

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES ENERGY COMPANY) VIRGINIA GAS
A West Virginia Corporation) AND OIL BOARD
))
RELIEF SOUGHT: POOLING OF INTERESTS IN A DRILLING) DOCKET NO.
UNIT LOCATED IN THE ROARING FORK) 97-0415-0575
COALBED METHANE GAS FIELD DESCRIBED)
IN EXHIBIT A HERETO AND SERVED BY)
WELL NO. VC-3290 (herein "Subject)
Drilling Unit") PURSUANT TO VA.)
CODE §§ 45.1-361.21 AND)
45.1-361.22, FOR THE PRODUCTION)
OF OCCLUDED NATURAL GAS PRODUCED)
FROM COALBEDS AND ROCK STRATA)
ASSOCIATED THEREWITH (herein)
"Coalbed Methane Gas" or "Gas"))

LEGAL DESCRIPTION:)
))
SUBJECT DRILLING UNIT SERVED BY WELL NUMBERED)
VC-3290 (herein "Well") TO BE DRILLED IN)
THE LOCATION DEPICTED ON EXHIBIT A HERETO,)
PVRC TRACT 702)
FLAT GAP QUADRANGLE,)
GLADEVILLE MAGISTERIAL DISTRICT,)
WISE COUNTY, VIRGINIA)
(the "Subject Lands" are more)
particularly described on Exhibit)
"A", attached hereto and made a)
part hereof))

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on April 15, 1997, Dickenson Conference Room, Southwest Virginia 4-H Center, Abingdon, Virginia.

2. Appearances: James E. Kaiser of Wilhoit, Weatherly, Stetson & Kaiser, appeared for the Applicant; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner and/or potential owner, i.e., person identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed

Methane Gas in all Pennsylvania-aged coals from the top of the Raven, including all splits, to the top of the green and red shales, including, but not limited to Raven, Jawbone, Upper Horsepen, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, and Pocahontas No. 1, and any other unnamed coal seams, coalbeds and rock strata associated therewith (hereafter "Subject Formations") in the Subject Drilling Unit underlying and comprised of Subject Lands; (2) has given notice to those parties so identified (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 the application filed herein; and (3) that the persons set forth in revised Exhibit B hereto have been identified by Applicant as persons who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formations in the Subject Drilling Unit, underlying and comprised of Subject Lands. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 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: Exhibit B to reflect newly acquired Gas lease(s).

5. Dismissals: None.

6. Relief Requested: Applicant requests that pursuant to Va. Code § 45.1-361.21, the Board pool the rights, interests and estates in and to the Gas in the Subject Drilling Unit, including those of the known and unknown persons named in revised Exhibit B hereto and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas produced from the Subject Drilling Unit established for the Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"); and, (3) that the Board designate Equitable Resources Energy Company as the Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) pursuant to Va. Code Ann. § 45.1-361.21.C.3, Equitable Resources Energy Company (hereafter "Unit Operator" or "Operator") is designated as the Operator authorized to drill and operate the Well in Subject Drilling Unit, subject to the permit provisions contained in Va. Code §§ 45.1-361.27, et seq.; to §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; to §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; and to the Board's Order entered May 31, 1994, establishing Drilling Units for the Roaring Fork Coalbed Methane Gas Field; all as amended from time to time; and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, including those of the known and unknown persons listed on revised Exhibit B, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, leased or unleased, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formation</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All Pennsylvanian aged coals from the top of Raven, including all splits, to top of the red and green shales, including, but not limited to Raven, Jawbone, Upper Horsepen, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 1, and any other unnamed coal seams, coalbeds, and rock strata, associated therewith	Approximately 80 acres	Well VC-3290 to be located as depicted on Exhibit A, Depth: 2,390 feet.	Roaring Fork Coalbed Methane Gas Field	VGOB Order dated May 31, 1994, establishing Drilling Units for the Roaring Fork Coalbed Methane Gas Field in VGOB Docket No. 94-0215-0435

For the Subject Drilling Unit
underlying and comprised of the Subject
Land Served by Well No. VC-3290

