

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING
ELECTIONS: UNIT: VC-3424
(hereinafter "Subject Drilling Unit")

DOCKET NO. VGOB 97-07/15-0594

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 July 15, 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 the Virginia Gas and Oil Board Regulations 4 VAC 25-160-70.C as incorporated into the requirements of 4 VAC 25-160-80 for coalbed methane gas units by supplementing the Order previously issued by the Board for subject Docket on September 17, 1997 and recorded at Instrument #970003822 in the Office of the Clerk of Circuit Court, Wise County, Virginia on September 23, 1997 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, Section 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 Order to all Respondents whose interests, if any, were pooled by said Board Order.
 - (b) The Designated Operator filed its affidavit of mailing dated September 26, 1997, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;
 - (c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated November 5, 1997, in accordance with the Virginia Gas and Oil Board Regulations 4 VAC 25-160-70.C as incorporated into the requirements of 4 VAC 25-160-80 for coalbed methane gas units (herein "Affidavit of Election"), wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of failure to elect or to timely elect one of 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) Current 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, First Virginia Bank-Mt. Empire, Trust Department, P. O. Box 1038, Abingdon, Virginia 24212, 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, First Virginia Bank-Mt. Empire, Trust Department, P. O. Box 1038, Abingdon, Virginia 24212, or any successor named by the Board to establish interest-bearing escrow account(s) IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was sent 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 16th day of January, 1998 by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 16th day of January, 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. 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 07/31/98

DONE AND EXECUTED this 23rd day of January, 1998, by Order of this Board.

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

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 23rd day of January, 1998, 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: 09/30/2001

VIRGINIA: VIRGINIA:***BEFORE THE VIRGINIA GAS AND OIL BOARD 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-3424, VGOB Docket No. VGOB-97/0715-0594 in the Gladeville Magisterial District of Wise County, Virginia.

AFFIDAVIT OF WILHOIT & 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 & 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 September 17, 1997, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who 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 September 23, 1997.
5. That the Designated Operator, by and through their agent, Wilhoit & 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:

NONE

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that

The following revenue interests are subject to escrow provisions due to conflicting claims as between the gas owner and the coal owner.

Tract 3: Merlyn Wampler, widow
8.31% x 1/8 RI = .01038750 RI

or

ANR Coal Company, L.L.C.
8.31% x 1/8 RI = .01038750 RI

Tract 4: Charles Bruce Hunsucker, et ux
.03% x 1/8 RI = .00003750 RI

or

ANR Coal Company L.L.C.
.03% x 1/8 RI = .00003750 RI

Tract 5: Charles Bruce Hunsucker, et ux
.01% x 1/8 RI = .00001250 RI

or

ANR Coal Company L.L. C.
.01% x 1/8 RI = .00001250 RI

Tract 6: Virginia Lee West Boggs, et vir
.74% x 1/8 RI = .000925 RI

or

ANR Coal Company L.L.C.
.74% x 1/8 RI = .000925 RI

Tract 7: Christopher Jason Sturgill
1.64% x 1/8 RI = .00205 RI
(First Union National Bank of Virginia
Revisionary Interest)

or

ANR Coal Company L.L.C.
1.64% x 1/8 RI = .00205 RI

Tract 8: Clarence Bentley
5.1533% x 1/8 RI = .00644163 RI

Willard Bentley, et ux
5.1533% x 1/8 RI = .00644163 RI

Walter Bentley, et ux
5.1534% x 1/8 RI = .00644174 RI

or

ANR Coal Company L.L.C.
15.46% x 1/8 RI = .019325 RI

Tract 9: Fred Kilgore, et ux
3.73% x 1/8 RI = .00466250 RI

Glenn Kilgore, et ux
3.73% x 1/8 RI = .00466250 RI

or

ANR Coal Company L.L.C.
7.46% x 1/8 RI = .00932500 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 10 of the Order.

Tract 7 Christopher Jason Sturgill 1.31 acres x \$5=\$6.55
Gas Estate: (First Union National Bank of Virginia
Revisionary Interest)

361.22A.3 and 4.

Dated at Kingsport, Tennessee, this 6th day of November 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 10th day of November 1997.

