

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENMTAL ORDER REGARDING
DOCKET NUMBER VGOB-98-04/21-0663

ELECTIONS: V-3801
(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 its hearing 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 instrument number 980002527 in the Office of the Clerk of the Circuit Court, Wise County, Virginia, on May 13, 1998 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest 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.

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 18, 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 July 1, 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 standards requiring the escrow of funds and the board's agreement with its Escrow Agent, First Virginia Bank-Mtn. 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:

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-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 said affidavits to receive such funds and account to the Board therefore.

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 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:

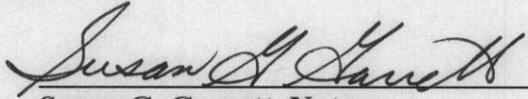
This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 10th day of September, 1998, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

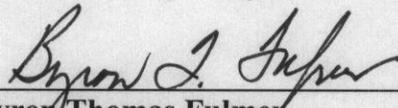
STATE OF VIRGINIA
COUNTY OF WISE

Acknowledged on this 10th 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

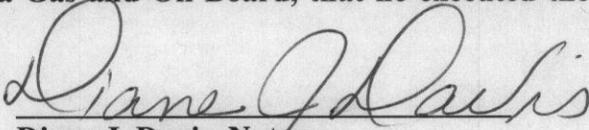
My commission expires 7/31/2002

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:***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 V-3801, VGOB Docket No. VGOB-98/0421-0663 in the Roberson 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 May 8, 1998, by the Virginia Gas and Oil Board regarding the captioned conventional 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 13, 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:

<u>Tract</u>	<u>Name</u>	<u>Lease Number</u>
8	Larry Dean Boggs & Linda Boggs, H/W	245328L 01
9	Bobby E. Sturgill & Debbie Sturgill, H/W	245327L 01
19	Flat Gap Community Cemetery	245320L 01

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>Cash Consideration</u>
2	<u>Shelby Blaine Sturgill Heirs</u>	3.8233 Acres x \$5=\$19.12
	Donald Blaine Sturgill & Ann Sturgill	3.8233 Acres x \$5=\$19.12
	Vickie Lynn Sturgill-Swindall &Ron Swindall	3.8233 Acres x \$5=\$19.12
3	Lanny P. Bolling & Candice Bolling	0.3600 Acres x \$5=\$1.80
12	Alta Bolling, Widow	3.1000 Acres x \$5=\$15.50

That pursuant to the provision of 4VAC 25-160.70C 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 §§ 45.1361.21.D.

Dated at Kingsport, Tennessee, this 13th day of July 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 1st day of July 1998.

My commission expires: July 31, 2001

Jamie E. Fuller
Notary



EXHIBIT "B"
V-3801
VGOB-98-04/21-0663

<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>	
1	Penn Virginia Corporation c/o Penn Virginia Resources Corp. 999 Executive Park Blvd Suite 300 Kingsport, TN 37660	Leased-EREC 223096L 01 Tract No. 1054	37.880000%	42.7000	0.04735000	RI
	Equitable Resources Energy Company				0.33145000	WI
Tract 1 Totals			37.880000%	42.7000	0.37880000	
2	<u>Shelby Blaine Sturgill Heirs</u>					
	Thomas Wayne Sturgill and Ruth Sturgill, H/W 1538 Dairy Road Charlottesville, VA 22903	Deemed Leased	3.393333%	3.8233	0.00424166	RI
	Donald Blaine Sturgill and Ann Sturgill, H/W 11477 Orange Road Pound, VA 24279	Deemed Leased	3.393333%	3.8233	0.00424167	RI
	Vickie Lynn Sturgill Swindall and Ron Swindall, W/H 3029 Greenbrier Circle Big Stone Gap, VA 24219	Deemed Leased	3.393334%	3.8234	0.00424167	RI
	Equitable Resources Energy Company				0.08907500	WI
Tract 2 Totals			10.180000%	11.4700	0.10180000	

