

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS: BUCHANAN PRODUCTION COMPANY	)	VIRGINIA GAS
	)	AND OIL BOARD
RELIEF SOUGHT: MODIFICATION ORDER TO)	
VGOB DOCKET NOS. 92-0915-0257)	
AND 93-0518-0374)	
FOR THE REPOOLING OF	)	DOCKET NO.
INTERESTS IN DRILLING UNIT NO.	)	VGOB 94-0315-0437
O-4/B PURSUANT TO SECTION	)	(Modification Order
45.1-361.22, (CODE OF	)	to VGOB 92-0915-0257
VIRGINIA, 1950 AS	)	Entered December 14, 1992
AMENDED) FOR THE PRODUCTION	)	and Recorded in Deed
OF COALBED METHANE GAS	)	Book 402 at Page 428,
INCLUDING GAS FROM SHORT	)	and VGOB 93-0518-0374
HOLES, UNSEALED GOB AND/OR	)	Entered August 31, 1993,
ANY WELL LOCATED IN A LONG	)	and Recorded in Deed
WALL PANEL (herein	)	Book 413 at Page 284,
collectively referred to as	)	Buchanan County,
"Coalbed Methane Gas" or	)	Virginia (herein collectively
"Gas"	)	"Original Pooling Order")
)	
LEGAL DESCRIPTION:)	
)	
DRILLING UNIT NUMBER O-4/B)	
(Hereafter "Subject Drilling Unit"))	
IN THE OAKWOOD COALBED GAS FIELD II)	
SOUTH GRUNDY MAGISTERIAL)	
DISTRICT, VANSANT QUADRANGLE,)	
BUCHANAN COUNTY, VIRGINIA)	
(the "Subject Lands" are more)	
particularly described on Exhibit)	
"A", attached hereto and made a)	
part hereof))	

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 March 15, 1994, Dickenson Conference Room, Southwest Virginia 4-H Center, Abingdon, Virginia.
2. Appearances: Mark A. Swartz of the firm Kay, Casto, Chaney, Love and Wise, appeared for the Applicant and the Unit Operator; 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 an update of Applicant's search of the 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 and rock strata associated therewith (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has given notice of subject proceedings to all parties so identified whose interests are being pooled or repooled pursuant to this Order (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or

other legal entities); and (3) that the persons set forth in Exhibit B hereto are persons identified by Applicant through its updated title search who may be claimants of Coalbed Methane Gas interests in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who: (a) have not heretofore agreed to lease their interests to the Applicant or the Operator and/or voluntarily pool their interests and (b) who were either not named as parties in Exhibit B of the Original Pooling Order, or who were named as parties in the Original Pooling Order but their interests in Subject Drilling Unit have been amended from that shown in Exhibit B of the Original Pooling Order due to amendments to the plat. (See Exhibit A hereto for revised plat and see Exhibit B hereto for the listing of Respondents whose interests are being pooled or repooled by this order). 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.a. The plat attached hereto as Exhibit A is an amendment of the Plat attached to the Original Pooling Order. The plat legend AA was also amended.
- 4.b. Exhibit B.
- 4.c. Exhibit G, Page 1, filed with the Application in VGOB 92-0915-0257 is replaced by part (b) of Exhibit 8 annexed hereto which depicts Island Creek Coal Company's mine works underlying the Subject Drilling Unit. This mine plan change will affect the allocation of costs and production to the Subject Drilling Unit but does not affect Respondents' undivided net interests in the Subject Drilling Unit. (See Operator's Affidavit annexed hereto).
- 4.d. Any supplemental order(s) previously entered herein which required the escrow of funds which should have been payable directly to fee owners of non-conflicting claims, as disclosed by Exhibit AA, may be paid directly to said owners. The affidavit tendered hereinafter regarding elections and escrow shall specify those owners of non-conflicting fee interests which were previously subject to supplemental order(s) to escrow but who may hereafter be paid directly by operator.
- 4.e. Exhibit A, Page 2.

5. Dismissals: June Anderson of the W. M. Anderson heirs due to the fact she voluntarily leased her interests subsequent to the filing of the Application herein.

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 modify the Original Pooling Order to pool all the rights and interests in and to the Gas in Subject Drilling Unit, including the pooling of the interests of the known and unknown persons named in Exhibit B hereto with the interests of the persons heretofore named in the Original Pooling Order, but who are not named in Exhibit B hereto, and the pooling of each of 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 redesignate Consol, Inc. (successor to Oxy USA, Inc.) as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted: (1) Pursuant to Sections 45.1-361.21.C.3, Code of Virginia, 1950 as amended, Consol, Inc. (successor to Oxy USA, Inc.) (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 the Oakwood Coalbed Gas Field II Board's Order 91-1119-0162 effective as of December 17, 1992, as amended by VGOB 93-0216-0336/93-0316-0349; 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 "B", attached hereto and made a part hereof, as well as those heretofore named in the Original Pooling Order, but who are not listed on Exhibit B hereto, 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 rock strata associated therewith to approximate drilling depth of 2,000 feet	Approximately 80-acre square drilling unit	One (1) well bore to be located in Unit O-4/B	Oakwood Coalbed Gas Field II for Coalbed Methane Gas including Short Hole Gas and Unsealed Gob Gas, and Gas from any well located in a Long Wall Panel	VGOB No. 91-1119-0162, as amended by VGOB No. 93-0216-0336/93-0316-0349 and VGOB No. 92-0915-0256

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

Unit Number O-4/B
Buchanan County, Virginia

In conjunction with its Order OGCB 3-90, ("Oakwood I Order"), the Board's Order No. VGOB 91-1119-0162 (as amended by VGOB 93-0216-0336/93-0316-0349), established 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 Short Hole, Unsealed Gob or Any Well Located in a Long Wall Panel 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 7.3.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 Unsealed Gob Gas, Short Hole Gas, or Gas from Any Well Located in a Long Wall 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 effected 80-acre drilling units 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:

- 7.1. For Short Hole Gas - The amount of production produced from 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 unit and the 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.
- 7.2. For Unsealed Gob Gas - The amount of production produced from 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 unit and the 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.
- 7.3 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 the 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 named in Exhibit B hereto has not reached a voluntary agreement to share in the operations of any well contemplated by this Order at a rate of payment mutually agreed to by said gas or oil owner and the Applicant or the Unit Operator, then each such person named in Exhibit B hereto may elect one of the options set forth in Paragraph 9 below for which his interest qualifies 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 Order is recorded in the county above named. A timely election shall be deemed to have been 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 named in Exhibit B hereto 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 "Allocable Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Allocable 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 Order. The estimated Allocable, Completed-for-Production Panel Costs for the Subject Drilling Unit are as follows:

Allocable, Completed-for-Production Panel Costs:

PANEL 1 DEV-WEST - \$63,572.62

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operators' "Undivided Net Interest" as set forth in the last column on Exhibit B, times the Allocable, Completed-for-Production Panel 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 Allocable, Completed-for-Production Panel 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.

