

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

| | | | |
|--------------------|--|---|----------------------|
| APPLICANT: | DANNY McCLANAHAN |) | VIRGINIA GAS |
| | |) | AND OIL BOARD |
| | |) | |
| RELIEF SOUGHT: | MODIFICATION OF BOARD'S ORDER |) | DOCKET NO. |
| | POOLING INTERESTS IN DRILLING |) | 98-0324-0625-01 |
| | UNIT NO. T-36 LOCATED IN THE OAKWOOD |) | |
| | COALBED METHANE GAS FIELD I PURSUANT |) | (Modification of |
| | TO VA. CODE § 45.1-361.22, FOR |) | Board's Order in |
| | THE PRODUCTION OF OCCLUDED NATURAL |) | Docket No. VGOB- |
| | GAS PRODUCED FROM COALBEDS AND |) | 98-0324-0625 entered |
| | ROCK STRATA ASSOCIATED THEREWITH |) | May 11, 1998 and |
| | FROM FRAC WELL, AND ANY ADDITIONAL |) | filed May 14, 1998 |
| | WELLS THAT MAY BE AUTHORIZED |) | with the Clerk of |
| | PURSUANT TO VA. CODE § 45.1-361.20 |) | the Circuit Court |
| | (herein collectively referred to as |) | of Buchanan County, |
| | "Coalbed Methane Gas" or "Gas") |) | VA in Deed Book |
| | |) | 476, at Page 154 |
| LEGAL DESCRIPTION: | |) | (herein "Original |
| | |) | Pooling Order") |
| | DRILLING UNIT NUMBER T-36 |) | |
| | (hereafter "Subject Drilling Unit") |) | |
| | IN THE OAKWOOD COALBED METHANE GAS FIELD I |) | |
| | GARDEN MAGISTERIAL DISTRICT, |) | |
| | KEEN MOUNTAIN QUADRANGLE |) | |
| | BUCHANAN 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: Applicant's petition for modification of the Original Pooling Order to name him as a Claimant to the Coalbed Methane Gas underlying Tract 3 of Subject Drilling Unit came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on June 15, 1999, Southwest Virginia Higher Education Center, Virginia Highlands Community College, Abingdon, Virginia.

2. Appearances: Applicant appeared pro se; Mark Swartz of the firm Swartz and Stump, L.C. appeared in behalf of Pocahontas Gas Partnership, the Unit Operator; several heirs of Linkous Horn appeared pro se; and Sandra Riggs, Assistant Attorney General, was present to advise the Board.

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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. The Board also finds that: (1) the Unit Operator exercised due diligence in conducting a search of the reasonably available sources to determine the identity and whereabouts of gas and oil owners, coal owners, mineral owners and/or potential owners, i.e., persons identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas in all coal seams below the Tiller Seam, including the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, War Creek, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams, coalbeds and rock strata associated therewith (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; (2) the Unit Operator identified the Linkous Horn heirs as the owners of the gas and oil estate underlying Tract 3 of Subject Drilling Unit; however, Applicant claims that he is the owner of the surface of Tract 3 of Subject Drilling Unit, that the gas underlying said Tract 3 was never severed from the surface therefore he is the owner of the gas and oil estate underlying Tract 3 and he is thereby a Claimant to the Coalbed Methane Gas; and (3) the attached Revised Exhibit B-3 has been revised to add Applicant, a claimant to the gas estate and thereby a Claimant to the Coalbed Methane Gas underlying Tract 3 of Subject Drilling Unit, to the list of those persons identified by the Unit Operator through its due diligence who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formation, in Subject Drilling Unit underlying and comprised of Subject Lands who had not prior to the Board's entry of the Original Pooling Order agreed to lease or sell to the Unit Operator and/or voluntarily pool their Gas interests. Conflicting Gas Owners/Claimants in Subject Drilling Unit are listed on Revised Exhibit E. Further, the Board has caused notice of this hearing to be given to all owners/claimants within Tract 3 of Subject Drilling Unit and 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: Revised Plat, Tract Identification Sheets, Exhibit B, Exhibit B-3 and Exhibit E.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.22, including the applicable portions of Va. Code § 45.1-361.21, the Board modify the Original Pooling Order to add him as a claimant to the gas estate and thereby as a Claimant to the Coalbed Methane Gas underlying Tract 3 of Subject Drilling Unit and (2) pool all the rights, interests and estates in and to the Coalbed Methane Gas in Subject Drilling Unit, including the pooling of the interests of the Unit Operator and of the known and unknown persons named in Revised Exhibit B-3 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 or allocated to the Subject Drilling Unit established for the Subject Formation 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").

7. Relief Granted: The requested relief in this cause be and hereby is granted: (1) Pursuant to Va. Code § 45.1-361.21.C.3 and the Original Pooling Order, Pocahontas Gas Partnership (hereafter "Unit Operator" or "Operator") was and is designated as the Unit Operator authorized to drill and operate Coalbed Methane Gas well(s) in the Subject Drilling Unit subject to the permit provisions contained in Va. Code § 45.1-361.27 et seq.; to the Oakwood Coalbed Methane Gas Field I Order OGCB 3-90, dated May 18, 1990, as amended by orders issued in Docket Nos. VGOB 93-0216-0325 and VGOB 93-0316-0348 (herein "Oakwood I Field Rules"); to § 4 VAC 25-150 et seq., Gas and Oil Regulations; and to §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, including that of the Unit Operator and of the known and unknown persons listed on Exhibit B-3 to the Original Pooling Order, the Applicant, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formation in the Subject Drilling Unit underlying and comprised of the Subject Lands.

