

440

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: POCAHONTAS GAS PARTNERSHIP, a Virginia ) VIRGINIA GAS  
 General Partnership ) AND OIL BOARD  
 )  
 RELIEF SOUGHT: POOLING OF INTERESTS IN ) DOCKET NO.  
 DRILLING UNIT NO. V-46 ) 98-1020-0690  
 LOCATED IN THE OAKWOOD COALBED )  
 METHANE GAS FIELD I PURSUANT TO )  
 VA. CODE ANN. §§ 45.1-361.21 AND )  
 45.1-361.22, FOR THE PRODUCTION OF )  
 OCCLUDED NATURAL GAS PRODUCED FROM )  
 COALBEDS AND ROCK STRATA ASSOCIATED )  
 THEREWITH FROM FRAC WELL, AND ANY )  
 ADDITIONAL WELLS THAT MAY BE )  
 AUTHORIZED PURSUANT TO VA. CODE )  
 ANN. § 45.1-361.20 (herein )  
 Collectively referred to as )  
 "Coalbed Methane Gas" or "Gas") )

LEGAL DESCRIPTION: )  
 )  
 DRILLING UNIT NUMBER V-46 )  
 (hereafter "Subject Drilling Unit") )  
 IN THE OAKWOOD COALBED METHANE GAS FIELD I )  
 MAIDEN SPRINGS AND GARDEN MAGISTERIAL DISTRICTS,) )  
 JEWELL RIDGE QUADRANGLE )  
 TAZEWELL AND BUCHANAN COUNTIES, VIRGINIA )  
 (the "Subject Lands" are more )  
 particularly described on Exhibit )  
 "A", attached hereto and made a )  
 part hereof) )

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on November 17, 1998, Dickenson Conference Center, Southwest Virginia Education 4-H Center, Abingdon, Virginia.
2. Appearances: Mark Swartz, Esquire, appeared for the Applicant and Sandra Riggs, Assistant Attorney General, was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to Va. Code Ann. §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a search of the reasonably available sources to determine the identity and whereabouts of gas and oil owners, coal owners, mineral owners and/or potential owners, i.e.,

Order for frac well gas and gas from any well that may be authorized pursuant to Va. Code § 45.1-361.20, including a reasonable supervision fee, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 4 VAC 25-160-100 (herein "Completed-for-Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. Subject to the condition set forth in Paragraph 17.6 of this Order, the estimated Completed-for-Production Costs for the Subject Drilling Unit are:

\$256,092.10

A Participating Operator's proportionate cost hereunder shall be obtained by multiplying the Participating Operators' "Interest in Unit" times the estimated Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the estimated Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in Exhibit B-3 hereto who does not reach a voluntary agreement with the Unit Operator may elect to accept a cash bonus consideration of \$1.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas produced from any well development covered by this Order multiplied by that person's Division of Interest or proportional share of said production [for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person] as fair, reasonable and equitable compensation to be paid to said Gas Owner or Claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within one hundred twenty (120) days of said anniversary date. Once the initial cash bonus and the

annual cash bonuses, if any, are so paid or escrowed, subject to a final legal determination of ownership, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing person in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign, its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any Gas Owner or Claimant named in Exhibit B-3 hereto who does not reach a voluntary agreement with the Operator may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Applicant until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Applicant recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign its rights, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in Exhibit B-3 hereto does not reach a voluntary agreement with the Unit Operator and fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from the Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in Exhibit B-3 elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Completed-for-Production Costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interest, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in Exhibit B-3 is unable to reach a voluntary agreement to share in the operation of the well(s) contemplated by this Order at a rate of payment agreed to mutually by said Owner or Claimant and the Operator, and such person elects or fails to

elect to do other than participate under Paragraph 9.1 above in the development and operation of Subject Formations in Subject Drilling Unit, then subject to a final legal determination of ownership, such person shall be deemed to have and shall have assigned unto Applicant such person's right, interests, and claims in and to said well(s), and other share in production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): Pocahontas Gas Partnership be and hereby is designated as Unit Operator authorized to drill and operate the Coalbed Methane Wells in Subject Formation in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code Ann. §§ 45.1-361.27 et seq.; §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; the Oakwood Coalbed Gas Field I Order OGCB 3-90, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Pocahontas Gas Partnership  
P. O. Box 947  
Bluefield, VA 24605  
Phone: (540) 988-1016  
Fax: (540) 988-1055  
Attn: Leslie K. Arrington

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the well(s) within the Subject Drilling Unit within seven hundred thirty (730) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums then payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which all well(s) covered by this Order are permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the petition for appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referred to herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are chargeable against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

