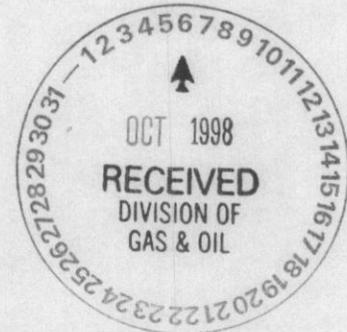


**VIRGINIA:****BEFORE THE VIRGINIA GAS AND OIL BOARD****IN RE:****SUPPLEMENTAL ORDER REGARDING  
DOCKET NUMBER VGOB-94-04/21-0661****ELECTIONS: UNIT VC-3637  
(herein "Subject Drilling Unit")****REPORT OF BOARD****FINDINGS AND ORDER**

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on October 20, 1992, at the Grundy Courthouse, Grundy, Virginia and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, 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 by supplementing the Order previously issued by the Board for subject Docket on May 8, 1998, and recorded at Deed Book 476, Page 177, the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on May 14, 1998 (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 affidavit 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.

**Findings:** The Board finds that:

The Board Order directed Equitable Resources Energy Company (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 mailing dated May 22, 1998 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 Designated Operator has filed its affidavit dated June 30, 1998 in accordance with Section 7.C of the Virginia Gas and Oil Board Regulations and 4

VAC 25-160-70.C (herein "Affidavit of Election"), wherein it has for each Respondent whose interest, if any, were pooled by said Board Order, stated whether each Respondent has made or failed to make a timely election; the nature of the election made, if any, whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed under the terms of the Board Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator.

The 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.

Current Board standard requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Virginia Bank-Mountain. 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.

**Order:**

According to the attached affidavit, there are no interests within the Subject Drilling Unit which are subject to the escrow requirements of the Virginia Gas and Oil Act and/or the Board Order; therefore, unless and/or until otherwise ordered by the Board, the Designated Operator is not required to tender funds nor is 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 required to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506 to receive such funds.

**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.

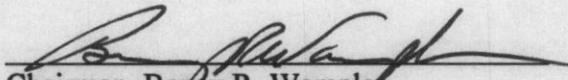
**Conclusion:**

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

**Effective Date:**

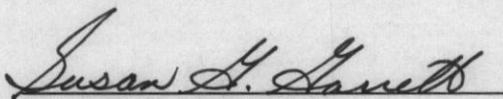
This Order shall be effective on the date of its execution.

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

  
Chairman, Benny R. Wampler

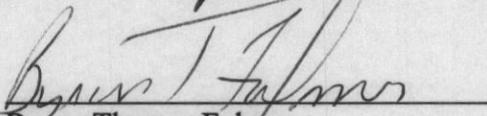
STATE OF VIRGINIA     )  
COUNTY OF WISE        )

Acknowledged on this 3<sup>rd</sup> 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

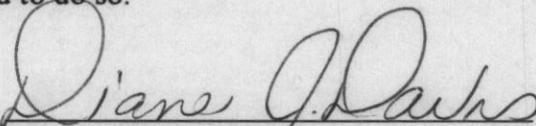
My commission expires 7/31/2002

DONE AND PERFORMED this 25<sup>th</sup> 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 25<sup>th</sup> 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:*****BEFORE 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-3637, VGOB Docket No. VGOB-98/0421-0661 in the Hurricane Magisterial District of Buchanan 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 May 8, 1998, 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 May 14, 1998.
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 opposite the name of each person named as a Respondent listed below is set forth:

NONE

- 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.

| <u>Tract</u>                    | <u>Name</u>               | <u>Royalty Interest</u>  |
|---------------------------------|---------------------------|--------------------------|
| Tract 2<br>Gas & Coal<br>Estate | Garden Realty Corporation | 0.535 Acres x \$5=\$2.68 |

That pursuant to the provision of 4 VAC 25-160.70C and annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 30th day of June 1998.  
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 30th day of June 1998.