Wise County, Virginia

8. Election and Election Period: In the event any Gas Owner or Claimant named in revised Exhibit B has not reached a voluntary agreement to share in the operation of the well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said Gas Owner or Claimant and the Operator, then such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed his written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in revised Exhibit B who has not reached a voluntary agreement with the Operator may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs (Multiple Completion):

\$175,100.00

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's Interest Within Unit as set forth in the third column Exhibit B times the Completed-for-Production Costs set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in revised Exhibit B hereto who has not reached a voluntary agreement with the Unit Operator may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Gas produced from any well development covered by this Order multiplied by that person's Interest Within Unit as set forth in the third column of Exhibit B (for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not

limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas Owner or Claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing person in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any gas Owner or Claimant named in revised Exhibit B who has not reached a voluntary agreement with the Unit Operator may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such

reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which his interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event any Gas Owner or Claimant named in revised Exhibit B hereto has not reached a voluntary agreement with the Unit Operator and fails to elect within the time, in the manner, and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to any final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies, and shall be deemed to have leased and/or assigned his right, interests, and claims in and to said Gas produced from Subject Formation in Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in revised Exhibit B elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated, Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in revised Exhibit B is unable to reach a voluntary agreement to share in the operation of the well contemplated by this Order at a rate of payment agreed to mutually by said Gas Owner or Claimant and the Operator, and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests, and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said elections.

13. Unit Operator (or Operator): Equitable Resources Energy Company be and hereby is designated as Unit Operator authorized to drill and operate Well No. VC-3290 in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code Ann. §§ 45.1-361.27 et seq.; §§ 4 VAC 5-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; and the Virginia Gas and Oil Board's Order entered May 31, 1994, establishing drilling units for the Roaring Fork Coalbed Methane Gas Field; all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Equitable Resources Energy Company
 Eastern Region
 P. O. Box 1983
 1989 East Stone Drive
 Kingsport, TN 37662-1983
 Phone: (423) 224-3800
 Fax: (423) 224-3891
 Attn: Dennis R. Baker, Regulatory

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referenced herein.

Upon completion of any well whose costs comprise part of the Estimated Completed-for-Production Costs set forth in Paragraph 9.1, and within ninety (90) days after production into the pipeline is obtained and restoration of the location is completed, the Operator shall file with the Board a revised exhibit reflecting the actual Completed-for-Production Costs for the Subject Drilling Unit.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates,

rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

16.1 Escrow Account: By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank
Trust Department
c/o Premier Bankshares Corporation
29 College Drive, P. O. Box 1199
Bluefield, VA 24605-1199
Telephone: (540) 322-2242
Fax: (540) 322-2766

16.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and, pursuant to Va. Code § 45.1-361.21.D, said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code Ann. § 45.1-361.21.D.

16.2. Escrow Provisions for Conflicting Claimants: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of the recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of each month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of,

the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:
- 17.1 Applicant is a West Virginia corporation, duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 17.2 Applicant claims ownership of oil and gas and coalbed methane gas leasehold estates representing 97.9768 percent of the Gas estate, and 100 percent of the coal estate for the acreage underlying the Subject Drilling Unit.
- 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.4 Applicant has proposed the drilling of one (1) well, Well No. VC-3290, to a depth of 2,390 feet on the Subject Drilling Unit to develop the Gas in Subject Formations.
- 17.5 Respondents are listed on revised Exhibit "B". Set forth in revised Exhibit B is the name and last know address of each person identified by the Applicant as having or claiming an interest in the Coalbed Methane Gas in the Subject Drilling Unit underlying and comprised of Subject Lands, including those Gas Owners or Claimants who have not in writing, leased to the Applicant or agreed to voluntarily pool their Gas interest in Subject Drilling Unit for its development. The Gas Owners or Claimants who have not reached a voluntary agreement to share in the operation of the well represent 2.0232 percent of the Gas estate in Subject Drilling Unit.
- 17.6 The estimated production over the life of the proposed well is 500 million cubic feet.
- 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in paragraph 9 above.
- 17.8 Well Work Permit Number 3338 hasd been issued by the Department of Mines, Minerals and Energy for Well VC-3290.
- 17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production of the Gas from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of 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.

