

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING
ELECTIONS, UNIT: VC-3596

DOCKET NO. VG0B-97/0318-0568

(hereinafter "Subject Drilling Unit")

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 subject Docket on April 14, 1997, and recorded at Deed Book 325, Page 451 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on April 22, 1997 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest 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 interest, if any, were pooled by said Board Order;
- (b) The designated operator filed its affidavit of mailing dated April 28, 1997, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
- (c) The Board Order required each Respondent whose interest, 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 June 16, 1997, 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 interest, 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, interest, 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, Premier Trust Company, P.O. Box 1199, Bluefield, Virginia 24605-1199, 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. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
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, Tazwell National Bank Trust Department, c/o Premier Bankshares Corporation, 29 College Drive, Premier, P.O. Box 1199, Bluefield, Virginia 24605-1199, 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 true and correct copy 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 11th day of August, 1997 by a majority of the Virginia Gas and Oil Board.



 Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 11th day of August, 1997, by Order of this Board.

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

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 11th day of August, 1997, 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 11th day of August, 1997, 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 Chairman 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:

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-3596, VGOB Docket No. VGOB-97/0318-0568 in the Kenady Magisterial District of Dickenson County, Virginia.

AFFIDAVIT OF WILHOIT, WEATHERLY, STETSON & KAISER, 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 WILHOIT, WEATHERLY, STETSON & KAISER, the Agent for the Designated Operator, with offices located at 155 Shelby Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on April 14, 1997, 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 are added as Respondents at the hearing held in the 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 April 22, 1997.
5. That the Designated Operator, by and through their agent, Wilhoit, Weatherly, Stetson & Kaiser, 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 periods:

<u>Tract</u>	<u>Name</u>	<u>Cash Consideration</u>
Tract 3 Gas Estate:	Susan C. Lantz and Kurt C. Lantz	2.42667 Acres x \$5 = \$12.14

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:

Tract 3: James J. Hamilton, et ux
 4.130% x 1/8 RI = .00516250 RI
 James P. Lee, single
 4.130% x 1/8 RI = .00516250 RI
 Susan C. Lantz, et vir
 4.130% x 1/8 RI = .00516250 RI
Or

VICC Land Company
 12.390% x 1/8 RI = .01548750 RI

Tract 4: Charles P. Odum, unknown
 2.280% x 1/8 RI = .00285000 RI
Or

VICC Land Company
 2.280% x 1/8 RI = .0285000 RI

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© of the Order.

<u>Tract</u>	<u>Name</u>	<u>Cash Consideration</u>
Tract 4 Gas Estate:	Charles Odum	1.34 Acres x \$5 = \$6.70

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 that the services of the

Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22A.3 and 4.

Dated at Kingsport, Tennessee, this 16th day of June 1997.

James E Kaiser
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Energy Company, a corporation, on behalf of the corporation, this 16th day of June 1997.

My commission expires: 6/19/2000

Jennie R. Pendleton
Notary

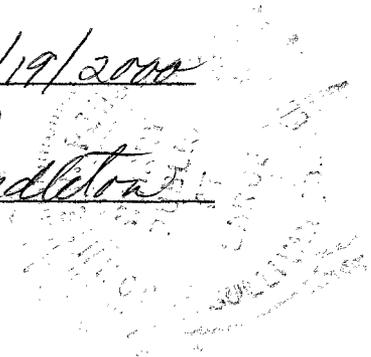


EXHIBIT "B"
VC-3596

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<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>
<u>Gas Estate Only</u>					
1	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24226	Leased-EREC 241490L Tract T-626	59.040%	34.70000	0.07380000 RI
	Equitable Resources Energy Company				0.51660000 WI
	Tract 1 Totals		59.040%	34.70000	0.59040000
2	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24226	Leased-EREC 241490L Tract T-624	23.110%	13.58000	0.02888750 RI
	Equitable Resources Energy Company				0.20221250 WI
	Tract 2 Totals		23.110%	13.58000	0.23110000
3	James J. Hamilton and Daphne M. Hamilton H/W Route 2 Box 118 Coeburn, VA 24230	Leased-EREC 245217L-01	4.130%	2.42666	0.00516250 RI
	James P. Lee, single 1491 East 191st Street Euclid, OH 44117	Leased-EREC 245217L-02	4.130%	2.42667	0.00516250 RI
	Susan C. Lantz and Kurt C. Lantz, H/W 17626 Cypress Spring Dr. Spring, TX 77388-5722	Unleased	4.130%	2.42667	0.00516250 WI
	Equitable Resources Energy Company				0.10841250 WI
	Tract 3 Totals		12.390%	7.28000	0.12390000

EXHIBIT "B"
VC-3596

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<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>
4	Charles P. Odum Unknown	Unleased	2.280%	1.34000	0.00285000 RI
	Equitable Resources Energy Company				0.01995000 WI
Tract 4 Totals			2.280%	1.34000	0.02280000
5	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24226	Leased-EREC 241490L Tract T-625	3.180%	1.87000	0.00397500 RI
	Equitable Resources Energy Company				0.02782500 WI
Tract 5 Totals			3.180%	1.87000	0.03180000
GAS ESTATE TOTALS			100.000%	58.77000	1.00000000

EXHIBIT "B"

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<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>
<u>Coal Estate Only</u>					
1	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 5100 Lebanon, VA 24226	Leased-EREC 241490L Tract T-626	59.040%	34.70000	0.07380000 RI
	Equitable Resources Energy Company				0.51660000 WI
	Tract 1 Totals		59.040%	34.70000	0.59040000
2	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 5100 Lebanon, VA 24226	Leased-EREC 241490L Tract T-624	23.110%	13.58000	0.02888750 RI
	Equitable Resources Energy Company				0.20221250 WI
	Tract 2 Totals		23.110%	13.58000	0.23110000
3	VICC Land Company PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L Tract D-42	12.390%	7.28000	0.01548750 RI Before Payout
					0.02323125 RI After Payout
	Equitable Resources Energy Company				0.10841250 WI Before Payout
					0.10066875 WI After Payout
	Tract 3 Totals		12.390%	7.28000	0.12390000

EXHIBIT "B"

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<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>
4	VICC Land Company PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L Tract D-42	2.280%	1.34000	0.00285000 RI Before Payout 0.00427500 RI After Payout 0.01995000 WI Before Payout 0.01852500 WI After Payout
Tract 4 Totals			2.280%	1.34000	0.02280000
5	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 5100 Lebanon, VA 24226	Leased-EREC 241490L Tract T-625	3.180%	1.87000	0.00397500 RI 0.02782500 WI
Tract 5 Totals			3.180%	1.87000	0.03180000
COAL ESTATE TOTALS			100.000%	58.77000	1.00000000

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Aug 13, 1997. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:54 o'clock P.M, after payment of \$ — tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: JOE TATE, CLERK
BY: [Signature] D. CLERK