

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	EQUITABLE RESOURCES ENERGY COMPANY, a West Virginia Corporation)	VIRGINIA GAS AND OIL BOARD
RELIEF SOUGHT:	POOLING OF INTERESTS IN A DRILLING UNIT LOCATED IN THE NORA COAL BED GAS FIELD DESCRIBED IN EXHIBIT A HERETO AND SERVED BY WELL NO. VC-3655 (herein "Subject Drilling Unit") PURSUANT TO VA. CODE ANN. §§ 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"))	DOCKET NO. 97-0520-0586
LEGAL DESCRIPTION:	SUBJECT DRILLING UNIT SERVED BY WELL NUMBERED VC-3655 (herein "Well") TO BE DRILLED IN THE LOCATION DEPICTED ON EXHIBIT A HERETO, CLINCHFIELD COAL COMPANY FEE TRACT, T2-243 DUTY QUADRANGLE ERVINTON MAGISTERIAL DISTRICT DICKENSON 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 May 20, 1997, at which time it was continued and heard on June 17, 1997, Dickenson Conference Center, Southwest Virginia Education 4-H Center, Abingdon, Virginia.
2. Appearances: James E. Kaiser of Wilhoit, Weatherly, Stetson & Kaiser, appeared for the Applicant; Buelah Brown and Dick Brown appeared pro se and filed written objections with the Board, and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to Va. Code Ann. §§ 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, Middle Horsepen, War Creek, Beckley, Lower Horsepen, POCO No. 8, POCO No. 4, POCO No. 3, POCO No. 1, and any other unnamed coal seams, coalbeds and rock strata associated therewith known as the Nora Coalbed Gas Field (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 Amended 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 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: Exhibits A and B.

5. Dismissals: None.

6. Relief Requested: Applicant requests that pursuant to Va. Code Ann. § 45.1-361.22, including the applicable portions of § 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 Amended 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 Ann. §§ 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 Oil and Gas Conservation Board's Order entered March 20, 1989, establishing Drilling Units for the Nora Coal Bed 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 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, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Poco No. 8, Poco No. 4, Poco No. 3, Poco No. 1, and any other unnamed coal seams, coalbeds, and rock strata, associated therewith known as the Nora Coalbed Gas Field.	Approximately 58.77 acres.	Well VC-3655 to be located as depicted on Exhibit A Depth: 1,560 feet.	Nora Coal Bed Gas Field.	OGCB Order #9 dated March 2, 1989 establishing drilling units for the Nora Coal Bed Gas Field.

For the Subject Drilling Unit
underlying and comprised of the Subject
Land Served by Well No. VC-3655

Dickenson County, Virginia

8. Election and Election Period: In the event any Gas Owner or Claimant named in Amended 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 Unit 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 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 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 Amended Exhibit B who has not reached a voluntary agreement with the Unit 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):

\$167,200.00

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's Interest within Subject Drilling Unit as set forth in the third column Amended 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 Amended 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 Amended 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 Amended 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 Amended 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 Amended 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 Unit 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-3655 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 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; and the Virginia Oil and Gas Conservation Board Order entered March 20, 1989, establishing drilling units for the Nora Coal Bed 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.

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 shall, pursuant to Va. Code Ann. § 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 Ann. §§ 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 92.2365 percent of the gas and oil estate, and 97.9349 percent of the coal estate with 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-3655, to a depth of 1,560 feet on the Subject Drilling Unit to develop the Gas in Subject Formations.
 - 17.5 Respondents are listed on Amended Exhibit "B". Set forth in Amended 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 7.76350 percent of the gas and oil estate and 2.0651 percent of the coal estate in Subject Drilling Unit.
 - 17.6 The estimated production over the life of the proposed well is 300 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 A Well Work Permit has not been issued by the Department of Mines, Minerals and Energy for Well VC-3655
 - 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.

