

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

ELECTIONS, UNIT: V-2717

(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-94/04/19-0441

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 May 28, 1994 and recorded at Deed Book 780, Page 252 in the Office of the Clerk of the Circuit Court, Wise County, Virginia on June 3, 1994, (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 June 10, 1994 disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

(c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated July 22, 1994 in accordance with 7.c of the Virginia Gas and Oil Board Regulations and VR 480-05-22.2 (herein "Affidavit of Election"), wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii)

whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;

(d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B.

(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 30th day of October 1994, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 30th day of October, 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 7/31/98

DONE AND PERFORMED this 30th day of October 1994 by Order of this Board.

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

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 30th day of October, 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

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 V-2717, VGOB Docket No. VGOB-94-0419-0441 in the Lipps 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 an attorney 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 May 28, 1994, 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 June 3, 1994;
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.

None.

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) Randall Utterback
 $1/567 \times 12.5\% \times 1.024 = .00000225$
 $.002269 \text{ acres} \times \$5.00 = \$0.01 \text{ bonus}$

2) Karen Utterback
 $1/567 \times 12.5\% \times 1.024 = .00000225$
 $.002269 \text{ acres} \times \$5.00 = \$0.01 \text{ bonus}$

3) Sharon Utterback
 $1/567 \times 12.5\% \times 1.024 = .000002255$
 $.002269 \text{ acres} \times \$5.00 = \$0.01 \text{ bonus}$

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:

ELECTED TO LEASE:

- 1) Glenn Evans and Cynthia Evans
 2) Eddie Huff

LOCATED AND ELECTED TO LEASE:

- 1) Paul Utterback
 2) Shelia Canada
 3) Carl Canada and Vickie Canada

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) David Huff and Betty Huff

- 2) Michael Huff and Deborah Huff
- 3) Ernest Huff
- 4) Gerald Utterback

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 4th day of August, 1994.

James E. Kaiser
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Exploration, a corporation, on behalf of the corporation, this 4th day of August 1994.

My commission expires: March 12, 1996

Camela L. Talbot
Notary

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Presented to the Clerk's Office of Wise Circuit Court 11-10 1994
 Presented and upon the annexed Certificate of acknowledgment admitted
12:44 P. M. The tax imposed by § 61.021 of the Code has been paid in full
 Recorded in Deed Book 790 and Page 606
 Deputy Clerk Mary E. Adams Deputy Clerk

EXHIBIT "B"
V-2717

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
TRACT 1				
Virginia, Iron, Coal & Coke P. O. Box 1871 Roanoke, VA 24008 ATTN: R. G. Poindexter Vice President & General Manger	Leased-EREX 223010L-01 Tract #WI-236	64.456%	80.995	.08057
Euitable Resources Exploration				.56399
Tract 1 Total		64.456%	80.995	64.456
TRACT 2				
Virginia, Iron, Coal & Coke P. O. Box 1871 Roanoke, VA 24008 ATTN: R. G. Poindexter Vice President & General Manager	Leased-EREX 223010L-01 Tract #WI-180	8.096%	10.174	.01012
Equitable Resources Exploration				.07084
Tract 2 Totals		8.096%	10.174	8.096
TRACT 3				
William E. Sluss and Edna W. Sluss, H/W 274 Chesterfield Drive Kingsport, TN 37663	Leased-EREX 244743L-01	.029%	.037	.00003625
Equitable Resources Exploration				.00025375
Tract 3 Totals		.029%	.037	.029

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<u>TRACT 4</u>				
Virginia, Iron, Coal & Coke P. O. Box 1871 Roanoke, VA 24008 ATTN: R. G. Poindexter Vice President & General Manager	Leased-EREX 223010L-01 Tract #WI-113	11.312%	14.215	.01414
Equitable Resources Exploration				.09898
Tract 4 Totals		11.312%	14.215	11.312
<u>TRACT 5</u>				
Vernon Evans and Jewell Evans, H/W RR #3, Box 824 Coeburn, VA 24230	Leased-EREX 244726L-05	.11367%	.14289	.00014222
Alvin Evans and Euva Evans, H/W P. O. Box 1110 Coeburn, VA 24230	Leased-EREX 244276L-19	.11367%	.14289	.00014222
Delmer Evans and Edna Evans, H/W 3712 Hampton Lane Louisville, TN 37777	Leased-EREX 244726L-08	.11367%	.14289	.00014222
Glenn Evans and Cynthia Evans, H/W 2912 Pinetree Drive Edgewater, FL 32141	Leased-EREX 244726L-23	.0285%	.035723	.00003555
Eva Davis and Gary Davis, W/H 934 Golden Drive White Lake, MI 48386	Leased-EREX 244726L-20	.0285%	.035723	.00003555

