

VIRGINIA:

## BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	EQUITABLE RESOURCES EXPLORATION,	)	
	A Division of Equitable Resources,	)	
	Energy	)	
		)	
RELIEF:	AMENDMENT OF ORDER	)	
	ENTERED JANUARY 12, 1993,	)	
	AND RECORDED JANUARY 20,	)	VIRGINIA
	1993 AT DEED BOOK 745, PAGE	)	GAS AND OIL
	130, IN THE CLERK'S OFFICE	)	BOARD
	OF THE CIRCUIT COURT OF	)	
	WISE COUNTY, VIRGINIA	)	DOCKET NO.
	VGOB DOCKET NO. 92-1117-0293	)	92-1020-0293-A

AMENDMENT TOREPORT OF THE BOARDFINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on November 17, 1992, Dickenson Conference Room, Southwest Virginia Education 4-H Center, Abingdon, Virginia. At said hearing, the Board granted the relief sought by the Applicant and pooled the interests in Drilling Unit served by Well numbered V-2363 pursuant to § 45.1-361.21, Code of Virginia, for the production of conventional natural gas, and the Board entered its Order pertaining to same on January 12, 1993, recorded January 20, 1993 at Deed Book 745, Page 130, in the Clerk's Office of the Circuit Court of Wise County, Virginia, VGOB Docket No. 92-1117-0293 (herein "Board's Order"). This amendment to the Board's Order is being entered and recorded with the Clerk's Office of Wise County to correct a scrivener's errors in Paragraph 9.2 and Paragraph 11 of the Board's Order.

2. Findings:

2.1 The Board has heretofore entered its Order more particularly described in Paragraph 1 above.

2.2 Paragraph 9.2 of the Board's Order makes reference to net proceeds received by the Unit Operator for the sale of "Coalbed Methane Gas and gas condensate", when said reference should have been to "conventional natural gas". Paragraph 11 of the Board's Order failed to refer to the payment of royalties which might come due in the event of default resulting in a deemed lease pursuant to Paragraph 9.2.

3. Conclusion: Paragraphs 9.2 and 11 of the Board's Order are amended to correct the above-described scrivener's error by deleting said Paragraphs in toto and replacing them with the following language:

9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any gas or oil owner in Subject Drilling Unit who has not leased to the Operator and/or voluntarily agreed to pool their interests may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the

conventional natural gas produced from any well development covered by this Order [for purposes of this Order, net proceeds shall be actual proceeds received less all post-production costs incurred downstream of the wellhead, including, but not limited to, all gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said gas or oil owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for all right, title, interest, estates, and claims of such electing gas or oil owner to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for all right, title, interests, estates and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign all its right, title, interests, estates, and claims to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

11. Default By Participating Person: In the event a person elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, title, interest, estates and claims the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for all right, title, interests, estates and claims of such person to gas and oil underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

4. Mailing of Order and Filing of Affidavit: Further, Paragraph 18 of the Board's Order is hereby amended to provide that Applicant or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Amendment as well as a true copy of the Board's Order being amended hereby

were mailed within seven (7) days from the date of receipt of this Amendment to each person pooled by the Board's Order whose address is known, and the election period set forth in Paragraph 8 of the Board's Order is hereby extended to thirty (30) days from the date this amendment to the Board's Order is recorded in the county above named.

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

DONE AND EXECUTED this 22<sup>nd</sup> day of February, 1993, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 22<sup>nd</sup> day of February, 1993, 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 22<sup>nd</sup> day of February, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny 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.

Susan G. Garrett  
Susan G. Garrett  
Notary Public

My commission expires 7/31/94

STATE OF VIRGINIA )  
COUNTY OF WISE )

Acknowledged on this 22<sup>nd</sup> day of February, 1993, 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.

Susan G. Garrett  
Susan G. Garrett  
Notary Public

My commission expires 7/31/94

VIRGINIA: In the Clerk's Office of Wise Circuit Court 2-23 1993.  
This deed was presented and upon the annexed Certificate of acknowledgement admitted to record at 12:57 P.M. The tax imposed by 58.54 1 of the Code has been paid in the amount of \$— Recorded in Deed Book 747 and Page 087.  
Teste: C. Gary Rakes, Clerk Mary E. Adams Deputy Clerk