18. 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 receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.

19. 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).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

21. 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.

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

DONE AND EXECUTED this 1st day of May, 1997, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED this 1st day of May, 1997, by Order of this Board.


Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 1st day of May, 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)

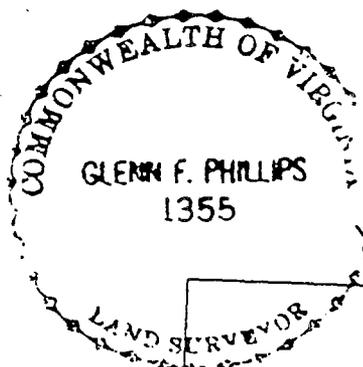
Acknowledged on this 1st day of May, 1997,
personally before me a notary public in and for the Commonwealth of Virginia,
appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is
Principal Executive to the Staff of the Virginia Gas and Oil Board, that he
executed the same and was authorized 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 5-5-97
This deed was presented and upon the annexed Certificate of acknowledgement admitted to
record at 1:29 P M. The tax imposed by 58.541 of the Code has been paid in the
amount of \$ Recorded in Deed Book 847 and Page 403
J. Jack Kennedy, Jr., Clerk Templeton Deputy Clerk

3,590'

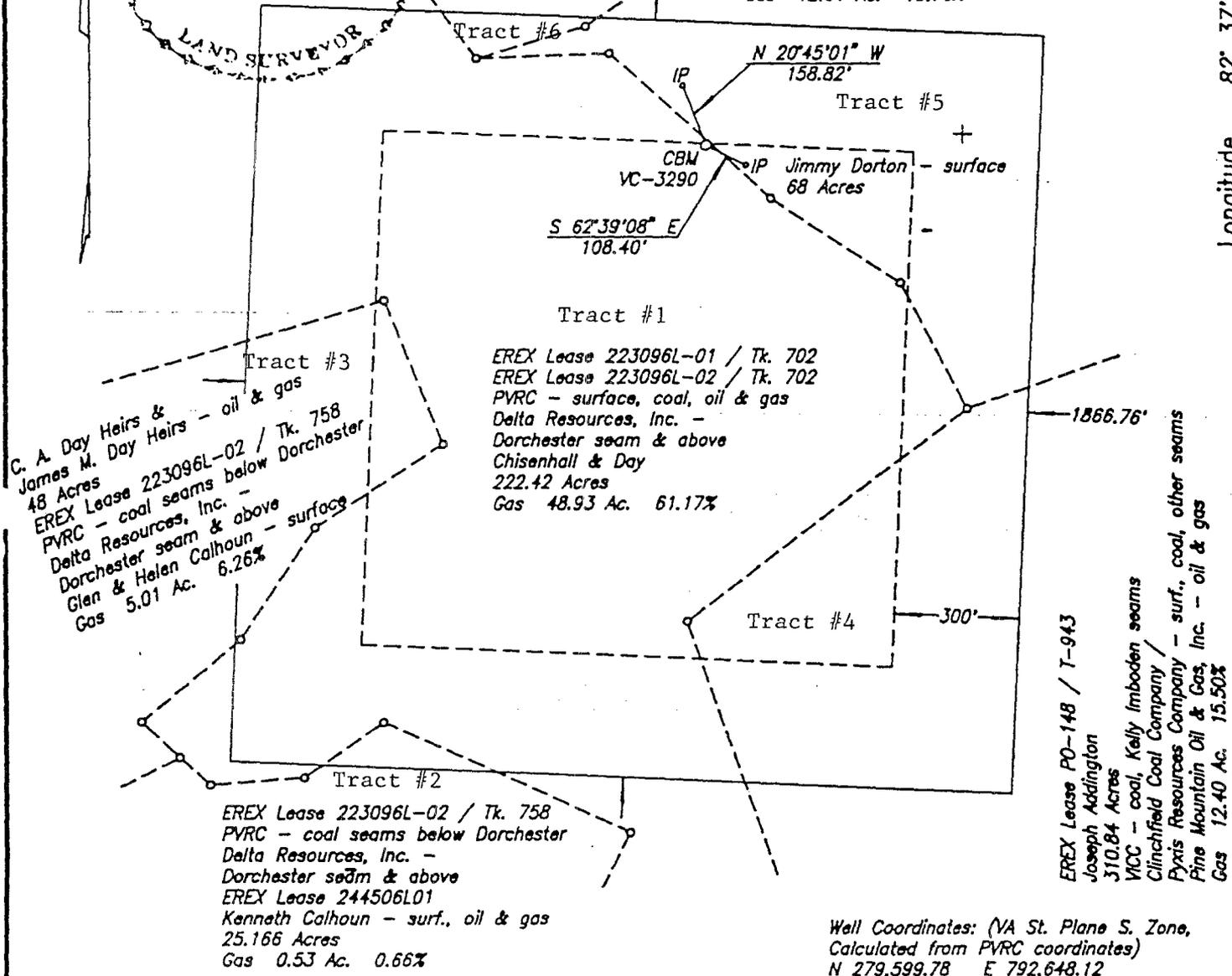


EREX Lease 244775L
Roy Addington, et al -
surf., coal, oil & gas
54.34 Acres
Gas 0.52 Ac. 0.65%

EREX Lease PO-148 / T-943
Joseph Addington
310.84 Acres
VICC - coal, Kelly Imboden seams
Clinchfield Coal Company /
Pyxis Resources Company - coal, other seams
Pine Mountain Oil & Gas, Inc. - oil & gas
Gas 12.61 Ac. 15.76%

Longitude 82° 37' 30"

4,730'



