



Methane Gas in all coal seams below the Tiller Seam (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has given notice to all such parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code Ann. §§ 45.1-361.19 and 45.1-361.22, to notice of this Application; and (3) that the persons set forth in Exhibit B-3 hereto are persons identified by Applicant through its due diligence who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formation, in Subject Drilling Unit underlying and comprised of Subject Lands, who had not prior to entry of the Original Pooling Order agreed to lease or sell to the Applicant and/or voluntarily pool their Gas interests and whose Gas interests were pooled pursuant to the terms of the Original Pooling Order. Further, the Board has caused notice of this hearing to be published as required by Va. Code Ann. § 45.1-361.19.B. 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: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests the Board to modify the Original Pooling Order to: (1) authorize the well identified as V-16B on Exhibit A to be drilled and produced by CONSOL Inc., the designated Unit Operator for Subject Drilling Unit, as an additional well by consideration of mine safety within the area of the VP-8 mine plan depicted in Exhibit G and to conform with the mining plans of the coal operator, all as authorized and required by the provisions of Va. Code § 45.1-361.20.C. and the Oakwood I and II Field Rules; (2) grant the Gas and Oil Inspector discretion to act on the permit application for Well V-16B filed with his office on August 29, 1995; and (3) provide that all other terms and provisions of the Original Pooling Order shall continue in full force and effect and that no further election rights be afforded, as the cost of participation or being carried is not changed by Applicant's application herein.

7. Relief Granted: The requested relief in this cause, as more particularly set forth in Paragraph 6 above, be and hereby is granted, and the Original Pooling Order is modified in the following respects: (a) the Gas and Oil Inspector is granted discretion, under the terms of the Original Pooling Order, to act on the Unit Operator's permit application filed August 29, 1995, for Well CBM-V16B; and (b) if and when said permit is issued by the Gas and Oil Inspector, the Unit Operator is authorized to drill and produce Gas from Well CBM-V16B. Except as specifically modified by this Paragraph, the terms and provisions of the Original Pooling Order remain unmodified and continue in full force and effect, including those which pertain to election rights.

<u>Subject Formation</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All coalbeds and coal seams below the Tiller seam, including, but not limited to Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper, Horsepen, Middle Horsepen, War Creek, Lower Horsepen, Pocahontas Nos. 9, 8, 7, 6, 5, 4, 3, 2 and various unnamed seams and associated rock strata	Approximately 80-acre square drilling unit	Three (3) well bores to be located in Unit V-16 of Longwall Panel 4 East as depicted in Well Location Plat attached hereto	Oakwood Coalbed Gas Field I and Oakwood Coalbed Methane Gas Field II for Coalbed Methane Gas including Frac Well Gas, as well as Unsealed Gob Gas, Short Hole Gas, and Gas from any Additional Well	OGCB 3-90, as amended, by VGOB 93-0216-0325, and VGOB 93-0316-0348; and VGOB 91-1119-0162 as amended by VGOB 93-0216-0325, 93-0216-0348 and 93-0316-0349; Original Pooling Order

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

Unit Number V-16  
Buchanan County, Virginia

Pursuant to the Board's Order No. VGOB 91-1119-0162, as amended, the Board has adopted the following method for the calculation of production and revenue and allocation of allowable costs for short hole and unsealed gob production of Coalbed Methane Gas dependent upon the particular long wall mining plan applicable to each 80-acre drilling unit.

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 authorized by the Code of Virginia 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 affected 80-acre drilling unit 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 mining 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. For Frac Well Gas. - Prior to the actual commencement of 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 according to the undivided interests of each owner/claimant within the unit, which undivided interest shall be the ratio (expressed as a percentage) that the amount of mineral acreage within each separate tract that is within the Subject Drilling Unit, when platted on the surface, bears to the total mineral acreage, when platted on the surface, contained within the entire 80-acre drilling unit.

