

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

ELECTIONS, UNIT: V-2363

(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-92/11/17-0293

REPORT OF BOARDFINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of § 7.c of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 by supplementing the Order previously issued by the Board for the subject Docket on January 12, 1993 and the subsequent amendment dated February 22, 1993 and recorded in Deed Books 745, Page 130 and 747, Page 087, respectively, in the office of the Clerk of the Circuit Court, Wise County, Virginia on January 20, 1993 and February 23, 1993, respectively, (herein "Board Order") 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 Designated Operator in the affidavits attached hereto and made a part hereof. 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.

2. Findings: The Board finds that:

(a) The Board Order directed Equitable Resources Exploration (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;

(b) The Designated Operator filed its affidavit of mailing dated February 26, 1993 disclosing that it had mailed a true and correct copy of the Board's 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 dated April 15, 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's Order, to have leased all their rights, title, interests, estates and claims 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"); that the Designated Operator furnished said Statement of Interest as part of its Affidavit of Election. A copy of which is attached.

(e) 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, Virginia 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.

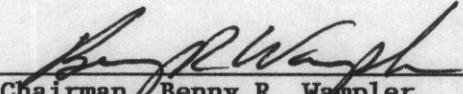
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 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 Affidavits to receive such funds and account to the Board therefore.

4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned order 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 Order was mailed within seven (7) days from the date of receipt of this 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 Order shall be effective on the date of its execution.

DONE AND EXECUTED this 23rd day of August 1993, by a majority of the Virginia Gas and Oil Board.


Chairman Benny R. Wampler

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 23rd day of August, 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

DONE AND PERFORMED this 23rd day of August 1993 by Order of this Board.

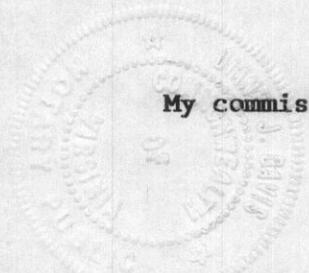
Byron Thomas Fulmer
Byron Thomas Fulmer
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 23rd day of August, 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.

Diane J. Davis
Diane J. Davis
Notary Public

My commission expires 9/30/97



VIRGINIA: In the Clerk's Office of Wise Circuit Court August 27 19 93

This deed was presented and upon the annexed Certificate of acknowledgement admitted to record at 2:14 P M. The tax imposed by 58.541 of the Code has been paid in the

amount of \$ Recorded in Deed Book 159 and Page 378

Weste: C. Gary Rakes, Clerk Cory Shatto Deputy Clerk

VIRGINIA:

BOOK 759 PAGE 381

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Equitable Resources Exploration for Forced Pooling of Interests in Unit Number V-2363, VGOB Docket No. VGOB-92-1117-0293 in the Gladeville Magisterial District of Wise County, Virginia

AFFIDAVIT OF HUNTER, SMITH & DAVIS, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is a partner in the law firm of Hunter, Smith & Davis, the Agent for the Designated Operator, with offices located at 1212 North Eastman Road, Kingsport, Tennessee 37664, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on February 22, 1993, by the Virginia Gas and Oil Board regarding the captioned 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, the Affiant was directed to cause 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 captioned matter;
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 February 23, 1993;
5. That the Designated Operator, by and through their agent, HUNTER, SMITH & DAVIS, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest 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:

1) James P. Lay, III - Carried Operator 3/17/93

6. That the interest and/or claims of the following persons (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:

None.

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 interest and/or claims which are not subject to escrow:

1) Charlie L. Wynne

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraphs 3 and 2(c) of the Order.

1) Joe Lay
2) Carolyn Lay Davis
3) Eugene E. Lay, Jr.
4) Wood N. Lay
5) Gay Lay Kline

9. That pursuant to the provision of VR 480-05-22.27.C 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 that the services of an Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22.A.3 and 4.

Dated at Kingsport, Tennessee, this 15th day of April, 1993.

James E. Kaiser

Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Exploration, a corporation, on behalf of the corporation, this 15th day of April, 1993.