- 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 named in Exhibit B hereto 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 Applicant and/or 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 the last column of Exhibit B (for purposes of this 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 Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the

right, interests and claims of such electing gas or oil owner in and 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 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 and hereby does lease and assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

- 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 named in Exhibit B hereto 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. Such Carried Well Operator's right, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Applicant 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 Applicant or the Unit Operator recoup and recover 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 his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

- 9.4 Option 4 - Election Rights of Minor Respondent: Notwithstanding any provision of this Paragraph 9 to the contrary, the election rights of Carrie Anderson, a minor, shall be exercised as follows: by her guardian ad litem as appointed by order of the appropriate Circuit Court pursuant to an action to be initiated immediately by the Applicant. Until such time as a binding election is made on behalf of, or by said minor, the Applicant or the Unit

Operator shall escrow funds as provided at paragraph 16 below in amounts equal to that which would be required to be escrowed in the event the said minor had elected to participate under Paragraph 9.1 above, but in no event less than the amounts which would have been required to be escrowed in the event said minor had elected to lease pursuant to Paragraph 9.2 above. The Operator shall notify the Board of the election made on behalf of the minor by her guardian and shall petition the Board to direct the escrow agent to disburse the funds then held by the escrow agent consistent with the election made. After election, the Operator and Applicant may pay funds allocable to the minor's interest as ordered by the Court in the applicable Chancery Action.

The Board respectfully requests that the Court direct that the guardian make his or her election as provided herein within sixty (60) days of the entry of the order appointing said guardian.

All other provisions of this order which are not in conflict or otherwise inconsistent with the provisions of this Paragraph 9.4 shall apply to the minor respondent herein.

10. Failure to Properly Elect: In the event a person named in Exhibit B hereto 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 Applicant or the Unit Operator, and said person fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above for which its interest qualifies, 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 and shall be deemed to have leased and/or assigned his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant. 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 in and 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 Allocable, Completed-for-Production Panel 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, interests, and claims in and to the Gas 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 the Applicant or the Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in 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 pooled hereby is unable to reach a voluntary agreement to share in the operations of any well

contemplated by this Order at a rate of payment agreed to mutually by said gas or oil owner and the Applicant or the Unit 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 the Applicant 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 in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): Consol, Inc. (successor to OXY USA, Inc.), 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:

CONSOL, INC.
P. O. Box 947
Bluefield, VA 24605
Phone: (703) 326-6000
Fax: (703) 326-6389
Attn: Leslie K. Arrington

14. Commencement of Operations: Applicant 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 Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is 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 three hundred sixty-five day period referred to herein.

Upon completion of any Well whose costs comprise part of the allocable completed-for-production costs above, and within ninety (90) days after production into the gathering pipeline is obtained, the Operator shall file with the Board a revised exhibit reflecting the actual Completed-for-Production Costs which are allocable to Subject Drilling Unit.

15. Operator's Lien: Applicant, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the rights and interests 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 Order.

16. Escrow Provisions:

By this 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 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 pursuant to Section 45.1-361.21.D, Code of Virginia, 1950 as amended, said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this 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 being deposited. 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 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 Applicant or 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 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 comprised of Appalachian Operators, Inc., and Appalachian Methane, Inc., 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 95.8875 percent of the claims to coalbed methane associated with ownership of coal, representing 50.8275 percent of the claims to coalbed methane associated with ownership of oil and gas and to have leased 98.2225 percent of the coal underlying the Subject Drilling Unit.
- 17.3. Applicant delegated to OXY USA Inc., authority to explore, develop and maintain the properties and assets of Applicant now owned or hereafter acquired, which delegation is evidenced by resolution of

- the management committee of Applicant. Thereafter, OXY USA, Inc., resigned as Professional Manager of Applicant, and by Board action taken on September 21, 1993, the Board transferred the right to operate Subject Drilling Unit from OXY USA, Inc. to Consol, Inc. by naming Consol, Inc. as the Unit Operator effective at the end of the day September 30, 1993. Further, Consol, Inc. has accepted Applicant's delegation and has agreed to explore, develop and maintain the properties and assets of Applicant, and has consented to serve as coalbed methane gas well Unit Operator for Subject Drilling Unit and to faithfully discharge the duties imposed upon it as Unit Operator by the Board's Orders, statute and regulation;
- 17.4 Consol, Inc. is a Delaware corporation duly authorized to transact business in the Commonwealth of Virginia and is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.5 Applicant and Unit Operator have proposed the drilling of one (1) well on the Subject Drilling Unit to develop the pool in Subject Formations. Production from Subject Drilling Unit will commence as Short Hole Production during mining and then become active Gob Production from all coal seams below the Tiller seam. Exhibit B to the Operator's Affidavit attached hereto depicts Island Creek Coal Company's revised VP-3 Mine works underlying Subject Drilling Unit.
- 17.6 The estimated total production from Subject Drilling Unit is 125 to 550 MMCF. The estimated amount of reserves from the Subject Drilling Unit is 125 to 550 MMCF.
- 17.7 Respondents are listed on Exhibit "B". Set forth in Exhibit "B" is the name and last known address of each person 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, who has not, in writing, leased to the Applicant or the Unit Operator or voluntarily pooled his interests in Subject Drilling Unit for its development and who either (1) was not heretofore named as a Respondent in the Original Pooling Order or (2) who was named as a Respondent in the Original Pooling Order, but because of amendments to the Plat have had his acreage or division of interest amended from that reflected in the Original Pooling Order. The interests of the Respondents listed in Exhibit B comprise 49.1725 percent of the ownership claims to coalbed methane associated with oil and gas interests, and 4.1125 percent of the ownership claims associated with coal interests.
- 17.8 Special Findings With Regard to Tract 9.1 Within Subject Drilling Unit:
- Consol, Inc. claims ownership of the Pocahontas No. 3 seam of coal under Tract 9.1 within Subject Drilling Unit. Albert Horn and Shirley Horn, Husband/Wife, appear to own fee simple title to Subject Drilling Unit, including all the gas and oil interests and the coal interests under Tract 9.1 within Subject Drilling Unit other than that in the Pocahontas No. 3. seam claimed by Consol, Inc. .
- Consol, Inc. will mine the coal in the Pocahontas No. 3 seam under Tract 9.1 within Subject Drilling Unit as reflected in the mine plan, and during such mining will produce coalbed methane gas by way of Short Hole Production, Consol, Inc. claims ownership of said Gas by virtue of its coal interest, which claim of ownership by Consol, Inc. conflicts with claims Albert Horne may have to said Gas, thus requiring an escrowing of funds pursuant to this Order.