8. Special Findings: The Board specifically and specially finds:
- 8.1. 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;
- 8.2. CONSOL Inc. has accepted Applicant's delegation of authority to explore, develop and maintain the properties and assets of Applicant now owned or hereafter acquired, has agreed to explore, develop and maintain the properties and assets of Applicant, and has consented to serve as Coalbed Methane Gas Unit Operator for Subject Drilling Unit and to faithfully discharge the duties imposed upon it as Unit Operator by statute and regulation, all as evidenced by the Exhibits 2, 3 and 4;
- 8.3. 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;

- 8.4 Applicant, Buchanan Production Company, claims ownership of gas leases, coalbed methane gas leases, and/or coal leases representing 89.8982 percent of the oil and gas interest and 100 percent of the coal interest in Subject Drilling Unit, and applicant claims the right to explore for, develop and produce Coalbed Methane Gas from coal seams below the Tiller seam in Unit Number V-16 in Buchanan County, Virginia, which Subject Lands are more particularly described in Exhibit "A";
- 8.5 Applicant has proposed the drilling of three (3) wells on the Subject Drilling Unit to develop the pool of Gas in Subject Formations. This Order specifically allows the production of frac gas, short hole gas and active gob gas from Wells CBM-V16, CBM-V16A and CBM-V16B.
- 8.6 Permit No. 2936 was issued on July 20, 1995 for Well CBM V-16; Permit No. 2938 was issued on July 20, 1995 for Well CBM-V16A; and a permit application was filed with the Department of Mines, Minerals and Energy, Division of Gas and Oil, on August 29, 1995 for Well CBM-V16B.
- 8.7 The estimated total production from Subject Drilling Unit is 1200 to 2000 MMCF. The estimated amount of reserves from the Subject Drilling Unit is 1200 to 2000 MMCF.
- 8.8 Set forth in Exhibit B-3 is the name and last known address of each Owner or Claimant of Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who did not, in writing, lease to the Applicant or the Unit Operator or agree to voluntarily pool his interests in Subject Drilling Unit for its development. The interests of the Respondents listed in Exhibit B-3 which comprise 10.1018 percent of the oil and gas interests and 00.00 percent of the coal interests in Subject Drilling Unit were pooled by the Original Pooling Order;
- 8.9 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 conforms with the mining plans of the coal operator and promotes mine safety while also ensuring 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;
9. Mailing Of Order And Filing Of Affidavit: Applicant 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 its receipt to each Respondent named in Exhibit B-3 whose address is known.
10. 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).
11. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

12. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 et seq.

13. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 1<sup>st</sup> day of April, 1996, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 1<sup>st</sup> day of April, 1996, 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 WISE )

Acknowledged on this 1<sup>st</sup> day of April, 1996, 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

STATE OF VIRGINIA )  
COUNTY OF WISE )

Acknowledged on this 1<sup>st</sup> day of April, 1996, 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 7/31/97

