

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING  
ELECTIONS, UNIT: Q-41  
(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-93/02/16-0327

REPORT OF BOARD

FINDINGS 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 February 16, 1993 and recorded at Deed Book 406, Page 475 in the Office of the Clerk of the Circuit Court, Buchanan County, Virginia on April 8, 1993 (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 Pocahontas Gas Partnership (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 mailings dated May 19, 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 July 9, 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.

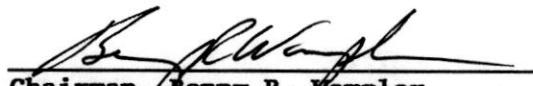
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 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 6<sup>th</sup> day of December 1993, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

STATE OF VIRGINIA)  
COUNTY OF WISE )

Acknowledged on this 6th day of December, 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 6th day of December 1993 by Order of this Board.

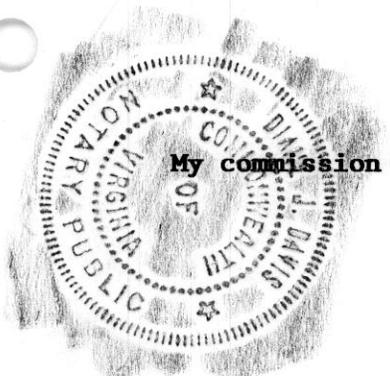
Byron J. Fulmer  
Byron Thomas Fulmer  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 6th day of December, 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:

## BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Pocahontas Gas Partnership for Forced Pooling of Interests in Unit Number Q-41, VGOB Docket No. VGOB-93/02/16-0327 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 May 5, 1993, 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 April 8, 1993.
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 9th day of July, 1993.

*Leslie K. Arrington*  
 \_\_\_\_\_  
 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 9th day of July, 1993.

My commission expires: 11/30/95

*Sherril B. Scott*  
 \_\_\_\_\_  
 Notary

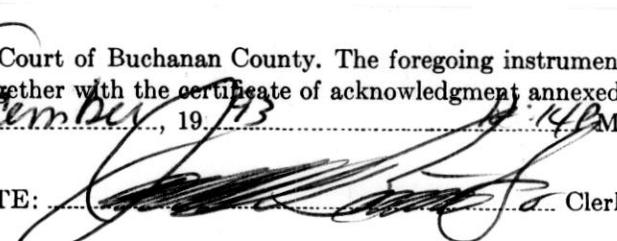
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Poconortas Gas Partnership  
 Exhibit A  
 VGOB-93/02/16-0327  
 Escrow & Supplemental Order  
 Unit Q-41  
 Unit Acres - 80

Royalty Rate: 1/8

Name	Elections				% Unit	Net Acres	Amount Leased	Bonus Payment	Type Interest		Conflicting Claims	
	Deemed Leased	Lease	Participating	Non-Participating					Coal	O & G	Yes	No
Hurt McGuire Heirs	x				6.44	5.15	5.15		x		x	
Norfolk Southern					6.44	5.15	5.15			x		x
TOTAL					6.44	5.15	5.15					
Hurt McGuire Heirs					4.76	3.82	3.82				x	
W.B. McDonald	x				4.76	3.82	3.82				x	
TOTAL					4.76	3.82	3.82					
					11.2	8.97						
TOTAL					11.2	8.97						

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 16th day of December, 1973 at 1:40 P.M.  
 Deed Book No. 416 and Page No. 794

TESTE:  Clerk

3135

CLERK'S OFFICE CIRCUIT COURT  
BUCHANAN COUNTY, VIRGINIA

Filed and admitted to record.

this 10th day of Dec, 19 93

at 12:14 o'clock P M.

Recorded Used Book \_\_\_\_\_ Page \_\_\_\_\_

039 State Tax \_\_\_\_\_

213 County Tax \_\_\_\_\_

212 Transfer 15.00

301 Recording \_\_\_\_\_

038 State Tax \_\_\_\_\_

220 Local Tax \_\_\_\_\_

145 VSLF \_\_\_\_\_

Total 16.00

Teste James M. Bevins, Jr., Clerk

By JM D.C.

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

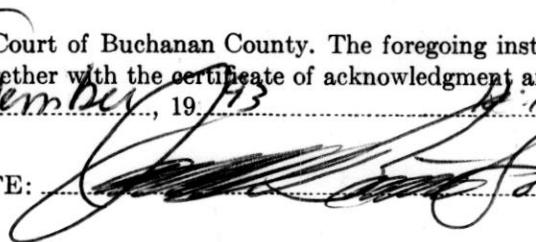
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Poconontas Gas Partnership  
 Exhibit A  
 VGOB-93/02/16-0327  
 Escrow & Supplemental Order  
 Unit: Q-41  
 Unit Acres - 80

Royalty Rate: 1/8

Name	Deemed Leased	Elections		% Unit	Net Acres	Amount Leased	Bonus Payment	Fee	Type Interest		Conflicting Claim	
		Lease	Participating						Non- Participating	Coal	O & G	Yes
Hurt McGuire Heirs				6.44	5.15	5.15			x		x	
Norfolk Southern	x			6.44	5.15	5.15				x		
TOTAL												
Hurt McGuire Heirs				4.76	3.82	3.82			x		x	
W.B. McDonald	x			4.76	3.82	3.82				x		
TOTAL				4.76	3.82	3.82					x	
TOTAL				11.2	8.97							

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 16<sup>th</sup> day of December, 1973.  
 Deed Book No. 416 and Page No. 796

TESTE:  Clerk

3135

CLERK'S OFFICE CIRCUIT COURT  
BUCHANAN COUNTY, VIRGINIA

Filed and admitted to record.

this 10th day of Sept, 1993  
at 12:17 o'clock P M.

Recorded Dated Book \_\_\_\_\_ Page \_\_\_\_\_

- 039 State Tax \_\_\_\_\_
- 213 County Tax \_\_\_\_\_
- 212 Transfer 15.00
- 301 Recording \_\_\_\_\_
- 038 State Tax \_\_\_\_\_
- 220 Local Tax \_\_\_\_\_
- 145 VSLF 1.00

Total 16.00

Teste James M. Bewins, Jr., Clerk  
By [Signature] Sec. etc.

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