

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING  
ELECTIONS, UNIT: VP-2691  
(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-93/03/16-0345

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 April 16, 1993 and recorded in Deed Book 750, Page 564 in the Office of the Clerk of the Circuit Court, Wise County, Virginia on April 23, 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 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 May 5, 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 June 8, 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 filed said Statement of Interest as part of its Affidavit of Election. A copy of which is attached hereto.

(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 23<sup>rd</sup> 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 J. 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 Aug 27 19 93  
this deed was presented upon the annexed Certificate of acknowledgement admitted to  
record at 2:14P M. The tax imposed by 58.541 of the Code has been paid in the  
amount of \$ 259 Recorded in Deed Book 259 and Page 387  
witness: C. Gary Rakes, Clerk Terry L. Shaw Deputy Clerk

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Equitable Resources Exploration for Forced Pooling of Interests in Unit Number VP-2691, VGOB Docket No. VGOB-93/03/16-0345 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 April 16, 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 April 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:

Name	Election	Date
1) Claude Yeary	Carried Interest	5-18-93
2) Ruby Yeary	Carried Interest	5-18-93
3) Jim Yeary	Carried Interest	5-18-93
4) Woodrow Yeary	Carried Interest	5-18-93

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:

- 1) A.C. Porter heirs  
deemed to have leased (unknown or unlocatable)  
\$44.95 bonus cash consideration (\$5.00 per net mineral acre)  
.0089375 royalty interest (12.5% X 7.15%)

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:

None.

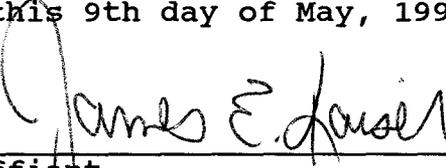
8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraphs 3 and 2(c) of the Order.

- 1) Emmitt Yeary
- 2) Edna Kilgore
- 3) Doris Cox
- 4) Roger Yeary
- 5) Kay Riner

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 the conflicting claims and/or interest which require escrow

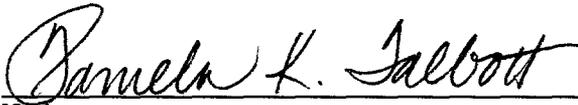
of funds pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22.A.3 and 4.

Dated at Kingsport, Tennessee, this 9th day of May, 1993.

  
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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 9th day of May, 1993.

My commission expires: March 12, 1996

  
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Notary

[regulat\erex\vp-2691.aff]

**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>
<b><u>TRACT 1</u></b>				
Shirley H. Reeves Kenneth N. Reeves 488 LaPlaya Edgewater, FL 32032	Lsd-EREX 223294L-01	5.93%	7.45	.0074125 RI
Carole Ann Jarvis P. O. Box 2232 New Smyrna Beach, FL 32069	Lsd-EREX 223294L-01	5.93%	7.45	.0074125 RI
John M. Hossfield Linda Hossfield 1720 Holly Boulevard Deland, FL 32721	Lsd-EREX 223294L-01	5.93%	7.45	.0074125 RI
Equitable Resources Exploration				.1556625 WI
<b>Tract 1 Totals</b>		17.79	22.35	17.79%
<b><u>TRACT 2</u></b>				
Henry B. Corder Mabel R. Corder P. O. Box 224 Coeburn, VA 24230	Lsd-EREX 223186L-01	7.96%	10.0	.00995 RI
Equitable Resources Exploration				.06965 WI
<b>Tract 2 Totals</b>		7.96	10.0	7.96%
<b><u>TRACT 3</u></b>				
A.C. Porter Heirs (Unknown)	Unleased	7.15%	8.99	.0089375 RI
Equitable Resources Exploration				.0625625 WI
<b>Tract 3 Totals</b>		7.15	8.99	7.15%
<b><u>TRACT 4</u></b>				
Edna Holbrook Adams J.B. Adams 317 Wood Ave., West Big Stone Gap, VA 24219	Lsd-EREX 223299L-01	.76%	.96	.00095 RI
Equitable Resources Exploration				.00665 WI
<b>Tract 4 Totals</b>		.76	.96	.76%