The Applicant has represented to the Board that there are unknown and unlocatable claimants whose entitlements are subject to the provisions of Paragraph 16.1 hereof and that there are conflicting claimants whose entitlements are subject to the provisions of Paragraph 16.2 hereof, all as more particularly identified in Exhibit E. By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account with subaccounts for each tract subject to escrow, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

First Virginia Bank-Mt. Empire  
Trust Department  
P. O. Box 1038  
Abingdon, VA 24210  
Telephone: (540) 475-3112  
Fax: (540) 628-7633

16.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and, pursuant to Va. Code Ann. § 45.1-361.21.D, said sums shall be deposited by the Operator into the Escrow Account, commencing within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are being deposited. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code Ann. § 45.1-361.21.D.

16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code Ann. §§ 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the

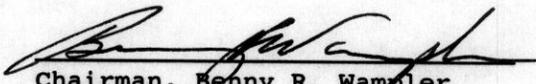
Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:
- 17.1. Applicant is a Virginia general partnership composed of Consolidation Coal Company, a Delaware corporation, and CONOCO Inc., a Delaware corporation;
- 17.2. Pocahontas Gas Partnership is duly authorized to transact business in the Commonwealth of Virginia, is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.3. Applicant claims ownership of gas leases, coalbed methane gas leases, and/or coal leases representing 100 percent of the coal interests and 80.275 percent of the oil and gas interest;
- 17.4. Applicant currently proposes the drilling of one (1) well on the surface overlying Subject Drilling Unit to develop the pool of Gas in Subject Formations at the location more particularly shown on Exhibit A hereto;
- 17.5. The Virginia Department of Mines, Minerals and Energy has heretofore issued Permit Number 3790 for Well CBM-PGP-V46;
- 17.6. To the extent any additional well(s) are required to accommodate mine plans, the cost of any such additional well(s) permitted by the Division of Gas and Oil in accordance with the provisions of Va. Code § 45.1-361.20.C. will not be allocated to the Subject Drilling Unit for frac production. Before the Division of Gas and Oil; shall act on any application for additional well(s) within Subject Drilling Unit pursuant to Va. Code § 45.1-361.20, the Applicant must file with said Division and this Board: (1) a copy of the mine plan for that portion of any mine which will underlie Subject Drilling Unit; and (2) the projected time by which said mining will commence;
- 17.7. The estimated total production from Subject Drilling Unit is 125 to 550 MMCF. The estimated amount of reserves from the Subject Drilling Unit is 125 to 550 MMCF;
- 17.8. Conflicting Owners/Claimants whose interests are subject to the escrow provisions of this Order are listed on Exhibit E. Set forth in Exhibit B-3 is the name and last known address of each person identified by the Applicant as an Owner or Claimant of Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who has not, in writing, leased to the Unit Operator or agreed to voluntarily pool his Gas interests in

Subject Drilling Unit for its development. The interests of the Respondents listed in Exhibit B-3 comprise 19.725 percent of the oil and gas interests and 0 percent of the coal interests in Subject Drilling Unit;

- 17.9. Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above;
- 17.10. The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in Exhibit B-3 hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of coalbed methane gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.
18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt to each Respondent pooled by this Order and whose address is known, and if any such party was represented by counsel at these proceedings that a correct copy of this Order was so mailed to all such counsel.
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).
20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 et seq.
22. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 4<sup>th</sup> day of January, 1999, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 11<sup>th</sup> day of January, 1999, by Order of this Board.

Byron T. Fulmer  
Byron Thomas Fulmer  
Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA )  
COUNTY OF WISE )

Acknowledged on this 4<sup>th</sup> day of January, 1999, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny 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  
Susan G. Garrett  
Notary Public

My commission expires July 31, 2002

STATE OF VIRGINIA )  
COUNTY OF WASHINGTON )

Acknowledged on this 11<sup>th</sup> day of January, 1999, 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 of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane J. Davis  
Diane J. Davis  
Notary Public

My commission expires September 30, 2001

INSTRUMENT #990000440  
RECORDED IN THE CLERK'S OFFICE OF  
TAZEWELL COUNTY ON  
JANUARY 26, 1999 AT 03:21PM  
JAMES E. BLEVINS, CLERK

BY: Angela W. Ray (DC)



