

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING
ELECTIONS, UNIT: V-2716
(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-94/04/19-0442

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 221 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 March 31, 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 26th 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 26th 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 26th 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 26th 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-2716, VGOB Docket No. VGOB-94-0419-0442 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: No elections were received.

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
 $1/567 \times 12.5\% \times 5.116\% = .00001127$
 $.013 \text{ acres} \times \$5.00 = \$0.07 \text{ bonus}$
 - 2) Karen Utterback
 $1/567 \times 12.5\% \times 5.116\% = .00001127$
 $.013 \text{ acres} \times \$5.00 = \$0.07 \text{ bonus}$
 - 3) Sharon Utterback
 $1/567 \times 12.5\% \times 5.116\% = .00001127$
 $.013 \text{ acres} \times \$5.00 = \$0.07 \text{ bonus}$
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:
- ✓ 1) Glenn Evans and Cynthia Evans
 - ✓ 2) Eddie Huff and Kathy Huff
 - ✓ 3) Gerald D. Utterback and Nancy Utterback
 - ✓ 4) Ernest Huff
 - ✓ 5) Alva Marshall and Eugene Marshall
 - ✓ 6) Shelia Canada was located and elected to lease
 - ✓ 7) Carl Canada and Vickie Canada were located and elected to lease
 - ✓ 8) Paul Utterback was located and elected to lease.
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) Joseph Greear and Nancy L. Greear

- 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

Patricia K. Talbott
 Notary

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RECINIA: In the Clerk's Office of Wise Circuit Court 11-10 1994
 presented and upon the annexed Certificate of acknowledgement admitted
1:06 P M. The tax imposed by 58.54 1 of the Code has been paid in
 Recorded in Deed Book 980 and Page 633
 C. Gary Rakes, Clerk Terry Han Deputy Cler.

EXHIBIT 'B'
V-2716

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
<u>TRACT 1</u>				
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-199	26.120%	32.823	.03265
Euitable Resources Exploration				.22855
Tract 1 Totals		26.120%	32.823	26.120
<u>TRACT 2</u>				
Winfred R. Hamm and Ruth Hamm, H/W RR #3, Box 855 Coeburn, VA 24230	Leased-EREX 244703L-01	12.613%	15.8495	.01576625
William K. Anders and Wanda Anders, H/W P. O. Box 232 St. Charles, VA 24282	Leased-EREX 244703L-02	12.613%	15.8495	.01576625
Equitable Resources Exploration				.2207275
Tract 2 Totals		25.226	31.699	25.226
<u>TRACT 3</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-189	.848%	1.065	.00106
Equitable Resources Exploration				.00742
Tract 3 Totals		.848%	1.065	.848

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<u>TRACT 4</u>				
Willis Lawson and Mildred Lawson, H/W P. O. Box 1735 Coeburn, VA 24230	Leased-EREX 244717L-01	.438%	.551	.0005475
Equitable Resources Exploration				.0038325
Tract 4 Totals		.438%	.551	.438
<u>TRACT 5</u>				
Guy Turner and Ella Mae Turner, H/W c/o Ella Mae Turner, Guardian P. O. Box 285 Coeburn, VA 24230	Leased-EREX 244740L-01	1.623%	2.04	.00202875
Equitable Resources Exploration				.01420125
Tract 5 Totals		1.623%	2.04	1.623
<u>TRACT 6</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-189	7.987%	10.036	.00998375
Equitable Resources Exploration				.06988625
Tract 6 Totals		7.987%	10.036	7.987

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<u>TRACT 7</u>				
Roy L. Wells and Ruth B. Wells, H/W P. O. Box 689 Wise, VA 24293	Leased-EREX 242400L-01	14.849%	18.659	.01856125
Equitable Resources Exploration				.12992875
Tract 7 Totals		14.849%	18.659	14.849
<u>TRACT 8</u>				
Vernon Evans and Jewell Evans, H/W RR # 3, Box 824 Coeburn, VA 24230	Leased-EREX 244726L-05	.568%	.715	.00071056
Alvin Evans and Euva Evans, H/W P. O. Box 1110 Coeburn, VA 24230	Leased-EREX 244726L-19	.568%	.715	.00071056
Delmer Evans and Edna Evans, H/W 3712 Hampton Lane Louisville, TN 37777	Leased-EREX 244726L-08	.568%	.715	.00071056
Glenn Evans and Cynthia Evans, H/W 2912 Pinetree Drive Edgewater, FL 32141	Unleased	.143%	.180	.00017764
Eva Davis and Gary Davis, W/H 934 Golden Drive White Lake, MI 48386	Leased-EREX 244726L-20	.143%	.180	.00017764

