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**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**APPLICANT: Buchanan Production Company**

**DIVISION OF GAS AND OIL  
DOCKET NO. VGOB-95/10/24-0523**

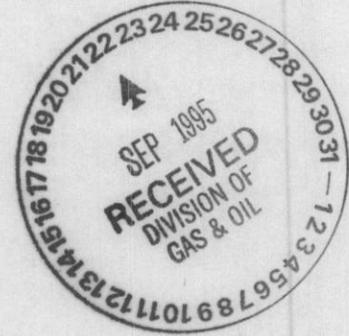
**RELIEF SOUGHT: POOLING**

**LOCATION: SEE EXHIBIT "A1"**

**UNIT NUMBER: R-25  
IN THE OAKWOOD COALBED METHANE GAS FIELD I**

**BUCHANAN COUNTY, VIRGINIA**

**NOTICE OF HEARING**



**HEARING DATE: October 24, 1995  
PLACE: Breaks Interstate Park  
Breaks, Virginia 24607  
TIME: 9:00 AM**

**COMMONWEALTH OF VIRGINIA:** To all persons owning or claiming an interest in oil and gas, coalbed methane gas, coal or other minerals and to all other persons who have or claim to have an interest in the coalbed methane underlying and within Unit R-25, and the lands described on Exhibit "A" to the Application, which is attached to this Notice, in Buchanan County, Virginia (hereinafter "Subject Lands") and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote:

- (1) Keen Mountain Free Pentecostal Holiness Church.

**NOTICE IS HEREBY GIVEN** that Applicant is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order pooling all the rights, interests, and estates of the above named persons pursuant to Virginia Code Ann. §45.1-361.1 *et seq.* in regard to the drilling, development and production of coalbed methane gas from drilling Unit R-25 containing approximately 80.0 acres, for all coal seams below the Tiller seam, including but not limited to the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, War Creek, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2, and various unnamed seams and all associated strata (hereinafter "Subject Formation") as established by Order No. OGCB 3-90 dated May 18, 1990 and by the orders entered in VGOB-91-1119-162, VGOB-92/02/16-0336 and VGOB-93/03/16-0349. Applicant requests that the Board issue an order providing as follows:

- a. Pooling all the interests and estates of the persons named herein and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling, development and production of coalbed methane gas from the subject drilling unit for the Subject Formation underlying and comprised of the Subject Lands;
- b. With respect to coalbed methane gas in the subject drilling unit, Applicant requests that the Board establish a procedure whereby each person named herein shall have the right to elect (1) to assign or lease his interest in the subject drilling unit to the applicant, (2) to enter into a voluntary agreement with the applicant to share in the operation (including the sharing in all reasonable costs of development of the unit) at a rate of payment mutually agreed to by the person making the election hereunder and the applicant herein or (3) to share in the operation of the well(s) and costs of production as a nonparticipating operator on a carried basis after the proceeds allocable to such persons's share equal the following:
  - In the case of a leased tract, 300 percent of the share of such costs allocable to such persons's interest; or
  - In the case of an unleased tract, 200 percent of the share of such costs allocable to such persons's interest;all as determined by the Board;
- c. Providing that any person named herein who does not make a timely written election under the terms of the Order to be entered herein shall be deemed to have leased or assigned his coalbed methane gas interests in the subject drilling unit to the applicant herein at a rate to be established by the Board;

- d. Designating CONSOL Inc., on behalf of Buchanan Production Company, as Unit Operator; providing that the operator shall have the right to drill, develop, produce, market and sell coalbed methane gas from the subject drilling unit; granting the operator the right to market and sell the coalbed methane gas from the subject drilling unit which is attributable to the conflicting claims and interests pooled herein; providing that the operator shall have an operator's lien on the coalbed methane gas estate and rights owned or claimed by the persons named herein in the subject drilling unit; and granting the operator the right to drill at any legal or specially permitted location on the subject drilling unit.
- e. Making any necessary provisions for the escrow of funds pursuant to Va. Code Ann. §45.1-361.21 and 361.22;
- f. Providing that the order to be entered herein shall expire one (1) year from the date of its issuance if operations on the subject drilling unit have not commenced by said date; but further providing that if operations have commenced during said one year period, then said order shall remain in effect for so long as operations continue on the subject drilling unit. However, in the event an appeal is taken from the order issued, the time between the mailing of the notice of appeal and the final order of the Circuit Court shall be excluded in calculating the one year period referred to herein.
- g. With respect to separately owned tracts and separately owned interests in the subject 80-acre drilling unit, joining all the interests within said 80-acre drilling unit for the production of coalbed methane gas so that each owner in the 80-acre drilling unit will share in all production and all costs regarding the said 80-acre drilling unit in the proportion that the acreage owned by such owner bears to the entire acreage in that 80-acre drilling unit.
- h. Providing that operations under and in accordance with this order shall be regarded and considered as development, operations and production upon all lands and tracts included within the subject 80-acre drilling unit. Production from any well(s) drilled on, operated, or produced from any part of the 80-acre drilling unit, no matter where located, shall for all purposes be regarded as production from each separately-owned tract within the subject 80-acre drilling unit. The portion of production produced from and attributed to any tract within 80-acre drilling unit shall be deemed for all purposes to have been actually produced from such tract, and development, exploration or production operations with respect to the said 80-acre drilling unit shall be deemed for all purposes to be the conduct of such operations for the production of gas from each separately owned tract in said 80-acre unit.
- i. Granting such other relief as is merited by the evidence and is just and equitable, whether or not such relief has been specifically requested herein.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at 9:00 AM, on October 24, 1995, at the Breaks Interstate Park Virginia in Breaks, Virginia, and that notice will be published as required by law and the rules of the Board.