Once mining under Tract 9.1 within Subject Drilling Unit has been completed, Consol, Inc. will produce coalbed methane gas from the active gob area under Tract 9.1 within Subject Drilling Unit, Applicant and Consol, Inc. have waived and disclaimed any right, title and interest to the coalbed methane gas produced from the active gob area under Tract 9.1 or allocated to Tract 9.1 as active gob production by reason of Consol Inc.'s ownership of the Pocahontas No. 3 coal seam underlying Tract 9.1. However, by reason of the election or non-election of Albert and Shirley Horn as required and provided under the terms of this Order, Applicant may acquire or be deemed to have acquired a working interest in the gob production from or allocated to Tract 9.1 which interest, if any, is not waived or disclaimed by Applicant or Consol, Inc. Consistent with the election hereafter made or deemed to have been made by Albert and Shirley Horn, active gob production allocated to Tract 9.1 shall not be subject to escrow and be payable as dictated by the election made or deemed to have been made.

- 17.9 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;
- 17.10 The Board has not heretofore entered an Order pooling interests for Subject Drilling Unit pursuant to its Oakwood Coalbed Gas Field I Order, OGCB No. 3-90. The Board has heretofore entered an Order pooling interests for Subject Drilling Unit pursuant to Oakwood Coalbed Gas Field II, Order VGOB 91-1119-0162, under VGOB Docket No. 92-0915-0257 as modified by the Board Order in VGOB 93-0518-0374; however, the persons named in Exhibit B hereto either were not parties to the pooling proceedings under VGOB Docket Nos. 92-0915-0257 and 93-0518-0374 or were named, but because of amendments to the plat have had their acreages and divisions of interest, allocation of costs and/or allocation of production amended from that reflected in the Original Pooling Order;
- 17.11 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in Exhibit B hereto the opportunity to recover or receive, without unnecessary expense, such 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: Operator or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this 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 Order shall be effective on the date of its execution.

DONE AND EXECUTED this 31st day of May, 1994, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman Benny R. Wampler

DONE AND PERFORMED this 31st day of May, 1994, 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 WISE)

Acknowledged on this 31st day of May, 1994, 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 31st day of May, 1994, 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