Well elevation determined by trigonometric leveling from P.V.R.C. Sta. 17357

Area of Unit = 80 Ac.

Well Coordinates: (VA St. Plane S. Zone, Calculated from PVRC coordinates)
N 279,599.78 E 792,648.12
Well Coordinates: (Penn Virginia Resources Co.)
N 72,507.60 E 97,807.48

WELL LOCATION PLAT

COMPANY Equitable Resources Exploration WELL NAME AND NUMBER VC-3290
TRACT NO. 702 ELEVATION 2660.40 QUADRANGLE Flat Gap
COUNTY Wise DISTRICT Gladeville SCALE 1" = 400' DATE 9-20-1994

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.

Glenn F. Phillips

EXHIBIT "B"
VC-3290VGOB Docket 97/04/15-0575
(Revised April 10, 1997)

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Oil and Gas Estate Only</u>				
1	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased - EREC 223096L-01 223096L-02 TR 702	61.170000%	48.9300
2	Kenneth Calhoun and Barbara Calhoun, H/W Route 2 Box 317 Wise, VA 24293	Leased - EREC 244506L-01 TR 758	0.660000%	0.5300
3	<u>Heirs of James Day</u> Arthur Kilgore and Shirley Kilgore, H/W P. O. Box 2438 Wise, VA 24293	Leased-EREC 244821L-26	0.391200%	0.3131
	<u>Delmar Day Heirs</u> Belle Day AKA Belle Calhoun, Widow Route 2, Box 334 Wise, VA 24293	Leased-EREC 244821L-02	(.391200%) Life Estate	(.3131)
	James L. Day and Pam Tripplett Day, H/W 151 Kingston Circle Coppell, TX 75019	Leased-EREC 244821L-60	0.391200% Remainderman	0.3131
	Clarence Robinette, Widower P. O. Box 296 Wise, VA 24293	Leased-EREC 244821L-01	0.156500%	0.1253
	Goldie Stidham, Widow 311 Walnut Street Noblesville, IN 46060	Leased-EREC 244821L-11	0.156500%	0.1253
	Ronnie Robinette and Gale Robinette, H/W 13028 Bellerive Drive Orlando, FL 23828	Leased-EREC 244821L-19	0.156500%	0.1253