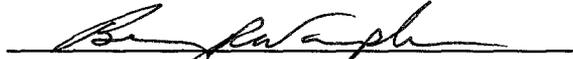
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

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 25th day of June, 1997, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED this 25th day of June, 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)

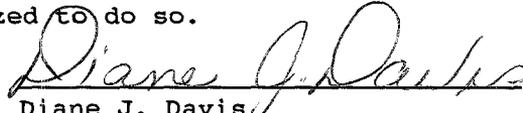
Acknowledged on this 25th day of June, 1997,
personally before me a notary public in and for the Commonwealth of Virginia,
appeared Benny Wampler, being duly sworn did depose and say that he is Chairman
of the Virginia Gas and Oil Board, that he executed the same and was authorized
to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 25th day of June, 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
Notary Public

My commission expires 9/30/97

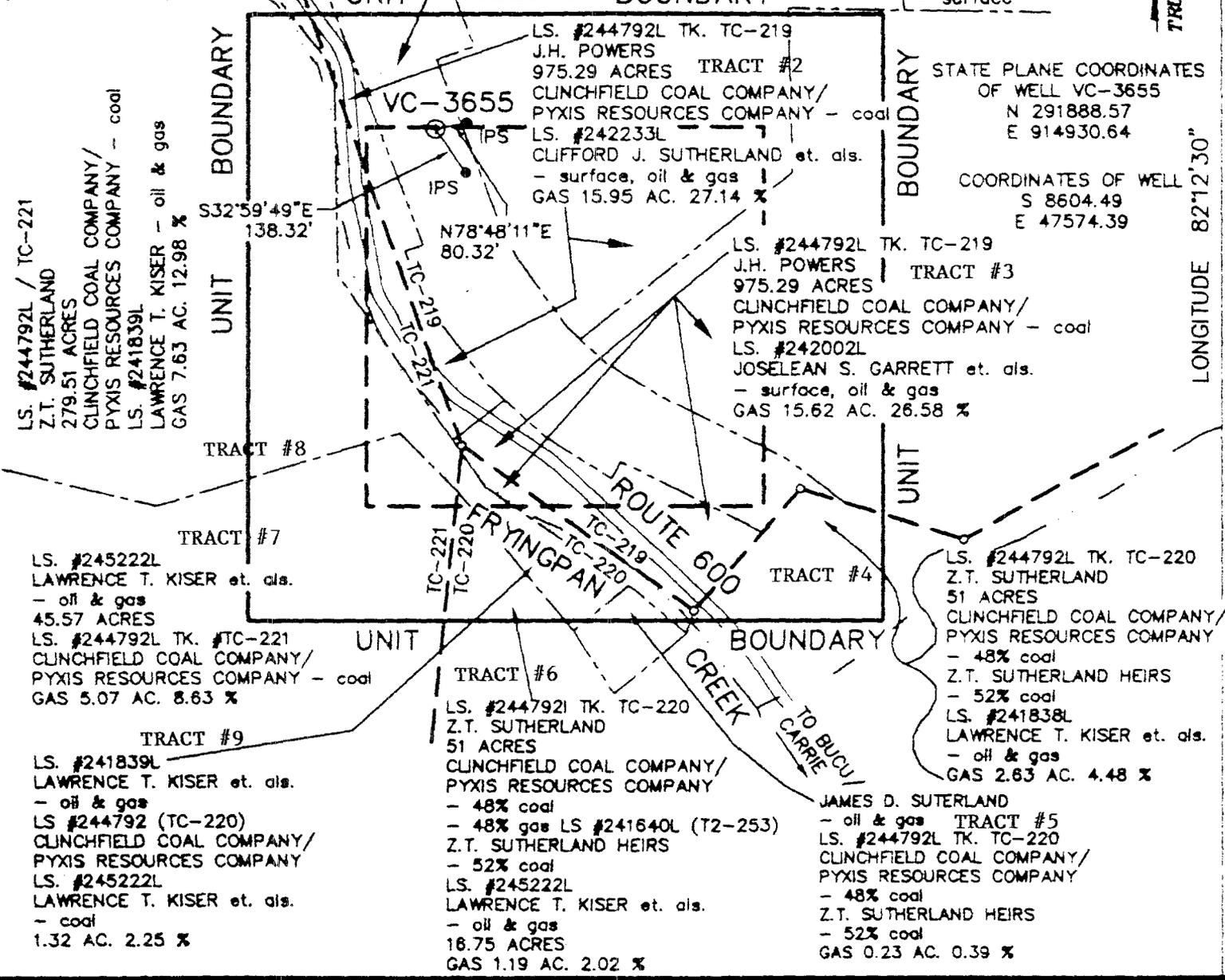
COMMONWEALTH OF VIRGINIA
 LAND SURVEYORS
 B. LEMAN KENDRICK
 No. 1990

TOTAL UNIT AREA
 = 58.77 ACRES

NOTE: WELL COORDINATES ARE BASED ON CLINCHFIELD COAL COMPANY'S MINE COORDINATE SYSTEM. STATE PLANE WELL COORDINATES ARE CALCULATED FROM CLINCHFIELD COORDINATES. PROPERTY INFORMATION PROVIDED BY EQUITABLE RESOURCES ENERGY COMPANY. ELEVATIONS ARE BASED ON USGS BM LOCATED ON THE TOP OF A LARGE ROCK 60' WEST OF THE CENTER OF A DRAIN.