P/LS

BEARING BASIS:  
VIRGINIA STATE PLANE - SOUTH POLE - NAD'27  
ELEVATIONS:  
BY TRIG. LEVELS FROM CONSOL INC BM'S

○-----○ MINERAL  
●-----● SURFACE

PROPERTY LINES SHOWN  
WERE TAKEN FROM MAPS  
PROVIDED BY CONSOL INC  
AND WERE NOT SURVEYED

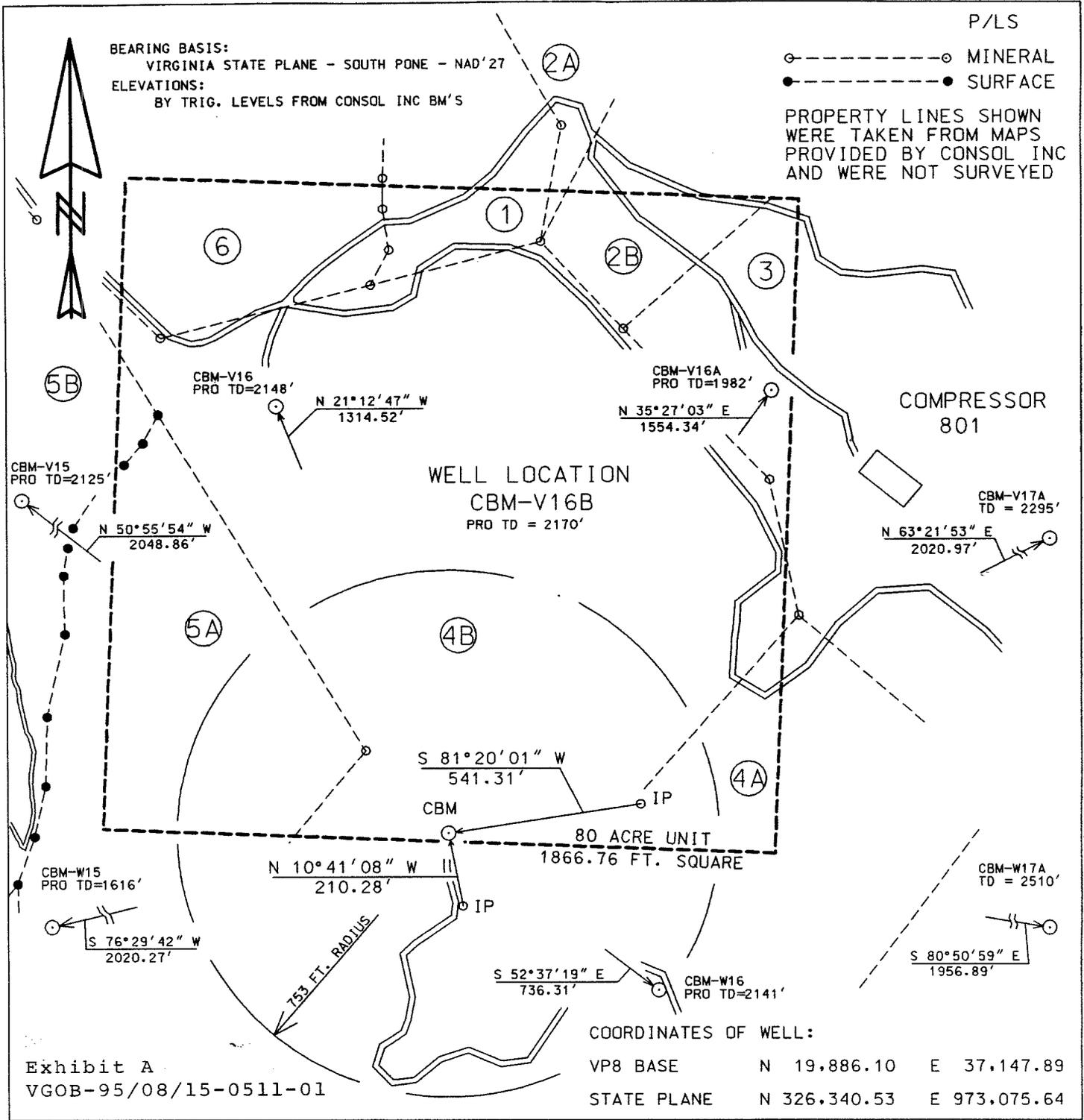


Exhibit A  
VGOB-95/08/15-0511-01

COORDINATES OF WELL:

VP8 BASE	N 19,886.10	E 37,147.89
STATE PLANE	N 326,340.53	E 973,075.64

WELL LOCATION PLAT

Form DGO-GO-7  
Rev. 9/91

Company CONSOL INC Well Name and Number CBM-V16B  
 Tract No. POBST MCGUIRE 2 Elevation 1999.72 Quadrangle VANSANT  
 County BUCHANAN District HURRICANE Scale: 1" = 400' Date 08-16-95

This Plat is a new plat X; an updated plat \_\_\_\_\_; or a final location plat \_\_\_\_\_  
 + Denotes the location of a well on United States Topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

*Charles E. May*

(Affix Seal)

Licensed Professional Engineer or Licensed Land Surveyor

**CONSOL Inc.**  
**Well Plat Legend**  
**Property & Lease Information**  
**Unit: V-16**  
**VGOB-95/08/15-0511-01**

1. Donald & Anna Pearl Ratliff - Surface, Oil & Gas  
Big Axe Tr. 4 - Coal  
Wayles R. Harrison & Landon R. Wyatt, Jr. Trustee  
NONE OF RECORD - Oil & Gas Lessee  
Island Creek Coal Company - Coal Lessee  
Beatrice Pocahontas Company  
Jewell Smokeless Coal Corporation  
Buchanan Production Company - CBM Lessee  
2.176 acres - 2.72%
  
2. Big Axe Tr. 6 - Coal, Oil & Gas  
Wayles R. Harrison & Landon R. Wyatt, Jr., Trustees  
NONE OF RECORD - Oil & Gas Lessee  
Island Creek Coal Company - Coal Lessee  
Beatrice Pocahontas Company  
Jewell Smokeless Coal Corporation  
Buchanan Production Company - CBM Lessee  
3.193 acres - 3.99%
  