**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>
<b><u>TRACT 5</u></b>				
Edna Holbrook Adams J. B. Adams 317 Wood Ave., West Big Stone Gap, VA 24219	Lsd-EREX 223299L-01	13.86%	17.42	.017325 RI
Equitable Resources Exploration				.121275 WI
<b>Tract 5 Totals</b>		13.86	17.42	13.86%
<b><u>TRACT 6</u></b>				
Plez Kelly Corder Hazel B. Corder Rt. #1, Box 131 Coeburn, VA 24230	Lsd-EREX 223184L-01	13.43%	16.88	.0167875
Equitable Resources Exploration				.1175125
<b>Tract 6 Totals</b>		13.43	16.88	13.43%
<b><u>TRACT 7</u></b>				
Paul C. Corder P. O. Box 132 Coeburn, VA 24230	Lsd-EREX 223185L-01	17.90%	22.49	.022375
Equitable Resources Exploration				.156625
<b>Tract 7 Totals</b>		17.90	22.49	17.90%
<b><u>TRACT 8</u></b>				
Claude S. Yeary, Sr. Ruby Florence Short Yeary R.R. #1, Box 119 Coeburn, VA 24230	Unleased	7.065%	8.88	(.07065) AT 200% PAYOUT
Ruby Florence Short Yeary Claude S. Yeary, Sr. R.R. #1, Box 119 Coeburn, VA 24230	Unleased	7.065%	8.88	(.07065) AT 200% PAYOUT
Equitable Resources Exploration				.1413 (UNTIL 200% PAYOUT)
<b>Tract 8 Totals</b>		14.13	17.76	14.13%

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<u>LESSOR</u> <u>TRACT 9</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
Jim Yeary c/o Edna Yeary Kilgore A.K.A. Edna Kilgore Yeary Rt. #1, Box 95 Coeburn, VA 24230	Unleased	.83%	1.04 AT 200% PAYOUT	(.0083)
Emitt F. Yeary c/o Edna Yeary Kilgore A.K.A. Edna Kilgore Yeary Rt. #1, Box 95 Coeburn, VA 24230	Unleased	.83%	1.04	.0010375
Edna Yeary Kilgore A.K.A. Edna Kilgore Yeary Rt. #1, Box 95 Coeburn, VA 24230	Unleased	.83%	1.04	.0010375
Doris Ann Yeary Cox c/o Edna Yeary Kilgore A.K.A. Edna Kilgore Yeary Rt. #1, Box 95 Coeburn, VA 24230	Unleased	.27%	.35	.00034583
Roger Yeary c/o Edna Yeary Kilgore A.K.A. Edna Kilgore Yeary Rt. #1, Box 95 Coeburn, VA 24230	Unleased	.28%	.35	.00034583
Kay Yeary Riner c/o Edna Yeary Kilgore A.K.A. Edna Kilgore Yeary Rt. #1, Box 95 Coeburn, VA 24230	Unleased	.28%	.35	.00034583
Woodrow Yeary c/o Edna Yeary Kilgore A.K.A. Edna Kilgore Yeary Rt. #1, Box 95 Coeburn, VA 24230	Unleased	.83%	1.04 AT 200% PAYOUT	(.0083)
Equitable Resources Exploration				.03838751 UNTIL 200% PAYOUT
<b>Tract 9 Totals</b>		4.15	5.21	4.15%

**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>
<b><u>TRACT 10</u></b>				
Penn VA. Resources Attn: Ralph Tomlinson P. O. Box 386 Duffield, VA 24244-0386	Lsd-EREX 223096L-01	2.87%	3.60	.0035875
Equitable Resources Exploration				.0251125
<b>Tract 10 Totals</b>		2.87	3.60	2.87%
<b>TOTALS</b>		100.00%	125.66	100.00%