**POCAHONTAS GAS PARTNERSHIP****UNIT V-46****Tract Identifications**

7. Southern Region Industrial Realty Corp. Et al. Tr. 8 - Coal, (except P-3 seam)  
Reserve Coal Properties - (Owner P-3 Seam)  
Coal Lessees  
Anker Virginia Mining Company Inc. - All seams except P-3, Raven, Tiller and Lower Seaboard  
Jewell Ridge Coal Corporation - Raven, Tiller and Lower Seaboard  
Pocahontas Gas Partnership - CBM Lessee  
Larry Keen - Surface, Oil & Gas  
7.72 acres 9.6500%
8. Southern Region Industrial Realty Corp. Et al. Tr. 8 - Coal, (except P-3 seam)  
Reserve Coal Properties - (Owner P-3 Seam)  
Coal Lessees  
Anker Virginia Mining Company Inc. - All seams except P-3, Raven, Tiller and Lower Seaboard  
Jewell Ridge Coal Corporation - Raven, Tiller and Lower Seaboard  
Pocahontas Gas Partnership - CBM Lessee  
Pocahontas Gas Partnership - Oil & Gas Lessee  
Martha Kinder - Surface, Oil & Gas  
8.48 acres 10.6000%
9. Southern Region Industrial Realty Corp. Et al. Tr. 8 - Coal, (except P-3 seam)  
Reserve Coal Properties - (Owner P-3 Seam)  
Coal Lessees  
Anker Virginia Mining Company Inc. - All seams except P-3, Raven, Tiller and Lower Seaboard  
Jewell Ridge Coal Corporation - Raven, Tiller and Lower Seaboard  
Pocahontas Gas Partnership - CBM Lessee  
G. R. Stevenson Heirs - Oil & Gas  
Myrtie Strouth - Surface  
2.24 acres 2.8000%
10. Southern Region Industrial Realty Corp. Et al. Tr. 8 - Coal, (except P-3 seam)  
Reserve Coal Properties - (Owner P-3 Seam)  
Coal Lessees  
Anker Virginia Mining Company Inc. - All seams except P-3, Raven, Tiller and Lower Seaboard  
Jewell Ridge Coal Corporation - Raven, Tiller and Lower Seaboard  
Pocahontas Gas Partnership - CBM Lessee  
G. R. Stevenson Heirs - Oil & Gas  
Myrtie Strouth - Surface  
0.23 acres 0.2875%
11. Southern Region Industrial Realty Corp. Et al. Tr. 8 - Coal, (except P-3 seam)  
Reserve Coal Properties - (Owner P-3 Seam)  
Coal Lessees  
Anker Virginia Mining Company Inc. - All seams except P-3, Raven, Tiller and Lower Seaboard  
Jewell Ridge Coal Corporation - Raven, Tiller and Lower Seaboard  
Pocahontas Gas Partnership - CBM Lessee  
G. R. Stevenson Heirs - Oil & Gas  
Dolly Owens - Surface  
0.04 acres 0.0500%

Exhibit B-3  
Unit V-46  
Docket No. VGOB-98-1020-0690  
List of Unleased Owners/Claimants

	Net Acres In Unit	Interest In Unit
<b>I. OIL &amp; GAS FEE OWNERSHIP</b>		
<b><u>TRACT #4 - 5.30 acres</u></b>		
(1) G. R. Stevenson Heirs	5.30 acres	6.62500%
(a) G. R. Stevenson Heirs, Deviseses, Successors or Assigns Address Unknown	0.94658 acres 17.86% of 5.30 acres	1.18323%
<b><u>TRACT #5 - 0.47 acres</u></b>		
(1) George W. Whitt Heirs, Deviseses, Successprs or Assigns	0.47 acres	0.58750%
(a) Pauline Cobb 1132 McKinster Street Detroit, MI 48209	0.052 acres 1/9 of 0.47 acres	0.06528%
(b) Peery Henry Whitt P. O. Box 149 Mavisdale, VA 24627	0.052 acres 1/9 of 0.47 acres	0.06528%
(c) Claude W. Whitt, Sr. P. O. Box 391 Cedar Bluff, VA 24609	0.052 acres 1/9 of 0.47 acres	0.06528%
(d) Lorraine Gibson HC 63, Box 199 C Jewell Ridge, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%
(e) Joseph Whitt P. O. Box 386 New Castle, VA 24127	0.052 acres 1/9 of 0.47 acres	0.06528%
(f) Maudie Gibson HC 63, Box 199 A1 Jewell Ridge, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%
(g) Lydia Louise Whitt HC 63, Box 199 Jewell Ridge, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%
(h) Garson Whitt HC 63, Box 199 A2 Jewell Ridge, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%
(i) Arvis Whitt P. O. Box 122 Cedar Bluff, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%
<b><u>TRACT #6 - 0.01 acres</u></b>		
(1) Lydia Louise Whitt HC 63, Box 199 Jewell Ridge, VA 24622	0.01 acres	0.01250%