For the Subject Drilling Unit
underlying and comprised of the Subject
Land referred to as:

Unit Number T-36
Buchanan County, Virginia

Pursuant to the Oakwood I Field Rules, the Board has adopted the following method for the calculation of production and revenue and allocation of allowable costs for the production of Coalbed Methane Gas.

For Frac Well Gas. - Gas shall be produced from and allocated to only the 80-acre drilling unit in which the well(s) is located according to the undivided interests of each Owner/Claimant within the unit, which undivided interest shall be the ratio (expressed as a percentage) that the amount of mineral acreage within each separate tract that is within the Subject Drilling Unit, when platted on the surface, bears to the total mineral acreage, when platted on the surface, contained within the entire 80-acre drilling unit in the manner set forth in the Oakwood I Field Rules.

8. Election and Election Period: In the event Applicant does not reach a voluntary agreement to share in the operation of the well(s) to be located in the Subject Drilling Unit, at a rate of payment mutually agreed to by said Applicant and the Unit Operator, then Applicant 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 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, Applicant has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its 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: If Applicant does not reach a voluntary agreement with the Unit Operator, he may elect to participate in the well 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 of the well development and operation contemplated by this Order for frac well gas and gas from any well that may be authorized pursuant to Va. Code § 45.1-361.20, including a reasonable supervision fee, 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 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. Subject to the condition set forth in Paragraph 17.6 of this Order, the estimated Completed-for-Production Costs for the Subject Drilling Unit are:

\$250,475.20

A Participating Operator's proportionate cost hereunder shall be obtained by multiplying the Participating Operators' "Percent of Unit" times the estimated Completed-for-Production Cost 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 well development and operation of Subject Drilling Unit under Paragraph 9.1 above, if Applicant does not reach a voluntary agreement with the Unit Operator he may elect to accept a cash bonus consideration of \$1.00 per net mineral acre owned by him, 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 Coalbed Methane Gas produced from any well development and operation covered by this Order multiplied by that person's Division of Interest or proportional share of said production [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, subject to a final legal determination of ownership, 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 Well 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 well 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, if Applicant does not reach a voluntary agreement with the Unit Operator, he may elect to share in the well 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 and operation.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the rights, 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 its rights, 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 its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event Applicant does not reach 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 he shall be deemed to have elected not to participate in the proposed well development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination of ownership, to have elected to accept as satisfaction in full for his 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 the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, 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 the Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event Applicant 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 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, interest, 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 royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event Applicant is unable to reach a voluntary agreement to share in the development and operation of the well(s) contemplated by this Order at a rate of payment agreed to mutually by Applicant and the Unit Operator, and he elects or fails to elect to do other than participate under Paragraph 9.1 above in the well development and operation of Subject Formations in Subject Drilling Unit, then subject to a final legal determination of ownership, he shall be deemed to have and shall have assigned unto Unit Operator his right, interests, and claims in and to said well(s), and other share in production to which he may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): As set forth in the Original Pooling Order and herein, Pocahontas Gas Partnership is designated as Unit Operator authorized to drill and operate the Coalbed Methane Wells in Subject Formation in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code §§ 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; the Oakwood I Field Rules, 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:

Pocahontas Gas Partnership
P. O. Box 947
Bluefield, VA 24605
Phone: (540) 988-1016
Fax: (540) 988-1055
Attn: Leslie K. Arrington

14. Commencement of Operations: Unit Operator has commenced or caused to be commenced operations for the drilling of the well(s) within the Subject Drilling Unit and shall prosecute the same with due diligence. This Order shall terminate, except for any cash sums then payable hereunder, unless sooner terminated by Order of the Board, at 12:00 P.M. on the date on which all well(s) covered by this Order are permanently abandoned and plugged.

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 the Applicant if he 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 chargeable against his 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:

By the Original Pooling Order, the Board instructed the Escrow Agent named herein or any successor named by the Board to establish an

interest-bearing escrow account, (herein "the Escrow Account") and the Escrow Agent is directed to establish subaccounts for each of the Tracts reflected on the revised Exhibit E attached hereto and to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

First Virginia Bank-Mt. Empire
P. O. Box 1038
Abingdon, VA 24210
Telephone: (540) 475-3112
Fax: (540) 628-7633

- 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 one hundred twenty (120) 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 being deposited. 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 § 45.1-361.21.D.
- 16.2. Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, 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, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1 hereof, 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 within one hundred twenty (120) 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.