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	R. E. Thacker and Helen Thacker, H/W 223 Steephill Road Blountville, TN 37617	Leased-EREC 244821L-03	0.156500%	0.1253
	Willie Robinette and Thelma Robinette, H/W Route 1 Box 739 Norton, VA 24273	Leased-EREC 244821L-09	0.052200%	0.0418
	Ruth Robinette Smith, Widow Route 1 Box 739 Norton, VA 24273	Unleased	0.052200%	0.0418
	<u>Homer Robinette Heirs</u> Margaret Whitt, Single 1046 Holly Court Norton, VA 24273	Leased-EREC 244821L-07	0.026100%	0.0209
	Gladys Boggs and Kerry Boggs, W/H Route 1, Box 478 Norton, VA 24273	Leased-EREC 244821L-08	0.026100%	0.0209
	<u>Burton Day Heirs</u> Unknown	Unleased	0.782500%	0.6263
	Mable W. Addington and Harold Addington, H/W Route 2 Box 177 St. Stephens Church, VA 23148	Leased-EREC 244821L-12	0.065200%	0.0522
	Lora Carter and Laxter Carter, H/W Route 1 Box 412A Hague, VA 22469	Leased-EREC 244821L-10	0.065200%	0.0522
	Katherine White, Widow 101 Durbin Way Vine Grove, KY 40175	Leased-EREC 244821L-25	(.130500%) Life Estate	(.1045)
	Lois Miller and Harold Miller, H/W 101 Durbin Way Vine Grove, KY 40175	Leased-EREC 244821L-24	0.026100% Remainderman	0.0209
	Ray White, Widower 22102 Loretta Road Woodhaven, MI 48183	Leased-EREC 244821L-14	0.026100% Remainderman	0.0209

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Anita Brooks, Widow 2701 West Water Ave., Apt. #1404 Tampa, FL 33614	Leased-EREC 244821L-42	0.026100% Remainderman	0.0209
	James Ralph White and Gloria White, H/W 694 Dudley Pike Ft. Mitchell, KY 41017	Unleased	0.026100% Remainderman	0.0209
	Clova Kincer and Bobby Kincer, H/W 110 Harry Wise Road Lawrenceburg, KY 40342	Leased-EREC 244821L-05	0.026100% Remainderman	0.0209
	Della White, Widow HC 87, Box 2286 Kona, KY 41829	Leased-EREC 244821L-28	(.130600) Life Estate	(.1044)
	Hazel Craft and Johnny Craft W/H HC 87 Box 2394 Kona, KY 41829	Unleased	0.043500% Remainderman	0.0348
	Rayden White and Carolyn White, H/W HC 87 Box 2286 Kona, KY 41829	Leased-EREC 244821L-29	0.043500% Remainderman	0.0348
	<u>Nana White Sexton Heirs</u> Diania Ritchie and Gary Ritchie, W/H 31927 Rosslyn Garden City, MI 48135	Leased-EREC 244821L-65	0.010900% Remainderman	0.0087
	Keith Sexton and Linda Sexton, H/W 476 County Road 520 Hanceville, AL 35077	Leased-EREC 244821L-62	0.010900% Remainderman	0.0087
	Carolyn Stewart and Gregory Stewart, W/H 11083 Jackson Avenue Taylor, MI 49180	Leased-EREC 244821L-64	0.010900% Remainderman	0.0087
	Edward Sexton, single 1674 West Brighten Circle Box 13, Harkwick Pines Estates Grayling, MI 49738	Leased-EREC 244821L-63	0.010900% Remainderman	0.0087
	Maggie White, Widow Route 1 Box 31 Jenkins, KY 41537	Leased-EREC 244821L-06	0.130400%	0.1044

