

re-need

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: POCAHONTAS GAS PARTNERSHIP	)	
	)	
RELIEF SOUGHT: POOLING OF INTERESTS	)	
IN DRILLING UNIT NO. P-40	)	VIRGINIA
PURSUANT TO SECTION	)	GAS AND OIL
45.1-361.22, (CODE OF	)	BOARD
VIRGINIA, 1950 AS AMENDED)	)	
FOR THE PRODUCTION OF	)	DOCKET NO.
COALBED METHANE GAS AND	)	VGOB 93-0216-0330
COALBED METHANE GAS FROM	)	
AN AUTHORIZED WELL LOCATED	)	
IN A LONG WALL PANEL (herein	)	
referred to as "Coalbed	)	
Methane Gas" or "Gas"	)	
	)	
LEGAL DESCRIPTION:	)	
	)	
DRILLING UNIT NUMBER P-40	)	
(Hereafter "Subject Drilling Unit")	)	
IN THE OAKWOOD COALBED METHANE FIELDS	)	
I AND II HURRICANE BRANCH EXTENSIONS	)	
JEWEL RIDGE QUADRANGLE, GARDEN	)	
MAGISTERIAL DISTRICT, BUCHANAN COUNTY,	)	
VIRGINIA (the "Subject Lands" are more	)	
particularly described on Exhibit	)	
"A", attached hereto and made a	)	
part hereof)	)	

AMENDED

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 (hereafter "Board") at 9:00 a.m. on February 16, 1993, Dickenson Conference Room, Southwest Virginia 4-H Center, Abingdon, Virginia.
2. Appearances: Elizabeth McClanahan, Penn, Stuart, Eskridge & Jones appeared for the Applicant, Pocahontas Gas Partnership; Charles Presley and Kyle Robinson appeared pro se; and Sandra B. Riggs, Assistant Attorney General was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to Sections 45.1-361.1 et seq., Virginia Code, 1950 as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of potential owners, i.e., persons identified by Applicant as having or claiming the rights to coalbed methane gas in all 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, coalbed or pools, rock strata associated therewith, strata correlative to the coal seams and coalbeds, and all zones in communication therewith and all productive extensions thereof (hereafter "Subject Formation")

in Subject Drilling Unit underlying and comprised of Subject Lands, and (2) has given notice to all parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) and entitled by §§ 45.1-361.19 and 45.1-361.22, Virginia Code, 1950 as amended, to notice of this application, and (3) that the persons set forth in Exhibit C hereto are persons identified by applicant who may be claimants of Coalbed Methane Gas interests in Subject Formation, in Subject Drilling Unit underlying and comprised of Subject Lands. Set forth in Exhibit D hereto are those persons who have not leased their interests to the operator and/or who have not voluntarily agreed to pool their interests, and set forth in Exhibit E are the conflicting claimants. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19B, Virginia Code, 1950 as amended. 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. Amendments:

4.1 Exhibits C, D and E to revise the ownership acreage and percentages and to reflect Reserve Coal Properties as a Respondent. Kyle Robinson was added to Exhibit E as a conflicting claimant of the oil and gas underlying a 5.76 acre tract.

4.2 Paragraph 7 of the Report of the Board entered in the above-styled Docket Number on June 16, 1993, and recorded on June 18, 1993, at Deed Book 410, Page 267, in the Clerk's Office of the Circuit Court of Buchanan County, Virginia, failed to incorporate the amendments to the Oakwood II Field Rules adopted by the Board in its hearing held on February 16, 1993, and the Order issued pursuant thereto on June 23, 1993 for Docket Nos. VGOB 93-0216-0336/93-0316-0349, amending VGOB Docket No. 92-1119-0162. Therefore, this Amended Report of the Board, Findings and Order is being entered by the Board and recorded in the Clerk's Office of the Circuit Court of Buchanan County, Virginia to accurately reflect in Paragraph 7 hereof the relevant changes to the Oakwood II Field Rules adopted by the Board at its hearing of February 16, 1993, and reflected in the Board's Order dated June 23, 1993 in VGOB Docket Nos. 93-0216-0336 and 93-0316-0349.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to §§ 45.1-361.22, including the applicable portions of § 45.1-361.21, Code of Virginia, 1950 as amended, the Board pool all the rights and interests in and to the Gas in Subject Drilling Unit of the known and unknown persons named in Exhibit C hereto and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas, produced from the Subject Drilling Unit established for the Subject Formation underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"), and (2) that the Board designate Pocahontas Gas Partnership as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) Pursuant to Sections 45.1-361.21.C.3, Code of Virginia, 1950 as amended, Pocahontas Gas Partnership (hereafter "Unit Operator") is designated as the Unit Operator authorized to drill and operate any well in the Subject Drilling Unit, subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, to the Oakwood Coalbed Gas Field I Order OGCB 3-90, dated May 18, 1990, as amended by VGOB 93-0216-0325 to encompass the Hurricane Branch Extension; to Oakwood Coal Bed Methane Gas Field II Order

91-1119-0162 effective as of December 17, 1991, as amended by VGOB 93-0216-0336/93-0316-0349 to encompass the Hurricane Branch Extension; to § 480-05-22.1 et seq., Gas and Oil Regulations; and to § 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the rights and interests in and to the Gas in Subject Drilling Unit of the known and unknown persons listed on Exhibit "C", attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formation in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formation</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All coal seams below the Tiller seam and associated strata	Approximately 80-acre square drilling unit	Two (2) well bores located in Unit P-40 known as CBM-PGP-400 and CBM-PGP-602 as depicted on Exhibit B-1	Oakwood Coalbed Gas Field I for Coalbed Methane Gas Well and Oakwood Coal Bed Methane Gas Field II for an Additional Well Located in a Longwall Panel	OGCB 3-90 as amended by VGOB 93-0216-0325; and VGOB 91-1119-0162 as amended by VGOB 93-0216-0336/93-0316-0349

For the Subject Drilling Unit underlying and comprised of the Subject Land referred to as:

Unit Number P-40  
Buchanan County, Virginia

In conjunction with the Oakwood I Order, the Board's Order No. VGOB 91-1119-0162, (as amended by VGOB 93-0216-0336/93-0316-0349), establishes a uniform method of development in the Oakwood Coalbed Methane Gas Field for the various methods and phases of production both before, during and after long wall mining of the coal seams located therein. Specifically, the Board adopts the following method for calculation of production, revenue and costs for production of Coalbed Methane Gas from any authorized well dependent upon the particular long wall mining plan applicable to each 80-acre unit once the long wall panel(s) located in the drilling unit has been isolated by the driving of entries. (The following method of calculation shall not, however, apply to wells producing under the Oakwood I Order unless and until the circumstances contemplated by subparagraph 7.i. below have occurred.) The designated operator of any 80-acre drilling unit or units within the boundaries of which any long wall panel which has been isolated by the driving of entries is located and from which Gas from any authorized well located in a longwall panel is produced, shall calculate production and revenue based upon the mine plan as implemented within each affected 80-acre drilling unit and in particular, based upon the mineral acreage, as platted upon the surface, in each 80-acre drilling unit actually contained within a long wall panel as depicted by said mine plan. Except as otherwise provided herein, a copy of the pertinent portion of the mine plan being utilized to calculate production, revenue and costs from any affected 80-acre drilling unit shall be filed of record with the Board prior to the payment of any revenue based upon such calculations. The formula or division of interest for production from any 80-acre drilling unit affected by a long wall panel and from any separately owned tract in any such 80-acre unit shall be calculated as follows:

i. For Gas from Any Well Located in a Long Wall Panel. After actual commencement of coal operations by the driving of entries and completion of isolation of a long wall panel, the amount of Gas produced from such a well and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected 80-acre drilling unit and the isolated long wall panel, bears to the total mineral acreage, when platted on the surface, contained within the entire long wall panel affecting such 80-acre drilling unit.

