

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VG0B-99/0216-0711
ELECTIONS, UNIT: VC-3892
(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 March 30, 1999, and recorded at Book 344, Page 636 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on April 16, 1999 (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 May 3, 1999, 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 June 4, 1999, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit

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 18th day of June, 1999 by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 28th day of June, 1999, by Order of this Board.

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

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 18th day of June, 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
Susan G. Garrett
Notary Public

My commission expires 7/31/2002

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 28th day of June, 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 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: 9/30/2001

VIRGINIA:**BEFORE THE VIRGINIA GAS AND OIL BOARD**

IN RE: Application of Equitable Production Company, f/k/a Equitable Resources Energy Company, Eastern Region for Forced Pooling of Interests in Unit Number VC-3892, VGOB Docket No. VGOB-99/0216-0711 in the Ervinton Magisterial District of Dickenson 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 March 30, 1999, 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 April 16, 1999.
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:

Tract	Name	Cash Consideration
3	Newburn C. Stanley & Sandra Stanley, H/W	0.0373 Acres x \$5.00 = \$0.19
	Robert Lee Stanley & Elizabeth Stanley	0.0185 Acres x \$5.00 = \$0.10

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 conflicting claims as between the gas owner and the coal owner and/or unknown or unlocatable persons.

Tract	Lessor	Net Revenue Interest	
1 Gas Estate	G. W. Smith Jr. Heirs Address Unknown	0.11033750	RI
Or			
1 Coal Estate	Pittston Company c/o Clinchfield Coal Company	0.11033750	RI
2 Gas Estate	Charles J Moore & Audrey Nora Moore, H/W	0.00066250	RI
Or			
Coal Estate	Pittston Company c/o Clinchfield Coal Company	0.00066250	RI
3 Gas Estate	Lee Charles Delaney & Nina Gay Delaney, H/W	0.00007955	RI
	Lydia Yates, Widow	0.00007955	RI
	Bessie V Villani Cline & Charles R Cline, W/H	0.00007954	RI

Tract	Lessor	Net Revenue Interest	
3 Gas Estate	Banner R Stanley & Vicki L Stanley, H/W	0.00007954	RI
	Paul M Stanley & Pauline Stanley, H/W	0.00007954	RI
	Hugh N Stanley & Mildred B Stanley, H/W	0.00007954	RI
	Bueford C Stanley & Irma E Stanley, H/W	0.00007955	RI
	Audrey S Stanley, Widow	0.00007955	RI
	Newburn C Stanley & Saundra Stanley, H/W	0.00007955	RI
	Ira Stanley, Single	0.00007955	RI
	Robert Lee Stanley & Elizabeth Stanley, H/W	0.00003977	RI
	Patricia Ann Farr & Daniel M Farr, W/H	0.00003977	RI
	Or		
3 Coal Estate	Pittston Company c/o Clinchfield Coal Company	0.00087500	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:

Tract	Name	Lease Number
3	Bessie V. Villani Cline & Charles R. Cline, H/W	242369L04

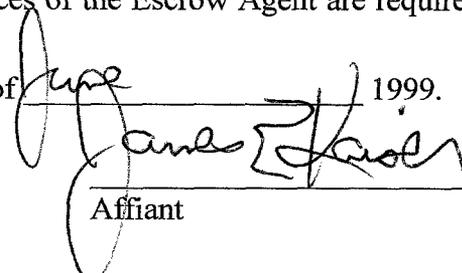
Bueford C. Stanley & Irma E. Stanley, H/W	242369L05
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8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraphs 10 of the Order.

TRACT	LESSOR	ACRES	CASH CONSIDERATION (Total Acres x \$5.00)
1	G. W. Smith Heirs Address Unknown	51.88	51.88 x \$5.00 = \$259.40 <i>Subject to Escrow</i>
3	Banner R. Stanley & Vicki L. Stanley, H/W	0.0373	0.0373 x \$5.00 = \$0.19
	Paul M. Stanley & Pauline Stanley, H/W	0.0373	0.0373 x \$5.00 = \$0.19
	Hugh N. Stanley & Mildred B. Stanley, H/W	0.0373	0.0373 x \$5.00 = \$0.19
	Ira Stanley, Single	0.0373	0.0373 x \$5.00 = \$0.19
	Patricia Ann Farr & Daniel M. Farr	0.0185	0.0185 x \$5.00 = \$0.10

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 20 day of June 1999.



 Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Production Company, f/k/a Equitable Resources Energy Company, a corporation, on behalf of the corporation, this 7th day of June 1999.

