

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING
ELECTIONS, UNIT: V-3198
(herein "Subject Drilling Unit")

DOCKET NO. VGOB-94/09/20/0472

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 November 9, 1994 and recorded at Deed Book 790, Page 618 in the Office of the Clerk of the Circuit Court, Wise County, Virginia on November 10, 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 November 22, 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 December 28, 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 9th day of January 1994⁵, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 9th day of January, ¹⁹⁹⁵1994, 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 9th day of January ¹⁹⁹⁵1994 by Order of this Board.

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

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 9th day of January, ¹⁹⁹⁵1994, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane J. Davis
Diane J. Davis
Notary Public

My commission expires 9/30/97

VIRGINIA: In the Clerk's Office of Wise Circuit Court 1-17 19 95
This deed was presented and upon the annexed Certificate of acknowledgement admitted to record at 11:11 A M. The tax imposed by 58.54 1 of the Code has been paid in amount of \$ Recorded in Deed Book 794 and Page 302
Terry Hatt Deputy Clerk

V I R G I N I A:

BOOK 794 PAGE 305
BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Equitable Resources Exploration for Forced Pooling of Interests in Unit Number V-3198, VGOB Docket No. VGOB-94-09/20-0472 in the Roberson 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 November 9, 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 November 10, 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 their interest is hereby set forth:

- 1) Samantha Adkins
 $25\% \times 12.5\% \times 10.74\% = .0033562$ RI
 $\$5.00 \times 3.3750$ Acres = \$16.88 bonus
- 2) Samantha Adkins
 $25\% \times 12.5\% \times 3.44\% = .001075$ RI
 $\$5.00 \times 1.080$ Acres = \$5.40 bonus
- 3) Louzenia Salyers Heirs
 $15/49 \times 12.5\% \times 17.35\% = .0066391$ RI
 $\$5.00 \times 6.6735$ Acres = \$33.37 bonus
- 4) Della Amos Heirs
 $8/49 \times 12.5\% \times 17.35\% = .0035408$ RI
 $\$5.00 \times 3.5591$ Acres = \$17.80 bonus
- 5) Elbert Salyers Heirs
 $1/49 \times 12.5\% \times 17.35\% = .0004426$ RI
 $\$5.00 \times 0.4449$ Acres = \$2.23 bonus
- 6) Maggie Grimm aka Maggie Graham Heirs:
 $1/49 \times 12.5\% \times 17.35\% = .0004426$ RI
 $\$5.00 \times 0.4449$ Acres = \$2.23 bonus
- 7) Fred Salyers Heirs
 $1/49 \times 12.5\% \times 17.35\% = .0004426$ RI
 $\$5.00 \times 0.4449$ Acres = \$2.23 bonus
- 8) Cosbie Jane Cox Heirs
 $1/49 \times 12.5\% \times 17.35\% = .0004426$ RI
 $\$5.00 \times 0.4449$ Acres = \$2.23 bonus
- 9) R.H. Hicks Heirs
 $1/7 \times 12.5\% \times 17.35\% = .0030982$ RI
 $\$5.00 \times 3.1143$ Acres = \$15.57 bonus

- 10) T.M. Bates Heirs
1/7 X 12.5% X 17.35% = .0030982 RI
\$5.00 X 3.1143 Acres = \$15.57 bonus
- 11) Joshua Mullins Heirs
1/7 X 12.5% X 17.35% = .0030982 RI
\$5.00 X 3.1143 Acres = \$15.57 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:

None.

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

Henrietta M. Greene et vir.
Douglas W. Mullins, et ux.
David A. Mullins, single
Harold L. Mullins, et ux.
Rebecca A. Beverly, et vir.
Ralph Collins, et ux.

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 28th day of December, 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 24 day of December, 1994.

My commission expires: March 12, 1996



Notary Public

EXHIBIT "B"
V-3198

BOOK 794 PAGE 309

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
1	VICC Land Co. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L WI-64	7.4000%	9.3000	.00925 RI (until 120% well payout) .06475 WI (until 120% well payout)
	Equitable Resources Exploration				
Tract 1 Total			7.4000%	9.3000	7.4%
2	VICC Land Co. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L WI-64	11.6000%	11.5800	.0145 RI (until 120% well payout) .1015 WI (until 120% well payout)
	Equitable Resources Exploration				
Tract 2 Total			11.600%	11.5800	11.60%
3	VICC Land Co. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L WI-64	21.4200%	26.9100	.026775 RI (until 120% well payout) .187425 WI (until 120% well payout)
	Equitable Resources Exploration				
Tract 3 Total			21.42%	26.9100	21.42%
4	VICC Land Co. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L WI-85	8.8500%	11.1200	.0110625 RI (until 120% well payout) .0774375 WI
	Equitable Resources Exploration				
Tract 4 Total			8.8500%	11.1200	8.8500%
5	<u>Henry Gilmer Mullins Heirs</u> Henrietta M. Greene and Herbert K. Greene W/H Route 2 Box 161 Wise, VA 24293	Unleased	1.1480%	1.4420	.001435 RI