EXHIBIT "B"
V-3801
VGOB-98-04/21-0663

<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>	
3	Lanny P. Bolling and Candice Bolling, H/W PO Box 701 Pound, VA 24279-0701	Deemed Leased	0.320000%	0.3600	0.00040000	RI
	Equitable Resources Energy Company				0.00280000	WI
Tract 3 Totals			0.320000%	0.3600	0.00320000	
4	Paul Bolling and Belvia Bolling, H/W PO Box 441 Pound, VA 24279-0441	Leased-EREC 245256L 01	3.980000%	4.4900	0.00497500	RI
	Equitable Resources Energy Company				0.03482500	WI
Tract 4 Totals			3.980000%	4.4900	0.03980000	
5	Leland B. Williams and Phyllis G. Williams, H/W PO Box 674 Wise, VA 24293	Leased-EREC 244805L 01	8.660000%	9.7600	0.01082500	RI
	Equitable Resources Energy Company				0.07577500	WI
Tract 5 Totals			8.660000%	9.7600	0.08660000	
6	Kim Boggs and Fayette Boggs, W/H PO Box 1003 Pound, VA 24279	Leased-EREC 244908L 01	12.600000%	14.2000	0.01575000	RI
	Equitable Resources Energy Company				0.11025000	WI
Tract 6 Totals			12.600000%	14.2000	0.12600000	

EXHIBIT "B"
V-3801
VGOB-98-04/21-0663

<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>
7	Gary T. Rutherford and Mildred Rutherford, H/W 9781 Sulpher Springs Drive Pound, VA 24279	Leased-EREC 244810L 01	1.170000%	1.3200	0.00146250 RI
	Equitable Resources Energy Company				0.01023750 WI
Tract 7 Totals			1.170000%	1.3200	0.01170000
8	Larry Dean Boggs and Linda Boggs, H/W 5217 Flat Gap Road Pound, VA 24279	Leased - EREC 245328L 01	0.170000%	0.1900	0.00021250 RI
	Equitable Resources Energy Company				0.00148750 WI
Tract 8 Totals			0.170000%	0.1900	0.00170000
9	Bobby E. Sturgill and Debbie Sturgill, H/W 5223 Flat Gap Road Pound, VA 24279	Leased - EREC 245327L 01	0.520000%	0.5800	0.00065000 RI
	Equitable Resources Energy Company				0.00455000 WI
Tract 9 Totals			0.520000%	0.5800	0.00520000
10	Judy Charlene Shortt, single RR1, Box 201 Pound, VA 24279-9725	Leased-EREC 244897L 01	3.490000%	3.9200	0.00436250 RI
	Equitable Resources Energy Company				0.03053750 WI
Tract 10 Totals			3.490000%	3.9200	0.03490000

EXHIBIT "B"
V-3801
VGOB-98-04/21-0663

<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>	
11	Daniel W. Fast and Teena M. Fast, H/W PO Box 3165 Wise, VA 24293	Leased-EREC 245214L 01	0.240000%	0.2700	0.00030000	RI
	Equitable Resources Energy Company				0.00210000	WI
Tract 11 Totals			0.240000%	0.2700	0.00240000	
12	Alta Bolling, widow 5303 Flat Gap Road Pound, VA 24279	Deemed Leased	2.750000%	3.1000	0.00343750	RI
	Equitable Resources Energy Company				0.02406250	WI
Tract 12 Totals			2.750000%	3.1000	0.02750000	
13	Lois C. Bolling, single Paula J. Sorrell and Daniel Sorrell, H/W PO Box 495 Pound, VA 24279-0495	Leased-EREC 244820L 01	1.190000%	1.3400	0.00148750	RI
	Equitable Resources Energy Company				0.01041250	WI
Tract 13 Totals			1.190000%	1.3400	0.01190000	
14	Ernest Glen Sturgill and Jeanie Aleta Sturgill, H/W RR 1, Box 212 Pound, VA 24279-9726	Leased-EREC 244688L 01	3.890000%	4.3800	0.00486250	RI
	Equitable Resources Energy Company				0.03403750	WI
Tract 14 Totals			3.890000%	4.3800	0.03890000	

