

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB-99-0216-0709

ELECTIONS: UNIT FF-23
(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 September 30, 1999 which was recorded at Deed Book 497, Page 426 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on October 14, 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 FF-23;

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 Union National Bank, Corporate Trust PA1328,123 Broad Street, Philadelphia, PA 19109-1199, Telephone: (215) 985-3485 or (800) 664-9359, Attn: Don Ballinghoff, 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 3rd day of December, 1999, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA
COUNTY OF WISE

Acknowledged on this 3rd day of December 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 9th day of December, 1999, by Order of the Board.


B.R. Wilson
Acting Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 9th day of December, 1999, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Acting 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 FF-23 VGOB-99-0216-0709, in the Hurricane District of Buchanan 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 September 30, 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 October 14, 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 September 30, 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.

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:

None.

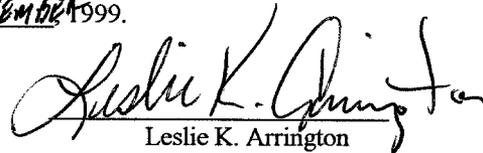
that to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

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 18th day of November 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 18th day of November, 1999.


Notary

My commission expires: 1-31-2001.

Exhibit B-3
 Unit FF-23
 Docket No. VGOB-99-0216-0709
 List of Unleased Owners/Claimants

		Net Acres in Unit	Interest in Unit	Election
I. OIL & GAS FEE OWNERSHIP				
<u>TRACT #2 A - 12.00 acres</u>				
(1)	Carlos Henry Hale Heirs, Devisees Successors or Assigns	12.00 acres	13.39435%	
(a)	Lorene Hale P. O. Box 841 Cedar Bluff, VA 24609	4.00 acres 1/3 of 12.00 acres	4.46478%	Deemed Leased
(b)	Pamela J. Keene HC 65, Box 18-B Oakwood, VA 24631	2.67 acres 2/9 of 12.00 acres	2.97652%	Deemed Leased
(c)	Jamie Hale Rt. 2, Box 468 Haysi, VA 24256	2.67 acres 2/9 of 12.00 acres	2.97652%	Deemed Leased
(d)	Jeffery C. Hale 1926 Zacks Fork Rd. Lenoir, NC 28645	2.67 acres 2/9 of 12.00 acres	2.97652%	Deemed Leased
<u>TRACT #2 B - 6.46 acres</u>				
(1)	Permac Inc. At: Gene Clark P. O. Box 1349 Bluefield, VA 24605	6.46 acres	7.21063%	Deemed Leased

Exhibit E
 Unit FF-23
 Docket No. VGOB-99-0216-0709
 List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
<u>TRACT #2 A - 12.00 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr. 9 P. O. Box 29 Tazewell, VA 24651	12.00 acres	13.39435%
(2) Torch Operating Co. (CBM Royalty Owner) P. O. Box 200722 Houston, TX 77216-0122		
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Carlos Henry Hale Heirs, Devisees Successors or Assigns	12.00 acres	13.39435%
(a) Lorene Hale P. O. Box 841 Cedar Bluff, VA 24609	4.00 acres 1/3 of 12.00 acres	4.46478%
(b) Pamela J. Keene HC 65, Box 18-B Oakwood, VA 24631	2.67 acres 2/9 of 12.00 acres	2.97652%
(c) Jamie Hale Rt. 2, Box 468 Haysi, VA 24256	2.67 acres 2/9 of 12.00 acres	2.97652%
(d) Jeffery C. Hale 1926 Zacks Fork Rd. Lenoir, NC 28645	2.67 acres 2/9 of 12.00 acres	2.97652%

TRACT #2 B - 6.46 acres

COAL FEE OWNERSHIP

(1) Hugh Macrae Land Trust Tr. 9 P. O. Box 29 Tazewell, VA 24651	6.46 acres	7.21063%
(2) Torch Operating Co. (CBM Royalty Owner) P. O. Box 200722 Houston, TX 77216-0122		

OIL & GAS FEE OWNERSHIP

(1) Permac Inc. Att. Gene Clark P. O. Box 1349 Bluefield, VA 24605	6.46 acres	7.21063%
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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 13th day of December, 1999 at 12:50 P. M. Deed Book No. 499 and Page No. 362. TESTE: James M. Bevins, Jr., Clerk
 Returned this date to: Dept MM+E. TESTE: Patricia [Signature] Deputy Clerk

mailed

ENTERED

INSTRUMENT #990803111
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY GN
DECEMBER 13, 1999 AT 12:50PM
JAMES M. BEVINS JR., CLERK

BY: _____

JAD

COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT
BUCHANAN COUNTY CIRCUIT COURT
DEED RECEIPT

DATE: 12/13/99 TIME: 12:50:08 ACCOUNT: 027CLR990003111 RECEIPT: 99000007798
CASHIER: LD REG: BU01 TYPE: POOLING PAYMENT: FULL PAYMENT
INSTRUMENT : 990003111 BOOK: PAGE: RECORDED: 12/13/99 AT 12:50
GRANTOR: VIRGINIA GAS & OIL BOARD EX: N LDC: CO
GRANTEE: POCAHONTAS GAS PARTNERSHIP EX: N PCT: 100%
AND ADDRESS :
RECEIVED OF : DEPT OF MINES MINERAL ENRGY
CHECK : \$16.00
DESCRIPTION : POOLING

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

TENDERED : 16.00
AMOUNT PAID: 16.00
CHANGE AMT : .00

CLERK OF COURT: JAMES M. BEVING JR.