17. Special Findings: The Board specifically and specially finds:
- 17.1. The Unit Operator is a Virginia general partnership composed of Consolidation Coal Company, a Delaware corporation, and CONOCO Inc., a Delaware corporation;
- 17.2. Pocahontas Gas Partnership is duly authorized to transact business in the Commonwealth of Virginia, is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.3. Applicant claims ownership of gas and oil underlying Tract 3 of Subject Drilling Unit representing 14.55 percent of the oil and gas interest underlying Subject Drilling Unit;
- 17.4. Unit Operator proposes to drill well(s) to an approximate depth of 2,206 feet on the surface overlying Subject Drilling Unit to develop the pool of Gas in Subject Formations at the location more particularly shown on Exhibit A hereto.
- 17.5. The Virginia Department of Mines, Minerals and Energy has heretofore issued Permit Number 2991 for Well CBM-PGP-T-36.
- 17.6. Subject Drilling Unit is located over longwall panels proposed for the Buchanan No. 1 mine. To the extent any additional well(s) are required to accommodate said mine plans, the cost of any such additional well(s) permitted by the Division of Gas and Oil in accordance with the provisions of Va. Code § 45.1-361.20.C. will not be allocated to the Subject Drilling Unit by the Operator regarding Oakwood I frac gas production. Before the Division of Gas and Oil shall act on any application for an additional well within Subject Drilling Unit pursuant to Va. Code § 45.1-361.20, the Applicant must file with said Division and this Board: (1) a copy of the mine plan for that portion of the Buchanan No. 1 mine which will underlie Subject Drilling Unit; and (2) the projected time by which said mining will commence;
- 17.7. The estimated total production from Subject Drilling Unit is 125 to 500 MMCF. The estimated amount of reserves from the Subject Drilling Unit is 125 to 500 MMCF;
- 17.8. Conflicting Owners/Claimants, including Applicant, are listed on Exhibit E. Set forth in Exhibit B-3 is (1) the name and last known address of each person identified by the Applicant as an Owner or Claimant of Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who at the time of entry of the Original Pooling Order had not, in writing, leased to the Unit Operator or agreed to voluntarily pool their Gas interests in Subject Drilling Unit for its operation and development and (2) the Applicant who claims ownership of the gas underlying Tract 3 of Subject Drilling Unit. The conflicting claim of the

Applicant comprises 14.55 percent of the oil and gas interests and 0 percent of the coal interests in Subject Drilling Unit;

17.9. Pocahontas Gas Partnership'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;

17.10. The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford Applicant the opportunity to recover or receive, without unnecessary expense, his just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Coalbed Methane 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: Unit Operator or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt to each Owner/Claimant within Tract 3 of Subject Drilling Unit whose address is known, and if any such party was represented by counsel at these proceedings that a correct copy of this Order was so mailed to all such counsel.

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 § 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 § 9-6.14:1 et seq.

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

DONE AND EXECUTED this 9th day of September, 1999, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED this 16th day of September, 1999, by Order of this Board.

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

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 9th day of September, 1999, 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 July 31, 2002

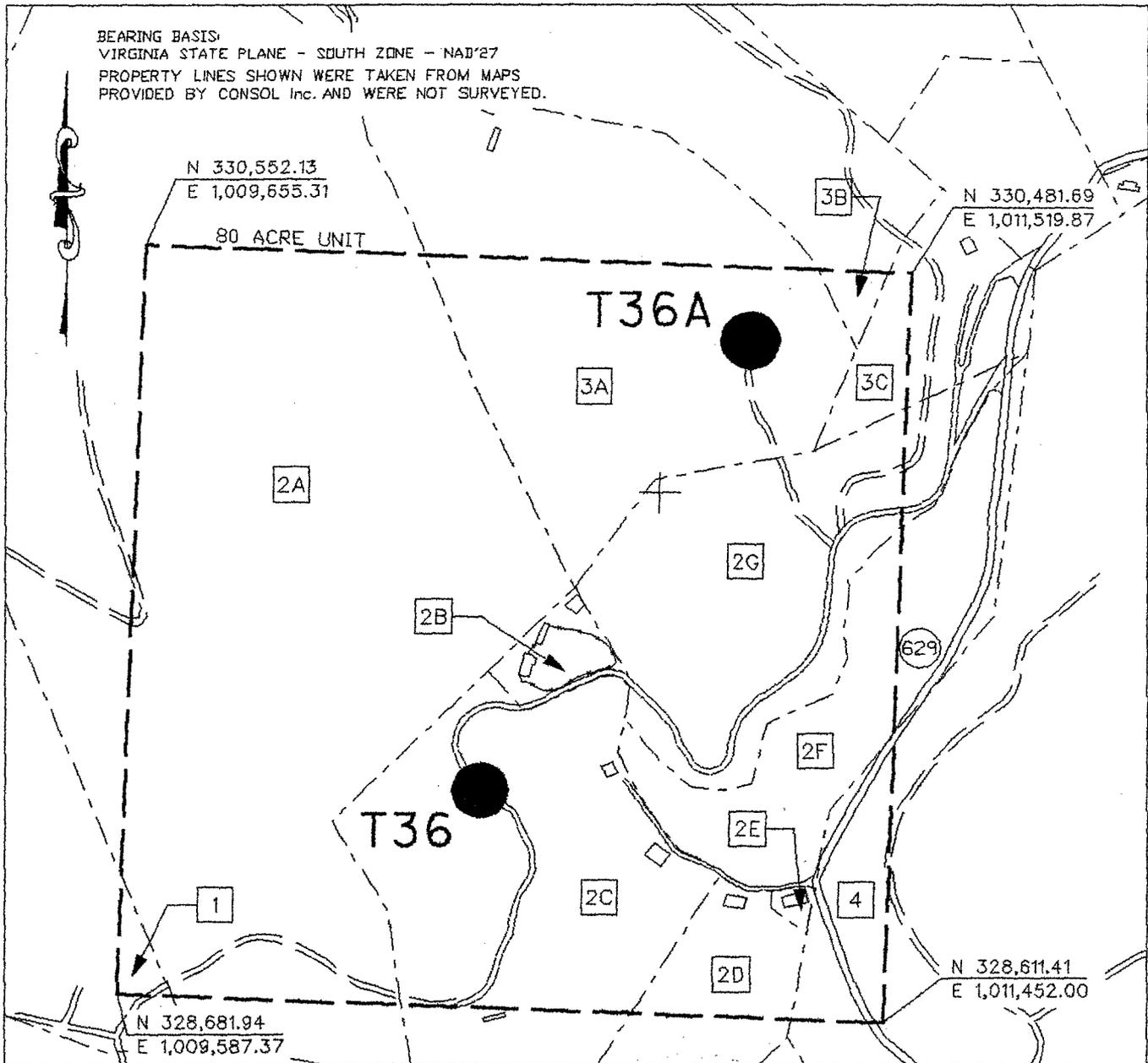
STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 16th day of September, 1999, 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 September 30, 2001

BEARING BASIS:
 VIRGINIA STATE PLANE - SOUTH ZONE - NAD'27
 PROPERTY LINES SHOWN WERE TAKEN FROM MAPS
 PROVIDED BY CONSOL Inc. AND WERE NOT SURVEYED.



