

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VG0B-98/0818-0676
ELECTIONS, UNIT: VC-3900
(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

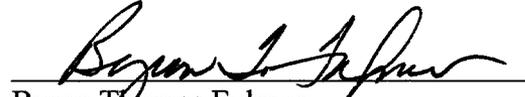
1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. 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 requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on September 24, 1998, and recorded at Book 482, Page 293 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on September 30, 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, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
 - (a) The Board Order directed Equitable Resources Energy Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
 - (b) The designated operator filed its affidavit of mailing dated October 12, 1998, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
 - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her 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 November 12, 1998, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit

- (d) of Election”), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (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, interest, estates and claims in Subject Drilling Unit to the Designated Operator;
- (d) 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 as Exhibit B.
- (e) Current Board standards requiring the escrow of funds and the Board’s agreement with its Escrow Agent, First Virginia Bank- Mountain Empire, 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.
3. 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, 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 said affidavits to receive such funds and account to the Board therefore.
4. 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 true and correct copy of this Order to each person whose interest or claim is subject to escrow and whose address is known.
5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 8th day of December, 1998 by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 9th day of December, 1998, by Order of this Board.


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

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 8th day of December, 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 Public

My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 9th day of December, 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 Public

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-3900, VGOB Docket No. VGOB-98/0818-0676 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 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on September 24, 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 September 30, 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:

The following revenue interests are **subject to escrow** provisions due to the owners being unlocatable.

Faye Fields Cassidy Heirs 0.00353500 RI

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>
3 Gas & Coal	Barbara Ellen Lovins & Carl Lovins	.2374 Acres x \$5=\$1.20
	Faye Fields Cassidy Heirs	1.662 Acres x \$5=\$8.31 Subject to Escrow
5 Gas & Coal Estate	Willis Compton Life Estate	.28 Acres x \$5=\$1.40
	Phillip Compton & Rebecca Compton Remainderman	.28 Acres x \$5=\$1.40

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 required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 12th day of November 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 12th day of November 1998.

My commission expires: July 31, 2001

Jamie E. Fuller
Notary

EXHIBIT "B"
VC-3900

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VGOB/98/0818/0676

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>					
1	Richard C. Mullins Patricia Kay Mullins H/W Rt 3, Box 246 Clintwood, VA 24228	Leased-EREC 245249L01	34.160000%	20.0750	0.04270000 RI
	Carolyn L. Mullins, Single 58 Green Valley Rd. Bristol, VA 24201	Leased-EREC 245249L01	34.160000%	20.0750	0.04270000 RI
	Equitable Resources Energy Company				0.59780000 WI
	Tract 1 Totals		68.320000%	40.1500	0.68320000
2	Joseph Frederick McGuire, single 201 Woodrum St. Pearisburg, Va 24134	Leased-EREC 245075L02	1.250000%	0.7350	0.00156250 RI
	Meredith Ellis Iqbal, single 2418 W. Linden Ave. Nashville, TN 37212	Leased-EREC 245078L01	0.416667%	0.2450	0.00052082 RI
	John W. Pobst & Lynda L. Pobst, H/W P. O. Box 86 Revere, PA 18953	Leased-EREC 245078L03	0.208334%	0.1225	0.00026042 RI
	Richard K. Pobst & M. Katherine Pobst, H/W 3760 Lindell Rd. Las Vegas, NV 89103-2473	Leased-EREC 245078L06	0.208333%	0.1225	0.00026042 RI
	Virginia Lee Linwick & Phillip Gregory Linwick, W/H 4324 S. Ball Dr. Veradale, WA 99037	Leased-EREC 245078L05	0.208333%	0.1225	0.00026042 RI
	Nancy Catherine Pobst-Hooper, single 30 Bramblewood Point Cartersville, GA 30120	Leased-EREC 245078L04	0.208333%	0.1225	0.00026042 RI
	Equitable Resources Energy Company				0.02187500 WI
	Tract 2 Totals		2.500000%	1.4700	0.02500000