BEARING BASIS:
ISLAND CREEK CALLO.
V.P-3 MINE COO -SYS

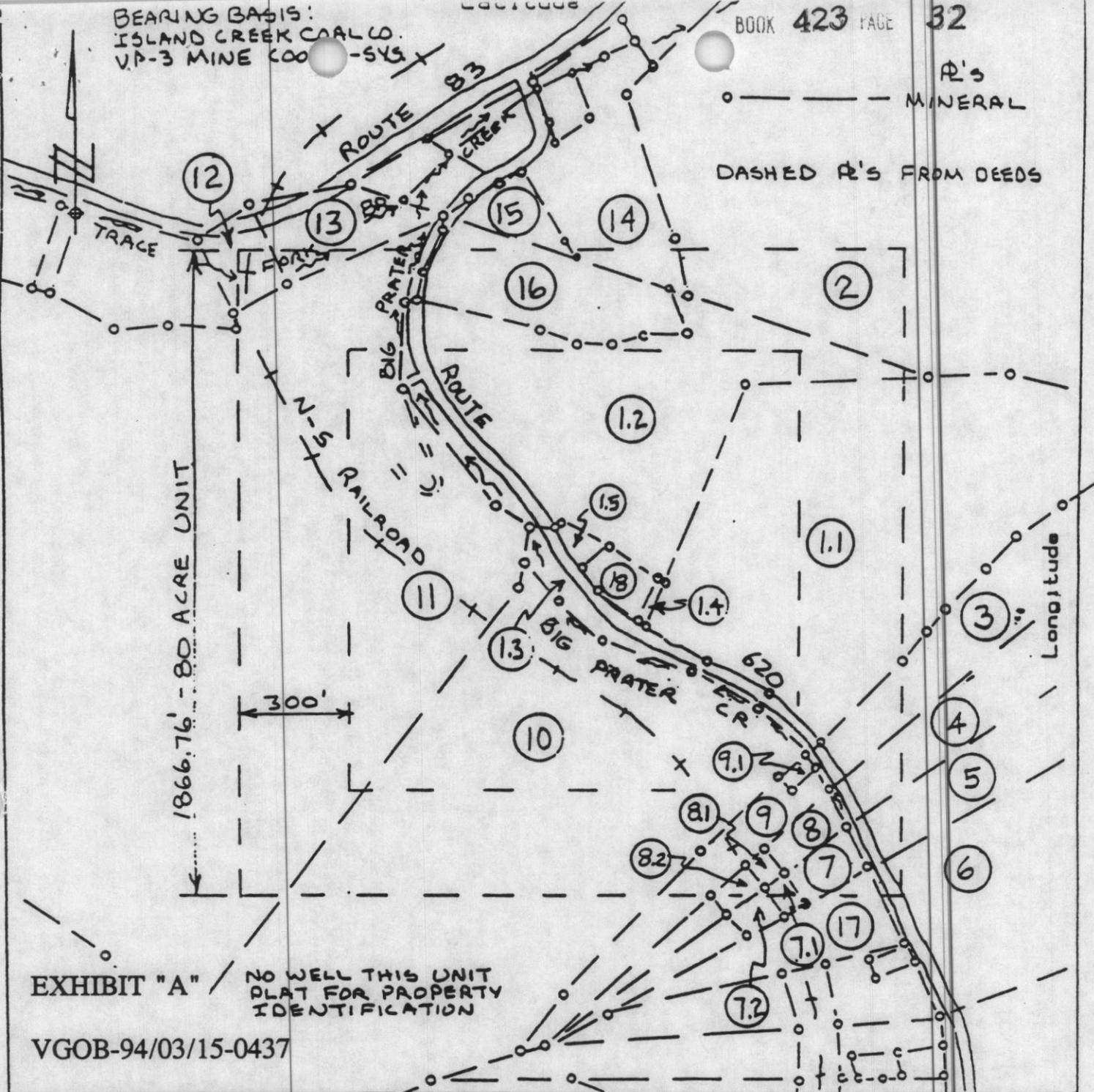


EXHIBIT "A" NO WELL THIS UNIT
PLAT FOR PROPERTY
IDENTIFICATION

VGOB-94/03/15-0437

WELL LOCATION PLAT

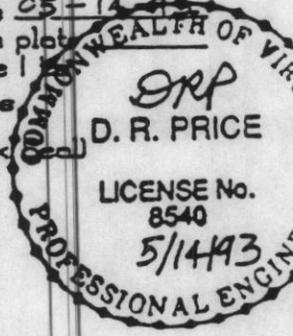
Company OXY USA INC Well Name and Number - UNIT 04
 Tract No. N/A Elevation N/A Quadrangle VANSANT
 County BUCHANAN District SOUTH GRUNDY Scale: 1" = 400' Date 05-14-93

This Plat is a new plat _____; on updated plat _____; or a final location plat _____
 Denotes the location of a well on United States topographic Maps, scale 1" = 24,000. latitude and longitude lines being represented by border lines as shown.

D. R. Price

(Affix Seal)

Licensed Professional Engineer or Licensed Land Surveyor



**Exhibit AA
Consol, Inc.
Well Plat Legend
Property & Lease Information
Well Unit - O4 (VGOB-94/03/15-0437)**

- 1.1 Daniel & Golda LaRochelle - Fee
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
Buchanan Production Company - CBM Lessee
12.35 acres - 15.4375%
- 1.2 Communi Carriers, Inc. - Fee
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
CBM Lessee - None of Record
12.97 acres - 16.2125%
- 1.3 Gary Eugene Elswick, et al (Parcel A) - Fee
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
CBM Lessee - Buchanan Production Company
1.82 acres - 2.2750%
- 1.4 Clyde J. Looney, et al - Fee
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
CBM Lessee - Buchanan Production Company
0.07 acres - 0.0875%
- 1.5 Gary Eugene Elswick, et al (Parcel B) - Fee
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
CBM Lessee - Buchanan Production Company
0.22 acres - 0.2750%
2. Island Creek Coal Company - Coal (below Tiller)
W.M. Anderson Heirs - Coal (above Tiller)
W.M. Anderson Heirs - Oil & Gas
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
3.41 acres - 4.2625%

**Exhibit AA
Consol, Inc.
Well Plat Legend
Property & Lease Information
Well Unit - O4 (VGOB-94/03/15-0437)**

3. Island Creek Coal Company - Coal (below Tiller)
Walker Keen - Coal (above Tiller)
Walker Keen - Oil & Gas
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
1.07 acres - 1.3375%

4. Harold & Lillie Tiller - Coal, Oil & Gas
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
CBM Lessee - None of Record
0.70 acres - 0.8750%

5. Kermit & Frankie Charles - Fee
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
CBM Lessee - None of Record
0.50 acres - 0.6250%

6. Erma R. Runals Trust - Coal
Amy Lee Powers Tract
Kermit Charles, et al - Oil & Gas
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
Buchanan Production Company - CBM Lessee
0.28 acres - 0.3500%

7. Ralph C. Keen - Fee
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
CBM Lessee - None of Record
0.60 acres - 0.7500%

- 7.1 Norfolk Southern - Fee
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
0.90 acres - 0.1125%

Exhibit AA
Consol, Inc.
Well Plat Legend
Property & Lease Information
Well Unit - O4 (VGOB-94/03/15-0437)

- 7.2 Island Creek Coal Company - Fee
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
0.01 acres - 0.0125%
8. Garney Smith - Fee
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee below Tiller
CBM Lessee - None of Record
0.54 acres - 0.6750%
- 8.1 Norfolk Southern - Fee
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
0.14 acres - 0.1750%
- 8.2 Island Creek Coal Company - Fee
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
0.16 acres - 0.2000%
9. Island Creek Coal Company - Fee
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
1.26 acres - 1.5750%
- 9.1 Island Creek Coal Company - Coal (P3)
Albert & Shirley Horn - Coal (above P3)
Albert & Shirley Horn - Oil & Gas
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
0.13 acres - 0.1625%

**Exhibit AA
Consol, Inc.
Well Plat Legend
Property & Lease Information
Well Unit - O4 (VGOB-94/03/15-0437)**

10. Island Creek Coal Company - Fee
G.W. Horn Tract Parcel 1
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
16.63 acres - 20.7875%
11. Island Creek Coal Company - Fee
G.W. Horn Tract Parcel 2
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
21.58 acres - 26.9750%
12. Island Creek Coal Company - Coal (below Tiller)
Norfolk Southern - Coal (above Tiller)
Norfolk Southern - Oil & Gas
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
0.438 acres - 0.5375%
13. Island Creek Coal Company - Fee
G.W. Horn Subdivision
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
0.348 acres - 0.4250%
14. Island Creek Coal Company - Coal (below Tiller)
Gomer & China Evans - Coal (above Tiller)
Gomer & China Evans - Oil & Gas
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
0.52 acres - 0.6500%

**Exhibit AA
Consol, Inc.
Well Plat Legend
Property & Lease Information
Well Unit - O4 (VGOB-94/03/15-0437)**

15. Island Creek Coal Company - Coal (below Tiller)
Carrie Owens - Coal (above Tiller)
Carrie Owens - Oil & Gas
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
0.07 acres - 0.0875%