THE ACTUAL WELL LOCATION WILL BE WITHIN 10 FEET OF THE PROPOSED LOCATION ACCORDING TO 4 VAC 25-150-290 AND 45.1-361.30.

WELL LOCATION PLAT

PGP T36A PLAT
 PGP3/11 - 9901/11

COMPANY POCAHONTAS GAS PARTNERSHIP WELL NAME OR NUMBER CBM-PGP-T36A
 TRACT NUMBER HURT MCGUIRE QUADRANGLE KEEN MOUNTAIN
 DISTRICT: GARDEN

WELL COORDINATES (VIRGINIA STATE PLANE): STATE PLANE N 330,311.88 E 1,011,125.68
 ELEVATION: 2500.53' METHOD USED TO DETERMINE ELEVATION: BY TRIG. LEVELS FROM CONSOL INC BM'S
 COUNTY BUCHANAN Scale: 1" = 400' Date 9/2/99

THIS PLAT IS A NEW PLAT 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 (optional).

**POCAHONTAS GAS PARTNERSHIP
UNIT T-36
Tract Identification**

- 1. Alpha Stickley, et al - Coal, Oil & Gas
Coal Lessees
Island Creek Coal Company
Jewell Smokeless Coal Corporation
Permac, Inc.
Pocahontas Gas Partnership - CBM Lessee
Joel L. Absher - Surface
0.45 acres 0.5625%

- 2A. McGuire & Hurt Heirs - Coal
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Lessee
Thomas Stillwell Heirs - Surface, Oil & Gas
33.08 acres 37.5625%

- 2B. McGuire & Hurt Heirs - Coal
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Lessee
Walter Underwood - Surface, Oil & Gas
1.25 acres 1.5625%

- 2C. McGuire & Hurt Heirs - Coal
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Lessee
Joe Nipper - Surface, Oil & Gas
12.07 acres 15.0875%

- 2D. McGuire & Hurt Heirs - Coal
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Lessee
Donald Nipper - Surface, Oil & Gas
2.21 acres 2.7625%

- 2E. McGuire & Hurt Heirs - Coal
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Lessee
Osborne Mountain Pentecostal Church - Surface, Oil & Gas
0.17 acres 0.2125%

POCAHONTAS GAS PARTNERSHIP

UNIT T-36

Tract Identification

- 2F. McGuire & Hurt Heirs - Coal
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Lessee
Mitchell Counts - Surface, Oil & Gas
4.80 acres 6.0000%
- 2G. McGuire & Hurt Heirs - Coal
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Lessee
Albert Ball Heirs - Surface, Oil & Gas
10.18 acres 11.7250%
3. McGuire & Hurt Heirs - Coal
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Lessee
Linkous Horn Heirs - Oil & Gas
13.19 acres 21.2750%
- 3A. Danny McClanahan - Surface, (Oil & Gas Claimant on 11.64 acres)
3B. Arlen Osborne - Surface
3C. Beulah Osborne - Surface
4. Coal Mountain Mining Tr 26 - Fee
Consolidation Coal Co. - Below drainage coal Leased
United Coal Company - Above drainage coal Leased
Pocahontas Gas Partnership - CBM Lessee
Pocahontas Gas Partnership - Oil & Gas Lessee
2.60 acres 3.2500%

| | Acres in Unit | Percent of Unit |
|--|---------------|-----------------|
| I. COAL FEE OWNERSHIP | | |
| Tract #1, 0.45 acres | | |
| (1) Alpha Stickley Heirs, et al. c/o H. S. T. Group, L.C. Attn: Bette Hawkins 3812 Wellesley Terrace Circle Richmond, VA 23233 | 0.45 acres | 0.56250% |
| Tract #2A, 33.08 acres | | |
| (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 33.08 acres | 41.35000% |
| Tract #2B, 1.25 acres | | |
| (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 1.25 acres | 1.56250% |
| Tract #2C, 12.07 acres | | |
| (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 12.07 acres | 15.08750% |
| Tract #2D, 2.21 acres | | |
| (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 2.21 acres | 2.76250% |
| Tract #2E, 0.17 acres | | |
| (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 0.17 acres | 0.21250% |
| Tract #2F, 4.80 acres | | |
| (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 4.80 acres | 6.00000% |
| Tract #2G, 10.18 acres | | |
| (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 10.18 acres | 12.72500% |

