National Bank, P.O. Box 909, Tazewell, VA 24651, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.

3. Order: By this Supplemental Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 4. above and the annexed Affidavit, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P.O. Box 909, Tazewell, VA 24651, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said Affidavit of Election to receive such funds and account to the Board therefore.

4. Mailing of Order and Filing of Affidavit: The Designated Operator or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Supplemental Order stating that a true and correct copy of this Supplemental Order was mailed within seven (7) days from the date of receipt of this Supplemental Order to each person whose interest or claim is subject to escrow and whose address is known.

5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

6. Effective Date: This Supplemental Order shall be effective on the date of its execution.

DONE AND EXECUTED this 4th day of January, 1994 by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 3rd day of January, 1994, by Order of this Board.

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

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 4th day of January, 1994, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, who 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.

Susan G. Garrett
Susan G. Garrett
Notary Public

My commission expires 7/31/94

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 3rd day of January, 1994, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, who 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.

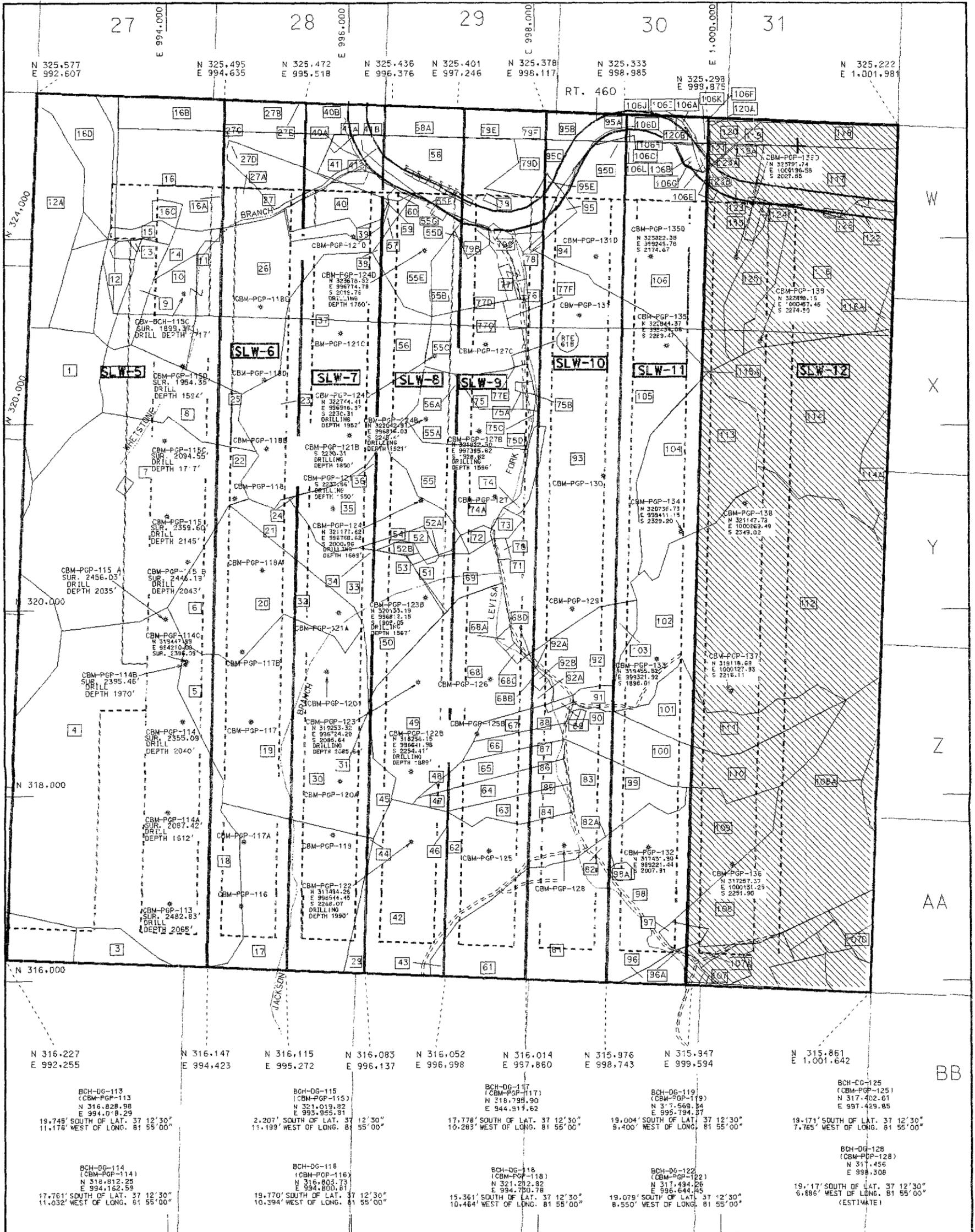
Diane J. Davis
Diane J. Davis
Notary Public