16. Island Creek Coal Company - Coal (below Tiller)
Carrie Owens - Coal (above Tiller)
Carrie Owens - Oil & Gas
Oil & Gas Lessee - None of Record
Coal Lessee - None of Record
CBM Lessee - None of Record
3.32 acres - 4.1500%

17. Erma R. Runals Trust, et al - Coal
Roger E. Daniels, et al - Oil & Gas
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee
Buchanan Production Company - CBM Lessee
0.20 acres - 0.2500%

18. Communi Carriers, Inc. - Fee
Oil & Gas Lessee - None of Record
Island Creek Coal Company - Coal Lessee
CBM Lessee - None of Record
0.59 acres - 0.7375%

O-4 Unit
 Docket No. VGOB-94/03/15-0437
 EXHIBIT B
 Force Pooling

	Owner	Mineral Ownership	Net Acreage Within Unit	Undivided Net Interest In Unit	Undivided Net Interest In 1 Dev. West @ 7.437%
Tract 1.2					
1	Communi Carriers, Inc. A Virginia Corporation P.O. Box 369 Vansant, VA 24656	Oil & Gas	12.970000	16.212500	1.205724
Tract 1.3					
1	Gary Eugene Elswick, et al	Oil & Gas	1.820000	2.275000	0.169192
(A)	Gary & Connie Elswick Rt. 1 Box 9 Vansant, VA 24656		0.455000	0.568750	0.042298
Tract 1.5					
1	Gary Eugene Elswick, et al	Oil & Gas	0.220000	0.275000	0.020452
(A)	Gary & Connie Elswick Rt. 1 Box 9 Vansant, VA 24656		0.055000	0.068750	0.005113
Tract 2					
1	W.M. Anderson Heirs	Oil & Gas	3.410000	4.262500	0.317002
(A)	Geneva Wright 3098 Hill Road Auburn Hills, MI 48326		0.341000	0.426250	0.031700
(B)	Ivan Lewis Star Rt. 104, Box 6880 Piketon, OH 45661		0.341000	0.426250	0.031700
(C)	Mae Looney 10316 Camp Creek Road Lucasville, OH 45648		0.682000	0.852500	0.063400
(D)	Venta Anderson Edwards Rt. 4 Box 407 Grundy, VA 24614		0.227333	0.284167	0.021133
(E)	James Marshall Anderson Rt. 4 Box 408 Grundy, VA 24614		0.227333	0.284167	0.021133
(F)	Barbara Anderson Marshall 2547 Mountain View Stafford, VA 22554		0.227333	0.284167	0.021133
(G)	Ernest Edward Anderson P.O. Box 398 Max Meadows, VA 24360		0.075778	0.094723	0.007045
(H)	Ralph E. Anderson 178 McCray Abingdon, VA 24210		0.075778	0.094723	0.007045
(I)	Robert Howard Anderson Rt. 2 Box 535 Vansant, VA 24656		0.075778	0.094723	0.007045
(J)	Albert M. Anderson Rt. 1 Box 298 White Plains, MD 20695		0.075778	0.094723	0.007045

EXHIBIT B

Force Pooling

	Owner	Mineral Ownership	Net Acreage Within Unit	Undivided Net Interest In Unit	Undivided Net Interest In 1 Dev. West @ 7.437%
Tract 2					
(K)	David L. Anderson 817 Majestic Oak Court Mansfield, TX 76063		0.075778	0.094723	0.007045
(L)	Ruby J. Ratliff P.O. Box 323 Max Meadows, VA 24360		0.075778	0.094723	0.007045
(M)	Helen M. Shepard Rt. 1 Box 302 White Plains, MD 20695		0.075778	0.094723	0.007045
(N)	Bunie B. Wortz 19 Lynn Brook Rd. Trumbull, CT 06611		0.075778	0.094723	0.007045
(O)	Phylis J. Whitt Rt. 2 Box 38 Vansant, VA 24656		0.075778	0.094723	0.007045
Tract 3					
1	Walker Keen P.O. Box 1599 Richlands, VA 24641	Oil & Gas	1.070000	1.337500	0.099470
Tract 4					
1	Herold & Lillie Tiller Rt. 1 Box 23 Vansant, VA 24656	Oil & Gas	0.700000	0.875000	0.065074
Tract 5					
1	Kermit & Frankie Charles Rt. 1 Box 22 Vansant, VA 24656	Oil & Gas	0.500000	0.625000	0.046481
Tract 6					
1	Kermit Charles, et al	Oil & Gas	0.280000	0.350000	0.026030
(A)	Kermit & Frankie Charles Rt. 1 Box 22 Vansant, VA 24656	Oil & Gas	0.248889	0.311111	0.023137
(B)	Emiline Anderson Heirs	Oil & Gas	0.031111	0.038889	0.002892
(a)	Johnny E. Anderson Rt. 2 Box 176 Mason City, MI 62664		0.004444	0.005556	0.000413
(b)	Gladys Rasnake Rt. 1 Box 420 Fincastle, VA		0.004444	0.005556	0.000413
(c)	Rosalee Parcher Rt. 1, 14474 Sausman Rd. Sherwood, OH 43556		0.004444	0.005556	0.000413
(d)	Carl Anderson Rt. 2 Box 302 Grundy, VA 24614		0.000228	0.000285	0.000021
(e)	Vern Anderson, Jr. P.O. Box 253 Lick Creek, KY 41540		0.000228	0.000285	0.000021
(f)	Jerry Anderson P.O. Box 255 Lick Creek, KY 41540		0.000228	0.000285	0.000021

O-4 Unit
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 EXHIBIT B
 Force Pooling