| | Acres in Unit | Percent of Unit |
|--|-------------------------------------|-----------------|
| Tract #3, 13.19 acres | | |
| (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 13.19 acres | 16.48750% |
| Tract #4, 2.60 acres | | |
| (1) Coal Mountain Mining Co. Tr. 26 Coal Mountain Trust P. O. Box 675 Tazewell, VA 24651 | 2.60 acres | 3.25000% |
| II. <u>OIL & GAS FEE OWNERSHIP</u> | | |
| Tract #1, 0.45 acres | | |
| (1) Alpha Stickley Heirs, et al. c/o H. S. T. Group, L.C. Attn: Bette Hawkins 3812 Wellesley Terrace Circle Richmond, VA 23233 | 0.45 acres | 0.56250% |
| Tract #2A, 33.08 acres | | |
| (1) Thomas Stilwell, heirs | 33.08 acres | 41.35000% |
| (a) Beulah V. Osborne HC 62, Box 109 Raven, VA 24639 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (b) Martha J. Stilwell HC 62, Box 95 Raven, VA 24639 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (c) Virginia N. Stilwell HC 62, Box 97 Raven, VA 24639 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (d) Arthur M. Stilwell HC 62, Box 93 Raven, VA 24639 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (e) Exie Osborne General Delivery Shortt Gap, VA 24647 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (f) Hubbard Osborne HC 62, Box 89 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (g) Linda S. Shelton P. O. Box 8 Shortt Gap, VA 24647 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (h) Jerline Davis 10 Davis Street North Tazewell, VA 24630 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |

| | Acres in Unit | Percent of Unit |
|--|-------------------------------------|-----------------|
| (i) Arlin W. Osborne P. O. Box 446 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (j) Jackie D. Osborne Rt. 1, Box 209 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (k) Daniel J. Osborne HC 62, Box 80 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (l) Sylvia A. Shelton St. Rt. Box 81A Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (m) Marvin J. Osborne P. O. Box 1607 Cedar Bluff, VA 24609 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (n) Lois Casey P. O. Box 162 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (o) Cora Arnold P. O. Box 626 Raven, VA 24639 | 1.3783 acres 1/24 of 33.08 acres | 1.72292% |
| (o) Leonard C. Stilwell P. O. Box 932 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (p) Jay C. Stilwell P. O. Box 1035 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (q) Wanda Hagy P. O. Box 1738 Richlands, VA 24641 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (r) Bessie Lowe P. O. Box 47 Shortt Gap, VA 24647 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (s) Theodore Stilwell P. O. Box 626 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (t) Curtis Stilwell General Delivery Doran, VA 24612 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (u) Bernadine R. Lisburg 1418 First Avenue South Fargo, ND 58103 | 1.3783 acres 1/24 of 33.08 acres | 1.72292% |
| (v) Gladys E. Pollert 702 21st South, Apt. 2 Fargo, ND 58103 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |

| | Acres in Unit | Percent of Unit |
|---|-------------------------------------|-----------------|
| (w) David W. Stilwell 2107 7th Avenue Apt. 15 Belle Fourche, SD | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (x) Thomas H. Stilwell Rt. 1 Bowler, WS 54416 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (y) Quentin A. Stilwell P. O. Box 1013 Rhame, ND 56525 | 0.4594 acres 1/72 of 30.05 acres | 0.57431% |
| (z) Daniel J. Stilwell 600 South 9th Street #64 Bismark, ND 58504 | 0.4594 acres 1/72 of 30.05 acres | 0.57431% |
| (aa) Bernice R. Lamb 3100 Vermillion Hastings, MN 55033 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| Tract #2B, 1.25 acres | | |
| (1) Walter Underwood HC 62, Box 105 Raven, VA 24639 | 1.25 acres | 1.56250% |
| Tract #2C, 12.07 acres | | |
| (1) Joe Nipper HC 62, Box 103A Raven, VA 24639 | 12.07 acres | 15.08750% |
| Tract #2D, 2.21 acres | | |
| (1) Donald Nipper P. O. Box 655 Raven, VA 24639 | 2.21 acres | 2.76250% |
| Tract #2E, 0.17 acres | | |
| (1) Osborne Mountain Pentecostal Church HC 62, Box 105 Raven, VA 24639 | 0.17 acres | 0.21250% |
| Tract #2F, 4.80 acres | | |
| (1) Mitchell Counts P. O. Box 57 Shortt Gap, VA 24647 | 4.80 acres | 6.00000% |
| Tract #2G, 10.18 acres | | |
| (1) Albert Ball heirs, devisees, successors or assigns, et al Address unknown | 10.18 acres | 12.72500% |
| (a) Donald E. Ball Rt. 1, Box 16 Raven, VA 24639 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |

| | Acres in Unit | Percent of Unit |
|---|--------------------------------------|-----------------|
| (b) Lawrence E. Ball P. O. Box 1016 Raven, VA 24639 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |
| (c) Melissa R. Lawson P. O. Box 155 Raven, VA 24639 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |
| (d) Steve R. Ball Rt. 1, Box 970 Pounding Mill, VA 24637 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |
| (e) Danny R. Ball Rt. 1, Box 15B Raven, VA 24639 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |
| (f) A. E. Shreve P. O. Box 8 Doran, VA 24612 | 2.545 acres 1/4 of 10.18 acres | 3.18125% |
| (g) D. Faye Rowe 2706 Brown Street Richlands, VA 24641 | 0.84833 acres 1/12 of 10.18 acres | 1.06042% |
| (h) Nell L. Shreve Rt. 3, Box 778 Bluefield, VA 24701 | 0.84833 acres 1/12 of 10.18 acres | 1.06042% |
| (i) Nancy Young 801 Pyrtle Drive Salem, VA 24153 | 0.84833 acres 1/12 of 10.18 acres | 1.06042% |
| Tract #3, 13.19 acres | | |
| (1) Linkous Horn Heirs | 13.19 acres | 16.48750% |
| (a) Sydney Smith 1911 McViey Road Salem, VA 24153 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (b) Kenneth Roy Osborne 1721 19th Street N.E. Roanoke, VA 24012 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (c) Martha Guilliams 1911 McViey Road Salem, VA 24153 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (d) Ivory J. Horn P. O. Box 748 Raven, VA 24639 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (e) Perry W. Horn 700 Meadowbrooke Dr. Apt. 8 King, NC 27021 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (f) Larry M. Horn P. O. Box 131 Rarden, OH 45671 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |

| | Acres in Unit | Percent of Unit |
|---|--------------------------------------|-----------------|
| (g) Dorothy Horn Rt. 3, Box 21 Cedar Bluff, VA 24609 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (h) Merl Ann Taylor Rt. 1, Box 1445 Cedar Bluff, VA 24609 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (i) Thelma H. Osborne P. O. Box 33 Raven, VA 24639 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (j) Martha H. Smith P. O. Box 395 Max Meadows, VA 24360 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (k) Sarah H. Day P. O. Box 208 Peterstown, WV 24963 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (l) Joseph H. Horn P. O. Box 775 Raven, VA 24639 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (m) Nancy H. Stilwell Rt. 4, Box 722 North Tazewell, VA 24630 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (n) Clifford Osborne P. O. Box 613 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (o) James R. Osborne P. O. Box 495 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (p) Shirley Keene P. O. Box 581 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (q) Mary Keen Rt. 1, Box 157 Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (r) John Osborne Rt. 1, Box 159 Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (s) Ronnie Osborne General Delivery Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (t) Brenda Justice P. O. Box 27 Oakwood, VA 24631 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (u) Richard Osborne P. O. Box 541 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |

| | Acres in Unit | Percent of Unit |
|---|--------------------------------------|-----------------|
| (v) Charles M. Osborne P. O. Box 585 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (w) Ruth Keen Address Unknown | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (x) Patsy Moore General Delivery Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| <u>OIL & GAS CLAIMANTS</u> | | |
| (1) Danny McClanahan P. O. Box 547 Oakwood, VA 24631 | 11.64 acres | 14.55000% |
| Tract #4, 2.60 acres | | |
| (1) Coal Mountain Mining Co. Tr. 26 Coal Mountain Trust P. O. Box 675 Tazewell, VA 24651 | 2.60 acres | 3.25000% |

| 08/31/99 | Acres in Unit | Percent of Unit |
|--|-------------------------------------|-----------------|
| I. OIL & GAS FEE OWNERSHIP | | |
| Tract #2A, 33.08 acres | | |
| (1) Thomas Stilwell, heirs | 33.08 acres | 41.35000% |
| (a) David W. Stilwell 2107 7th Avenue Apt. 15 Belle Fourche, SD | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (b) Quentin A. Stilwell P. O. Box 1013 Rhame, ND 58525 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| Tract #2E, 0.17 acres | | |
| (1) Osborne Mountain Pentecostal Church HC 62, Box 105 Raven, VA 24639 | 0.17 acres | 0.21250% |
| Tract #2F, 4.80 acres | | |
| (1) Mitchell Counts P. O. Box 57 Shortt Gap, VA 24647 | 4.80 acres | 6.00000% |
| Tract #3, 13.19 acres | | |
| (1) Linkous Horn Heirs | 13.19 acres | 16.48750% |
| (a) Sydney Smith 1911 McViey Road Salem, VA 24153 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (b) Kenneth Roy Osborne 1721 19th Street N.E. Roanoke, VA 24012 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (c) Martha Guilliams 1911 McViey Road Salem, VA 24153 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (d) Ivory J. Horn P. O. Box 748 Raven, VA 24639 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (e) Perry W. Horn 700 Meadowbrooke Dr. Apt. 8 King, NC 27021 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (f) Larry M. Horn P. O. Box 131 Rarden, OH 45671 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| (g) Dorothy Horn Rt. 3, Box 21 Cedar Bluff, VA 24609 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (h) Merl Ann Taylor Rt. 1, Box 1445 Cedar Bluff, VA 24609 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |

UNIT T-36
Docket # VGOB-98-0324-0625
Exhibit B-3
List of Unleased Owners/Claimants

| 08/31/99 | | Acres in Unit | Percent of Unit |
|----------|---|--------------------------------------|-----------------|
| (i) | Thelma H. Osborne P. O. Box 33 Raven, VA 24639 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (j) | Martha H. Smith P. O. Box 395 Max Meadows, VA 24360 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (k) | Sarah H. Day P. O. Box 208 Peterstown, WV 24963 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (l) | Joseph H. Horn P. O. Box 775 Raven, VA 24639 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (m) | Nancy H. Stilwell Rt. 4, Box 722 North Tazewell, VA 24630 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (n) | Clifford Osborne P. O. Box 613 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (o) | James R. Osborne P. O. Box 495 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (p) | Shirley Keene P. O. Box 581 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (q) | Mary Keen Rt. 1, Box 157 Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (r) | John Osborne Rt. 1, Box 159 Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (s) | Ronnie Osborne General Delivery Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (t) | Brenda Justice P. O. Box 27 Oakwood, VA 24631 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (u) | Richard Osborne P. O. Box 541 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (v) | Charles M. Osborne P. O. Box 585 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (w) | Ruth Keen Address Unknown | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (x) | Patsy Moore General Delivery Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |

| 08/31/99 | Acres in Unit | Percent of Unit |
|--|---------------|-----------------|
| II. OIL & GAS CLAIMANTS | | |
| Tract #3, 11.64 acres | | |
| (1) Danny McClanahan P. O. Box 547 Oakwood, VA 24631 | 11.64 acres | 14.55000% |