ii. Prior to the actual commencement of coal mining operations by the driving of entries and completion of isolation of a long wall panel, Gas from any well located in a proposed long wall panel shall be produced from and allocated to only the 80-acre drilling unit in which the well is located.

8. Election and Election Period: In the event any person pooled hereby has not reached a voluntary agreement to share in the operation of any well contemplated by this Amended Order at a rate of payment mutually agreed to by said gas or oil owner and the Operator, then each person set forth in Exhibit D may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Amended Order is recorded in the county above named. A timely election shall be deemed to have made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any gas or oil owner listed in Exhibit D may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 480-05-22.2, Section 10 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Total Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Amended Order. The Total Estimated, Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs:

Well CBM-PGP-400	-	\$219,359.21
Well CBM-PGP-602	-	\$206,190.99

Total Estimated Completed-for-Production Costs: \$425,550.20

A Participating Operator's proportionate cost hereunder shall be the results obtained by multiplying the Participating Operators' percentage as set forth in Exhibit D, times the Total Estimated, Completed-for-Production costs set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of

the Total Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

Upon completion of the well and prior to production from same, the Operator shall file with the Board a revised exhibit reflecting the actual Completed-for-Production Costs for the Subject Drilling Unit.

- 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 listed in Exhibit D may elect to accept a cash bonus consideration of \$1.00 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 Coalbed Methane Gas and gas condensate produced from any well development covered by this Order multiplied by the gas or oil owner's percentage as set forth in Exhibit D (for purposes of this Amended Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, 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 Amended Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this Amended 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 the right, interests, 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, interests, 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 its right, interests, and claims to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any gas or oil owner listed in Exhibit D may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. All of such Carried Well Operator's rights, interests, and claims in Subject Drilling Unit shall be deemed and

hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign its rights, interests, and claims in the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person has not reached a voluntary agreement to share in the operation of any well contemplated by this Order at a rate of payment mutually agreed to by said gas or oil owner and the Operator, and said person fails to elect within the time, in the manner and in accordance with the terms of this Amended Order, one of the alternatives set forth in Paragraph 9 above, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination or ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person to the Gas produced from the Subject Formation underlying Subject Lands.

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, interest, 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 Amended 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 the right, interests, and claims of such person to the Gas produced from

the Subject Formation underlying the Subject Lands covered hereby, except, however, for any royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person is unable to reach a voluntary agreement to share in the operation of any well contemplated by this Order at a rate of payment mutually agreed to by said gas or oil owner and the Operator, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Formations in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests, and claims in and to said well, in Subject Formation in Subject Drilling Unit, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder.

13. Unit Operator (or Operator): Pocahontas Gas Partnership, be and hereby is designated as Unit Operator authorized to drill and operate any well in Subject Formation in Subject Drilling Unit, all subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, §§ 480-05-22.1 et seq., Gas and Oil Regulations and §§ 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Pocahontas Gas Partnership  
P. O. Box 200  
Mavisdale, VA 24627  
Phone: (703) 498-4512  
Fax: (703) 498-4512  
Attn: Randall M. Albert

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of this Amended Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Amended Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Amended Order shall expire at 12:00 P.M. on the date on which all wells covered by this Amended Order are permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the petition for appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referred to herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the rights and interests in and to the Gas owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are chargeable against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Amended Order.

16. Escrow Provisions:

By this Amended Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank  
 P. O. Box 909  
 Tazewell, VA 24651  
 (herein "Escrow Agent")

- 16.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Amended Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and shall, pursuant to Section 45.1-361.21.D, Code of Virginia, 1950 as amended, and said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Amended Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with § 45.1-361.21.D., Code of Virginia, 1950 as amended.
- 16.2. Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment or other payment due and owing under this Amended Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Virginia Code Sections 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account within sixty (60) days of recording of this Amended Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.
17. Special Findings: The Board specifically and specially finds:
- 17.1. Applicant is a Virginia general partnership composed of Consolidation Coal Company, a Delaware corporation, and Conoco, Inc., a Delaware corporation, and is duly authorized and qualified to transact business in the Commonwealth of Virginia.
- 17.2. Applicant claims ownership of gas leases, coalbed methane gas leases, and/or coal leases representing 47.641 percent of the oil and gas interest; 96.237 percent of the coal interest from the Pocahontas #3 seam of coal; 96.162 percent of the coal below the Tiller seam less the Pocahontas #3 seam; and 96.237 percent of the coalbed methane gas estate in Unit Number P-40 in Buchanan County, Virginia, which Subject Lands are more particularly described in Exhibit "A".

- 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia.
- 17.4 There are currently located two (2) wells on the Subject Drilling Unit to develop the pool in Subject Formations. Well No. CBM-PGP-400 has been drilled to a depth of 1650 feet pursuant to Permit No. 2142, and Well No. CBM-PGP-602 has been drilled to a depth of 1722.52 feet under Permit No. 2129.
- 17.5 The estimated amount of reserves contained within Subject Drilling Unit is 125 to 550 mmcf. The estimated average production from the Subject Drilling Unit over its life is 337.5 mmcf.
- 17.6 In support of its application for an Additional Well, Applicant submitted to the Board as Hearing Exhibit 9, its proposed mine plan depicting the location of the longwall panels which will underlie Subject Drilling Unit.
- 17.7 Respondents are listed on Exhibit "C". Set forth in Exhibit "D" is the name and last known address of each person who has not, in writing, leased to the Operator or voluntarily pooled their interests in Subject Drilling Unit for its development, but who have been identified by the Applicant as having or claiming a potential interest in the Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands. Exhibit E sets forth conflicting ownership claimants and has been revised to reflect that Kyle Robinson, who in sworn testimony before the Board at the hearing of this matter claimed ownership of the surface as well as all mineral and gas and oil interests for the tract identified as Tract 18 on the attached Exhibits B and B-1.
- 17.8 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above.
- 17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of coalbed methane gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.
18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Amended Order stating that a true and correct copy of said Amended Order was mailed within seven (7) days from the date of receipt of this Amended Order to each person pooled by this Order whose address is known.
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

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

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

DONE AND EXECUTED this 30<sup>th</sup> day of December, 1993, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 30<sup>th</sup> day of December, 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 30<sup>th</sup> 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

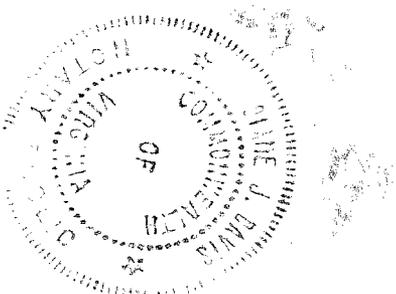
My commission expires 7/31/94

STATE OF VIRGINIA )  
COUNTY OF WASHINGTON )

Acknowledged on this 30<sup>th</sup> 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.