	Owner	Mineral Ownership	Net Acreage Within Unit	Undivided Net Interest In Unit	Undivided Net Interest In 1 Dev. West @ 7.437%
Tract 6					
(e)	Vern Anderson, Jr. P.O. Box 253 Lick Creek, KY 41540		0.000228	0.000285	0.000021
(f)	Jerry Anderson P.O. Box 255 Lick Creek, KY 41540		0.000228	0.000285	0.000021
(g)	Dewey Anderson Box 168 Lick Creek Rd. Lick Creek, KY 41540		0.000228	0.000285	0.000021
(h)	Earsel Anderson 512 Greenfield Lane #2 Erlanger, KY 41018		0.000228	0.000285	0.000021
(i)	Blanche Blankenship Box 157 Harman, VA 24618		0.000228	0.000285	0.000021
(j)	Henry Anderson P.O. Box 1267 Elkhorn City, KY 41522		0.000228	0.000285	0.000021
(k)	Rita Shell Raccoon Creek Rd. Meta, KY		0.000228	0.000285	0.000021
(l)	Mary Owens 148 Douglas Parkway Robinson Creek, KY		0.000228	0.000285	0.000021
(m)	Emiline Hibberd HC-74 Box 530 Amburger, KY 41801		0.000228	0.000285	0.000021
(n)	Wanda Fuller 3650 Tates Road, Apt. 16 Lexington, KY 40517		0.000228	0.000285	0.000021
(o)	Jerrell Anderson P.O. Box 206 Lick Creek, KY 41540		0.001481	0.001852	0.000138
(p)	Bonnie Anderson ADDRESS UNKNOWN		0.000228	0.000285	0.000021
(q)	Donna New HC 76, Box 636 Ransom, KY 41558		0.000079	0.000099	0.000007
(r)	David Anderson Benson Street Williamson, WV		0.000079	0.000099	0.000007
(s)	Dorena Chatman General Delivery Huddy, KY 41640		0.000079	0.000099	0.000007
(t)	Dallas Anderson P.O. Box 222 Rawl, WV 25691		0.000079	0.000099	0.000007
(u)	Ronald Anderson P.O. Box 1863 Grundy, VA 24614		0.000556	0.000694	0.000052

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 O-4 Unit
 Docket No. VGOB-94/03/15-0437
 EXHIBIT B
 Force Pooling

	Owner	Mineral Ownership	Net Acreage Within Unit	Undivided Net Interest In Unit	Undivided Net Interest In 1 Dev. West @ 7.437%
Tract 6					
(v)	Della Marcum P.O. Box 2679 Grundy, VA 24614		0.000556	0.000694	0.000052
(w)	Betty Hurley P.O. Box 1174 Grundy, VA 24614		0.000556	0.000694	0.000052
(x)	Judy Prater 800 Oak Park Drive Fenton, MI 48430		0.000556	0.000694	0.000052
(y)	Robert Anderson Rt. 2 Box 185-C Saltville, VA		0.000556	0.000694	0.000052
(z)	Ernie Anderson P.O. Box 463 Vansant, VA 24656		0.000556	0.000694	0.000052
(aa)	Carrie Anderson c/o Margaret Farmer P.O. Box 1765 Grundy, VA 24614		0.000556	0.000694	0.000052
(C)	Lottie Yates Box 30 Oakwood, VA 24631		0.006222	0.007778	0.000578
(D)	Rufus Yates Rt. 1 Box 20 Vansant, VA 24656		0.006222	0.007778	0.000578
(E)	Goldie Yates Box 1213 Wise, VA 24293		0.006222	0.007778	0.000578
(F)	Juanita Metz P.O. Box 313 Vansant, VA 24656		0.001037	0.001296	0.000096
(G)	Inez Pugh P.O. Box 1277 Grundy, VA 24614		0.001037	0.001296	0.000096
(H)	Sammy Joe Yates P.O. Box 601 Vansant, VA 24656		0.001037	0.001296	0.000096
(I)	Paul Robert Yates P.O. Box 588 Grundy, VA 24614		0.001037	0.001296	0.000096
(J)	Ralph Yates P.O. Box 335 Vansant, VA 24656		0.001037	0.001296	0.000096
(K)	Leona Viers Rt. 1, 491B Vansant, VA 24656		0.001037	0.001296	0.000096

O-4 Unit
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 EXHIBIT B
 Force Pooling

	Owner	Mineral Ownership	Net Acreage Within Unit	Undivided Net Interest In Unit	Undivided Net Interest In 1 Dev. West @ 7.437%
Tract 6					
(L)	Marie Yates Hale 132 Tennessee Kingsport, TN 37660		0.001244	0.001556	0.000116
(M)	Harold Yates Rt. 2 Box 435 Vansant, VA 24656		0.001244	0.001556	0.000116
(N)	Darrell Yates 4727 Koester Drive Woodbridge, VA 22193		0.001244	0.001556	0.000116
(O)	Pauline Hagy Rt. 2 Box 522 Vansant, VA 24656		0.001244	0.001556	0.000116
(P)	George Yates Rt. 2 Box 522 Vansant, VA 24656		0.001244	0.001556	0.000116
Tract 7					
	Ralph C. Keen Box 671 Vansant, VA 24656	Coal	0.600000	0.750000	0.055778
Tract 7.1					
(1)	Norfolk Southern 111 Franklin Rd. SE Roanoke, VA 24042-0059	Oil & Gas	0.090000	0.112500	0.008367
(2)	Norfolk Southern 111 Franklin Rd. SE Roanoke, VA 24042-0059	Coal	0.090000	0.112500	0.008367
Tract 8					
(1)	Garney Smith P.O. Box 35 Vansant, VA 24656	Oil & Gas	0.540000	0.675000	0.050200
Tract 8.1					
(1)	Norfolk Southern 111 Franklin Rd. SE Roanoke, VA 24042-0059	Oil & Gas	0.140000	0.175000	0.013015
(2)	Norfolk Southern 111 Franklin Rd. SE Roanoke, VA 24042-0059	Coal	0.140000	0.175000	0.013015
Tract 9.1					
(1)	Albert & Shirley Horn Box 518 Vansant, VA 24656	Oil, Gas & All Coal Except P3	0.130000	0.162500	0.012085
Tract 12					
(1)	Norfolk Southern 111 Franklin Rd. SE Roanoke, VA 24042-0059	Oil & Gas	0.430000	0.537500	0.039974
Tract 14					
(1)	Gomer & China Evans P.O. Box 348 Vansant, VA 24656	Oil & Gas	0.520000	0.650000	0.048341
Tract 15					
(1)	Carrie Owens Rt. 1 Box 7 Vansant, VA 24656	Oil & Gas	0.070000	0.087500	0.006507
Tract 16					
(1)	Carrie Owens Rt. 1 Box 7 Vansant, VA 24656	Oil & Gas	3.320000	4.150000	0.308636
Tract 17					
(1)	Roger Geraldine, et al	Oil & Gas	0.200000	0.250000	0.018593
(A)	Roger & Geraldine Daniels P.O. Box 234 Vansant, VA 24656	Oil & Gas	0.177778	0.222222	0.016527

