

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

**SUPPLEMENTAL ORDER REGARDING
DOCKET NUMBER VGOB -98-03/24-0631**

**ELECTIONS: UNIT Z-37
(herein "Subject Drilling Unit")**



REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of (1) supplementing the Order previously entered in the captioned matter on May 26, 1998, which was recorded at Deed Book 477, page 35 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on June 5, 1998 (herein "Board Order"); (2) correcting a scrivener's error in the Board Order; and (3) completing the record regarding elections.

Findings: The Board finds that:

The Board Order contain a scrivener's error in that the Exhibit E attached to said Order and recorded at Deed Book 477, Pages 49-50 is applicable to drilling unit Y-37, not drilling unit Z-37.

That the Board Order directed Pocahontas Gas Partnership (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order.

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order.

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections field herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant.

That the affidavit of elections annexed hereto with the Exhibits submitted therewith has been filed by the Unit Operator with the Board in compliance with the Board Order and the Board's Regulations.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit Z-37.

Order:

By this Order, the Board: (1) corrects the scrivener's error contained in Exhibit E to the Board Order by deleting in toto the Exhibit E attached to said Order which Exhibit E is recorded at Deed Book 477, Pages 49 and 50, and substituting in its place the Exhibit E attached hereto; and (2) orders the Designated Operator to tender, consistent with and in accordance with the findings set forth above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Virginia Bank-Mountain Empire, c/o 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 the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefor.

Mailing of Order and Filing of Affidavit:

The Designated Operator under the captioned Order 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 mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

Conclusion:

Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date:

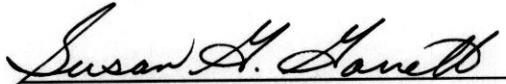
This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 3rd day of September, 1998, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

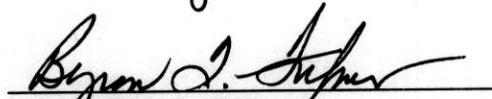
STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 3rd day of September 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

My commission expires 7/31/2002

DONE AND PERFORMED this 28th day of September, 1998 by Order of the Board.


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

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 28th day of September 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, Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis, Notary

My commission expires 9/30/2001

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Pocahontas Gas Partnership for Forced Pooling of Interests in CBM Unit Z-37 VGOB-98-03/24-0631 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CONSOL Inc., as a Permit Specialist and is duly authorized to make this affidavit on behalf of POCAHONTAS GAS PARTNERSHIP, the designated operator,

That the Order entered on May 26, 1998, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused 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 were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the 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 the Order was recorded in the county identified above; that said Order was recorded on June 5, 1998;

That the designated operator POCAHONTAS GAS PARTNERSHIP has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests 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 the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None.

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of May 26, 1998;

See Attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E.

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:

None.

that to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None.

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 13th day of July, 1998.


Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Permit Specialist of CONSOL Inc., on behalf of the corporate Designated Operator, this 13th day of July, 1998.


Notary

My commission expires: 1-31-2001.

		Net Acres in Unit	Interest in Unit	Election
I. <u>OIL & GAS FEE OWNERSHIP</u>				
<u>TRACT #2B - 2.63 acres</u>				
(1)	Gerald K. Shortt General Delivery Shortt Gap, VA 24647	2.63 acres	3.28750%	Deemed Leased

List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
<u>TRACT #2A & C - 20.69 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Commonwealth Coal Corp. Tr 3 P.O. Box 1269 Bristol, VA 24203	20.69 acres	25.86250%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Betty Addison 1305 Terrace Court Sykesville, MD 21784	20.69 acres	25.86250%
<u>TRACT #2B - 2.63 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Commonwealth Coal Corp. Tr 3 P.O. Box 1269 Bristol, VA 24203	2.63 acres	3.28750%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Gerald K. Shortt General Delivery Shortt Gap, VA 24647	2.63 acres	3.28750%

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 30th day of September, 1998 2:34P M.
Deed Book No. 482 and Page No. 311 TESTE: James M. Bevins, Jr., Clerk
Returned this date to, Sept 7 mins TESTE: Shirley S. Miller Deputy Clerk