EXHIBIT "B"
V-3801
VGOB-98-04/21-0663

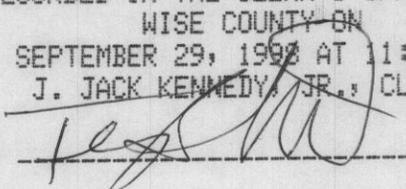
<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
15	Gary T. Rutherford and Mildred Rutherford, H/W 9781 Sulpher Springs Drive Pound, VA 24279	Leased-EREC 244811L 01	3.200000%	3.6100	0.00400000	RI
	Equitable Resources Energy Company				0.02800000	WI
Tract 15 Totals			3.200000%	3.6100	0.03200000	
16	Emily H. Mullins and George Mullins, Jr., W/H RR 1, Box 209 Pound, VA 24279-9726	Leased -EREC 244677L 01	3.710000%	4.1800	0.00463750	RI
	Equitable Resources Energy Company				0.03246250	WI
Tract 16 Totals			3.710000%	4.1800	0.03710000	
17	Gaye Kiser West, doing buiness in her sole and separate property PO Box 932 Wise, VA 24293	Leased-EREC 244824L 01	0.180000%	0.2000	0.00022500	RI
	Equitable Resources Energy Company				0.00157500	WI
Tract 17 Totals			0.180000%	0.2000	0.00180000	
18	Phyllis G. Williams and Leland B. Williams, W/H PO Box 674 Wise, VA 24293	Leased-EREC 223432L 01	4.250000%	4.7900	0.00531250	RI
	Equitable Resources Energy Company				0.03718750	WI
Tract 18 Totals			4.250000%	4.7900	0.04250000	

EXHIBIT "B"
V-3801
VGOB-98-04/21-0663

<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>
19	Flat Gap Community Cemetery Lawrence Bolling, Jr., Trustee 7948 Carter Branch Road Wise, VA 24293	Leased - EREC 245320L 01	1.620000%	1.8300	0.00202500 RI
	Equitable Resources Energy Company				0.01417500 WI
Tract 19 Totals			1.620000%	1.8300	0.01620000

100.000000% 112.6900 1.000000

INSTRUMENT #980004818
 RECORDED IN THE CLERK'S OFFICE OF
 WISE COUNTY ON
 SEPTEMBER 29, 1998 AT 11:49AM
 J. JACK KENNEDY, JR., CLERK

BY:  (DC)

RECEIVED

'SEP 8 1998

WILHOIT & KAISER
Attorneys at Law
P. O. Box 726
Kingsport, Tennessee 37660-0726

COMMERCE AND TRADE SECTION
BIG STONE GAP

OFFICES:
155 Shelby Street
Kingsport, Tennessee 37660
(423) 578-3838
Fax (423) 578-3833

309 South Broad Street
London, Kentucky 40743
(606) 878-9661
Fax (606) 878-6948

ANTHONY A. WILHOIT
JAMES E. KAISER

September 3, 1998

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

RE: Supplemental Order and Affidavit for EREC Well No. V-3801

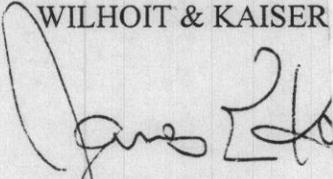
Dear Sandra:

In response to your memo dated 9/01/98 regarding the above supplemental affidavit please be advised: On Exhibit B submitted for the force pooling hearing we (EREC) had listed the owners of Tract No. 7 as being "Wayne Maggard & Katie Maggard". Since then, they had deeded this property to "Gary T. Rutherford & Mildred Rutherford", by deed dated February 17, 1998 and recorded on February 20, 1998 in Deed Book 980000696, Page 32, who are also the same owners of Tract No. 15.

If you have any questions please feel free to contact me.

Very truly yours,

WILHOIT & KAISER


James E. Kaiser
JEK/jf

9/10/98

Keep this letter with
this supplemental order
for V-3801- Do not send
to operators-

Thanks!
Celona