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V-3198

BOOK 794 PAGE 310

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTERESTS</u>
	Douglas W. Mullins and Martha Mullins H/W 6582 S. 50th W. Pendleton, IN 46064	Unleased	1.1480%	1.4420	.001435 RI
	David A. Mullins, Single 6582 S. 50th W. Pendleton, IN 46064	Unleased	1.1480%	1.4420	.001435 RI
	Harold L. Mullins and Delmarine Mullins, H/W Route 16 Box 164 West Plains, MO 65775	Unleased	1.1480%	1.4420	.001435 RI
	Rebecca A. Beverly and Johnny Beverly, W/H 70 Glendale-Milford Road, Lot #75 Loveland, OH 45140	Unleased	1.1480%	1.4420	.001435 RI
	Equitable Resources Exploration				.050225 WI
Tract 5 Total			5.74%	7.21	5.74%
6	VICC Land Co. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L WI-64	3.3300%	4.1900	.0041625 RI (until 120% well payout) .0291375 (until 120% well payout)
	Equitable Resources Exploration				
Tract 6 Total			3.3300%	4.1900	3.3300%
7	VICC Land Co. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L WI-64	0.1500%	0.1900	.0001875 RI (until 120% well payout) .0013125 WI (until 120% well payout)
	Equitable Resources Exploration				
Tract 7 Total			0.1500%	0.1900	0.1500%

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V-3198

BOOK 794 PAGE 311

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8	Ralph Collins and Judy Collins RR 2, Box 675 Wise, VA 24293	Unleased	0.5400%	0.6800	.000675 RI .004725 WI
	Equitable Resources Exploration				
Tract 8 Total			0.5400%	0.6800	0.5400%
9	Charles D. Dale and Annis Dale, H/W RR 2 Box 895 Wise, VA 24293	Leased - EREX 244764L01	8.0550%	10.1250	.0100688 RI
	Samantha Adkins Unknown	Unleased	2.6850%	3.3750	.0033562 RI
	Equitable Resources Exploration				.093975 WI
Tract 9 Total			10.74%	13.5	10.74%
10	Charles D. Dale and Annis Dale, H/W RR 2 Box 895 Wise, VA 24293	Leased - EREX 244764L01	2.5800%	3.2400	.003225 RI
	Samantha Adkins Unknown	Unleased	0.8600%	1.0800	.001075 RI
	Equitable Resources Exploration				.0301 WI
Tract 10 Total			3.44%	4.32	3.44%
11	VICC Land Co. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L WI-64	6.5300%	8.2100	.0081625 RI (until 120% well payout) .0571375 WI (until 120% well payout)
	Equitable Resources Exploration				
Tract 11 Total			6.5300%	8.2100	6.53%

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V-3198

BOOK 794 PAGE 312

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12	VICC Land Co. P. O. Box 1578 Coeburn, VA 24230	Leased - EREX 223010L WI-64	2.9100%	3.6500	.0036375 RI
	Equitable Resources Exploration				.0254625 WI
Tract 12 Total			2.9100%	3.6500	2.91%
13	<u>Louzenia Salyers Heirs</u> Unknown	Unleased	5.3111%	6.6735	.0066391 RI
	<u>Della Amos Heirs</u> Unknown	Unleased	2.8326%	3.5591	.0035408 RI
	<u>Elbert Salyers Heirs</u> Unknown	Unleased	0.3541%	0.4449	.0004426 RI
	<u>Maggie Grimm a/k/a</u> <u>Maggie Graham Heirs</u> Unknown	Unleased	0.3541%	0.4449	.0004426 RI
	<u>Fred Salyers Heirs</u> Unknown	Unleased	0.3541%	0.4449	.0004426 RI
	<u>Cosbie Jane Cox Heirs</u> Unknown	Unleased	0.3541%	0.4449	.0004426 RI
	<u>R. H. Hicks Heirs</u> Unknown	Unleased	2.4786%	3.1143	.0030982 RI
	<u>T. M. Bates a/k/a</u> <u>Tennyson Monroe Bates Heirs</u> Unknown	Unleased	2.4786%	3.1143	.0030982 RI
	<u>Joshua Mullins Heirs</u> Unknown	Unleased	2.4786%	3.1143	.0030982 RI
	John C. Hughes and Monette Hughes, H/W HC 5, Box 78 Coeburn, VA 24230	Leased-EREX 244834L01	0.3541%	0.4449	.0004426 RI
	Equitable Resources Exploration				.1518125 WI
Tract 13 Total			17.35%	21.80	17.35%
TOTAL			100.00%	125.66	100.00%