- 2A. Donald Ratliff - Surface
- 2B. Donald Ratliff - Surface
  
3. Donald & Anna Pearl Ratliff - Surface, Oil & Gas  
Big Axe Tr. 5 - Coal  
Wayles R. Harrison & Landon R. Wyatt, Jr. Trustee  
NONE OF RECORD - Oil & Gas Lessee  
Island Creek Coal Company - Coal Lessee  
Beatrice Pocahontas Company  
Jewell Smokeless Coal Corporation  
Buchanan Production Company - CBM Lessee  
5.097 acres - 6.372%
  
4. Pobst & McGuire Tr. 2 - Coal, Oil & Gas  
Buchanan Production Company - Oil & Gas Lessee  
Island Creek Coal Company - Coal Lessee  
Permac, Inc.  
Jewell Smokeless Coal Corporation  
Buchanan Production Company - CBM Lessee  
50.635 acres - 63.294%

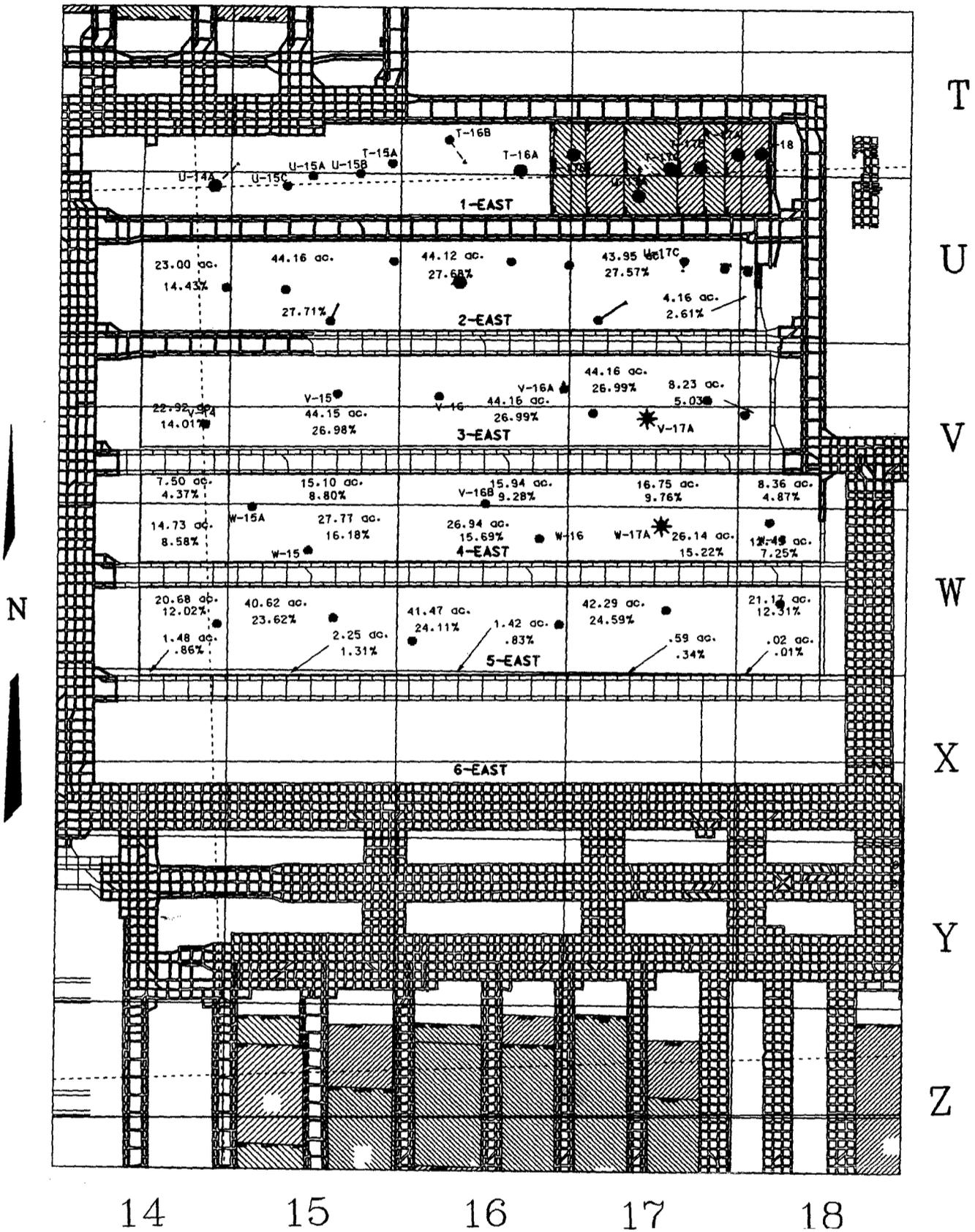
**CONSOL Inc.  
Well Plat Legend  
Property & Lease Information  
Unit: V-16  
VGOB-95/08/15-0511-01**