Miane J. Davis  
Miane J. Davis  
Notary Public

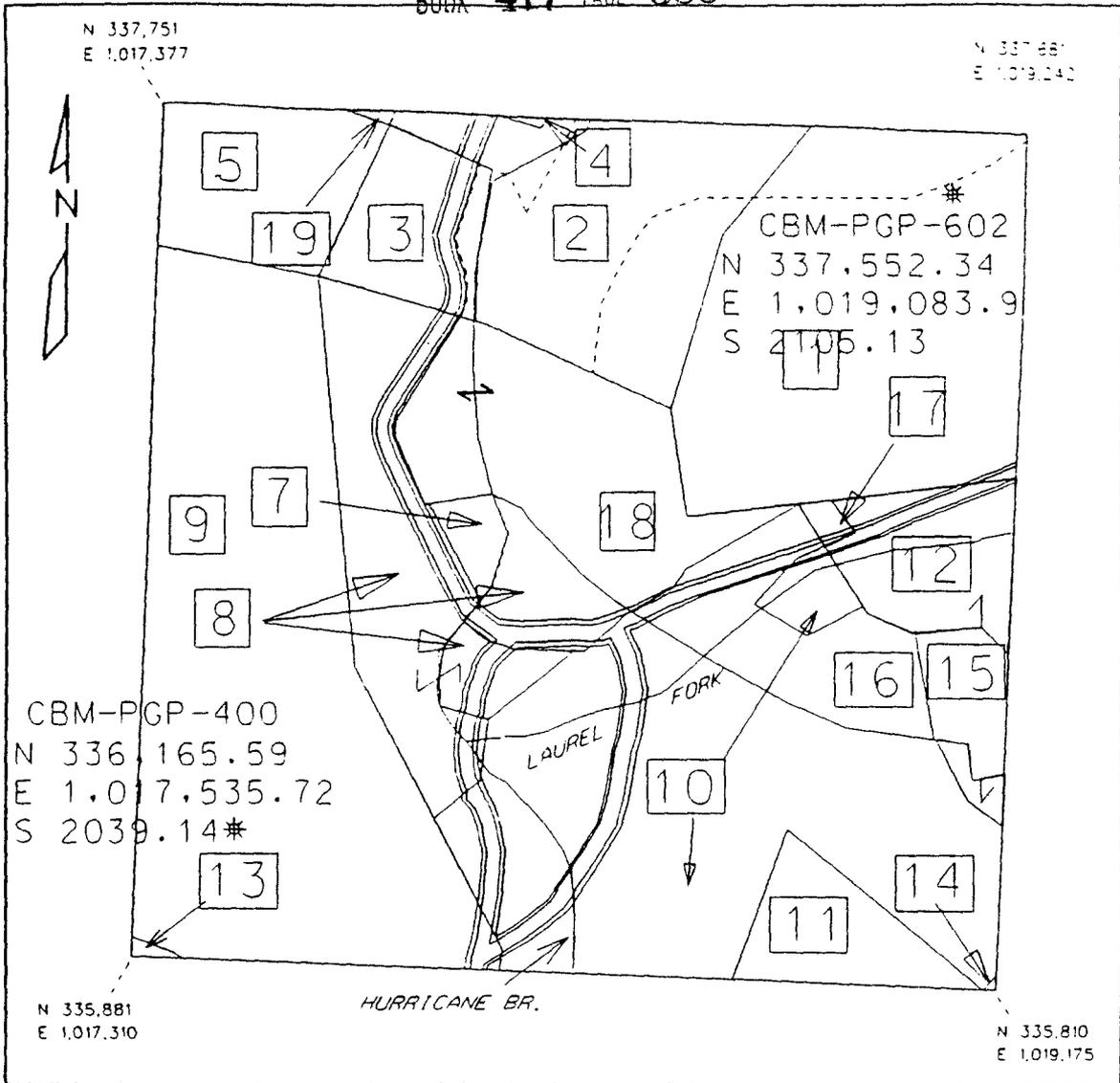
My commission expires 9/30/97



"SUBJECT LANDS"

EXHIBIT "A"

BEGINNING at a point Virginia (South Rectangular) State Plane Coordinate N 337751 E 1017377, thence S 02° 03' 07" W 1871.2 feet to a point (N 335881 E 1017310), thence S 87° 49' 11" E 1865.35 feet to a point (N 335810 E 1019175), thence N 02° 03' 07" E 1871.2 feet to a point (N 337681 E 1019242), thence N 87° 49' 11 W 1865.35 feet to the point of Beginning, containing 80 acres.



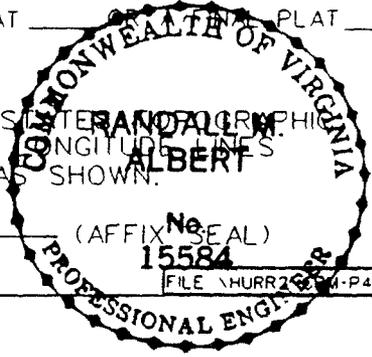
**LEGEND:**  
 # EXISTING CBM WELL  
 → TRACT LAND HOOK  
 13 TRACT LAND ID'S

EXHIBIT B1  
 OAKWOOD FIELD UNIT P-40  
 FORCE POOLING  
 VGOB-93/02/16-0330

COMPANY POCAHONTAS GAS PARTNERSHIP WELL NAME AND NUMBER P-40  
 TRACT NO. \_\_\_\_\_ ELEVATION \_\_\_\_\_ QUADRANGLE JEWELL RIDGE  
 COUNTY BUCHANAN DISTRICT GARDEN SCALE: 1" = 400' DATE 1/7/93  
 THIS PLAT IS A NEW PLAT x AN UPDATED PLAT \_\_\_\_\_ PLAT \_\_\_\_\_

+ DENOTES LOCATION OF CBM ON UNITED STATES GEOGRAPHIC MAPS, SCALE 1 TO 24,000 LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