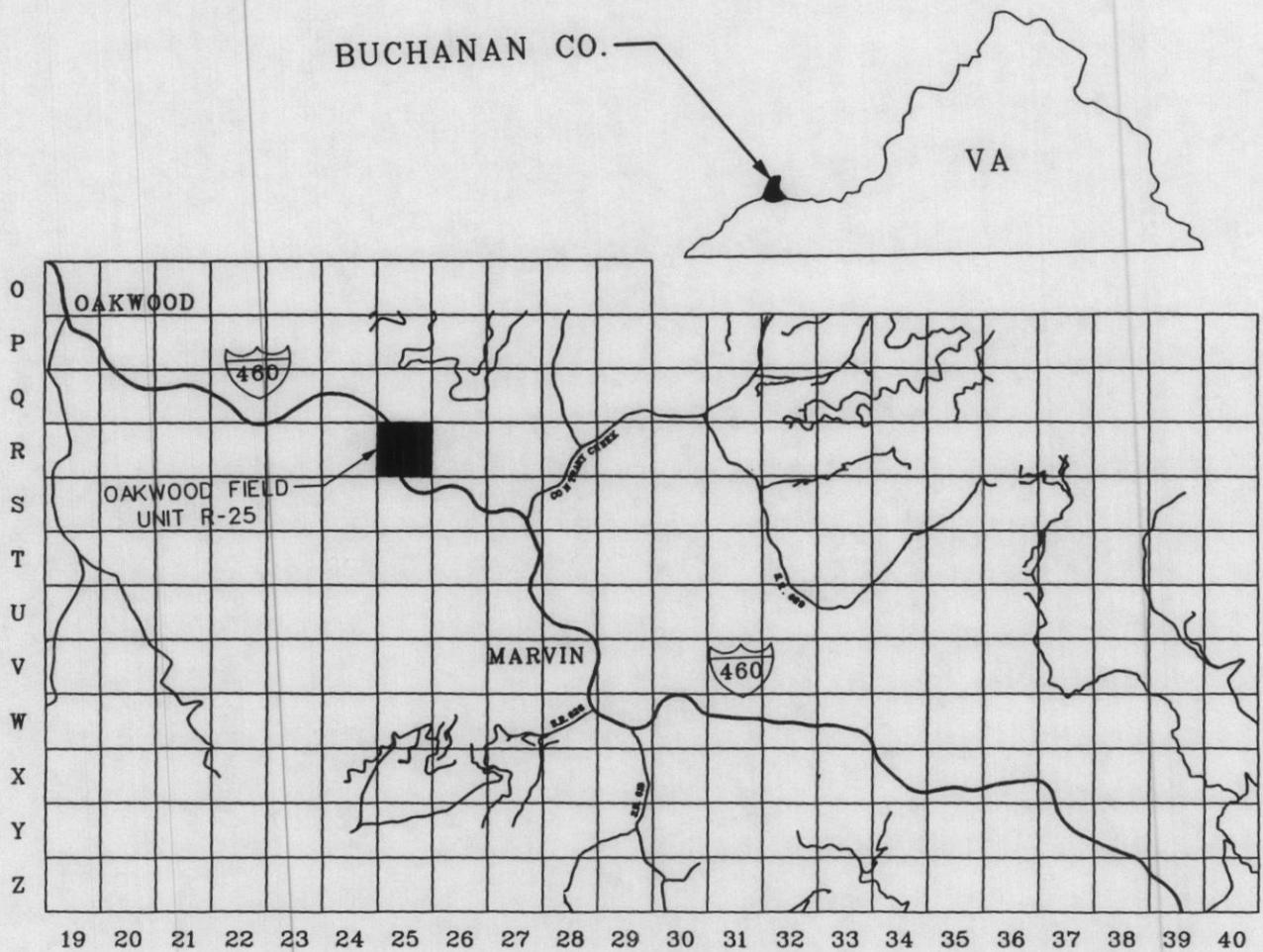
NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. The Board rules require that any written objections you wish to file must be filed with the Board at least 10 days before the hearing. For further information, contact the Virginia Gas and Oil Board, State Oil and Gas Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P. O. Box 1416, Abingdon, Virginia 24210, 540/676-5423 or the Applicant at the address shown below.

DATED: September 22<sup>ND</sup> 1995

BUCHANAN PRODUCTION COMPANY,  
BY ITS PROFESSIONAL MANAGER  
CONSOL Inc.,  
APPLICANT

By Leslie K. Arrington  
Leslie K. Arrington  
Permit Specialist  
CONSOL Inc.  
P.O. Box 947  
Bluefield, VA 24605  
540/326-6354

# EXHIBIT A-1



OAKWOOD FIELD UNIT R-25  
VG0B-95/10/24-0523