LS. #241640 / T2-243
 SHERMAN WALLACE
 25.67 ACRES
 CLINCHFIELD COAL COMPANY/
 PYXIS RESOURCES COMPANY - coal, surface
 PINE MOUNTAIN OIL & GAS, INC. - oil & gas
 GAS 9.13 AC. 15.53 %

RAY BRUCE POWERS
 - surface



STATE PLANE COORDINATES
 OF WELL VC-3655
 N 291888.57
 E 914930.64

COORDINATES OF WELL
 S 8604.49
 E 47574.39

LONGITUDE 82°12'30"

WELL LOCATION PLAT

COMPANY Equitable Resources Energy Co. WELL NAME AND NUMBER VC - 3655
 TRACT No. LS. #241640/T2-243 ELEVATION 1597.29 (Trig) QUADRANGLE DUTY
 COUNTY DICKENSON DISTRICT ERVINTON SCALE: 1" = 400' DATE MAY 29, 1997
 THIS PLAT IS A NEW PLAT x; AN UPDATED PLAT ; OR A FINAL LOCATION PLAT
 PROPOSED TOTAL DEPTH OF WELL =

+ 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.

B. Lemman Kendrick 5/29/97

(AFFIX SEAL)

LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

EXHIBIT "B"

VC-3655

BOOK 327 PAGE 457

Revised 5/22/97

VGOB 97/05/20-0586

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1	Pine Mountain Oil and Gas ATTN: Richard Brillhart PO Box 5100 Lebanon, VA 24266	Leased-EREC 241640L 01 T2-243	15.530000%	9.130000
2	Clifford J. Sutherland and Rebecca Sutherland, H/W 411 W. Fincastle St. Tazewell, VA 24651	Leased-EREC 242233L 01	6.785000%	3.987500
	Sharon S. Catlett and Dr. John B. Catlett, W/H 315 Albemarle Avenue Richmond, VA 23226	Leased-EREC 242233L 02	13.570000%	7.975000
	Eleanor S. Allen and Joe Allen, W/H 6659 Tower Dr. #205 Alexandria, VA 22306	Leased-EREC 242233L 04	6.785000%	3.987500
3	Joselean S. Garrett, widow PO Box 281 Clintwood, VA 24228	Leased-EREC 242002L 01	3.797100%	2.231429
	Willie M. Garrett and Amy J. Garrett, W/H 7039 Schwab Drive Pensacola, FL 32504	Leased-EREC 242002L 02	3.797100%	2.231429
	David A. Ledgerwood and Gail K. Ledgerwood, H/W PO Box 79 Bluefield, VA 24605	Leased-EREC 242002L 03	3.797100%	2.231429
	Jessie R. Garrett, single 109 W. Walnut Street Johnson City, TN 37601	Leased-EREC 242002L 04	3.797100%	2.231428
	Nellie Frye, widow 1009 Fredrick Street Bluefield, WV 24701	Leased-EREC 242002L 05	3.797200%	2.231428

EXHIBIT "B"
VC-3655

BOOK 327 PAGE 458

Revised 5/22/97
VGOB 97/05/20-0586

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Freddie Garrett and Shelvia Jean Garrett, H/W Box 982 Bristol, VA 24201	Leased-EREC 242002L 06	3.797200%	2.231428
	Robert T. Garrett and Virginia M. Garrett, H/W PO Box 531 Clintwood, VA 24228	Leased-EREC 242002L 07	3.797200%	2.231429
4	Lawrence T. Kiser, Executor under wills of Dolphus Kiser and Dora T. Kiser, Deceased Route #1, Box 246B Clintwood, VA 24228	Leased-EREC 241838L 01	4.480000%	2.630000
5	James D. Sutherland and Mary Sue Sutherland, H/W Route 2, Box 5 Haysi, VA 24256	Leased-EREC 245247L 01	0.390000%	0.230000
6	Lawrence T. Kiser, Executor under wills of Dolphus Kiser and Dora T. Kiser, Deceased Route 1, Box 246B Clintwood, VA 24228	Leased-EREC 245222L 01	0.306100%	0.180303
	Irma Jean Phillips and Glinn W. Phillips, W/H PO Box 269 Robbins, TN 27852	Leased-EREC 245222L 08	0.030600%	0.018030
	Zellie Westmark aka Zillah Westmark Unknown	Unleased	0.336700%	0.198333
	Lela Ballard Dunbar Unknown	Unleased	0.042100%	0.024792
	Edna Owens Unknown	Unleased	0.168300%	0.099167

