

3671

BK 0778 PG 0474

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB-98-1215-0703

ELECTIONS: UNIT Z-44  
(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 February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on May 3, 1999 which was recorded at Deed Book 773, Page 1011 in the Office of the Clerk of the Circuit Court of Tazewell County, Virginia, on May 12, 1999, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed POCAHONTAS GAS PARTNERSHIP (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 elections 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 affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (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, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit Z-44;

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 affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Virginia Bank-Mountain Empire, c/o Trust Department, P.O. Box 1038, Abingdon, VA 24210, 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 affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefor.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or 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 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.

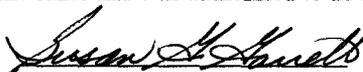
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 19<sup>th</sup> day of July, 1999, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

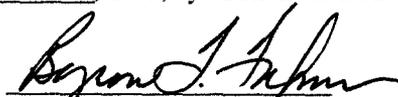
STATE OF VIRGINIA  
COUNTY OF WISE

Acknowledged on this 19<sup>th</sup> day of July, 1999, 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

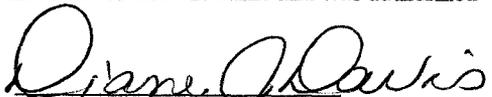
My commission expires: 7.31.02

DONE AND PERFORMED THIS 20<sup>th</sup> day of July, 1999, 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 20<sup>th</sup> day of July, 1999, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bryon 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:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Pocahontas Gas Partnership for Forced Pooling of Interests in CBM Unit Z-44 VGOB-98-1215-0703 in the Maiden Springs District of Tazewell County, Virginia

AFFIDAVIT OF POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CONSOL Inc., as a Permit Specialist and is duly authorized to make this affidavit on behalf of POCAHONTAS GAS PARTNERSHIP, the designated operator,

That the Order entered on May 3, 1999, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused 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 were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the 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 the Order was recorded in the county identified above; that said Order was recorded on May 12, 1999;

That the designated operator POCAHONTAS GAS PARTNERSHIP has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests 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 the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None.

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of May 3, 1999;

See Attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E.

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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:

that to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None

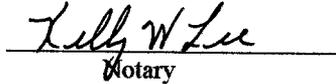
That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

See attached Exhibit E.

Dated at Tazewell, Virginia, this 8<sup>th</sup> day of July, 1999.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Permit Specialist of CONSOL Inc., on behalf of the corporate Designated Operator, this 8<sup>th</sup> day of July, 1999.

  
Notary

My commission expires: July 31, 2001.

INSTRUMENT #990003671  
RECORDED IN THE CLERK'S OFFICE OF  
TAZEWELL COUNTY ON  
JULY 21, 1999 AT 01:30PM  
JAMES E. BLEVINS, CLERK

BY:  (DC)

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Exhibit B-3  
Unit Z-44  
Docket No. VGOB-98-1215-0703  
List of Unleased Owners/Claimants

		Net Acres in Unit	Interest in Unit	Election
<b>I. COAL FEE OWNERSHIP</b>				
<b><u>TRACT #2 - 15.06 acres</u></b>				
(1)	J. W. Harman, Jr. et al	15.06 acres	18.82500%	Deemed Leased
(a)	J. W. Harman, Jr. 1/2 Pocahontas No. 3 seam P. O. Box 88 Tazewell, VA 24651			
(b)	S. Laird Harman 1/2 Pocahontas No. 3 seam P. O. Box 88 Tazewell, VA 24651			
(c)	M-M-M New Life Inc. all other seams P. O. Box 1026 Richlands, VA 24641			
<b>I. OIL &amp; GAS FEE OWNERSHIP</b>				
<b><u>TRACT #2 - 15.06 acres</u></b>				
(1)	M-M-M New Life Inc. P. O. Box 1026 Richlands, VA 24641	15.06 acres	18.82500%	Deemed Leased

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Exhibit E  
Unit Z-44

Docket No. VGOB-98-1215-0703

List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
<b><u>TRACT #2 - 15.06 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) J. W. Harman, Jr. et al	15.06 acres	18.82500%
(a) J. W. Harman, Jr. 1/2 Pocahontas No. 3 seam P. O. Box 88 Tazewell, VA 24651		
(b) S. Laird Harman 1/2 Pocahontas No. 3 seam P. O. Box 88 Tazewell, VA 24651		
(c) M-M-M New Life Inc. all other seams P. O. Box 1026 Richlands, VA 24641		
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) M-M-M New Life Inc. P. O. Box 1026 Richlands, VA 24641	15.06 acres	18.82500%

COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT  
TAZEWELL COUNTY CIRCUIT COURT  
DEED RECEIPT

DATE: 07/21/99 TIME: 13:31:13 ACCOUNT: 185CLR990003671 RECEIPT: 99000009483  
CASHIER: ADR REG: TZ13 TYPE: OTHER PAYMENT: FULL PAYMENT  
INSTRUMENT : 990003671 BOOK: 778 PAGE: 474 RECORDED: 07/21/99 AT 13:30  
GRANTOR: VIRGINIA GAS & OIL BOARD EX: N LOC: CO  
GRANTEE: POCAHONTAS GAS PARTNERSHIP EX: N PCT: 100%

AND ADDRESS :  
RECEIVED OF : DEPT OF MINES MINERALS ENERGY  
CHECK : \$32.00

DESCRIPTION 1: SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
2: VGOB-98-1215-0703

CONSIDERATION:	.00	ASSUME/VAL:	.00	MAP:	
CODE DESCRIPTION		PAID CODE DESCRIPTION		PAID	
301 DEEDS		15.00 145 VSLF		1.00	

TENDERED :	32.00
AMOUNT PAID:	16.00
CHANGE AMT :	16.00

CLERK OF COURT: JAMES E. BLEVINS