My commission expires: July 31, 2001

Jamie E. Fuller
Notary

EXHIBIT "B"
VC-3424
VGOB (97-0715-0594)

000059 JAN 27 88

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>
<u>Gas Estate Only</u>					
1	Penn Virginia Corporation Penn Virginia Resources Corp. 999 Executive Park Blvd Suite 300 Kingsport, TN 37660	Leased-EREC 223096L 01 Tract No. 742	60.960000%	48.7700	0.07620000 RI
	Equitable Resources Energy Company				0.53340000 WI
	Tract 1 Totals		60.960000%	48.7700	0.60960000
2	Penn Virginia Corporation Penn Virginia Resources Corp. 999 Executive Park Blvd Suite 300 Kingsport, TN 37660	Leased-EREC 223096L 01 Tract No. 741	3.390000%	2.7100	0.00423750 RI
	Equitable Resources Energy Company				0.02966250 WI
	Tract 2 Totals		3.390000%	2.7100	0.03390000
3	Meryl Wampler, widow Route 2, Box 347 Wise, VA 24293	Leased-EREC 223057L 01	8.310000%	6.6500	0.01038750 RI
	Equitable Resources Energy Company				0.07271250 WI
	Tract 3 Totals		8.310000%	6.6500	0.08310000
4	Charles Bruce Hunsucker and Moselle Mullins Hunsucker, H/W PO Box 454 Norton, VA 24273	Leased-EREC 244960L 01	0.030000%	0.0200	0.00003750 RI
	Equitable Resources Energy Company				0.00026250 WI
	Tract 4 Totals		0.030000%	0.0200	0.00030000

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VC-3424
VGOB (97-0715-0594)

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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 INTEREST</u>
5	Charles Bruce Hunsucker and Moselle Mullins Hunsucker, H/W PO Box 454 Norton, VA 24273	Leased-EREC 244960L 01	0.010000%	0.0100	0.00001250 RI
	Equitable Resources Energy Company				0.00008750 WI
Tract 5 Totals			0.010000%	0.0100	0.00010000
6	Virginia Lee West Boggs and Dillard Boggs, W/H 7145 Rocky Fork Road Wise, VA 24293	Leased-EREC 245074L 01	0.740000%	0.5900	0.00092500 RI
	Equitable Resources Energy Company				0.00647500 WI
Tract 6 Totals			0.740000%	0.5900	0.00740000
7	Christopher Jason Sturgill, single PO Box 2806 Wise, VA 24293	Unleased	1.640000%	1.3100	0.00205000 RI
	First Union National Bank of Virginia 701 Park Avenue Norton, VA 24273	Reversionary Interest	0.000000%	0.0000	0.00000000 RI
	Equitable Resources Energy Company				0.01435000 WI
Tract 7 Totals			1.640000%	1.3100	0.01640000
8	Clarence Bentley, single 512 Wampler Road Baltimore, MD 21220	Leased-EREC 245086L 01	5.153300%	4.1233	0.00644163 RI
	Willard Bentley and Glenda Bentley, H/W 7839 Oak Dale Baltimore, MD 21237	Leased-EREC 245086L 03	5.153300%	4.1233	0.00644163 RI

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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 INTEREST</u>
	Walter Bentley and Wilma Bentley, H/W 9807 Bird River Road Baltimore, MD 21237	Leased-EREC 245086L 03	5.153400%	4.1234	0.00644174 RI
	Equitable Resources Energy Company				0.13527500 WI
Tract 8 Totals			15.460000%	12.3700	0.15460000
9	Fred Kilgore and Hazel Kilgore, H/W 7185-A Rocky Fork Road Wise, VA 24293	Leased-EREC 244508L 01	3.730000%	2.9850	0.00466250 RI
	Glenn Kilgore and Rita Kilgore, H/W 7185-A Rocky Fork Road Wise, VA 24293	Leased-EREC 244508L 01	3.730000%	2.9850	0.00466250 RI
	Equitable Resources Energy Company				0.06527500 WI
Tract 9 Totals			7.460000%	5.9700	0.07460000
10	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 223010L 01 WI-78	2.000000%	1.6000	0.00250000 RI
	Equitable Resources Energy Company				0.01750000 WI
Tract 10 Totals			2.000000%	1.6000	0.02000000
TOTAL GAS ESTATE			100.000000%	80.0000	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 INTEREST</u>
<u>Coal Estate Only</u>					
1	Penn Virginia Corporation c/o Penn Virginia Coal Company PO Box 386 Duffield, VA 24244	Leased-EREC 223096L 02 Tract No. 742	60.960000%	48.7700	0.07620000 RI
	Equitable Resources Energy Company				0.53340000 WI
	Tract 1 Totals		60.960000%	48.7700	0.60960000
2	Penn Virginia Corporation c/o Penn Virginia Coal Company PO Box 386 Duffield, VA 24244	Leased-EREC 223096L 02 Tract No. 741	3.390000%	2.7100	0.00423750 RI
	Equitable Resources Energy Company				0.02966250 WI
	Tract 2 Totals		3.390000%	2.7100	0.03390000
3	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L 01 Tract No. WI-78	8.310000%	6.6500	0.01038750 RI
	Equitable Resources Energy Company				0.07271250 WI
	Tract 3 Totals		8.310000%	6.6500	0.08310000
4	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L 01 Tract No. WI-78	0.030000%	0.0200	0.00003750 RI
	Equitable Resources Energy Company				0.00026250 WI
	Tract 4 Totals		0.030000%	0.0200	0.00030000