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Judy Dana Howard and Jerl Howard, H/W 154 Beech Street Highland, MI 48357	Leased-EREX 244726L-21	.143%	.180	.00017764
Joy Ann Davenport and Rodger Davenport, W/H 4095 Crooks West Bloomfield, MI 48323	Leased-EREX 244726L-18	.143%	.180	.00017764
Vivian E. Young and Charles Young, W/H 381 Mill Creek Road Kingsport, TN 37664	Leased-EREX 244726L-07	.287%	.360	.00035528
Allene E. Jones, Widow 4214 Ivanhoe Kingsport, TN 37664	Leased-EREX 244726L-10	.287%	.360	.00035527
Parilee E. King, Widow Route 3, Box 323 Lebanon, VA 24266	Leased-EREX 244726L-01	.568%	.715	.00071055
Bertha Pollard, Widow 111 Willow Street P. O. Box 1553 Middlesboro, KY 40965	Leased-EREX 244726L-06	.568%	.715	.00071055
Eulas Adkins and Norma Adkins, H/W 111 Willow Street P. O. Box 1553 Middlesboro, KY 40965	Leased-EREX 244726L-03	.189%	.238	.00023685
Marie Griffith and Chester Griffith, W/H 4812 Homewood Drive Mentor, OH 44060	Leased-EREX 244726L-11	.189%	.238	.00023685

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Linda Rains and James Rains, W/H 121 Willow Street Middlesboro, KY 40965	Leased-EREX 244726L-02	.061%	.077	.00007895
Billy Ray Kleusman and Linda Kleusman, H/W 1004 Bella Gardens Middlesboro, KY 40965	Leased-EREX 244726L-04	.061%	.077	.00007895
Eulas Ray Adkins and Debbie Adkins, H/W HC 66, Box 224 Barborville, KY 40906	Leased-EREX 244726L-17	.061%	.077	.00007895
Don Huff and Marie Huff, H/W 3707 Karma Lane Louisville, TN 37777	Leased-EREX 244726L-09	.061%	.077	.00007895
Harry Kiser, Widower Route 1, Box 653 Coeburn, VA 24230	Leased-EREX 244726L-13	.061%	.077	.00007895
Eddie Huff and Kathy Huff, H/W Box 272 Pandora, OH 45877	Unleased	.061%	.077	.00007895
David Huff and Betty Huff, H/W Route 7 Defiance, OH 43512	Unleased	.061%	.077	.00007895
Mabel Hernandez and Dale Hernandez a/k/a Delfino Hernandez, W/H 621 Michigan Street Eaton Rapids, MI 48829	Leased-EREX 244726L-16	.061%	.077	.00007895

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Hazel Hutson and Hobart Hutson, W/H 400 Colonial Heights, Rd. Kingsport, TN 37663	Leased-EREX 244726L-15	.061%	.077	.00007895
Louise Maples and R.C. Maples, W/H P. O. Box 1109 Coeburn, VA 24230	Leased-EREX 244726L-12	.061%	.077	.00007895
Darlene Huff, Single 11320 Dodge Street Warren, MI 48089	Leased-EREX 244726L-14	.016%	.019	.00001973
Jackie Lee Huff and Autumn Huff, H/W 219 Baxtertown Rd., Apt.3 Fishkill, NY 12254	Leased-EREX 244726L-22	.016% ¹	.019	.00001973
Michael Huff and Deborah Huff, H/W 3448 Warmar Road Ruckersville, VA 22968	Unleased	.016%	.019	.00001973
Ernest Huff, Single 3448 Warmar Road Ruckersville, VA 22968	Unleased	.016%	.019	.00001973
Gerald D. Utterback HHC 3rd BDE, 1st AD Unit 29702, Box 12 APO, AE 09028	Unleased	.011%	.013	.00001127
Randall Utterback Unknown	Unleased	.011%	.013	.00001127
Karen Utterback Unknown	Unleased	.011%	.013	.00001127
Sharon Utterback Unknown	Unleased	.011%	.013	.00001127