My commission expires 09/30/97



EXHIBIT A

Map of Subject Lands



- PROPOSED SLW UNIT
- HIGHWAY RIGHT-OF-WAY
- [] TRACT IDENTIFICATION NUMBER
- ===== COUNTY ROUTE
- OAKWOOD FIELD LINE
- AA-26 OAKWOOD FIELD 80 ACRE ID.
- SLW-7** LONGWALL PANEL UNIT ID.
- PROPOSED MINE PLAN
- N 325.065 E 992.667 VIRGINIA SOUTH STATE PLANE COORDINATES NORTH 325.065 EAST 992.667
- CBM-PGP-117 COALBED METHANE WELL LOCATION

UNIT LOCATION

EXHIBIT A

POCAHONTAS GAS PARTNERSHIP

SLW - 12

WELL LOCATIONS

KEEN MTN. QUADRANGLE
BUCHANAN COUNTY, VA

SCALE: 0' 550' 1100'

PREPARED BY: L. APRINGTON
CADD BY: C.D. CONN
DATE: 10/29/93

EXHIBIT B

to

Supplemental Order Regarding Elections

Affidavit of Election

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Pocahontas Gas Partnership for Forced Pooling of Interests in Unit Number SLW12, VGOB Docket No. VGOB-92/08/18-0249 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF Pocahontas Gas Partnership (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington (herein Affiant), being first duly sworn on oath, deposes and says:

1. That our Affiant is employed by Consol, Inc., a partner in Pocahontas Gas Partnership, the Designated Operator, at its office located at P.O. Box 947 Bluefield, VA 24605, that your Affiant is the Designated Operator's Permit Specialist, and is authorized for give this Affidavit in its behalf;
2. That the Order entered on October 1, 1992, by the Virginia Gas and Oil Board regarding the captioned (CBM or conventional) Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, your Affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that annexed hereto and incorporated herein are copies of the letters of transmittal, receipts for certified mail and return receipts pertaining to said mailing;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on October 8, 1992.
5. That the Designated Operator, Pocahontas Gas Partnership, has established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election period:

None.

6. That the interest and/or claims of the following person (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

for all of the information requested below, see Exhibit A

name;

the type of election made, or deemed to have been made, or the lease or other agreement entered into;

the bonus amount subject to escrow, if any;

the royalty division of interest in the Unit, if any;

the working interest percentage, if any, resulting from an election of participate;

the working interest percentage, if any, resulting from an election to share in the operation of the unit as a nonparticipant on a carried basis subject to escrow only after the Designated Operator has recovered its costs as provided in the Board's Order;

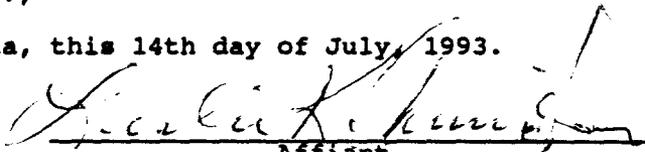
whether the interest or claim subject to escrow is an undivided common interest, and in that event, all amounts and percentages stated below represent the total amounts attributable to all common owners, including the person named, of an undivided interest or claim subject to escrow;

- 7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interests and/or claims which are not subject to escrow and should, therefore, be dismissed as Respondents:

None.

- 8. That pursuant to the provisions of VR 480-05-22.27C and VR 480-05-22.2.8, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth and identifies the conflicting claims and/or interests which require escrow of funds pursuant to the terms of § § 45.1-361.21.D, 45.1-361.22.A.3 and 4.;

Dated at Bluefield, Virginia, this 14th day of July, 1993.



 Affiant

Taken, subscribed and sworn to before me by Leslie K. Arrington the Authorized Agent of Pocahontas Gas Partnership, a corporation, on behalf of the corporation, this 14th day of July, 1993.