O-4 Unit
 Docket No. VGOB-94/03/15-0437
 EXHIBIT B
 Force Pooling

	Owner	Mineral Ownership	Net Acreage Within Unit	Undivided Net Interest In Unit	Undivided Net Interest In 1 Dev. West @ 7.437%
Tract 17					
(B)	Emiline Anderson Heirs		0.022222	0.027778	0.002066
(a)	Johnny E. Anderson Rt. 2 Box 176 Mason City, MI 62664		0.003175	0.003968	0.000295
(b)	Gladys Rasneke Rt. 1 Box 420 Fincastle, VA		0.003175	0.003968	0.000295
(c)	Rosalee Parcher Rt. 1, 14474 Sausman Rd. Sherwood, OH 43556		0.003175	0.003968	0.000295
(d)	Carl Anderson Rt. 2 Box 302 Grundy, VA 24614		0.000163	0.000204	0.000015
(e)	Vern Anderson, Jr. P.O. Box 253 Lick Creek, KY 41540		0.000163	0.000204	0.000015
(f)	Jerry Anderson P.O. Box 255 Lick Creek, KY 41540		0.000163	0.000204	0.000015
(g)	Dewey Anderson Box 168 Lick Creek Road Lick Creek, KY 41540		0.000163	0.000204	0.000015
(h)	Earsel Anderson 512 Greenfield Lane #2 Erlanger, KY 41018		0.000163	0.000204	0.000015
(i)	Blanche Blankenship Box 157 Harman, VA 24618		0.000163	0.000204	0.000015
(j)	Henry Anderson P.O. Box 1267 Elkhorn City, KY 41522		0.000163	0.000204	0.000015
(k)	Rita Shell Raccoon Creek Rd. Meta, KY		0.000163	0.000204	0.000015
(l)	Mery Owens 148 Douglas Parkway Robinson Creek, KY		0.000163	0.000204	0.000015
(m)	Emiline Hibbard HC-74 Box 530 Amburger, KY 41801		0.000163	0.000204	0.000015
(n)	Wanda Fuller 3650 Tates Road, Apt. 16 Lexington, KY 40517		0.000163	0.000204	0.000015
(o)	Jerrell Anderson P.O. Box 206 Lick Creek, KY 41540		0.001058	0.001323	0.000098
(p)	Bonnie Anderson ADDRESS UNKNOWN		0.000163	0.000204	0.000015
(q)	Donna New HC 76, Box 636 Ransom, KY 41558		0.000057	0.000071	0.000005

O-4 Unit
Docket No. VGOB-94/03/15-0437 BOOK 423 PAGE 44
EXHIBIT B
Force Pooling

	Owner	Mineral Ownership	Net Acreage Within Unit	Undivided Net Interest In Unit	Undivided Net Interest In 1 Dev. West @ 7.437%
Tract 17					
(r)	David Anderson Benson Street Williamson, WV		0.000057	0.000071	0.000005
(s)	Dorena Chatman General Delivery Huddy, KY 41640		0.000057	0.000071	0.000005
(t)	Dallas Anderson P.O. Box 222 Rawl, WV 25691		0.000057	0.000071	0.000005
(u)	Ronald Anderson P.O. Box 1863 Grundy, VA 24614		0.000397	0.000496	0.000037
(v)	Della Marcum P.O. Box 2679 Grundy, VA 24614		0.000397	0.000496	0.000037
(w)	Betty Hurley P.O. Box 1174 Grundy, VA 24614		0.000397	0.000496	0.000037
(x)	Judy Prater 800 Oak Park Drive Fenton, MI 48430		0.000397	0.000496	0.000037
(y)	Robert Anderson Rt. 2 Box 185-C Saltville, VA		0.000397	0.000496	0.000037
(z)	Ernie Anderson P.O. Box 463 Vansant, VA 24656		0.000397	0.000496	0.000037
(aa)	Carrie Anderson c/o Margaret Farmer P.O. Box 1765 Grundy, VA 24614		0.000397	0.000496	0.000037
Tract 18					
(1)	Communi Carriers, Inc. A Virginia Corporation P.O. Box 369 Vansant, VA 24656	Oil & Gas	0.590000	0.737500	0.054848

Exhibit 8
VGOB 94/03/15-0437

VIRGINIA

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Buchanan Production Company for Forced Pooling of Interests in Coalbed Methane Unit CBM O-4, VGOB Docket Nos. 92/09/15-0257, 93/05/18-0374 and 94/03/15-0437 in the South Grundy Magisterial District of Buchanan County, Virginia

AFFIDAVIT OF DESIGNATED OPERATOR, CONSOL, Inc.,
ON BEHALF OF BUCHANAN PRODUCTION COMPANY, APPLICANT,
REGARDING REVISED MINE PLANS AFFECTING ALLOCATIONS

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

1. That your affiant is employed by CONSOL, Inc., the Board's designated Unit Operator of the captioned drilling unit and the professional manager of the Applicant Buchanan Production Company, at CONSOL, Inc.'s office located 29 College Drive, P.O. Box 947, Bluefield, VA 24605; that your affiant is the designated Unit Operator's Permit Specialist and makes this affidavit on behalf of the designated Unit Operator and the Applicant, being duly authorized to do so;

2. That the pooling order entered by the Virginia Gas and Oil Board regarding the captioned drilling unit required that the designated operator calculate production and revenue and allocate allowable costs based upon the mine plan being implemented and affecting the said unit; that after the entry of the Virginia Gas and Oil Board's pooling orders in captioned Docket numbers regarding the captioned CBM Unit and the entry of the Virginia Gas and Oil Board's supplemental order, the mine plan being implemented and affecting said drilling unit has been changed;

3. That annexed hereto and incorporated herein by reference are a copies of (a) the new panel/unit allocation percentages derived from the new mine plan and (b) the relevant portion of the new mine plan affecting the captioned unit; which Exhibits are identified respectively as Exhibits (a) and (b);

4. That the change of mine plan does not affect the division of interest of the respondents within the captioned unit in the production, revenue and costs attributed or allocated to the unit, elections previously made or deemed to have been made, or escrow of monies attributable to conflicting claims; but that the change of

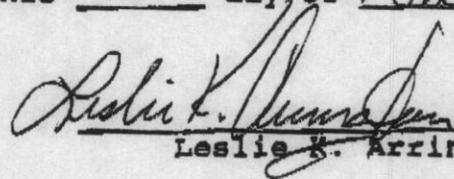
BOOK 423 PAGE 46

Exhibit 8
VGOB 94/03/15-0437

mine plan does affect the attribution and allocation of production, revenue and costs to the said unit from the long wall panels affecting the unit;

5. That this affidavit together with the revised mine plan and revised panel/unit allocation percentages are submitted to the Virginia Gas and Oil Board to comply with the requirements of the order(s) previously entered regarding the captioned drilling unit and the Oakwood Coalbed Gas Field field rules, as amended.