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 INTEREST</u>
5	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L 01 Tract No. WI-78	0.010000%	0.0100	0.00001250 RI
	Equitable Resources Energy Company				0.00008750 WI
Tract 5 Totals			0.010000%	0.0100	0.00010000
6	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L 01 Tract No. WI-78	0.740000%	0.5900	0.00092500 RI
	Equitable Resources Energy Company				0.00647500 WI
Tract 6 Totals			0.740000%	0.5900	0.00740000
7	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L 01 Tract No. WI-78	1.640000%	1.3100	0.00205000 RI
	Equitable Resources Energy Company				0.01435000 WI
Tract 7 Totals			1.640000%	1.3100	0.01640000
8	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L 01 Tract No. WI-78	15.460000%	12.3700	0.01932500 RI
	Equitable Resources Energy Company				0.13527500 WI
Tract 8 Totals			15.460000%	12.3700	0.15460000
9	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L 01 Tract No. WI-78	7.460000%	5.9700	0.00932500 RI
	Equitable Resources Energy Company				0.06527500 WI
Tract 9 Totals			7.460000%	5.9700	0.07460000

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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 INTEREST</u>
10	ANR Coal Company L.L.C. PO Box 1871 Roanoke, VA 24008	Leased-EREC 244943L 01 Tract No. WI-78	2.000000%	1.6000	0.00250000 RI
	Equitable Resources Energy Company				0.01750000 WI
Tract 10 Totals			2.000000%	1.6000	0.02000000
TOTAL COAL ESTATE			100.000000%	80.0000	1.00000000

INSTRUMENT #980000363
RECORDED IN THE CLERK'S OFFICE OF
WISE COUNTY ON
JANUARY 27, 1998 AT 01:03PM
J. JACK KENNEDY, JR., CLERK

BY: Jessica Owens (DC)

shall be recorded in the deed records and also cross-referenced in the margin of the said Order of record in Deed Book 750, page 564.

The Clerk shall mail attested copies of this Agreed Order to counsel of record. Nothing further to be done, this case is stricken from the docket.

ENTERED this 11 day of December, 1997.

Fred C. Lee
JUDGE

REQUESTED:

Rubie Florence Short Yeary
Rubie Florence Short Yeary

Claude S. Yeary Sr.
Claude S. Yeary, Sr.

Sandra B. Riggs
Assistant Attorney General
P.O. Drawer 900
Big Stone Gap, Virginia 24219

Sandra B. Riggs
Counsel for the Commonwealth of Virginia
Virginia Gas And Oil Board

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Wilhoit & Kaiser
155 Shelby Street
P.O. Box 726
Kingsport, Tennessee 37660-0726

James L Kaiser
Counsel for Equitable Resources Energy
Company, d/b/a Equitable Resources Exploration

INSTRUMENT #988000236
RECORDED IN THE CLERK'S OFFICE OF
WISE COUNTY ON
JANUARY 28, 1998 AT 02:26PM
J. JACK KENNEDY, JR., CLERK

BY: [Signature]
[Stamp: J. JACK KENNEDY, JR., CLERK, WISE COUNTY, VA]

MEMORANDUM

TO: DGO Staff
FROM: Diane
DATE: January 16, 1998
RE: PM's

In an effort to make tracking as simple as possible, additional info has been added to allow you to track all consultations on the computer. When you do a consultation that is a result of an inspection be certain to mark consultation on your inspection report. When you have a consultation that is generic and/or does not apply to any specific well or is not the result of an inspection you may enter it as an inspectors action gainst a generic file number I have established for each company. I can add to this list as necessary. Let me know if you think there needs to be additional operators added.

The File Numbers are as follows:

ZZ-0000 EREX
ZZ-0001 CONSOL
ZZ-0002 POCAHONTAS
ZZ-0003 ICC
ZZ-0004 CABOT
ZZ-0005 BLAZER
ZZ-0006 VA GAS
ZZ-0007 CNG
ZZ-0008 CNR
ZZ-0009 EVAN ENERGY
ZZ-0010 APACO
ZZ-0011 BENHUR
ZZ-0012 AMVEST
ZZ-0013 PENN VA

If you have questions, please ask. The intent of this is to make tracking available via your laptop and to save you time in having to jot down info in your calendar. This is a separate PM from the one dealing with "contacted operator". This deals with the one for assistance to clients and the pm states "The number of requests received and responded to as well as **the number of consultations provided by DGO staff.**"