*Randall M. Albert*  
 LICENSED PROFESSIONAL ENGINEER



**Pocahontas Gas Partnership  
Unit P-40  
Tract Identifications**

1. P. J. Brown Heirs - Coal, Oil & Gas  
Coal Lessees  
Reserve Coal Properties - all coal below drainage  
Sea "B" Mining - Jawbone Seam  
Jewell Smokeless - all coal Tiller & above except Jawbone  
Pocahontas Gas Partnership - 97.090% Oil & Gas - CBM Lessee  
Cabot - 2.778% Oil & Gas Lessee  
12.36 acres - 15.450%
2. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
Reserve Coal Properties - Oil & Gas  
6.20 acres - 7.750%
3. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
Dewey Cole Heirs - Oil & Gas  
2.87 acres - 3.5875%
4. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
Major Kidd - Oil & Gas  
0.02 acres - 0.025%
5. Dewey Cole Heirs - Coal, Oil & Gas  
3.01 acres - 3.7625%
7. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
Charles Presley - Oil & Gas  
0.66 acres - 0.825%
8. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
Kyle Robinson - Oil & Gas  
8.31 acres - 10.3875%

Pocahontas Gas Partnership  
Unit P-40  
Tract Identifications

9. Franks Estate (TR 8) - 1/2 Oil & Gas, Coal  
Reserve Coal Properties - 1/2 all coal Jawbone & below  
Clyborne Inc. - 1/2 above Jawbone, Oil & Gas  
Coal Lessees  
Koch Raven - all coal Jawbone & above  
Franks Estate - 1/2 Jawbone  
Reserve Coal Properties - 1/2 all coal below Jawbone  
Pocahontas Gas Partnership - Oil & Gas, CBM Lessee  
17.5 acres - 21.875%
- 10, Hurt McGuire Heirs - Coal  
12. Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
W. B. McDonald - Oil & Gas  
17.25 acres - 21.5625%
11. Coal Mountain Mining - TR 26 - Coal, Oil & Gas  
Coal Lessees  
Consolidation Coal Company - below drainage  
United Coal Co. - above drainage  
Reserve Coal Properties - Oil & Gas Lessee  
Pocahontas Gas Partnership - CBM Lessee  
2.18 acres - 2.725%
13. Carl Metcalf - Coal, Oil & Gas  
Coal Lessees  
Koch Raven - above drainage  
Reserve Coal Properties - Pocahontas No 3 seam  
Island Creek Coal Co. - All coal below Tiller seam  
except Pocahontas No 3 seam  
Pocahontas Gas Partnership - CBM Lessee  
0.06 acres - 0.075%
14. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
W.B. McDonald - Oil & Gas  
0.01 acres - 0.0125%
15. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
N&S - Oil & Gas  
1.09 acres - 1.3625%

Pocahontas Gas Partnership  
Unit P-40  
Tract Identifications

16. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
N&S - Oil & Gas  
2.04 acres - 2.55%
17. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
N&S - Oil & Gas  
0.53 acres - 0.6625%
18. Hurt McGuire Heirs - Coal  
Coal Lessees  
Jewell Smokeless - above drainage  
Reserve Coal Properties - below drainage  
N&S - Oil & Gas  
5.76 acres - 7.2%
19. J. Smith - Coal  
Reserve Coal Properties - Coal Lessee  
Reserve Coal Properties - Oil & Gas  
0.15 acres - 0.1875%

EXHIBIT C

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Owners and Potential Owners of Methane GasUnit P-40I. Coal Fee Ownership

- |    |   |   |
|----|---|---|
| 1. | P. J. Brown Heirs:  | 12.36 acres - 15.450%                             |
|    | a. John R. Mullins<br>Drawer 4287<br>Richlands, VA 24641  | 2.061 acres - 2.576%<br>(0.166667 x 12.360 acres) |
|    | b. Oscar W. Thompson, Jr.<br>P.O. Box 72<br>Pikeville, KY 41501   | 0.344 acres - 0.430%<br>(0.027778 x 12.360 acres) |
|    | c. Betty T. Scott<br>P.O. Box 3426<br>Pikeville, KY 41501   | 0.344 acres - 0.430%<br>(0.027778 x 12.360 acres) |
|    | d. Edith Mae Vanhoose<br>P.O. Box 2319<br>Pikeville, KY 41501   | 0.344 acres - 0.430%<br>(0.027778 x 12.360 acres) |
|    | e. Ballard W. Cassady, MD<br>Pikeville Medical<br>Building<br>P.O. Box 3369<br>Pikeville, KY 41501                      | 0.344 acres - 0.430%<br>(0.027778 x 12.360 acres) |
|    | f. Michael C. Ramsey<br>c/o Geraldine T. or<br>Joe Ramsey<br>1903 N. Mayo Trail,<br>Suite 285<br>Pikeville, KY 41501    | 0.114 acres - 0.142%<br>(0.009259 x 12.360 acres) |
|    | g. James P. Ramsey, Jr.<br>c/o Geraldine T. or<br>Joe Ramsey<br>1903 N. Mayo Trail,<br>Suite 285<br>Pikeville, KY 41501 | 0.114 acres - 0.142%<br>(0.009259 x 12.360 acres) |
|    | h. Susan Joyce Ramsey<br>P.O. Box 390<br>Pikeville, KY 41501  | 0.076 acres - 0.095%<br>(0.006173 x 12.360 acres) |

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- i. Joe B. Ramsey, Sr. 0.229 acres - 0.286%  
1903 N. Mayo Trail,  
Suite 285  
Pikeville, KY 41501  
(0.018519 x 12.360 acres)
- j. William N. Ramsey, Jr. 0.076 acres - 0.095%  
P.O. Box 390  
Pikeville, KY 41501  
(0.006173 x 12.360 acres)
- k. G. Frank Ramsey 0.076 acres - 0.095%  
P.O. Box 390  
Pikeville, KY 41501  
(0.006173 x 12.360 acres)
- l. Sue Carter Sloan 1.030 acres - 1.288%  
1014 Geneva  
Pearce, AZ 85625  
(0.083333 x 12.360 acres)
- m. John W. Gillespie 0.515 acres - 0.644%  
314 West Main Street  
P.O. Box 675  
Tazewell, VA 24651  
(0.041667 x 12.360 acres)
- n. Johnnye H. Hunter 0.515 acres - 0.644%  
Suite 629A, Forum VI  
Greensboro, NC 27408  
(0.041667 x 12.360 acres)
- o. Eldridge Brown 2.354 acres - 2.943%  
1923 Front Street  
Richlands, VA 24641  
(0.190476 x 12.360 acres)
- p. James R. McKenry\* 2.061 acres - 2.576%  
Stoney Point Center  
700 Newton Road  
Norfolk, VA 23502  
(0.166667 x 12.360 acres)
- \*Attorney-in-fact for: 1) Patricia McKenry; 2) Charles R. McKenry; 3) Clave C. McKenry; 4) Nancy McKenry Gess; 5) Eloise G. McKenry; 6) Lucy Baldi; 7) Eugene F. Baldi; 8) John A. McKenry, III, 9) Mary M. McKenry; 10) Elizabeth McKenry; 11) Garnett McKenry; 12) Natalie Sue Callis; 13) Robert J. Callis; 14) James McKenry; and, 15) Michelle McKenry.
- q. G. I. Brown Estate 0.344 acres - 0.430%  
c/o G. I. Brown  
Rt. 2, Box 334  
Cedar Bluff, VA 24609  
(0.0277781 x 12.360 acres)