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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>
Judy Dana Howard and Jerl W. Howard, W/H 154 Beech Street Highland, MI 48357	Leased-EREX 244726L-21	.0285%	.035723	.00003555
Joy Ann Davenport and Rodger Davenport, W/H 4095 Crooks West Bloomfield, MI 48323	Leased-EREX 244726L018	.0285%	.035723	.00003555
Vivian E. Young and Charles Young, W/H 381 Mill Creek Road Kingsport, TN 37664	Leased-EREX 244726L-07	.0571535%	.0714345	.00007111
Allene E. Jones, Widow 4214 Ivanhoe Kingsport, TN 37664	Leased-EREX 244726L-10	.0571535%	.0714345	.00007111
Parilee E. King, Widow Route 3, Box 323 Lebanon, VA 24266	Leased-EREX 244726L-01	.11367%	.14289	.00014222
Bertha Pollard, Widow 111 Willow Street P.O. Box 1553 Middlesboro, KY 40965	Leased-EREX 244726L-06	.11367%	.14289	.00014222
Eulas Adkins and Norma Adkins, H/W 111 Willow Street P. O. Box 1553 Middlesboro, KY 40965	Leased-EREX 244726L-03	.03789%	.04763	.00004741
Marie Griffith and Chester Griffith, W/H 4812 Homewood Drive Mentor, OH 44060	Leased-EREX 244726L-11	.03789%	.04763	.00004741

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Linda Rains and James Rains, W/H P. O. Box 1638 Middlesboro, KY 40965	Leased-EREX 244726L-02	.01263%	.015877	.00001580
Billy Ray Kleusman and Linda Kleusman, H/W 1004 Bella Gardens Middlesboro, KY 40965	Leased-EREX 244726L-04	.01263%	.015877	.00001580
Eulas Ray Adkins and Debbie Adkins, H/W HC 66, Box 224 Barborville, KY 40906	Leased-EREX 244726L-09	.01263%	.015877	.00001580
Don Huff and Marie Huff, H/W 3707 Karma Lane Louisville, TN 37777	Leased-EREX 244726L-09	.01263%	.015877	.00001580
Harry Kiser, Widower Route 1, Box 653 Coeburn, VA 24230	Leased-EREX 244726L-13	.01263%	.015877	.00001580
Eddie Huff and Kathy Huff, H/W Box 272 Pandora, OH 45877	Leased-EREX 244726L-24	.01263%	.015877	.00001580
David Huff and Betty Huff, H/W Route 7 Defiance, OH 43512	Unleased	.01263%	.015877	.00001580
Mabel Hernandez and Dale Hernandez a/k/a Delfino Hernandez, W/H 621 Michigan Street Eaton Rapids, MI 48829	Leased-EREX 244726L-16	.01263%	.015877	.00001580

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Hazel Hutson and Hobart Hutson, W/H 400 Colonial Heights Road Kingsport, TN 37663	Leased-EREX 244726L-15	.01263%	.015877	.00001580
Louise Maples and R.C. Maples, W/H P. O. Box 1109 Coeburn, VA 24230	Leased-EREX 244726L-12	.01263%	.015877	.00001580
Darlene Huff, Single 11320 Dodge Street Warren, MI 48089	Leased-EREX 244726L-14	.003157%	.003969	.00000395
Jackie Lee Huff and Autumn Huff, H/W 219 Baxtertown Rd., Apt. 3 Fishkill, NY 12524	Leased-EREX 244726L-22	.003157%	.003969	.00000395
Michael Huff and Deborah Huff, H/W 3448 Warmar Road Ruckersville, VA 22968	Unleased	.003157%	.003969	.00000395
Ernest Huff, Single 3448 Warmer Road Ruckersville, VA 22968	Unleased	.003157%	.003969	.00000395
Gerald D. Utterback HHC 3 rd BDE, 1st AD Unit 29702, Box 12 APO, AE 09028	Unleased	.001805%	.002269	.00000225
Randall Utterback Unknown ✓	Unleased	.001805%	.002269	.00000225
Karen Utterback Unknown ✓	Unleased	.001805%	.002269	.00000225
Sharon Utterback Unknown ✓	Unleased	.001805%	.002269	.00000225

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Paul Utterback, Single 49 So. Quenton Ave. Dayton, OH 45403	Leased-EREX 244726L-27	.001805%	.002269	.00000225
Carl Canada & Vickie H/W 49 So. Quenton Ave. Dayton, OH 45403	Leased-EREX 244726L-26	.001805%	.002269	.00000225
Shelia Canada, Single 2105 Kylemore Drive Zenia, OH 45385	Leased-EREX 244726L-25	.001805%	.002269	.00000226
Equitable Resources Exploration				.0089601
Tract 5 Totals		1.024	1.286	1.024
TRACT 6				
Virginia, Iron, Coal & Coke P. O. Box 1871 Roanoke, VA 24008 ATTN: R.G. Poindexter Vice President & General Manager	Leased-EREX 223010L-01 Tract #WI-182	11.751%	14.766	.01468875
Equitable Resources Exploration				.10282125
Tract 6 Totals		11.751%	14.766	11.751
TRACT 7				
Clinchfield Lumber & Supply Co. c/o Hubert K. Fletcher P. O. Box 389 St. Paul, VA 24283	Leased-EREX 223062L-01	3.332%	4.187	.004165
Equitable Resources Exploration				.029155
Tract 7 Totals		3.332%	4.187	3.332
TOTAL		100.00%	125.66	100.00