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Phyllis Chisenhall, Widow 1002 East Park Avenue NE Norton, VA 24273	Leased-EREC 244821L-13	0.025600%	0.0205
	Jackie Chisenhall and Cherryl Chisenhall, H/W 2012 Rawlings Street Richmond, VA 23231	Unleased	0.025600%	0.0205
	Miles Chisenhall and Wanda Chisenhall, H/W 8950 S. Quaker Road Quinton, VA 23141	Leased-EREC 244821L-04	0.025600%	0.0205
	Leroy Chisenhall and Carolyn Chisenhall, H/W 4602 Carpenter Road Richmond, VA 23222	Unleased	0.025600%	0.0205
	Georgia Chisenhall, Widow Route 2 Box 43 Wise, VA 24293	Leased-EREC 244821L-20	0.008600%	0.0068
	Victoria Mullins and Worley Mullins, W/H Lot 19, Davidson MHP Bluefield, WV 24701	Leased-EREC 244821L-15	0.002000%	0.0016
	Randy Chisenhall and Gwen Chisenhall, H/W Route 2 Box 42 Wise, VA 24293	Leased-EREC 244821L-49	0.002800%	0.0023
	Dana Chisenhall, Single Route 2 Box 43 Wise, VA 24293	Leased-EREC 244821L-22	0.002800%	0.0023
	Terry Chisenhall and Regina Chisenhall, H/W #7 Idlewild Trailer Park Wise, VA 24293	Leased-EREC 244821L-47	0.002900%	0.0023
	Robin Chisenhall and Cynthia Chisenhall, H/W PO Box 1529 Wise, VA 24293	Leased-EREC 244821L-21	0.002900%	0.0023
	Regina Chisenhall, Single Route 2 Box 43 Wise, VA 24293	Leased-EREC 244821L-18	0.002900%	0.0023

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Melissa Ann Chisenhall Long and Derik Long, W/H PO Box 1103 Norton, VA 24273	Leased-EREC 244821L-36	0.002900%	0.0023
	Willa Iris Sexton and Ernest E. Sexton, W/H 7103 John Adams Way Valley Station, KY 40272	Leased-EREC 244821L-16	0.032600%	0.0260
	Oma King and James King, W/H 219 W. Marshall Ave. Elkton, VA 22827	Leased-EREC 244821L-17	0.032600%	0.0260
	Arbutus Anderson and Don Anderson, W/H Route 5, Box 5921K Chattsworth, GA 30705	Leased-EREC 244821L-23	0.032600%	0.0260
	Leslie White, Single PO Box 92 McRoberts, KY 41835	Unleased	0.032600%	0.0260
	<u>CAPTAIN DAY HEIRS</u> <u>Victoria Watts Heirs</u> Clara Watts, Widow Box 1015 Pound, VA 24279	Leased-EREC 244821L-48	0.223600%	0.1789
	Romona Cantrell and Winfred Cantrell, H/W 50 S. Hazel Street Manheim, PA 17545	Leased-EREC 244821L-59	0.055900%	0.0447
	Elizabeth Kennedy and Howard Kennedy, W/H 835 Rice Run Road Manheim, PA 17545	Leased-EREC 244821L-56	0.055900%	0.0447
	Barbara S. Mullins, Widow 23 Bimini Drive Manheim, PA 17545	Leased-EREC 244821L-53	0.055900%	0.0447
	<u>Donnie Sutphin Heirs</u> Dorothy Sutphin, Widow 10702 Chestnut Street Los Alamitos, CA 90720	Unleased	0.018600%	0.0149