My commission expires: MAY 31, 1995



 Notary

Pochohontas Gas Partnership
 Exhibit 6/A
 VGOB-93/06/17-0304
 Escrow & Supplemental Order
 Unit: SLW12
 Royalty Rate: 1/8
 Unit Acres - 441.3

| Name | Elections | | | % Unit | Net Acres | Amount leased | Bonus Payment paid | Type Interest | | Conflicting Claim | | Comments |
|---|---------------|-------|---------------|---------------|---------------|---------------|--------------------|-------------------|-----|-------------------|----------|-------------------|
| | Deemed Leased | Lease | Participating | | | | | Non-Participating | Fee | Coal | O & G | |
| Coal Mountain Mining Company | | | | 14.557 | 64.24 | | | x | | | x | |
| Terry Baldwin | x | | | 12.018 | 55.084 | 55.084 | | | x | | x | |
| Gary Davis, et al | x | | | 1.836 | 8.556 | 8.556 | | | x | | x | |
| TOTAL | | | | 34.557 | 64.24 | 64.24 | | | | | | |
| Coal Mountain Mining Company | | | | 4.209 | 18.838 | leased | paid | | | x | | |
| Yukon Pochohontas Coal Company | | | | 2.019 | 11.558 | 11.558 | | | x | | | |
| Sayers Pochohontas Coal Company | | | | | | | | | | | | |
| Buchanan Coal Company & Georgia - Pacific Corporation | | | | | | | | | | | | |
| Georgia - Pacific Corporation | | | | | | | | | | | | |
| Georgia - Pacific Corporation | | | | | | | | | | | | |
| Commonwealth of Virginia | x | | | 0.569 | 2.51 | 2.51 | | | x | | x | |
| Curtis E. Wade | x | | | 0.658 | 3.768 | 3.768 | | | x | | x | |
| Consolidation Coal Company | | | | 4.209 | 18.838 | leased | | | | | x | coal lessee |
| Island Creek Coal Company | | | | 0.223 | 0.982 | 0.982 | | | | | x | coal lessee |
| Cabot Oil & Gas Corporation | | | | 2.019 | 11.558 | | | | | | x | oil & gas lessee |
| Pochohontas Gas Partnership TOTAL | | | | 4.209 | 18.838 | 18.838 | | | | | x | CBM lessee |
| Coal Mountain Mining Company | | | | 12.504 | 55.18 | leased | paid | | x | | | |
| Terry Baldwin | x | | | 9.418 | 41.561 | 41.561 | | | | | | |
| Commonwealth of Virginia | x | | | 0.057 | 0.25 | 0.25 | | | | | | |
| Joe Davis, Jr. | | | | 0.175 | 0.773 | leased | paid | | | | | |
| Jack Davis | x | | | 2.761 | 12.186 | 12.186 | | | | | | |
| E.M. Greene | | | | 0.063 | 0.41 | leased | paid | | | | | |
| TOTAL | | | | 12.504 | 55.18 | | | | | | | |
| Consolidation Coal Company | | | | 0.136 | 0.6 | | | | | | | coal lessee |
| Equitable Resources Exploration | | | | 0.136 | 0.6 | | | | | | | oil & gas lessee |
| Pochohontas Gas Partnership | | | | 0.136 | 0.6 | | | | | | | CBM lessee |
| Yukon Pochohontas Coal Company | | | | 7.081 | 31.25 | 31.25 | | | x | | | |
| Sayers Pochohontas Coal Company | | | | | | | | | | | | |
| Buchanan Coal Company & Georgia - Pacific Corporation | | | | | | | | | | | | |
| Georgia - Pacific Corporation | | | | | | | | | | | | |
| Georgia - Pacific Corporation | | | | | | | | | | | | |
| Donald Shortt | x | | | 4.387 | 19.36 | 19.36 | | | | | | coal lessee |
| | | | | 2.064 | 11.89 | 11.89 | | | | | | coal lessee |
| Island Creek Coal Company | | | | 7.081 | 31.25 | 31.25 | | | | | | coal lessee |
| Consolidation Coal Company | | | | 4.387 | 19.36 | 19.36 | | | | | | coal lessee |

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CLERK'S OFFICE CIRCUIT COURT
BUCHANAN COUNTY, VIRGINIA

Filed, and admitted to record,

this 17th day of Jan, 1994
at 12:30 o'clock P. M.

| Recorded Deed Book | Page |
|--------------------|--------------|
| 039 State Tax | |
| 213 County Tax | |
| 212 Transfer | |
| 301 Recording | <u>29.00</u> |
| 038 State Tax | |
| 220 Local Tax | <u>1.00</u> |
| 145 VSLF | |
| Total | <u>20.00</u> |

Teste James M. Bevins, Jr., Clerk
By LD De

Department of Mines, Minerals and Energy
DIVISION OF GAS & OIL
POST OFFICE BOX 1416 • 230 CHARWOOD DRIVE
ABINGDON, VIRGINIA 24210