Exhibit B-3  
 Unit V-46  
 Docket No. VGOB-98-1020-0690  
 List of Unleased Owners/Claimants

	Net Acres In Unit	Interest in Unit
<b><u>TRACT #7 - 7.72 acres</u></b>		
(1) G. R. Stevenson Heirs	7.72 acres	9.65000%
(a) G. R. Stevenson Heirs, Devisees, Successors or Assigns Address Unknown	1.378792 acres 17.86% of 7.72 acres	1.72349%
<b><u>TRACT #9 - 2.24 acres</u></b>		
(1) Martha Kinder HCR Box 203 Jewell Ridge, VA 24622	2.24 acres	2.80000%
<b><u>TRACT #10 - 0.23 acres</u></b>		
(1) G. R. Stevenson Heirs	0.23 acres	0.28750%
(a) G. R. Stevenson Heirs, Devisees, Successors or Assigns Address Unknown	0.041078 acres 17.86% of 0.23 acres	0.05135%
<b><u>TRACT #11 - 0.04 acres</u></b>		
(1) G. R. Stevenson Heirs	0.04 acres	0.05000%
(a) G. R. Stevenson Heirs, Devisees, Successors or Assigns Address Unknown	0.007144 acres 17.86% of 0.04 acres	0.00893%

Exhibit E  
Unit V-48  
Docket No. VGOB-98-1020-0690  
List of Conflicting Owners/Claimants

	Net Acres in Unit	Interest in Unit
<b><u>TRACT #4 - 5.30 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Southern Region Industrial Realty, Inc. et al Tr 8	5.30 acres	6.62500%
(a) Southern Region Industrial Realty, Inc. Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	2.65 acres 1/2 of 5.30 acres	3.31250%
(b) Anker Virginia Mining Company, Inc. 2708 Cranberry Square Morgantown, WV 26505	2.65 acres 1/2 of 5.30 acres	3.31250%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) G. R. Stevenson Heirs	5.30 acres	6.62500%
(a) James E. Stevenson 3083 Wagon Trail Flint, MI 48507	4.35342 acres 82.14% of 5.30 acres	5.44178%
(b) G. R. Stevenson Heirs, Deviseses, Successors or Assigns Address Unknown	0.94658 acres 17.86% of 5.30 acres	1.18323%
<b><u>TRACT #5 - 0.47 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Southern Region Industrial Realty, Inc. et al Tr 8	0.47 acres	0.58750%
(a) Southern Region Industrial Realty, Inc. Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	0.24 acres 1/2 of 0.47 acres	0.29375%
(b) Anker Virginia Mining Company, Inc. 2708 Cranberry Square Morgantown, WV 26505	0.24 acres 1/2 of 0.47 acres	0.29375%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) George W. Whitt Heirs, Deviseses, Successprs or Assigns	0.47 acres	0.58750%
(a) Pauline Cobb 1132 McKinster Street Detroit, MI 48209	0.052 acres 1/9 of 0.47 acres	0.06528%
(b) Peery Henry Whitt P. O. Box 149 Mavisdale, VA 24627	0.052 acres 1/9 of 0.47 acres	0.06528%
(c) Claude W. Whitt, Sr. P. O. Box 391 Cedar Bluff, VA 24609	0.052 acres 1/9 of 0.47 acres	0.06528%

Exhibit E  
Unit V-46  
Docket No. VGOB-98-1020-0690  
List of Conflicting Owners/Claimants

	Net Acres In Unit	Interest In Unit
(d) Lorraine Gibson HC 63, Box 199 C Jewell Ridge, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%
(e) Joseph Whitt P. O. Box 386 New Castle, VA 24127	0.052 acres 1/9 of 0.47 acres	0.06528%
(f) Maudie Gibson HC 63, Box 199 A1 Jewell Ridge, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%
(g) Lydia Louise Whitt HC 63, Box 199 Jewell Ridge, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%
(h) Garson Whitt HC 63, Box 199 A2 Jewell Ridge, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%
(i) Arvis Whitt P. O. Box 122 Cedar Bluff, VA 24622	0.052 acres 1/9 of 0.47 acres	0.06528%

**TRACT #6 - 0.01 acres****COAL FEE OWNERSHIP**

(1) Southern Region Industrial Realty, Inc. et al Tr 8	0.01 acres	0.01250%
(a) Southern Region Industrial Realty, Inc. Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	0.005 acres 1/2 of 0.01 acres	0.00625%
(b) Anker Virginia Mining Company, Inc. 2708 Cranberry Square Morgantown, WV 26505	0.005 acres 1/2 of 0.01 acres	0.00625%