My commission expires: July 31, 2001

Jamie E. Fuller
Notary

EXHIBIT "B"
VC-3892

Revised: 02/16/99
VGOB 99/02/16-0711

<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	G. W. Smith Jr. Heirs Address Unknown	Deemed Leased	88.270000%	51.8800	0.11033750	RI
	Equitable Production Company				0.77236250	WI
Tract 1 Totals			88.270000%	51.8800	0.88270000	
2	Charles J Moore & Audrey Nora Moore, H/W Route 1 Box 49 Nora VA 24272	Leased-EPC 243510L	0.530000%	0.3100	0.00066250	RI
	Equitable Production Company				0.00463750	WI
Tract 2 Totals			0.530000%	0.3100	0.00530000	
3	Lee Charles Delaney & Nina Gay Delaney, H/W Route 1 Box 606 Clintwood VA 24228	Leased-EPC 242369L01	0.063637%	0.0373	0.00007955	RI
	Lydia Yates, Widow HC05 Box 698 Coeburn VA 24230	Leased-EPC 242369L01	0.063637%	0.0373	0.00007955	RI
	Bessie V Villani Cline & Charles R Cline, W/H Route 2 Box 1546 Corrigan TX 75939	Leased-EPC 242369L04	0.063637%	0.0373	0.00007954	RI
	Banner R Stanley & Vicki L Stanley, H/W 10710 Chadwick St Houston TX 77029	Deemed Leased	0.063637%	0.0373	0.00007954	RI

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<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>	
	Paul M Stanley & Pauline Stanley, H/W 10814 Verona St Houston TX 77029	Deemed Leased	0.063636%	0.0373	0.00007954	RI
	Hugh N Stanley & Mildred B Stanley, H/W 3105 Luella Avenue Deer Park TX 77536-5215	Deemed Leased	0.063636%	0.0373	0.00007954	RI
	Bueford C Stanley & Irma E Stanley, H/W 210 Dyer St Johnson City TN 37601	Leased-EPC 242369L05	0.063636%	0.0373	0.00007955	RI
	Audrey S Stanley, Widow 510 Skenes Ave Henderson NC 27536	Leased-EPC 242369L03	0.063636%	0.0373	0.00007955	RI
	Newburn C Stanley & Saundra Stanley, H/W 9900 Dorothy Pl NE Albuquerque NM 87100	Deemed Leased	0.063636%	0.0373	0.00007955	RI
	Ira Stanley, Single Route 1 Box 27 Nora VA 24272	Deemed Leased	0.063636%	0.0373	0.00007955	RI
	Robert Lee Stanley & Elizabeth Stanley, H/W 1041 N Stewart St Arlington VA 22201-5726	Deemed Leased	0.031818%	0.0185	0.00003977	RI
	Patricia Ann Farr & Daniel M Farr, W/H 2508 Wessex Lane Chattanooga TN 37421	Deemed Leased	0.031818%	0.0185	0.00003977	RI
	Equitable Production Company				0.00612500	WI
	Tract 3 Totals		0.700000%	0.4100	0.00700000	

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4	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24226	Leased-EPC 241490L 01 T-189	10.500000%	6.1700	0.01312500 RI
	Equitable Production Company				0.09187500 WI
	Tract 4 Totals		10.500000%	6.1700	0.10500000
TOTAL GAS ESTATE			100.000000%	58.7700	1.00000000

EXHIBIT "B"**VC-3892**

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VGOB 99/02/16-0711

<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	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EPC 241640L T2-123	88.270000%	51.8800	0.11033750	RI
	Equitable Production Company				0.77236250	WI
Tract 1 Totals			88.270000%	51.8800	0.88270000	
2	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EPC 244792L TC-179	0.530000%	0.3100	0.00066250	RI
	Equitable Production Company				0.00463750	WI
Tract 2 Totals			0.530000%	0.3100	0.00530000	
3	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EPC 244792L TC-179	0.700000%	0.4100	0.00087500	RI
	Equitable Production Company				0.00612500	WI
Tract 3 Totals			0.700000%	0.4100	0.00700000	

EXHIBIT "B"

VC-3892

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VGOB 99/02/16-0711

<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>
4	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EPC 241490L T-189	10.500000%	6.1700	0.01312500 RI
	Equitable Production Company				0.09187500 WI
Tract 4 Totals			10.500000%	6.1700	0.10500000
TOTAL COAL ESTATE			100.000000%	58.7700	1.00000000

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, 7/06, 1999. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:48 o'clock P M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: DMME

TESTE: JOE TATE, CLERK
BY: Samuel C. Ellkind D. CLERK

COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT
DICKENSON CIRCUIT COURT
DEED RECEIPT

DATE: 07/06/99 TIME: 13:49:26 ACCOUNT: 051CLR990001257 RECEIPT: 99000003667
CASHIER: SCE REG: JK06 TYPE: DTH PAYMENT: FULL PAYMENT
INSTRUMENT : 990001257 BOOK: 347 PAGE: 100 RECORDED: 07/06/99 AT 13:49
GRANTOR NAME : VA GAS AND OIL BOARD EX: N LOCALITY: CS
GRANTEE NAME : ERED; ET ALS EX: N PERCENT: 100%
AND ADDRESS :
RECEIVED OF : DMME DATE OF DEED: 06/18/99

CHECK : \$23.00
DESCRIPTION 1: REPORT OF BOARD WELL NO. VC-3872
2:

CONSIDERATION:	.00	ASSUME/VAL:	.00	MAP:	
CODE DESCRIPTION		PAID	CODE DESCRIPTION		PAID
301 DEEDS		22.00	145 VSLF		1.00

TENDERED : 23.00
AMOUNT PAID: 23.00
CHANGE AMT : .00

CLERK OF COURT: JOE TATE