Dated at Bluefield, Virginia, this 15th day of MARCH, 1994.


Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington, the Permit Specialist of CONSOL, Inc., a corporation, on behalf of the corporation, as designated Unit Operator and professional manager of Buchanan Production Company, this 15th day of March, 1994.

My commission expires: 11/30/95


Notary

VP-3 Shorthole

Unit	1 Dev. West
N-4	0.0%
N-3	0.0%
O-4	7.437%
O-3	9.354%
P-4	11.884%
P-3	14.428%
Q-4	12.553%
Q-3	13.752%
R-4	13.139%
R-3	13.215%
S-4	2.196%
S-3	2.042%
N-2	
N-1	
O-2	
O-1	
P-2	
P-1	
Q-2	
Q-1	
R-2	
R-1	
S-2	
S-1	

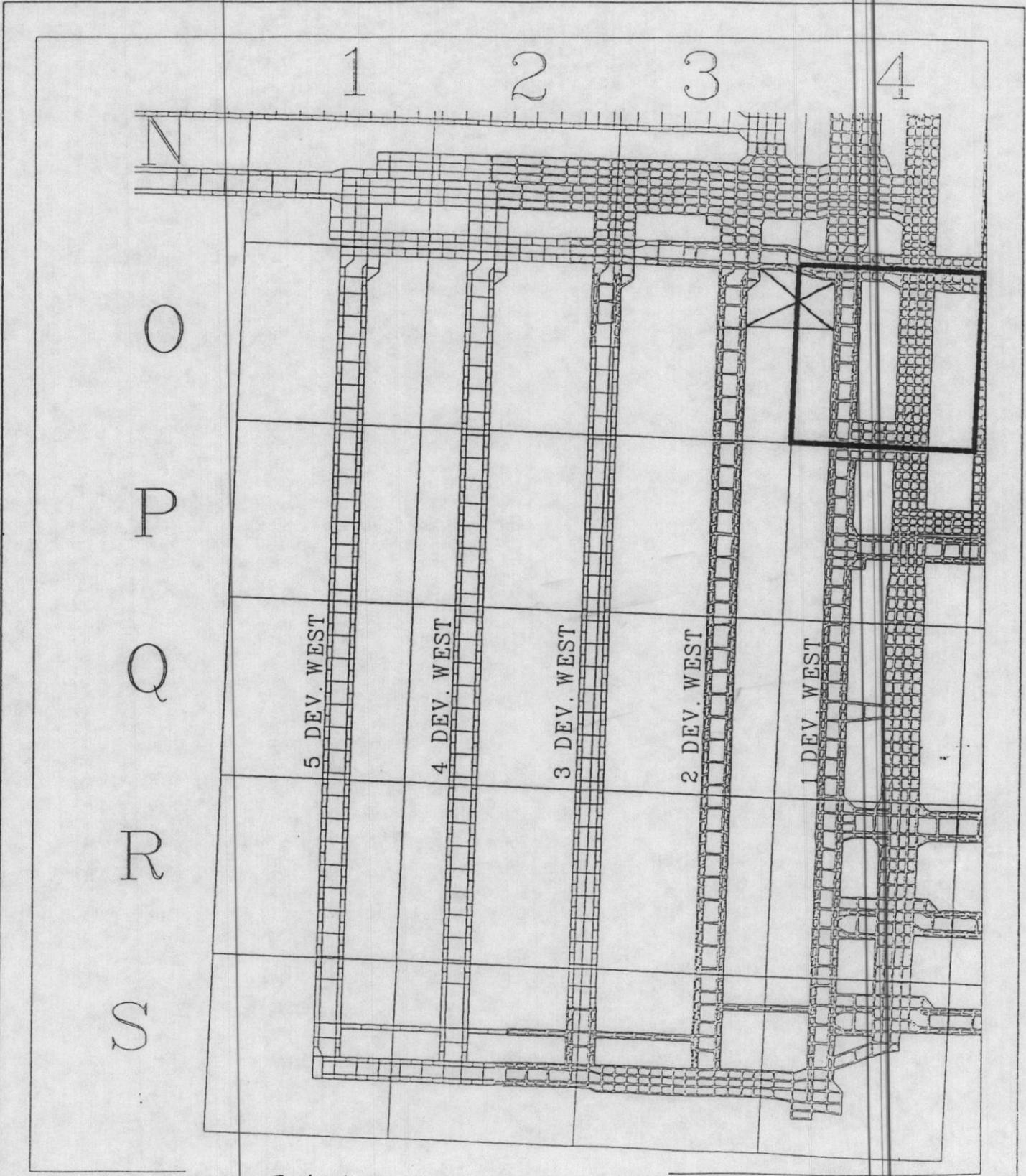


Exhibit (b)

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 3rd day of June, 1994 11:47A M.
 Deed Book No. 423 and Page No. 20 TESTE: James M. Bevins, Jr. Clerk
 Returned this date to: Dept of Manufacture TESTE: [Signature] Deputy Clerk
Abingdon, VA 24210

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

1479

CLERK'S OFFICE CIRCUIT COURT
BUCHANAN COUNTY, VIRGINIA
Filed and admitted to record,
this 11th day of June 1994
at 11:47 o'clock AM.
Recorded Deed Book _____ Page _____
039 State Tax _____
213 County Tax _____
212 Transfer _____
301 Recording 38.00
038 State Tax _____
220 Local Tax _____
145 VSLF 1.00
Total 39.00
Teste James M. Bevins, Jr., Clerk
By [Signature] D.C.