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Thomas Sutphin and Kimberly Sutphin, H/W 735 Eureka Road Wyandotte, MI 48192	Unleased	0.012400%	0.0099
	Ina Willis and Ricky Willis, W/H Route 1, Box 537 Norton, VA 24273	Leased-EREC 244821L-32	0.012400%	0.0099
	Gregory Sutphin, Single Route 1, Box 537 Norton, VA 24273	Leased-EREC 244821L-31	0.012400%	0.0099
	<u>Pearl Wampler Heirs</u> James A. Wampler and Eileen M. Wampler H/W P. O. Box 403427 Hesperia, CA 92340	Leased-EREC 244821L-40	0.111800%	0.0895
	Mildred Kirkland, Widow 711 E. 13th Avenue, Apt. 206 Olympia, WA 98501	Leased-EREC 244821L-52	0.111800%	0.0895
	<u>Ruth Dean Heirs</u> Bobby Dean, Single 1114 Central Street S.E. Olympia, WA 98501	Unleased	0.037300%	0.0298
	Kenneth Dean, Widower 509 West Harvard Shelton, WA 98584	Leased-EREC 244821L-41	0.037300%	0.0298
	Larry Dean and Laurel Dean, H/W 519 Stoll Road Olympia, WA 98501	Leased-EREC 244821L-61	0.037300%	0.0298
	<u>Thelma Holly Heirs</u> Ricky Holley Unknown	Unleased	0.037300%	0.0298
	Frankie Austin Unknown	Unleased	0.037300%	0.0298
	<u>Marcella Lott Heirs</u> Gretta Griffin and Jeff Griffin, W/H 4308 56th Street CT E Tacoma, WA 98443-2480	Unleased	0.012400%	0.0099

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Gregory Lott Unknown	Unleased	0.012400%	0.0099
	Ronnie Lott 39717 68th Avenue. S. Roy, WA 95850-9786	Unleased	0.012400%	0.0099
	<u>Octova Woodruff Heirs</u> Grace Carpenter and Boyd Carpenter, W/H 340 Old Mill Road 112 Santa Barbara, CA 93110-3773	Leased-EREC 244821L-58	0.111800%	0.0895
	Edwin Eugene Woodruff, Widower 627 Holland Drive Statesville, NC 28677	Leased-EREC 244821L-57	0.111800%	0.0895
	Virginia E. Farr and Harry Farr, W/H 116 Sunset Hills Drive Sedona, AZ 86336	Unleased	0.111800%	0.0895
	<u>Loma Woodruff Heirs</u> Gladys Woodruff, Widow Unknown	Unleased	0.111800%	0.0895
	<u>Alice Harris Heirs</u> Corie Couch by POA for Lorene C. Bond and Irene Couch 8228 Tyndale Road Richmond, VA 23227	Leased-EREC 244821L-38	0.149000%	0.1193
	Mae Brawley James Bond, AIF P. O. Box 9170 Richmond, VA 23227	Leased-EREC 244821L-39	0.149000%	0.1193
	<u>Charlie Harris Heirs</u> Carolyn Manhatten Unknown	Unleased	0.149000%	0.1193
	<u>Alley Irwin Heirs</u> <u>Charles Irwin Heirs</u> Hazel Irwin, Widow Box 572 Pound, VA 24279	Leased-EREC 244821L-33	(.447100%) Life Estate	(.3579)
	Ronald Irwin and Betty Jean Irwin, H/W 393 Balch Street Morristown, TN 37813	Leased-EREC 244821L-34	0.447100% Remainderman	0.3579

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	<u>E. M. Day Heirs</u> E. M. Day, Jr., and Helen Day, H/W 1819 Sharps Chapel Road Sharps Chapel, TN 37866	Unleased	0.055900%	0.0447
	Gladys Woodruff, Widow Unknown	Unleased	0.055900%	0.0447
	Edna Addington and Ralph Addington, W/H 6630 North 7th Drive Phoenix, AZ 85013	Leased-EREC 244821L-45	0.055900%	0.0447
	<u>Mollie Hill Heirs</u> Blanche Gibson, Widow Unknown	Unleased	0.055900%	0.0447
	<u>Edith Wilson Heirs</u> Janet Jones and Dorsel Jones, W/H Route 4, Box 628 Lafollette, TN 37766	Unleased	0.011200%	0.0089
	Fred E. Wilson and Pauline Wilson, H/W 702 Dunaway Street Miamisburg, OH 45342	Leased-EREC 244821L-86	0.011200%	0.0089
	Jack W. Wilson and Shirley Wilson, H/W 204 Rawson Drive New Carlisle, OH 45344	Leased-EREC 244821L-55	0.011200%	0.0089
	Doyle Wilson, Single 9909 Sheehan Road Centerville, OH 45429	Leased-EREC 244821L-44	0.011200%	0.0089
	<u>Ruth Wilson Heirs</u> Kenneth E. Chitwood, single 5216 Buckner Drive Huber Heights, OH 45424	Leased-EREC 244821L-54	0.005500%	0.0045
	Cynthia Hunt and Kevin Hunt W/H 6066 Laycross Drive Huber Heights, OH 45424	Unleased	0.005500%	0.0045

