

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

ELECTIONS, UNIT: VC-3561

(herein "Subject Drilling Unit")

DOCKET NO. VGOB-96/02/20-0534-01

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 July 11, 1996 and recorded in Deed Book 318, Page 681 in the Office of the Clerk of the Circuit Court, Dickenson County, Virginia on July 23, 1996, (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 Energy Company (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 July 26, 1996, 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 September 3, 1996 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)

Acknowledged on this 1st day of October, 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

DONE AND PERFORMED this 1st day of October 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 WASHINGTON

Acknowledged on this 1st day of October, 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 9/30/97

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.

(e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Premier Trust Company, 29 College Drive, P. O. Box 1199, Bluefield, Virginia 24605, 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, Premier Trust Company, 29 College Drive, P. O. Box 1199, Bluefield, Virginia 24605, 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 1st day of October 1996, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA)
COUNTY OF WISE)

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Equitable Resources Energy Company, Eastern Region, for Forced Pooling of Interests in Unit Number VC-3561, VGOB Docket No. VGOB-96/0220-0534-1 in the Ervinton Magisterial District of Dickenson 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 July 11, 1996, by the Virginia Gas and Oil Board regarding the captioned Coalbed Methane 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 July 23, 1996;
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) Estate of Tom Wright, Tract 3, (gas and coal estate)
0.00875000 royalty interest

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.

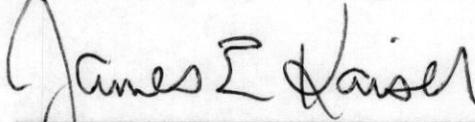
8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraphs 3 and 2(c) of the Order.

<u>Name</u>	<u>Tract No.</u>
Estate of Tom Wright	3 (gas and coal estate)
Nora Counts, widow Susie Deel, et vir Retha Grizzle, et vir	4 (gas and coal estate)

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 identified 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.

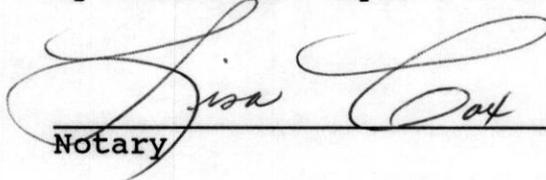
Dated at Kingsport, Tennessee, this 3rd day of September 1996.



Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Energy Company, Eastern Region, a corporation, on behalf of the corporation, this 3rd day of September 1996.

My commission expires: 5-30-99



Notary

EXHIBIT "B"
VC-3561
 VGOB 96/02/20-0534-1

BOOK **321** PAGE **278**

<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>
Gas Estate Only					
1	Pine Mountain Oil & Gas Company Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24266	Leased - EREX 241490L (PO-148) T-261	81.000000%	47.5300	0.10125000 RI
	Equitable Resources Energy Company				0.70875000 WI
	Tract 1 Totals:		81.000000%	47.5300	0.81000000
2	Reba Emily Counts, widow 280 Fairway Drive Abingdon, VA 24210	Leased - EREX 241577L01	5.500000%	3.4000	0.00687500 RI
	Caroline Counts Sharpe 7933 Harper Road Hixon, TN 37343	Leased - EREX 241577L01	2.750000%	1.7000	0.00343750 RI
	E. Martin Counts, Jr. 119 South Germantown Road Chantano, TN 37411	Leased - EREX 241577L01	2.750000%	1.7000	0.00343750 RI
	Equitable Resources Energy Company				0.09625000 WI
	Tract 2 Totals:		11.000000%	6.8000	0.11000000
3	<u>Estate of Tom Wright</u>		7.000000%	4.0700	0.00875000 RI
	Heirs of Tom Wright Unknown	Unleased 2/3 Remaindermen			
	Viola Wright, widow Star Route Dante, VA 24237	Unleased 1/3 Life Estate			
	Terry D. Ball and Lisa K. Ball, H/W P. O. Box 790 Haysi, VA 24256	Unleased			
	Equitable Resources Energy Company				0.06125000 WI
	Tract 3 Totals:		7.000000%	4.0700	0.07000000
4	Nora Counts, widow HC 67, Box 354 Dante, VA 24237	Unleased Life Estate	0.000000%	0.0000	0.00000000 RI
	Susie Deel and Carter Deel, W/H HC 67, Box 354 Dante, VA 24237	Unleased Remainderman	0.500000%	0.1850	0.00062500 RI
	Retha Grizzle and Lee Grizzle, W/H Rt. 2, Box 559 Haysi, VA 24256	Unleased Remainderman	0.500000%	0.1850	0.00062500 RI
	Equitable Resources Energy Company				0.00875000 WI
	Tract 4 Totals:		1.000000%	0.3700	0.01000000
GAS ESTATE TOTALS			100.000000%	58.7700	1.00000000

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT	NET REVENUE INTERESTS
Coal Estate Only					
1	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased - EREX 241490L (PO-148) T-261	81.000000%	47.5300	0.10125000 RI
	Equitable Resources Energy Company				0.70875000 WI
	Tract 1 Totals:		81.000000%	47.5300	0.81000000
2	Reba Emily Counts, widow 280 Fairway Drive Abingdon, VA 24210	Leased - EREX 241577L01	5.500000%	3.4000	0.00687500 RI
	Caroline Counts Sharpe 7933 Harper Road Hixon, TN 37343	Leased - EREX 241577L01	2.750000%	1.7000	0.00343750 RI
	E. Martin Counts, Jr. 119 South Germantown Road Chantano, TN 37411	Leased - EREX 241577L01	2.750000%	1.7000	0.00343750 RI
	Equitable Resources Energy Company				0.09625000 WI
	Tract 2 Totals:		11.000000%	6.8000	0.11000000
3	<u>Estate of Tom Wright</u>		7.000000%	4.0700	0.00875000 RI
	Heirs of Tom Wright Unknown	Unleased 2/3 Remaindermen			
	Viola Wright, widow Star Route Dante, VA 24237	Unleased 1/3 Life Estate			
	Terry D. Ball and Lisa K. Ball, H/W P. O. Box 790 Haysi, VA 24256	Unleased			
	Equitable Resources Energy Company				0.06125000 WI
	Tract 3 Totals:		7.000000%	4.0700	0.07000000
4	Nora Counts, widow HC 67, Box 354 Dante, VA 24237	Unleased Life Estate	0.000000%	0.0000	0.00000000 RI
	Susie Deel and Carter Deel, W/H HC 67, Box 354 Dante, VA 24237	Unleased Remainderman	0.500000%	0.1850	0.00062500 RI
	Retha Grizzle and Lee Grizzle, W/H Rt. 2, Box 559 Haysi, VA 24256	Unleased Remainderman	0.500000%	0.1850	0.00062500 RI
	Equitable Resources Energy Company				0.00875000 WI
	Tract 4 Totals:		1.000000%	0.3700	0.01000000
COAL ESTATE TOTALS			100.000000%	58.7700	1.00000000

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Oct. 30, 1996. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:17 o'clock PM, after payment of \$ tax imposed by Sec. 58.1-802.

TESTE: JOE TATE, CLERK

BY: [Signature] D. CLERK

Original returned this date to: Diane Davis