EXHIBIT "B"

VC-3655

BOOK 327 PAGE 459

Revised 5/22/97

VGOB 97/05/20-0586

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Edna Owens Unknown	Unleased Dower Interest	(.056100%)	(.099167)
	Madeline O. Kerr and Robert E. Kerr, W/H 19111 Stone Mtn. Drive Abingdon, VA 24210	Unleased <i>Subject to the dower interest of Edna Owens</i>	0.056100%	0.033056
	Joan Mariane Rose and Harold E. Rose, W/H 3226 Winterberry Dr. S. W. Roanoke, VA 24981	Unleased <i>Subject to the dower interest of Edna Owens</i>	0.056100%	0.033056
	Janet Marnella Rodriguez and Albert C. Rodriguez, W/H 4124 Norbeck Road Rockville, MD 20853	Unleased <i>Subject to the dower interest of Edna Owens</i>	0.056100%	0.033056
	Pine Mountain Oil and Gas ATTN: Richard Brillhart PO Box 5100 Lebanon, VA 24266	Leased-EREC 241640L 01 T2-253	0.967900%	0.570207
7	Lawrence T. Kiser, Executor under wills of Dolphus Kiser and Dora T. Kiser, Deceased Route #1, Box 246B Clintwood, VA 24228	Leased-EREC 245222L 01	1.307600%	0.768182
	Irma Jean Phillips and Glinn W. Phillips, W/H PO Box 269 Robbins, TN 27852	Leased-EREC 245222L 08	0.130800%	0.076818
	Tassie Ballard Branstetter Unknown	Unleased	0.179800%	0.105625
	Blanche Ballard Unknown	Unleased Dower Interest		

EXHIBIT "B"

VC-3655

BOOK 327 PAGE 460

Revised 5/22/97

VGOB 97/05/20-0586

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Frank Ballard Unknown	Unleased <i>Subject to the dower interest of Blanche Ballard</i>	0.044900%	0.026406
	William Ballard Unknown	Unleased <i>Subject to the dower interest of Blanche Ballard</i>	0.044900%	0.026406
	Betty Ballard Robertson Unknown	Unleased <i>Subject to the dower interest of Blanche Ballard</i>	0.044900%	0.026406
	Robert Ballard Unknown	Unleased <i>Subject to the dower interest of Blanche Ballard</i>	0.044900%	0.026406
	Odessa Ballard Martinez Unknown	Unleased	0.179800%	0.105625
	Ethel Ballard Batterson Unknown	Unleased	0.179800%	0.105625
	Lola Ballard Brim Unknown	Unleased	0.179800%	0.105625
	James E. Ballard Unknown	Unleased	0.089900%	0.052813
	Ellen N. Ballard Wirth Unknown	Unleased	0.089900%	0.052813
	Lela Ballard Dunbar Unknown	Unleased	0.179800%	0.105625
	Lourie Esta Ballard Cross Unknown	Unleased	0.179800%	0.105625
	Zellie Westmark aka Zillah Westmark Unknown	Unleased	1.438300%	0.845000
	Larry D. Wise, Sr. and Shirley W. Wise, H/W PO Box 1018 King, NC 27021	Unleased	0.119900%	0.070417

EXHIBIT "B"
VC-3655

BOOK 227 PAGE 461

Revised 5/22/97

VGOB 97/05/20-0586

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Gary Eugene Wise and Jo Ann Wise, H/W PO Box 1018 King, NC 27021	Unleased	0.119900%	0.070417
	Leaphy Wise, widow c/o Lewis C. Wise HC 67, Box 138 Dante, VA 24237	Leased-EREC 245222L 09	0.079500%	0.046945
	Lewis C. Wise and Nina Lee Wise, H/W HC 67, Box 138 Dante, VA 24237	Leased-EREC 245222L 09	0.032000%	0.018778
	Thomas M. Wise and Clara B. Wise, H/W 22149 Greenspring Church Road Abingdon, VA 24211	Unleased	0.032000%	0.018778
	Gene Ray Wise and Betty J. Wise, H/W 4181 Mink St. S.W. Pataskala, OH 43062+B451	Unleased	0.032000%	0.018778
	Hugh Alan Wise and Linda C. Wise, H/W 357 Blountville Highway Bristol, VA 37620	Unleased	0.032000%	0.018778
	Julius W. Wise, single 6055 Ridge Road Florence, KY 41042	Leased-EREC 245222L 10	0.032000%	0.018778
	Maude Wise Flower Unknown	Unleased	0.239700%	0.140833
	Mamie Wise Swofford Unknown	Unleased	0.239700%	0.140833
	Beulah Wise Brown and Dick Brown, W/H Box 732 Abingdon, VA 24210	Unleased	0.239700%	0.140833