**OIL & GAS FEE OWNERSHIP**

(1) Lydia Louise Whitt HC 63, Box 199 Jewell Ridge, VA 24622	0.01 acres	0.01250%
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**TRACT #7 - 7.72 acres****COAL FEE OWNERSHIP**

(1) Southern Region Industrial Realty, Inc. et al Tr 8	7.72 acres	9.65000%
(a) Southern Region Industrial Realty, Inc. Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	3.86 acres 1/2 of 7.72 acres	4.82500%
(b) Anker Virginia Mining Company, Inc. 2708 Cranberry Square Morgantown, WV 26505	3.86 acres 1/2 of 7.72 acres	4.82500%

Exhibit E  
Unit V-46

Docket No. VGOB-98-1020-0690  
List of Conflicting Owners/Claimants

	Net Acres In Unit	Interest in Unit
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) G. R. Stevenson Heirs	7.72 acres	9.65000%
(a) James E. Stevenson 3083 Wagon Trail Flint, MI 48507	6.341208 acres 82.14% of 7.72 acres	7.92651%
(b) G. R. Stevenson Heirs, Devisees, Successors or Assigns Address Unknown	1.378792 acres 17.86% of 7.72 acres	1.72349%
<b><u>TRACT #8 - 8.48 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Southern Region Industrial Realty, Inc. et al Tr 8	8.48 acres	10.60000%
(a) Southern Region Industrial Realty, Inc. Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	4.24 acres 1/2 of 8.48 acres	5.30000%
(b) Anker Virginia Mining Company, Inc. 2708 Cranberry Square Morgantown, WV 26505	4.24 acres 1/2 of 8.48 acres	5.30000%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Larry Keen HC 63, Box 211 Jewell Ridge, VA 24622	8.48 acres	10.60000%
<b><u>TRACT #9 - 2.24 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Southern Region Industrial Realty, Inc. et al Tr 8	2.24 acres	2.80000%
(a) Southern Region Industrial Realty, Inc. Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	1.12 acres 1/2 of 2.24 acres	1.40000%
(b) Anker Virginia Mining Company, Inc. 2708 Cranberry Square Morgantown, WV 26505	1.12 acres 1/2 of 2.24 acres	1.40000%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Martha Kinder HCR Box 203 Jewell Ridge, VA 24622	2.24 acres	2.80000%

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Docket No. VGOB-98-1020-0690  
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	Net Acres in Unit	Interest in Unit
<b><u>TRACT #10 - 0.23 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Southern Region Industrial Realty, Inc. et al Tr 8	0.23 acres	0.28750%
(a) Southern Region Industrial Realty, Inc. Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	0.12 acres 1/2 of 0.23 acres	0.14375%
(b) Anker Virginia Mining Company, Inc. 2708 Cranberry Square Morgantown, WV 26505	0.12 acres 1/2 of 0.23 acres	0.14375%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) G. R. Stevenson Heirs	0.23 acres	0.28750%
(a) James E. Stevenson 3083 Wagon Trail Flint, MI 48507	0.188922 acres 82.14% of 0.23 acres	0.23615%
(b) G. R. Stevenson Heirs, Devises, Successors or Assigns Address Unknown	0.041078 acres 17.86% of 0.23 acres	0.05135%
<b><u>TRACT #11 - 0.04 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Southern Region Industrial Realty, Inc. et al Tr 8	0.04 acres	0.05000%
(a) Southern Region Industrial Realty, Inc. Pocahontas Land Corporation, Agent P. O. Box 1517 Bluefield, WV 24701	0.12 acres 1/2 of 0.04 acres	0.14375%
(b) Anker Virginia Mining Company, Inc. 2708 Cranberry Square Morgantown, WV 26505	0.12 acres 1/2 of 0.04 acres	0.14375%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) G. R. Stevenson Heirs	0.04 acres	0.05000%
(a) James E. Stevenson 3083 Wagon Trail Flint, MI 48507	0.032856 acres 82.14% of 0.04 acres	0.04107%
(b) G. R. Stevenson Heirs, Devises, Successors or Assigns Address Unknown	0.007144 acres 17.86% of 0.04 acres	0.00893%

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 14th day of January, 1999 at 11:33P. M. Deed Book No. 886 and Page No. 636.  
 TESTE: James M. Bevins, Jr., Clerk  
 Returned this date to; DUMME TESTE: Jewelry S. Jeller Deputy Clerk