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r.	Claytor S. Grove RD 2, Box 3081 Front Royal, VA 22630-9656	0.114 acres - 0.142% (0.009259 x 12.360 acres)
s.	Doris L. Singhas 213 Page Street Berryville, VA 22611	0.114 acres - 0.142% (0.009259 x 12.360 acres)
t.	Martha Brown Short 7808 Shadwell Drive, NE Roanoke, VA 24019	0.344 acres - 0.430% (0.027778 x 12.360 acres)
u.	James M. Brown Rt. 3, Box 220 Cedar Bluff, VA 24609	0.024 acres - 0.030% (0.001984 x 12.360 acres)
v.	Martha C. Brown Rt. 2, Box 534 North Tazewell, VA 24630	0.008 acres - 0.010% (0.000661 x 12.360 acres)
w.	Virginia Brown Palmer 1535 Oak Ridge Drive Salisbury, NC 28146	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
x.	Benjamin Patton Brown Rt. 1, Box 143A Pounding Mill, VA 24537	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
y.	Charles Henry Brown P.O. Box 1093 Bristol, VA 24203	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
z.	William David Brown 6 South Park Avenue Millville, NJ 08332	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
aa.	Eugene L. Brown, Jr. Rt. 3, Box 144 Tazewell, VA 24651	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
bb.	Ruth Martin Blankenships Trailer Park P.O. Box 1225 Oceana, WV 24870	0.114 acres - 0.143% (0.009259 x 12.360 acres)

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- |     |   |  |
|-----|---|--|
| cc. | Catherine Lee Estate<br>Morris R. Lee,<br>Administrator<br>RFD 2, Box 92<br>Cedar Bluff, VA 24609 | 0.114 acres - 0.143%<br>(0.009259 x 12.360 acres)  |
| dd. | Hanna Taylor<br>RFD 2, Box 281<br>Cedar Bluff, VA 24609   | 0.458 acres - 0.572%<br>(0.037037 x 12.360 acres)  |
| ee. | Buford E. Steele<br>P.O. Box 420<br>Front Royal, VA 22630   | 0.057 acres - 0.071%<br>(0.0046295 x 12.360 acres) |
| ff. | Mary Francis Carter<br>284 West Strasburg Rd.<br>Front Royal, VA 22630                            | 0.057 acres - 0.071%<br>(0.0046295 x 12.360 acres) |
| 2.  | Hurt & McGuire Heirs<br>c/o Charles Green<br>1805 1/2 Jefferson Avenue<br>Bluefield, WV 24701     | 44.74 acres - 55.925%                              |
| 3.  | Dewey Cole Heirs<br>c/o Margaret Cole<br>General Delivery<br>Whitewood, VA 24657                  | 3.01 acres - 3.763%                                |
| 4.  | Franks Estate et al.  | 17.50 acres - 21.875%                              |
| a.  | Franks Estate<br>c/o J. C. Franks<br>621 Peavler Street<br>Marion, VA 24354                       | 8.75 acres - 10.9375%<br>(1/2 of 17.50 acres)      |
| b.  | Reserve Coal Properties<br>1800 Washington Road<br>Pittsburgh, PA 15241                           | 8.75 acres - 10.9375%*<br>(1/2 of 17.50 acres)     |

\*NOTE: Reserve Coal Properties owns 1/2 interest in the Jawbone seam of coal and below.

- |    |   |  |
|----|---|--|
| c. | Ron Clyborne<br>c/o First National Bank<br>Trust Department<br>P.O. Box 1559<br>Bluefield, VA 24701 | 8.75 acres - 10.9375%*<br>(1/2 of 17.50 acres) |
|----|---|--|

\*NOTE: Ron Clyborne owns 1/2 interest in the coal above the Jawbone seam of coal.

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- |    |   |                     |
|----|---|---------------------|
| 5. | Coal Mountain Mining<br>Coal Mountain Trust<br>P.O. Box 675<br>Tazewell, VA 24651 | 2.18 acres - 2.725% |
| 6. | Carl Metcalf<br>c/o J.C. Franks<br>621 Peavler Street<br>Marion, VA 24354         | 0.06 acres - 0.075% |
| 7. | Joe Smith<br>P.O. Box 288<br>Cedar Bluff, VA 24609                                | 0.15 acres - 0.187% |

II. Coal Leasehold Ownership

- |    |   |   |
|----|---|---|
| 1. | Reserve Coal Properties<br>1800 Washington Road<br>Pittsburgh, PA 15241 | 12.36 acres - 15.450%*<br>44.74 acres - 55.925%**<br>8.75 acres - 10.9375%***<br>2.18 acres - 2.725%*<br>0.06 acres - 0.075%***<br>0.15 acres - 0.187%+ |
|----|---|---|

\*NOTE: The lease to Reserve Coal Properties is for all coal below drainage.

\*\*NOTE: The lease to Reserve Coal Properties is for 1/2 interest in all coal below the Jawbone seam of coal in 17.50 acres.

\*\*\*NOTE: The sublease to Reserve Coal Properties is for the Pocahontas No. 3 seam of coal only.

+NOTE: The lease to Reserve Coal Properties is for all coal. This acreage was subleased to Pocahontas Gas Partnership by Reserve Coal Properties.

- |    |   |                      |
|----|---|----------------------|
| 2. | Island Creek Coal Company<br>Virginia Division<br>Drawer L<br>Oakwood, VA 24631 | 0.06 acres - 0.075%* |
|----|---|----------------------|

\*NOTE: The lease to Island Creek Coal Company is for all coal below the Tiller seam of coal. The Pocahontas No. 3 seam of coal is subleased to Consolidation Coal Company.

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3. Fincastle Mining 17.50 acres - 21.875%\*  
 P.O. Box 397  
 Oakwood, VA 24631

\*NOTE: The lease to Fincastle Mining is for the Jawbone seam of coal only.

4. Jewell Smokeless Coal 12.36 acres - 15.450%\*  
 Company/Oakwood Red Ash 44.74 acres - 55.925%\*  
 Coal Corporation  
 P.O. Box 70  
 Vansant, VA 24656

\*NOTE: The lease to Jewell Smokeless Coal Company is for all coal above drainage less a portion of the Jawbone seam of coal.

5. Sea "B" Mining Company 12.36 acres - 15.450%\*  
 P.O. Box 26 44.74 acres - 55.925%\*  
 Jewell Ridge, VA 24622

\*NOTE: The lease to Sea "B" Mining Company is for a portion of the Jawbone seam of coal.

6. Hobbs Brothers 0.06 acres - 0.075%\*  
 General Delivery  
 Whitewood, VA 24657

\*NOTE: The lease to the Hobbs Brothers is for the Jawbone seam of coal only.