UNIT T-36
Docket # VGOB-98-00324-0625
Exhibit E
List of Conflicting Owners/Claimants that require escrow

| 08/31/99 | Acres in Unit | Percent of Unit |
|---|-------------------------------------|-----------------|
| Tract #2A, 33.08 acres | | |
| <u>COAL FEE OWNERSHIP</u> | | |
| (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 33.08 acres | 41.35000% |
| <u>OIL & GAS FEE OWNERSHIP</u> | | |
| (1) Thomas Stilwell, heirs | 33.08 acres | 41.35000% |
| (a) Beulah V. Osborne HC 62, Box 109 Raven, VA 24639 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (b) Martha J. Stilwell HC 62, Box 95 Raven, VA 24639 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (c) Virginia N. Stilwell HC 62, Box 97 Raven, VA 24639 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (d) Arthur M. Stilwell HC 62, Box 93 Raven, VA 24639 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (e) Exie Osborne General Delivery Shortt Gap, VA 24647 | 4.1350 acres 1/8 of 33.08 acres | 5.16875% |
| (f) Hubbard Osborne HC 62, Box 89 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (g) Linda S. Shelton P. O. Box 8 Shortt Gap, VA 24647 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (h) Jerline Davis 10 Davis Street North Tazewell, VA 24630 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (i) Arlin W. Osborne P. O. Box 446 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (j) Jackie D. Osborne Rt. 1, Box 209 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (k) Daniel J. Osborne HC 62, Box 80 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (l) Sylvia A. Shelton St. Rt. Box 81A Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |

List of Conflicting Owners/Claimants that require escrow

| 08/31/99 | | Acres in Unit | Percent of Unit |
|----------|---|-------------------------------------|-----------------|
| (m) | Marvin J. Osborne P. O. Box 1607 Cedar Bluff, VA 24609 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (n) | Lois Casey P. O. Box 162 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (o) | Cora Arnold P. O. Box 626 Raven, VA 24639 | 1.3783 acres 1/24 of 33.08 acres | 1.72292% |
| (o) | Leonard C. Stilwell P. O. Box 932 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (p) | Jay C. Stilwell P. O. Box 1035 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (q) | Wanda Hagy P. O. Box 1738 Richlands, VA 24641 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (r) | Bessie Lowe P. O. Box 47 Shortt Gap, VA 24647 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (s) | Theodore Stilwell P. O. Box 626 Raven, VA 24639 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (t) | Curtis Stilwell General Delivery Doran, VA 24612 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (u) | Bernadine R. Lisburg 1418 First Avenue South Fargo, ND 58103 | 1.3783 acres 1/24 of 33.08 acres | 1.72292% |
| (v) | Gladys E. Pollert 702 21st South, Apt. 2 Fargo, ND 58103 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (w) | David W. Stilwell 2107 7th Avenue Apt. 15 Belle Fourche, SD | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (x) | Thomas H. Stilwell Rt. 1 Bowler, WS 54416 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (y) | Quentin A. Stilwell P. O. Box 1013 Rhame, ND 56525 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (z) | Daniel J. Stilwell 600 South 9th Street #64 Bismark, ND 58504 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |
| (aa) | Bernice R. Lamb 3100 Vermillion Hastings, MN 55033 | 0.4594 acres 1/72 of 33.08 acres | 0.57431% |

List of Conflicting Owners/Claimants that require escrow

| 08/31/99 | | Acres in Unit | Percent of Unit |
|---|---|---------------|-----------------|
| Tract #2B, 1.25 acres | | | |
| <u>COAL FEE OWNERSHIP</u> | | | |
| (1) | Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 1.25 acres | 1.56250% |
| <u>OIL & GAS FEE OWNERSHIP</u> | | | |
| (1) | Walter Underwood HC 62, Box 105 Raven, VA 24639 | 1.25 acres | 1.56250% |
| Tract #2C, 12.07 acres | | | |
| <u>COAL FEE OWNERSHIP</u> | | | |
| (1) | Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 12.07 acres | 15.08750% |
| <u>OIL & GAS FEE OWNERSHIP</u> | | | |
| (1) | Joe Nipper HC 62, Box 103A Raven, VA 24639 | 12.07 acres | 15.08750% |
| Tract #2D, 2.21 acres | | | |
| <u>COAL FEE OWNERSHIP</u> | | | |
| (1) | Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 2.21 acres | 2.76250% |
| <u>OIL & GAS FEE OWNERSHIP</u> | | | |
| (1) | Donald Nipper P. O. Box 655 Raven, VA 24639 | 2.21 acres | 2.76250% |
| Tract #2E, 0.17 acres | | | |
| <u>COAL FEE OWNERSHIP</u> | | | |
| (1) | Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 0.17 acres | 0.21250% |
| <u>OIL & GAS FEE OWNERSHIP</u> | | | |
| (1) | Osborne Mountain Pentecostal Church HC 62, Box 105 Raven, VA 24639 | 0.17 acres | 0.21250% |

