

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENMTAL ORDER REGARDING
DOCKET NUMBER VGOB-98-07/21-0672

ELECTIONS: VC-3748
(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 August 10, 1998, and recorded at Deed Book 480, Page 40, in the Office of the Clerk of the Circuit Court, Buchanan County, Virginia, on August 11, 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 August 24, 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 September 24, 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:

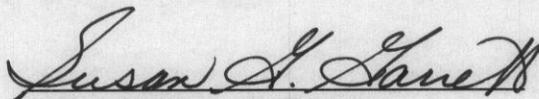
This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 23rd day of October, 1998, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

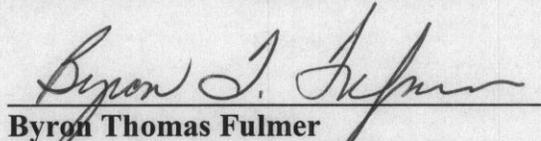
STATE OF VIRGINIA
COUNTY OF WISE

Acknowledged on this 23rd day of October, 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

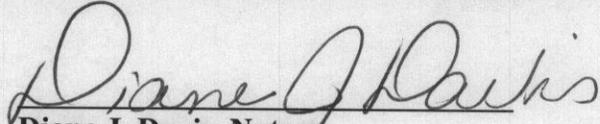
My commission expires 7/31/2002

DONE AND PERFORMED this 29th day of October, 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 29th day of October, 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-3748, VGOB Docket No. VGOB-98/0271-0672 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 August 10, 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 August 11, 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>Cash Consideration</u>
4 Gas & Coal Estate	Willis Compton, widower (Life Estate)	0.97 Acres x \$5=\$4.85
4 Coal & Coal Estate	Phillip Compton & Rebecca Compton (Remainderman)	0.97 Acres x \$5=\$4.85

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 §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 24th day of September 1998.

Jane 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 24th day of Sept 1998.

My commission expires: July 31, 2001

Jamie E. Fuller
Notary



EXHIBIT "B"
VC-3748
 VGOB 98-0721-0672

BOOK **484** PAGE **483**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Joseph Frederick McGuire, single 201 Woodrum St. Pearisburg, Va 24134	Leased-EREC 245078L02	40.565000%	23.8400	0.05070625	RI
	Meredith Ellis Iqbal, single 2418 W. Linden Ave. Nashville, TN 37212	Leased-EREC 245078L01	13.521668%	7.9468	0.01690209	RI
	John W. Pobst & Lynda L. Pobst, H/W P. O. Box 86 Revere, PA 18953	Leased-EREC 245078L03	6.760833%	3.9733	0.00845104	RI
	Richard K. Pobst & M. Katherine Pobst, H/W 3760 Lindell Rd. Las Vegas, NV 89103-2473	Leased-EREC 245078L06	6.760833%	3.9733	0.00845104	RI
	Virginia Lee Linwick & Phillip Gregory Linwick, W/H 4324 S. Ball Dr. Veradale, WA 99037	Leased-EREC 245078L05	6.760833%	3.9733	0.00845104	RI
	Nancy Catherine Pobst-Hooper, single 30 Bramblewood Rd SW Cartersville, GA 30120	Leased-EREC 245078L04	6.760833%	3.9733	0.00845104	RI
	Equitable Resources Energy Company				0.70988750	WI
	Tract 1 Totals		81.130000%	47.6800	0.81130000	

EXHIBIT "B"
VC-3748

BOOK 484 PAGE 484

VGOB 98-0721-0672

<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>	
2	Ronnie Dennis Compton & Betty Louise Compton, H/W Rt 5, Box 482 Grundy, VA 24614	Leased-EREC 245281L01	16.830000%	9.8900	0.02103750	RI
	Equitable Resources Energy Company				0.14726250	WI
Tract 2 Totals			16.830000%	9.8900	0.16830000	
3	Woodrow Presley, Single Route 1 Box 210 Vansant, VA 24656	Leased-EREC 245284L01	0.390000%	0.2300	0.00048750	RI
	Equitable Resources Energy Company				0.00341250	WI
Tract 3 Totals			0.390000%	0.2300	0.00390000	
4	Willis Compton, widower P. O. Box 157 Davenport, VA 24239-0157	Deemed Leased Life Estate	[0.000000%]	[0.0000]	[0.000000%]	RI
	Phillip Compton & Rebeca Compton, H/W P. O. Box 123 Davenport, VA 24239-0123	Deemed Leased Remainderman	1.650000%	0.9700	0.00206250	RI
	Equitable Resources Energy Company				0.01443750	WI
Tract 4 Totals			1.650000%	0.9700	0.01650000	
Gas Estate Totals			100.000000%	58.7700	1.00000000	

EXHIBIT "B"
VC-3748

BOOK 484 PAGE 485

VGOB 98-0721-0672

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Coal Estate Only</u>						
1	Joseph Frederick McGuire, single 201 Woodrum St. Pearisburg, Va 24134	Leased-EREC 245078L02	40.565000%	23.8400	0.05070625	RI
	Meredith Ellis Iqbal, single 2418 W. Linden Ave. Nashville, TN 37212	Leased-EREC 245078L01	13.521668%	7.9468	0.01690209	RI
	John W. Pobst & Lynda L. Pobst, H/W P. O. Box 86 Revere, PA 18953	Leased-EREC 245078L03	6.760833%	3.9733	0.00845104	RI
	Richard K. Pobst & M. Katherine Pobst, H/W 3760 Lindell Rd. Las Vegas, NV 89103-2473	Leased-EREC 245078L06	6.760833%	3.9733	0.00845104	RI
	Virginia Lee Linwick & Phillip Gregory Linwick, W/H 4324 S. Ball Dr. Veradale, WA 99037	Leased-EREC 245078L05	6.760833%	3.9733	0.00845104	RI
	Nancy Catherine Pobst-Hooper, single 30 Bramblewood Rd SW Cartersville, GA 30120	Leased-EREC 245078L04	6.760833%	3.9733	0.00845104	RI
	Equitable Resources Energy Company				0.70988750	WI
Tract 1 Totals			81.130000%	47.6800	0.81130000	

EXHIBIT "B"
VC-3748
 VGOB 98-0721-0672

<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>	
2	Ronnie Dennis Compton & Betty Louise Compton, H/W Rt 5, Box 482 Grundy, VA 24614	Leased-EREC 245281L01	16.830000%	9.8900	0.02103750	RI
	Equitable Resources Energy Company				0.14726250	WI
Tract 2 Totals			16.830000%	9.8900	0.16830000	
3	Woodrow Presley, Single Route 1 Box 210 Vansant, VA 24656	Leased-EREC 245284L01	0.390000%	0.2300	0.00048750	RI
	Equitable Resources Energy Company				0.00341250	WI
Tract 3 Totals			0.390000%	0.2300	0.00390000	
4	Willis Compton, widower P. O. Box 157 Davenport, VA 24239-0157	Deemed Leased Life Estate	[0.000000%]	[0.0000]	[0.000000%]	RI
	Phillip Compton & Rebeca Compton, H/W P. O. Box 123 Davenport, VA 24239-0123	Deemed Leased Remainderman	1.650000%	0.9700	0.00206250	RI
	Equitable Resources Energy Company				0.01443750	WI
Tract 4 Totals			1.650000%	0.9700	0.01650000	
TOTAL COAL ESTATE			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 23rd day of November, 1998 at 12:55P: M.
 Deed Book No. 484 and Page No. 486 TESTE: James M. Bevins, Jr., Clerk
 Returned this date to; Diane Davis TESTE: Patricia [Signature] Deputy Clerk