- 4A. Jackson Heirs - Surface
- 4B. Sammie Harris - Surface
  
- 5. Big Axe Tr. 7 - Coal, Oil & Gas  
Wayles R. Harrison & Landon R. Wyatt, Jr., Trustees  
NONE OF RECORD - Oil & Gas Lessee  
Island Creek Coal Company - Coal Lessee  
Beatrice Pocahontas Company  
Jewell Smokeless Coal Corporation  
Buchanan Production Company - CBM Lessee  
12.779 acres - 15.974%
  
- 5A. Elmer Brown - Surface
- 5B. Tommie Rose - Surface
  
- 6. Jessie Childress Heirs - Surface, Oil & Gas  
Big Axe Tr. 4 - Coal  
Wayles R. Harrison & Landon R. Wyatt, Jr. Trustee  
NONE OF RECORD - Oil & Gas Lessee  
Island Creek Coal Company - Coal Lessee  
Beatrice Pocahontas Company  
Jewell Smokeless Coal Corporation  
Buchanan Production Company - CBM Lessee  
6.12 acres - 7.65%

Unleased Owners or Claimants

	Net Acres in Unit	Interest in Unit	Division of Interest in 3-East = 26.989%	Division of Interest in 4-East = 9.285%
<b>I. OIL &amp; GAS FEE OWNERSHIP</b>				
<b><u>TRACT #1 - 2.176 acres</u></b>				
(1) Donald & Ann Ratliff P.O. Box 359 Oakwood, VA 24631	2.176 acres	2.72 %	0.7341%	0.2526%
<b><u>TRACT #3 - 5.097 acres</u></b>				
(1) Donald & Ann Ratliff P.O. Box 359 Oakwood, VA 24631	5.097 acres	6.372 %	1.7197%	0.5916%
<b><u>TRACT #6 - 6.12 acres</u></b>				
(1) Jessie Childress Heirs	6.12 acres	7.65 %	2.0647%	0.7103%
(a) Eleanor & Robert Hawkins 2719 Brookwood Drive Knoxville, TN 37917	0.3672 acres	0.459 %	0.1239%	0.0426%
(b) Louise & Lester Agee 7601 Bull Run Road Manassas, VA 22110	0.07344 acres	0.0918 %	0.0248%	0.0085%
(c) Phyllis Everette 4472 Dike Road Winter Park, FL 32792	0.3672 acres	0.459 %	0.1239%	0.0426%

VIRGINIA GAS AND OIL BOARD  
 DOCKET NO. VGOB-95/08/15-0511-01  
 EXHIBIT G  
 VP8 MINE



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 8th day of April, 1996 12:32 P. M. Deed Book No. 447 and Page No. 380.  
 Returned this date to: Dept mines  
Minerals & Energy  
 TESTE: James M. Bevins, Jr., Clerk  
 TESTE: Quincy S. Jelle, Deputy Clerk

# 757

CLERK'S OFFICE CIRCUIT COURT  
BUCHANAN COUNTY, VIRGINIA

Filed and admitted to record,  
this 27<sup>th</sup> day of April, 1996  
at 12:32 o'clock P.M.

Recorded Deed Book	Page
039 State Tax	
213 County Tax	
212 Transfer	
301 Recording	<u>20.00</u>
038 State Tax	
220 Local Tax	
145 VSLF	<u>1.00</u>
Total	<u>21.00</u>

Tette James M. Beyrns, Jr., Clerk  
By \_\_\_\_\_ D.C.

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