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Paul Utterback 49 So. Quenton Ave. Dayton, OH 45403	Leased-EREX 244726L27	.011%	.013	.00001127
Carl Canada & Vickie Canada 49 South Quenton Ave. Dayton, OH 45403	Leased-EREX	.011%	.013	.00001127
Shelia Canada 2105 Kylemore Drive Xeina, OH 45385	Leased 244726L-25	.011%	.013	.00001127
Equitable Resources Exploration				.0447651
Tract 8 Totals		5.116	6.428	5.116

TRACT 9

Alvin Evans and Euva Evans, H/W P. O. Box 1110 Coeburn, VA 24230	Leased-EREX 244744L-01	.2653%	.333	.00033165
<u>Gavnell Evans Heirs</u> Alva Jean Marshall and Eugene Marshall and 44084 Utica Road Utica, MI 48317	Leased 244744L-06	.02654%	.0334	.00003317
Robert L. Evans and Arzeda Evans, H/W 19225 Templeton Road Charson, VA 23830	Leased-EREX 244744L-02	.02654%	.0334	.00003317
Curtis H. Evans and Sharon Evans, H/W Rt. 3, Box 814 Coeburn, VA 24230	Leased-EREX 244744L-03	.02654%	.0334	.00003317
Brenda Austin and Gary Austin, W/H P. O. Box 235 Coeburn, VA 24230	Leased-EREX 244744L-04	.02654%	.0334	.00003317

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Debbie Smith and Eugene Smith, W/H Rt. 1, Box 400 Nickelsville, VA 24271	Leased-EREX 244744L-05	.02654%	.0334	.00003317
Equitable Resources Exploration				.0034825
Tract 9 Totals		<u>.398</u>	<u>.5</u>	<u>.398</u>
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<u>TRACT 10</u>				
O.J. Bays, Single P. O. Box 475 Wise, VA 24293	Leased-EREX 244735L-01	4.905%	6.163	.00613125
Equitable Resources Exploration				.04291875
Tract 10 Totals		<u>4.905%</u>	<u>6.163</u>	<u>4.905</u>
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<u>TRACT 11</u>				
Joseph R. Greear and Nancy L. Greear, H/W P.O. Box 1102 Coeburn, VA 24230	Unleased	.390%	.490	.0004875
Equitable Resources Exploration				.0034125
Tract 11 Totals		<u>.390%</u>	<u>.490</u>	<u>.390</u>
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TRACT 12				
William E. Sluss and Edna W. Sluss, H/W 274 Chesterfield Drive Kingsport, TN 37663	Leased-EREX 244743L-01	6.693%	8.411	.00836625
Equitable Resources Exploration				.05856375
Tract 12 Totals		6.693%	8.411	6.693
TRACT 13				
Kathleen Bays and G.W. Bays, W/H P. O. Box 475 Wise, VA 24293	Leased-EREX 244731L-01	1.35175%	1.69875	.00168968
Eva K. McClanahan, Widow 1532 Warpath Drive Kingsport, TN 37664	Leased-EREX 244731L-02	1.35175%	1.69875	.00168969
Coralee Lauderback and J.K. Lauderback, W/H 2108 E. Sevier Avenue Kingsport, TN 37662	Leased-EREX 244731L-03	1.35175%	1.69875	.00168969
Freddy G. Lawson and Beatrice Lawson, H/W P. O. Box 482 Norton, Va 24273	Leased-EREX 244731L-04	1.35175%	1.69875	.00168969
Equitable Resources Exploration				.04731125
Tract 13 Totals		5.407%	6.795	5.407
TOTALS		100.00%	125.66	100.00