EXHIBIT "B"
VC-3900

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VGOB/98/0818/0676

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET ACREAGE IN UNIT</u>
3	Betty J. Hoffman & Paul R. Hoffman, W/H 386 W. Main St. Waldo, OH 43356	Leased-EREC 245201L01	22.624000%	13.2960	0.02828000 RI
	Hubert Kenna Mullinex & Cora Ann Mullinex, H/W Rt. 1, Box 409 Cottageville, WV 25239	Leased-EREC 245201L02	0.404000%	0.2375	0.00050500 RI
	George Mullinex, single 110 Riverbend Apts. New Haven, WV 24265	Leased-EREC 245201L03	0.404000%	0.2374	0.00050500 RI
	Ada Sue Ferguson & Chester Ferguson, W/H 4629 James River Rd. Huntington, WV 25704	Leased-EREC 245201L04	0.404000%	0.2375	0.00050500 RI
	Wilma Mullinex, single 601 #5 West 26th. St. Huntington, WV 25704	Leased-EREC 245201L05	0.404000%	0.2374	0.00050500 RI
	Stella Pelfrey & Donald O. Pelfrey, W/H 1319 Wayne Ave. Kenova, WV 25530	Leased-EREC 245201L06	0.404000%	0.2374	0.00050500 RI
	Cora Blance Adkins, married 9 Vison Village Kenova, WV 25530	Leased-EREC 245201L07	0.404000%	0.2374	0.00050500 RI
	Barbara Ellen Lovins & Carl Lovins 305 Berlington Rd. Huntington, WV 25704	Deemed Leased	0.404000%	0.2374	0.00050500 RI
	Faye Fields Cassidy Heirs Unknown	Deemed Leased	2.828000%	1.6620	0.00353500 RI
	Equitable Resources Energy Company				0.24745000 WI
	Tract 3 Totals		28.280000%	16.6200	0.28280000 RI
4	Joseph Frederick McGuire, single 201 Woodrum St. Pearisburg, Va 24134	Leased-EREC 245078L02	0.215000%	0.1250	0.00026875 RI

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	Meredith Ellis Iqbal, single 2418 W. Linden Ave. Nashville, TN 37212	Leased-EREC 245078L01	0.071667%	0.0418	0.00008959 RI
	John W. Pobst & Lynda L. Pobst, H/W P. O. Box 86 Revere, PA 18953	Leased-EREC 245078L03	0.035834%	0.0208	0.00004479 RI
	Richard K. Pobst & M. Katherine Pobst, H/W 3760 Lindell Rd. Las Vegas, NV 89103-2473	Leased-EREC 245078L06	0.035833%	0.0208	0.00004479 RI
	Virginia Lee Linwick & Phillip Gregory Linwick, W/H 4324 S. Ball Dr. Veradale, WA 99037	Leased-EREC 245078L05	0.035833%	0.0208	0.00004479 RI
	Nancy Catherine Pobst-Hooper, single 30 Bramblewood Point Cartersville, GA 30120	Leased-EREC 245078L04	0.035833%	0.0208	0.00004479 RI
	Equitable Resources Energy Company				0.00376250 WI
	Tract 4 Totals		0.430000%	0.2500	0.00430000
5	Willis Compton, widower P.O. Box 157 Davenport, Va 24239-0157	Deemed Leased Life Estate	[0.000000]	[0.0000]	[0.00000000] RI
	Phillip Compton & Rebecca Compton P.O. Box 123 Davenport, VA 24239-0123	Deemed Leased Remainderman	0.470000%	0.2800	0.00058750 RI
	Equitable Resources Energy Company				0.00411250 WI
	Tract 5 Totals		0.470000%	0.2800	0.00470000
	Gas Estate Totals		100.000000%	58.7700	1.00000000

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	Equitable Resources Energy Company				0.02187500 WI
	Tract 2 Totals		2.500000%	1.4700	0.02500000

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	Equitable Resources Energy Company				0.24745000 WI
	Tract 3 Totals		28.280000%	16.6200	0.28280000
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	Equitable Resources Energy Company				0.00376250 WI
	Tract 4 Totals		0.430000%	0.2500	0.00430000
5	Willis Compton, widower P.O. Box 157 Davenport, Va 24239-0157	Deemed Leased Life Estate	[0.000000]	[0.0000]	[0.00000000] RI
	Phillip Compton & Rebecca Compton P.O. Box 123 Davenport, VA 24239-0123	Deemed Leased Remainderman	0.470000%	0.2800	0.00058750 RI
	Equitable Resources Energy Company				0.00411250 WI
	Tract 5 Totals		0.470000%	0.2800	0.00470000
	Coal Estate Totals		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 18th day of December 1998 at 2:00 P. M.
Deed Book No. 485 and Page No. 655 TESTE: James M. Bevins, Jr., Clerk
Returned this date to: Dept of King TESTE: Beverly S. Jiles Deputy Clerk
Abingdon, VA

Department of Mines, Minerals and Energy
DIVISION OF GAS & OIL
POST OFFICE BOX 1416
ABINGDON, VIRGINIA 24212

JK

BY:

INSTRUMENT #990003366
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
DECEMBER 18, 1998 AT 02:08PM
JAMES M. BEVINS JR., CLERK

Mailed out
12/29
Riggs
Escrow Agent
Gret
Kaiser