My commission expires: July 31, 2001

Jamie E. Fuller  
Notary



**EXHIBIT "B"**  
**VC-3637**  
**VGOB 98-0421-0661**

| <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> |
|-------------------------------|---|---|-----------------------------|------------------------------|-----------------------------|
| <b><u>Gas Estate Only</u></b> |   |   |                             |                              |                             |
| 1                             | Pittston Company<br>c/o Pine Mountain Oil & Gas, Inc.<br>Attn: Richard Brillhart<br>P. O. Box 5100<br>Lebanon, VA 24226 | Leased-EREC<br>241490L01<br>Tract T-586   | 92.310000%                  | 54.2520                      | 0.11538750 RI               |
|                               | Equitable Resources Energy Company  |   |                             |                              | 0.80771250 WI               |
|                               | <b>Tract 1 Totals</b>   |   | 92.310000%                  | 54.2520                      | 0.92310000                  |
| 2                             | Garden Realty Corporation<br>c/o Betty Boyd King<br>2370 Lyndhurst Avenue<br>Winston-Salem, NC 27103                    | Deemed Leased<br><br>Gas Lessee:<br>Consolidated Coal Co.<br>Attn: Claude Morgan<br>P. O. Box 1289<br>Bluefield, VA 24605 | 0.910000%                   | 0.5350                       | 0.00113750 RI               |
|                               | Equitable Resources Energy Company  |   |                             |                              | 0.00796250 WI               |
|                               | <b>Tract 2 Totals</b>   |   | 0.910000%                   | 0.5350                       | 0.00910000                  |
| 3                             | Pittston Company<br>c/o Pine Mountain Oil & Gas, Inc.<br>Attn: Richard Brillhart<br>P. O. Box 5100<br>Lebanon, VA 24226 | Leased-EREC<br>241640L01<br>Tract T2-49   | 6.780000%                   | 3.9830                       | 0.00847500 RI               |
|                               | Equitable Resources Energy Company  |   |                             |                              | 0.05932500 WI               |
|                               | <b>Tract 3 Totals</b>   |   | 6.780000%                   | 3.9830                       | 0.06780000                  |
|                               | <b>TOTAL GAS ESTATE</b>   |   | 100.000000%                 | 58.7700                      | 1.00000000                  |

**EXHIBIT "B"**  
**VC-3637**  
**VGOB 98-0421-0661**

| <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> |
|--------------------------------|---|--|-----------------------------|------------------------------|-----------------------------|
| <b><u>Coal Estate Only</u></b> |   |  |                             |                              |                             |
| 1                              | Pittston Company<br>c/o Clinchfield Coal Company<br>Attn: Steve Smith<br>P. O. Box 7<br>Dante, VA 24237 | Leased-EREC<br>241490L01<br>Tract T-586  | 92.310000%                  | 54.2520                      | 0.11538750 RI               |
|                                | Equitable Resources Energy Company  |  |                             |                              | 0.80771250 WI               |
|                                | <b>Tract 1 Totals</b>   |  | 92.310000%                  | 54.2520                      | 0.92310000                  |
| 2                              | Garden Realty Corporation<br>c/o Betty Boyd King<br>2370 Lyndhurst Avenue<br>Winston-Salem, NC 27103    | Deemed Leased<br><br>Coal Lessee:<br>Consolidated Coal Co.<br>Attn: Claude Morgan<br>P. O. Box 1289<br>Bluefield, VA 24605 | 0.910000%                   | 0.5350                       | 0.00113750 RI               |
|                                | Equitable Resources Energy Company  |  |                             |                              | 0.00796250 WI               |
|                                | <b>Tract 2 Totals</b>   |  | 0.910000%                   | 0.5350                       | 0.00910000                  |
| 3                              | Pittston Company<br>c/o Clinchfield Coal Company<br>Attn: Steve Smith<br>P. O. Box 7<br>Dante, VA 24237 | Leased-EREC<br>241640L01<br>Tract T2-49  | 6.780000%                   | 3.9830                       | 0.00847500 RI               |
|                                | Equitable Resources Energy Company  |  |                             |                              | 0.05932500 WI               |
|                                | <b>Tract 3 Totals</b>   |  | 6.780000%                   | 3.9830                       | 0.06780000                  |
|                                | <b>TOTAL COAL ESTATE</b>  |  | 100.000000%                 | 58.7700                      | 1.00000000                  |

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, 19 98 at 2:30 P. M.  
 Deed Book No. 482 and Page No. 307 TESTE: James M. Bevins, Jr., Clerk  
 Returned this date to; Deputy 5 Miller TESTE: Deputy 5 Miller, Deputy Clerk