EXHIBIT "B"
VC-3655

BOOK 127 PAGE 462

Revised 5/22/97

VGOB 97/05/20-0586

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Mary A. Wise Unknown	Unleased Dower Interest		
	Houston D. Wise Unknown	Unleased <i>Subject to the dower interest of Mary A. Wise</i>	0.079900%	0.046944
	Winfred P. Wise Unknown	Unleased <i>Subject to the dower interest of Mary A. Wise</i>	0.079900%	0.046944
	Gaynell Wise Robinette Unknown	Unleased <i>Subject to the dower interest of Mary A. Wise</i>	0.079900%	0.046944
	<u>C. A. Long, Sr. Heirs</u> C. A. Long, Jr. and Agnes Long, H/W RR1, Box 498 Castlewood, VA 24224-9081	Unleased	0.479400%	0.281667
	Ruth Long Wilkins Delgado, deceased Sal Delgado, widower 8545 Mission Gorge 240 Santee, CA 92971	Unleased	0.479400%	0.281667
	Mary Sue Uthe and Cecil G. Uthe, W/H 3626 Lealand Circle Hopkinsville, KY 42240-5336	Unleased	0.479400%	0.281667
	Bart J. Mullins and Trula Mullins, H/W 1102 Hill Street Copperas Cove, TX 76552	Unleased	0.359700%	0.211250
	Trula Mullins and Bart J. Mullins, W/H 1102 Hill Street Copperas Cove, TX 76552	Unleased	0.359700%	0.211250
	Harold Yates and Eula Yates, H/W Route 2, Box 735A Copperas Cove, TX 76526	Unleased	0.359700%	0.211250

EXHIBIT "B"

VC-3655

Revised 5/22/97

VGOB 97/05/20-0586

BOOK 327 PAGE 463

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Eula Yates and Harold Yates, W/H Route 2, Box 735A Copperas Cove, TX 76526	Unleased	0.359700%	0.211249
8	Lawrence T. Kiser, Executor under wills of Dolphus Kiser and Dora T. Kiser, Deceased Route #1, Box 246B Clintwood, VA 24228	Leased-EREC 241839L 01	12.980000%	7.630000
9	Lawrence T. Kiser, Executor under wills of Dolphus Kiser and Dora T. Kiser, Deceased Route #1, Box 246B Clintwood, VA 24228	Leased-EREC 241839L 01	2.250000%	1.320000
TOTALS - GAS ESTATE			<hr/> 100.000000%	58.770000
	Percentage of Unit Leased	92.236500%		
	Percentage of Unit Unleased	7.763500%		
	Acreage in Unit Leased	54.208041		
	Acreage in Unit Unleased	4.561959		

**EXHIBIT "B"
VC-3655**

BOOK 327 PAGE 464

Revised 5/22/97

VGOB 97/05/20-0586

<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	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 241640L T2-243	15.530000%	9.130000
2	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 244792L TC-219	27.140000%	15.950000
3	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 244792L TC-219	26.580000%	15.620000
4	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 244792L TC-220	2.146700%	1.260208
	Lawrence T. Kiser, Executor under wills of Dolphus Kiser and Dora T. Kiser, Deceased Route #1, Box 246B Clintwood, VA 24228	Leased-EREC 241838L 01	0.746700%	0.438333
	Lela Ballard Dunbar Unknown	Unleased	0.093300%	0.054792
	Zellie Westmark aka Zillah Westmark Unknown	Unleased	0.746700%	0.438333
	Madeline O. Kerr and Robert E. Kerr, W/H 19111 Stone Mtn. Drive Abingdon, VA 24210	Unleased	0.248900%	0.146111

EXHIBIT "B"