7. Franks Estate 8.75 acres - 10.9375%\*  
 c/o J.C. Franks  
 621 Peavler Street  
 Marion, VA 24354

\*NOTE: The lease to the Franks Estate is for the Jawbone seam of coal in a 1/2 interest of 17.50 acres.

III. Oil and Gas Fee Ownership12.36 acre tract:

1. P. J. Brown Heirs: 12.36 acres - 15.450%  
 a. John R. Mullins 2.061 acres - 2.576%  
 Drawer 4287 (0.166667 x 12.360 acres)  
 Richlands, VA 24641

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- b. Oscar W. Thompson, Jr. 0.344 acres - 0.430%  
P.O. Box 72 (0.027778 x 12.36 acres)  
Pikeville, KY 41501
- c. Betty T. Scott 0.344 acres - 0.430%  
P.O. Box 3426 (0.027778 x 12.360 acres)  
Pikeville, KY 41501
- d. Edith Mae Vanhooose 0.344 acres - 0.430%  
P.O. Box 2319 (0.027778 x 12.360 acres)  
Pikeville, KY 41501
- e. Ballard W. Cassady, MD 0.344 acres - 0.430%  
Pikeville Medical (0.027778 x 12.360 acres)  
Building  
P.O. Box 3369  
Pikeville, KY 41501
- f. Michael C. Ramsey 0.114 acres - 0.142%  
c/o Geraldine T. or (0.009259 x 12.360 acres)  
Joe Ramsey  
1903 N. Mayo Trail,  
Suite 285  
Pikeville, KY 41501
- g. James P. Ramsey, Jr. 0.114 acres - 0.142%  
c/o Geraldine T. or (0.009259 x 12.360 acres)  
Joe Ramsey  
1903 N. Mayo Trail,  
Suite 285  
Pikeville, KY 41501
- h. Susan Joyce Ramsey 0.076 acres - 0.095%  
P.O. Box 390 (0.006173 x 12.360 acres)  
Pikeville, KY 41501
- i. Joe B. Ramsey, Sr. 0.229 acres - 0.286%  
1903 N. Mayo Trail, (0.018519 x 12.360 acres)  
Suite 285  
Pikeville, KY 41501
- j. William N. Ramsey, Jr. 0.076 acres - 0.095%  
P.O. Box 390 (0.006173 x 12.360 acres)  
Pikeville, KY 41501
- k. G. Frank Ramsey 0.076 acres - 0.095%  
P.O. Box 390 (0.006173 x 12.360 acres)  
Pikeville, KY 41501

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- |    |  |   |
|----|--|---|
| l. | Sue Carter Sloan<br>1014 Geneva<br>Pearce, AZ 85625                              | 1.030 acres - 1.288%<br>(0.083333 x 12.360 acres) |
| m. | John W. Gillespie<br>314 West Main Street<br>P.O. Box 675<br>Tazewell, VA 24651  | 0.515 acres - 0.644%<br>(0.041667 x 12.360 acres) |
| n. | Johnnye H. Hunter<br>Suite 629A, Forum VI<br>Greensboro, NC 27408                | 0.515 acres - 0.644%<br>(0.041667 x 12.360 acres) |
| o. | Eldridge Brown<br>1923 Front Street<br>Richlands, VA 24641                       | 2.354 acres - 2.943%<br>(0.190476 x 12.360 acres) |
| p. | James R. McKenry*<br>Stoney Point Center<br>700 Newton Road<br>Norfolk, VA 23502 | 2.061 acres - 2.576%<br>(0.166667 x 12.360 acres) |

\*Attorney-in-fact for: 1) Patricia McKenry; 2) Charles R. McKenry; 3) Clave C. McKenry; 4) Nancy McKenry Gess; 5) Eloise G. McKenry; 6) Lucy Baldi; 7) Eugene F. Baldi; 8) John A. McKenry, III, 9) Mary M. McKenry; 10) Elizabeth McKenry; 11) Garnett McKenry; 12) Natalie Sue Callis; 13) Robert J. Callis; 14) James McKenry; and, 15) Michelle McKenry.

- |    |  |  |
|----|--|--|
| q. | G. I. Brown Estate<br>c/o G. I. Brown<br>Rt. 2, Box 334<br>Cedar Bluff, VA 24609 | 0.344 acres - 0.430%<br>(0.0277781 x 12.360 acres) |
| r. | Claytor S. Grove<br>RD 2, Box 3081<br>Front Royal, VA 22630-9656                 | 0.114 acres - 0.142%<br>(0.009259 x 12.360 acres)  |
| s. | Doris L. Singhas<br>213 Page Street<br>Berryville, VA 22611                      | 0.114 acres - 0.142%<br>(0.009259 x 12.360 acres)  |
| t. | Martha Brown Short<br>7808 Shadwell Drive, NE<br>Roanoke, VA 24019               | 0.344 acres - 0.430%<br>(0.027778 x 12.360 acres)  |
| u. | James M. Brown<br>Rt. 3, Box 220<br>Cedar Bluff, VA 24609                        | 0.024 acres - 0.030%<br>(0.001984 x 12.360 acres)  |

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v.	Martha C. Brown Rt. 2, Box 534 North Tazewell, VA 24630	0.008 acres - 0.010% (0.000661 x 12.360 acres)
w.	Virginia Brown Palmer 1535 Oak Ridge Drive Salisbury, NC 28146	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
x.	Benjamin Patton Brown Rt. 1, Box 143A Pounding Mill, VA 24537	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
y.	Charles Henry Brown P.O. Box 1093 Bristol, VA 24203	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
z.	William David Brown 6 South Park Avenue Millville, NJ 08332	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
aa.	Eugene L. Brown, Jr. Rt. 3, Box 144 Tazewell, VA 24651	0.003 acres - 0.004% (0.00026455 x 12.360 acres)
bb.	Ruth Martin Blankenships Trailer Park P.O. Box 1225 Oceana, WV 24870	0.114 acres - 0.143% (0.009259 x 12.360 acres)
cc.	Catherine Lee Estate Morris R. Lee, Administrator RFD 2, Box 92 Cedar Bluff, VA 24609	0.114 acres - 0.143% (0.009259 x 12.360 acres)
dd.	Hanna Taylor RFD 2, Box 281 Cedar Bluff, VA 24609	0.458 acres - 0.572% (0.037037 x 12.360 acres)
ee.	Buford E. Steele P.O. Box 420 Front Royal, VA 22630	0.057 acres - 0.071% (0.0046295 x 12.360 acres)
ff.	Mary Francis Carter 284 West Strasburg Rd. Front Royal, VA 22630	0.057 acres - 0.071% (0.0046295 x 12.360 acres)

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44.74 acre tract:

- |    |  |  |
|----|--|--|
| 2. | Reserve Coal Properties<br>1800 Washington Road<br>Pittsburgh, PA 15241          | 6.20 acres - 7.750%  |
| 3. | Dewey Cole Heirs<br>c/o Margaret Cole<br>General Delivery<br>Whitewood, VA 24657 | 2.87 acres - 3.588%  |
| 4. | Kyle Robinson<br>Box 100<br>Whitewood, VA 24657                                  | 8.31 acres - 10.387%   |
| 6. | W.B. McDonald<br>30 Rolling Hills<br>Hager Hill, KY 40122                        | 17.25 acres - 21.562%<br>0.01 acres - 0.013%   |
| 7. | Norfolk Southern Railroad<br>8 North Jefferson Street<br>Roanoke, VA 24042-0026  | 1.09 acres - 1.362%<br>2.04 acres - 2.550%<br>0.53 acres - 0.663%<br>5.76 acres - 7.200% |
| 8. | Major Kidd<br>General Delivery<br>Whitewood, VA 24657                            | 0.02 acres - 0.025%  |

3.01 acre tract:

- |    |  |                     |
|----|--|---------------------|
| 9. | Dewey Cole Heirs<br>c/o Margaret Cole<br>General Delivery<br>Whitewood, VA 24657 | 3.01 acres - 3.763% |
|----|--|---------------------|

17.50 acre tract:

- |     |   |   |
|-----|---|---|
| 10. | Franks Estate et al.  | 17.50 acres - 21.875%                         |
| a.  | Franks Estate<br>c/o J.C. Franks<br>621 Peavler Street<br>Marion, VA 24354                          | 8.75 acres - 10.9375%<br>(1/2 of 17.50 acres) |
| b.  | Ron Clyborne<br>c/o First National Bank<br>Trust Department<br>P.O. Box 1559<br>Bluefield, VA 24701 | 8.75 acres - 10.9375%<br>(1/2 of 17.50 acres) |

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2.18 acre tract:

11. Coal Mountain Mining Company 2.18 acres - 2.725%  
 Coal Mountain Trust  
 P.O. Box 675  
 Tazewell, VA 24651

0.06 acre tract:

12. Carl Metcalf 0.06 acres - 0.075%  
 c/o J.C. Franks  
 621 Peavler Street  
 Marion, VA 24354

0.15 acre tract:

13. Reserve Coal Properties 0.15 acres - 0.187%  
 1800 Washington Road  
 Pittsburgh, PA 15241

IV. Oil and Gas Leasehold Ownership

12.36 acre tract:

1. a. Pocahontas Gas 2.061 acres - 2.576%\*  
 Partnership 0.515 acres - 0.644%\*  
 P.O. Box 200 0.515 acres - 0.644%\*  
 Mavisdale, VA 24627 2.354 acres - 2.943%\*  
 2.061 acres - 2.576%\*  
 0.344 acres - 0.430%\*  
 0.344 acres - 0.430%\*  
 0.024 acres - 0.030%\*  
 0.008 acres - 0.010%\*  
 0.114 acres - 0.143%\*  
 0.114 acres - 0.143%\*  
 0.458 acres - 0.572%\*  
 0.344 acres - 0.430%\*\*  
 0.344 acres - 0.430%\*\*  
 0.344 acres - 0.430%\*\*  
 0.344 acres - 0.430%\*\*  
 0.114 acres - 0.142%\*\*  
 0.114 acres - 0.142%\*\*  
 0.076 acres - 0.095%\*\*  
 0.229 acres - 0.286%\*\*  
 0.076 acres - 0.095%\*\*  
 0.076 acres - 0.095%\*\*  
 1.030 acres - 1.288%\*\*

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\*NOTE: This acreage subleased to Pocahontas Gas Partnership by Reserve Coal Properties.

\*\*NOTE: This acreage assigned to Pocahontas Gas Partnership by Virginia Gas Company (formerly Edwards & Harding Petroleum Company).

b.	Cabot Oil & Gas	0.057 acres - 0.071%
	Corporation	0.057 acres - 0.071%
	P.O. Box 1473	0.114 acres - 0.142%
	Charleston, WV 25325	0.114 acres - 0.142%

44.74 acre tract:

2.	Pocahontas Gas Partnership	6.20 acres - 7.750%
	P.O. Box 200	
	Mavisdale, VA 24627	

17.50 acre tract:

3.	Pocahontas Gas Partnership	17.50 acres - 21.875%*
	P.O. Box 200	
	Mavisdale, VA 24627	

\*NOTE: This acreage was assigned to Pocahontas Gas Partnership assigned by Virginia Gas Company.

2.18 acre tract:

4.	Reserve Coal Properties	2.18 acres - 2.725%
	1800 Washington Road	
	Pittsburgh, PA 15241	

0.06 acre tract:

5.	Pocahontas Gas Partnership	0.06 acres - 0.075%*
	P.O. Box 200	
	Mavisdale, VA 24627	

\*NOTE: This acreage was assigned to Pocahontas Gas Partnership assigned by Virginia Gas Company.



EXHIBIT D

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Unleased Owners and Potential Owners of Methane GasUnit P-40I. Coal Fee Ownership

- |    |  |                     |
|----|--|---------------------|
| 1. | Dewey Cole Heirs<br>c/o Margaret Cole<br>General Delivery<br>Whitewood, VA 24657 | 3.01 acres - 3.763% |
|----|--|---------------------|

II. Coal Leasehold Ownership

- |    |   |                      |
|----|---|----------------------|
| 1. | Island Creek Coal Company<br>Virginia Division<br>Drawer L<br>Oakwood, VA 24631 | 0.06 acres - 0.075%* |
|----|---|----------------------|

\*NOTE: The lease to Island Creek Coal Company is for all coal below the Tiller seam of coal. The Pocahontas No. 3 seam of coal is subleased to Consolidation Coal Company.

III. Oil and Gas Fee Ownership12.36 acre tract:

- |    |  |  |
|----|--|--|
| 1. | P. J. Brown Heirs:   | 12.36 acres - 15.450%<br>(Unleased 0.015 acres - 0.020%) |
| a. | Virginia Brown Palmer<br>1535 Oak Ridge Drive<br>Salisbury, NC 28146 | 0.003 acres - 0.004%<br>(0.00026455 x 12.360 acres)      |
| b. | Benjamin Patton Brown<br>Rt. 1, Box 143A<br>Pounding Mill, VA 24537  | 0.003 acres - 0.004%<br>(0.00026455 x 12.360 acres)      |
| c. | Charles Henry Brown<br>P.O. Box 1093<br>Bristol, VA 24203            | 0.003 acres - 0.004%<br>(0.00026455 x 12.360 acres)      |
| d. | William David Brown<br>6 South Park Avenue<br>Millville, NJ 08332    | 0.003 acres - 0.004%<br>(0.00026455 x 12.360 acres)      |

Exhibit D

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e. Eugene L. Brown, Jr. 0.003 acres - 0.004%  
 Rt. 3, Box 144 (0.00026455 x 12.360 acres)  
 Tazewell, VA 24651

44.74 acre tract:

2. Dewey Cole Heirs 2.87 acres - 3.588%  
 c/o Margaret Cole  
 General Delivery  
 Whitewood, VA 24657

3. Kyle Robinson 8.31 acres - 10.387%  
 Box 100  
 Whitewood, VA 24657

4. Charles Presley 0.66 acres - 0.825%  
 General Delivery  
 Whitewood, VA 24657

5. W.B. McDonald 17.25 acres - 21.562%  
 30 Rolling Hills 0.01 acres - 0.013%  
 Hager Hill, KY 40122

6. Norfolk Southern Railroad 1.09 acres - 1.362%  
 8 North Jefferson Street 2.04 acres - 2.550%  
 Roanoke, VA 24042-0026 0.53 acres - 0.663%  
 5.76 acres - 7.200%

7. Major Kidd 0.02 acres - 0.025%  
 General Delivery  
 Whitewood, VA 24657

3.01 acre tract:

7. Dewey Cole Heirs 3.01 acres - 3.763%  
 c/o Margaret Cole  
 General Delivery  
 Whitewood, VA 24657

IV. Oil and Gas Leasehold Ownership12.36 acre tract:

1. Cabot Oil & Gas Corporation 0.057 acres - 0.071%  
 P.O. Box 1473 0.057 acres - 0.071%  
 Charleston, WV 25325 0.114 acres - 0.142%  
 0.114 acres - 0.142%

Exhibit D

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V. Coalbed Methane Leasehold Ownership

1.	Cabot Oil & Gas Corporation	0.057 acres - 0.071%
	P.O. Box 1473	0.057 acres - 0.071%
	Charleston, WV 25325	0.114 acres - 0.142%
		0.114 acres - 0.142%

EXHIBIT E

VGOB-93/02/16-0330

Conflicting Ownership ClaimantsUnit P-4012.36 acre tract:Coal Leashold Owner

1. Reserve Coal Properties                      12.36 acres - 15.450%  
1800 Washington Road  
Pittsburgh, PA 15241

Oil and Gas and Coalbed Methane Leasehold Owners

2. Pocahontas Gas Partnership                      2.061 acres - 2.576%\*  
P.O. Box 200    0.515 acres - 0.644%\*  
Mavisdale, VA 24627                                   0.515 acres - 0.644%\*  
   2.354 acres - 2.943%\*  
   2.061 acres - 2.576%\*  
   0.344 acres - 0.430%\*  
   0.344 acres - 0.430%\*  
   0.024 acres - 0.030%\*  
   0.008 acres - 0.010%\*  
   0.114 acres - 0.143%\*  
   0.114 acres - 0.143%\*  
   0.458 acres - 0.572%\*  
   0.344 acres - 0.430%\*\*  
   0.344 acres - 0.430%\*\*  
   0.344 acres - 0.430%\*\*  
   0.344 acres - 0.430%\*\*  
   0.114 acres - 0.142%\*\*  
   0.114 acres - 0.142%\*\*  
   0.076 acres - 0.095%\*\*  
   0.229 acres - 0.286%\*\*  
   0.076 acres - 0.095%\*\*  
   0.076 acres - 0.095%\*\*  
   1.030 acres - 1.288%\*\*  
   6.22 acres - 7.775%  
   17.50 acres - 21.875%\*\*  
   0.06 acres - 0.075%\*\*

\*NOTE: This acreage subleased to Pocahontas Gas Partnership by Reserve Coal Properties.

\*\*NOTE: This acreage assigned to Pocahontas Gas Partnership by Virginia Gas Company.

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3.	Cabot Oil & Gas Corporation	0.057 acres - 0.071%
	P.O. Box 1473	0.057 acres - 0.071%
	Charleston, WV 25325	0.114 acres - 0.142%
		0.114 acres - 0.142%

44.74 acre tract:Coal Owners

1.	Hurt & McGuire Heirs	44.74 acres - 55.925%
	c/o Charles Green	
	1805 1/2 Jefferson Avenue	
	Bluefield, WV 24701	

Oil and Gas Owners

2.	Reserve Coal Properties	6.22 acres - 7.775%
	1800 Washington Road	
	Pittsburgh, PA 15241	
3.	Dewey Cole Heirs	2.87 acres - 3.588%
	c/o Margaret Cole	
	General Delivery	
	Whitewood, VA 24657	
4.	Kyle Robinson	8.31 acres - 10.387%
	Box 100	
	Whitewood, VA 24657	
5.	Charles Presley	0.66 acres - 0.825%
	General Delivery	
	Whitewood, VA 24657	
6.	W.B. McDonald	17.25 acres - 21.562%
	30 Rolling Hills	0.01 acres - 0.013%
	Hager Hill, KY 40122	
7.	Norfolk Southern Railroad	1.09 acres - 1.362%
	8 North Jefferson Street	2.04 acres - 2.550%
	Roanoke, VA 24042-0026	0.53 acres - 0.663%
		5.76 acres - 7.200%*
8.	Kyle Robinson	5.76 acres - 7.200%*
	Box 100	
	Whitewood, VA 24657	

\*NOTE: Kyle Robinson asserts that he owns the oil and gas underlying the 5.76-acre tract. See February 16, 1993 Hearing Transcript for VGOB-93/02/16-0330, Pages 209-215.

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17.50 acre tract:

Coal Owner

- 1. Franks Estate et al. 17.50 acres - 21.875%
- a. Reserve Coal Properties 8.75 acres - 10.9375%\*  
1800 Washington Road (1/2 of 17.50 acres)  
Pittsburgh, PA 15241

\*NOTE: Reserve Coal Properties owns 1/2 interest in the Jawbone seam of coal and below.

Oil and Gas Owner

- 2. Franks Estate et al. 17.50 acres - 21.875%
- a. Ron Clyborne 8.75 acres - 10.9375%  
c/o First National Bank (1/2 of 17.50 acres)  
Trust Department  
P.O. Box 1559  
Bluefield, VA 24701

0.15 acre tract:

Coal Owner

- 1. Joe Smith 0.15 acres - 0.187%  
P.O. Box 288  
Cedar Bluff, VA 24609

Oil and Gas Owner

- 2. Reserve Coal Properties 0.15 acres - 0.187%  
1800 Washington Road  
Pittsburgh, PA 15241

[S:\68-81\VP40\FvExE.40r]

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 7th day of January, 19 94 B.38P M.  
Deed Book No. 417 and Page No. 318. TESTE: James M. Bevins, Jr., Clerk  
Returned this date to: Dept. of Mines et al TESTE: [Signature] Deputy Clerk  
Abingdon, Va. 24210

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CLERK'S OFFICE CIRCUIT COURT  
BUCHANAN COUNTY, VIRGINIA

Filed and admitted to record,  
this 27th day of June 19 94  
at 2:38 o'clock PM.

Recorded Deed Book	Page
039 State Tax	
213 County Tax	
212 Transfer	
301 Recording	<u>43.00</u>
038 State Tax	
220 Local Tax	
145 VSLF	
Total	<u>43.00</u>

Teste James M. Bevins, Jr., Clerk  
By [Signature]

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