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Elizabeth Bolling Heirs</u> Guy Bolling and Hellen Bolling, H/W P. O. Box 1772 Wise, VA 24293	Leased-EREC 244821L-30	0.014000%	0.0112
	Barbara Lankist P. O. Box 254 Coleman, FL 33521	Leased-EREC 244821L-50	0.014000%	0.0112
	Pauline Roberts and Carl Roberts, W/H 400 Sandelewood Lane Wildwood, FL 34785	Leased-EREC 244821L-46	0.014000%	0.0112
	Kathy Bolling and Harold Bolling (W/H) PO Box 61 Coleman FL 33521-0061	Leased-EREC 244821L-51	0.014000%	0.0112
	<u>Roy Day Heirs</u> Glendale Day Unknown	Unleased	0.027900%	0.0225
	<u>Jerry Day Heirs</u> Kistin Day Unknown	Unleased	0.027900%	0.0225
	<u>W. M. Day and Aggie Day Heirs</u> Ronald Wayne Day Unknown	Unleased	0.055900%	0.0448
	<u>Louie Presley Heirs</u> <u>Marshall Presley Heirs</u> Gay Nell Presley, Widow Route 1, Box 1014 Norton, VA 24273	Leased-EREC 244821L-27	0.111800%	0.0895
	<u>Harry Presley Heirs</u> Ova Presley, Widow Regency Towers, Apt. 806 Norton, VA 24273	Leased-EREC 244821L-37	0.037300%	0.0298
	<u>Hubert Presley Heirs</u> Virginia Presley Moore 2721 Mound Road Box A1 Anderson, IN 40616	Unleased	0.074500%	0.0596

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Maxie Gardner Heirs</u> Mary Ann Jones and C. Sterling Jones, W/H 410 39th Court Vero Beach, FL 32968	Leased - EREC 244821L-43	0.111800%	0.0895
	<u>Edward Delong Heirs</u> Unknown	Unleased	0.111800%	0.0895
4	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24266	Leased - EREC 241490L-01 TR T-943	15.500000%	12.4000
5	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24266	Leased - EREC 241490L-01 TR T-943	15.760000%	12.6100
6	Roy Addington and Ruby B. Addington, H/W P. O. Box 215 Pound, VA 24279	Leased - EREC 244775L-01	0.650000%	0.5200
TOTAL			100.000000%	80.0000
Percentage of Unit Leased			97.976800%	
Percentage of Unit Unleased			2.023200%	
Acreage in Unit Leased				78.3815
Acreage in Unit Unleased				1.6185

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Coal Estate Only</u>				
1	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased-EREC 223096L-02 TR 702	61.170000%	48.9300
2	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased-EREC 223096L-02 TR 758	0.660000%	0.5300
3	Penn Virginia Resources Corp. 999 Executive Park Blvd., Suite 300 Kingsport, TN 37660	Leased-EREC 223096L-02 TR 758	6.260000%	5.0100
4	Clinchfield Coal Co. ATTN: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 241490L-01 TR T-943	15.500000%	12.4000
5	Clinchfield Coal Co. ATTN: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 241490L-01 TR T-943	15.760000%	12.6100
6	Roy Addington and Ruby Addington, H/W P. O. Box 215 Pound, VA 24279	Leased-EREC 244775L-01	0.650000%	0.5200
TOTAL			100.000000%	80.0000
Percentage of Unit Leased			100.000000%	
Percentage of Unit Unleased			0.000000%	
Acreage in Unit Leased				80.0000
Acreage in Unit Unleased				0.0000