VC-3655

Revised 5/22/97

VGOB 97/05/20-0586

BOOK 327 PAGE 465

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Joan Marriane Rose and Harold E. Rose, W/H 322 Winterberry Drive, S.W. Roanoke, VA 24981	Unleased	0.248900%	0.146111
	Janet Marmella Rodriguez and Albert C. Rodriguez, W/H 4124 Norbeck Road Rockville, MD 20853	Unleased	0.248800%	0.146112
5	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 244792L TC-220	0.186900%	0.110208
	Lawrence T. Kiser, Executor under wills of Dolphus Kiser and Dora T. Kiser, Deceased Route #1, Box 246B Clintwood, VA 24228	Leased-EREC 241838L 01	0.059100%	0.034848
	Irma Jean Phillips and Glinn W. Phillips, W/H PO Box 269 Robbins, TN 27852	Leased-EREC 245222L 08	0.005900%	0.003485
	Lela Ballard Dunbar Unknown	Unleased	0.008100%	0.004792
	Zellie Westmark aka Zillah Westmark Unknown	Unleased	0.065000%	0.038333
	Madeline O. Kerr and Robert E. Kerr, W/H 19111 Stone Mtn. Drive Abingdon, VA 24210	Unleased	0.021700%	0.012778
	Joan Marriane Rose and Harold E. Rose, W/H 322 Winterberry Drive, S.W. Roanoke, VA 24981	Unleased	0.021700%	0.012778

EXHIBIT "B"

VC-3655

BOOK 327 PAGE 466

Revised 5/22/97

VGOB 97/05/20-0586

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Janet Mamella Rodriguez and Albert C. Rodriguez, W/H 4124 Norbeck Road Rockville, MD 20853	Unleased	0.021600%	0.012778
6	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 244792L TC-220	0.967900%	0.570208
	Lawrence T. Kiser, Executor under wills of Dolphus Kiser and Dora T. Kiser, Deceased Route #1, Box 246B Clintwood, VA 24228	Leased-EREC 245222L 01	0.306100%	0.180303
	Irma Jean Phillips and Glinn W. Phillips, W/H PO Box 269 Robbins, TN 27852	Leased-EREC 245222L 08	0.030600%	0.018030
	Lela Ballard Dunbar Unknown	Unleased	0.042100%	0.024793
	Zellie Westmark aka Zillah Westmark Unknown	Unleased	0.336700%	0.198333
	Madeline O. Kerr and Robert E. Kerr, W/H 19111 Stone Mtn. Drive Abingdon, VA 24210	Unleased	0.112200%	0.066111
	Joan Marriane Rose and Harold E. Rose, W/H 322 Winterberry Drive, S.W. Roanoke, VA 24981	Unleased	0.112200%	0.066111

EXHIBIT "B"**VC-3655**

Revised 5/22/97

VGOB 97/05/20-0586

BOOK 327 PAGE 467

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Janet Mamella Rodriguez and Albert C. Rodriguez, W/H 4124 Norbeck Road Rockville, MD 20853	Unleased	0.112200%	0.066111
7	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 244792L TC-221	8.630000%	5.070000
8	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 244792L TC-221	12.980000%	7.630000
9	Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EREC 244792L TC-220	1.078100%	0.632500
	Lawrence T. Kiser, Executor under wills of Dolphus Kiser and Dora T. Kiser, Deceased Route #1, Box 246B Clintwood, VA 24228	Leased-EREC 245222L	0.340900%	0.200000
	Irma Jean Phillips and Glinn W. Phillips, W/H PO Box 269 Robbins, TN 27852	Leased-EREC 245222L 08	0.034100%	0.020000
	Lela Ballard Dunbar Unknown	Unleased	0.046900%	0.027500
	Zellie Westmark aka Zillah Westmark Unknown	Unleased	0.375000%	0.220000

EXHIBIT "B"

VC-3655

Revised 5/22/97

VGOB 97/05/20-0586

BOOK 327 PAGE 468

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Madeline O. Kerr and Robert E. Kerr, W/H 19111 Stone Mtn. Drive Abingdon, VA 24210	Unleased	0.125000%	0.073333
	Joan Marriane Rose and Harold E. Rose, W/H 322 Winterberry Drive, S.W. Roanoke, VA 24981	Unleased	0.125000%	0.073333
	Janet Marnella Rodriguez and Albert C. Rodriguez, W/H 4124 Norbeck Road Rockville, MD 20853	Unleased	0.125000%	0.073334
TOTALS - COAL ESTATE			100.000000%	58.770000

Percentage of Unit Leased 97.934900%
Percentage of Unit Unleased 2.065100%

Acreage in Unit Leased 57.555623
Acreage in Unit Unleased 1.214377

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, July 7, 1997. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 9:31 o'clock AM, 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