List of Conflicting Owners/Claimants that require escrow

| 08/31/99 | | Acres in Unit | Percent of Unit |
|---|---|--------------------------------------|-----------------|
| Tract #2F, 4.80 acres | | | |
| <u>COAL FEE OWNERSHIP</u> | | | |
| (1) | Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 4.80 acres | 6.00000% |
| <u>OIL & GAS FEE OWNERSHIP</u> | | | |
| (1) | Mitchell Counts P. O. Box 57 Shortt Gap, VA 24647 | 4.80 acres | 6.00000% |
| Tract #2G, 10.18 acres | | | |
| <u>COAL FEE OWNERSHIP</u> | | | |
| (1) | Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 10.18 acres | 12.72500% |
| <u>OIL & GAS FEE OWNERSHIP</u> | | | |
| (1) | Albert Ball heirs, devisees, successors or assigns, et al Address unknown | 10.18 acres | 12.72500% |
| (a) | Donald E. Ball Rt. 1, Box 16 Raven, VA 24639 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |
| (b) | Lawrence E. Ball P. O. Box 1016 Raven, VA 24639 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |
| (c) | Melissa R. Lawson P. O. Box 155 Raven, VA 24639 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |
| (d) | Steve R. Ball Rt. 1, Box 970 Pounding Mill, VA 24637 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |
| (e) | Danny R. Ball Rt. 1, Box 15B Raven, VA 24639 | 1.018 acres 1/10 of 10.18 acres | 1.27250% |
| (f) | A. E. Shreve P. O. Box 8 Doran, VA 24612 | 2.545 acres 1/4 of 10.18 acres | 3.18125% |
| (g) | D. Faye Rowe 2706 Brown Street Richlands, VA 24641 | 0.84833 acres 1/12 of 10.18 acres | 1.06042% |
| (h) | Nell L. Shreve Rt. 3, Box 778 Bluefield, VA 24701 | 0.84833 acres 1/12 of 10.18 acres | 1.06042% |

List of Conflicting Owners/Claimants that require escrow

| 08/31/99 | | Acres in Unit | Percent of Unit |
|---|---|--------------------------------------|-----------------|
| | (i) Nancy Young 801 Pyrtle Drive Salem, VA 24153 | 0.84833 acres 1/12 of 10.18 acres | 1.06042% |
| Tract #3, 13.19 acres | | | |
| <u>COAL FEE OWNERSHIP</u> | | | |
| | (1) Hurt McGuire c/o Charles Green 1805 1/2 Jefferson Avenue Bluefield, WV 24701 | 13.19 acres | 16.48750% |
| <u>OIL & GAS FEE OWNERSHIP</u> | | | |
| | (1) Linkous Horn Heirs | 13.19 acres | 16.48750% |
| | (a) Sydney Smith 1911 McViey Road Salem, VA 24153 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| | (b) Kenneth Roy Osborne 1721 19th Street N.E. Roanoke, VA 24012 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| | (c) Martha Guilliams 1911 McViey Road Salem, VA 24153 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| | (d) Ivory J. Horn P. O. Box 748 Raven, VA 24639 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| | (e) Perry W. Horn 700 Meadowbrooke Dr. Apt. 8 King, NC 27021 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| | (f) Larry M. Horn P. O. Box 131 Rarden, OH 45671 | 0.4397 acres 1/30 of 13.19 acres | 0.54958% |
| | (g) Dorothy Horn Rt. 3, Box 21 Cedar Bluff, VA 24609 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| | (h) Mert Ann Taylor Rt. 1, Box 1445 Cedar Bluff, VA 24609 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| | (i) Thelma H. Osborne P. O. Box 33 Raven, VA 24639 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| | (j) Martha H. Smith P. O. Box 395 Max Meadows, VA 24360 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| | (k) Sarah H. Day P. O. Box 208 Peterstown, WV 24963 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |

List of Conflicting Owners/Claimants that require escrow

| 08/31/99 | | Acres in Unit | Percent of Unit |
|----------|---|--------------------------------------|-----------------|
| (l) | Joseph H. Horn P. O. Box 775 Raven, VA 24639 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (m) | Nancy H. Stilwell Rt. 4, Box 722 North Tazewell, VA 24630 | 1.3190 acres 1/10 of 13.19 acres | 1.64875% |
| (n) | Clifford Osborne P. O. Box 613 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (o) | James R. Osborne P. O. Box 495 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (p) | Shirley Keene P. O. Box 581 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (q) | Mary Keen Rt. 1, Box 157 Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (r) | John Osborne Rt. 1, Box 159 Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (s) | Ronnie Osborne General Delivery Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (t) | Brenda Justice P. O. Box 27 Oakwood, VA 24631 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (u) | Richard Osborne P. O. Box 541 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (v) | Charles M. Osborne P. O. Box 585 Keen Mountain, VA 24624 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (w) | Ruth Keen Address Unknown | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |
| (x) | Patsy Moore General Delivery Raven, VA 24639 | 0.1199 acres 1/110 of 13.19 acres | 0.14989% |

OIL & GAS CLAIMANTS

| | | | |
|-----|--|-------------|-----------|
| (1) | Danny McClanahan P. O. Box 547 Oakwood, VA 24631 | 11.64 acres | 14.55000% |
|-----|--|-------------|-----------|

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is together with the certificate of acknowledgment annexed, admitted to record this 4th day of September 19 99 at 12:04 P. M.
 Deed Book No. 496 and Page No. 538 TESTE: James M. Bevins, Jr., Clerk
 Returned this date to: Alan Davis TESTE: Shirley S. Miller Deputy Clerk

copy - hand delivered
9/17

made } mailed
Hannover }
Sandria } 9/17

BY: _____

OK

INSTRUMENT #990002432
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
SEPTEMBER 16, 1999 AT 12:04PM
JAMES M. BEVINS JR., CLERK