My commission expires: March 12, 1996

Pamela K. Talbot

Notary

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EXHIBIT "B"
V-2363 Page 1

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
<u>TRACT 1</u>				
Penn Virginia Resources Corporation Attn: Ralph Tomlinson P.O. Box 386 Duffield, VA 24244-0386	Lsd-EREX 223096L PVRC Tract No. 756	28.38	35.66	.035475
Equitable Resources Exploration				.248325
Tract 1 Totals		28.38	35.66	28.38%
<u>TRACT 2</u>				
Verna J. Peters P.O. Box 1153 Coeburn, VA 24230	Lsd-EREX 597.31 acres 223177L	32.67	41.06	.0408375
Equitable Resources Exploration				.2858625
Tract 2 Totals		32.67	41.06	32.67%
<u>TRACT 3</u>				
<u>W.W. Lay Heirs</u>	243793L01- 243793L11			
Pinkie Lay Hodges 1704 Woodridge Drive Johnson city, TN 37604	Lsd-EREX 243793L01	3.2458	4.0783	.0040573
Leda H. Lay Estate c/o Donald E. Lay P.O. Box 1715 Abingdon, VA 24210	Leased 243793L12	3.2458	4.0783	.0040573
Julia Anne Lay Masters 3858 Westwind Drive Beavercreek, OH 45440-3465	Lsd-EREX 243793L03	3.2458	4.0783	.0040573

EXHIBIT "B"

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<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
Catherine H. Blakley 360 Kimberly Road Kingsport, TN 37664	Lsd-EREX 243793L04	1.623	2.0392	.0020286
Thomas Y. Hatcher 22 Lionville Station Chester Springs, PA 19425	Lsd-EREX 243793L10	1.623	2.0392	.0020286
Glenn L. Wynne Estate c/o Juanita J. Wynne, widow Route 2, Box 143 Moneta, VA 24121	Lsd-EREX 243793L13	1.0819	1.3594	.0013524
Charlie L. Wynne Box 142 Mendota, VA 24270	unleased	1.0819	1.3594	.0013524
William F. Wynne 2424 Broadway Catlettsburg, KY 41129	Lsd-14 243793L14	1.0819	1.3594	.0013524
Robert W. Frick 604 6th Street Oakmont, PA 15139	Lsd-EREX 243793L07	.6492	.8157	.0008115
Bill Lay 3499 Bacon Drive Berkley, MI 48072	Lsd-EREX 243793L11	.6492	.8157	.0008115
Rose Ellen Lay Sexton 2218 Central Park Avenue Campbell, CA 95008	Lsd-EREX 243793L09	.6492	.8157	.0008115
Jack S. Lay P.O. Box 1040 Chester, VA 23831	Lsd-EREX 243793L08	.6492	.8157	.0008115
Joe Lay 10400 Hamlin Drive Chester, VA 23831	Unleased	.6492	.8157	.0008115
<u>Lillie J. Lay Heirs</u>				
Wood W. Lay P.O. Box 280 Coeburn, VA 24230	Lsd-EREX 243793L02	7.79	9.7881	.0097375

EXHIBIT "B"

V-2363 Page 3

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
Carolyn Lay Davis 138 Junefield Avenue Cincinnati, OH 45218	Unleased	1.9475	2.447	.0024344
Eugene E. Lay, Jr. 126 A Karen Way Weirton, WV 26062	Unleased	1.9475	2.447	.0024344
Donald E. Lay P.O. Box 1715 Abingdon, VA 24210	Lsd-EREX 243793L05	1.9475	2.447	.0024344
Wood N. Lay 111 Sunset Drive Spartanburg, SC 29302	Unleased	1.9475	2.447	.0024343
Victoria Lay Desta 422 W. 9th Street Erie, PA 16502	Lsd-EREX 243793L06	1.2983	1.6313	.0016229
Gay Lay Kline Route 2, Box 245 Volant, PA 16156	Unleased	1.2983	1.6313	.0016229
James P. Lay, III 558 W. 6th Street Erie, PA 16507	Unleased	1.2983	1.6313	.0016229
Equitable Resources Exploration				.3408125
Tract 3 Totals		38.95	48.94	38.95%
TOTAL		100.0000	125.6600	100%