

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING  
ELECTIONS, UNIT: VC-4072  
(hereinafter "Subject Drilling Unit")

DOCKET NO. VG0B-99/0316-0715

REPORT OF BOARD

FINDINGS AND ORDER

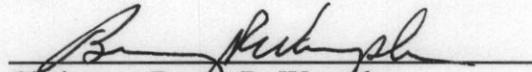
1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas 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 April 5, 1999, and recorded at Book 490, Page 149 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on April 7, 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 April 16, 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 May 17, 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;

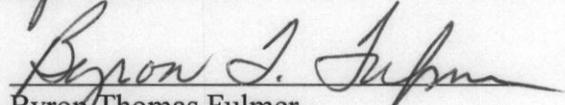
- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein “Statement 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.

Neeman Laser  
25% cotton

DONE AND EXECUTED this 14<sup>th</sup> day of June, 1999 by a majority of the Virginia Gas and Oil Board.

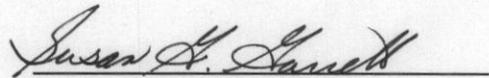
  
Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 21<sup>st</sup> day of June, 1999, by Order of this Board.

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

STATE OF VIRGINIA )  
COUNTY OF WISE )

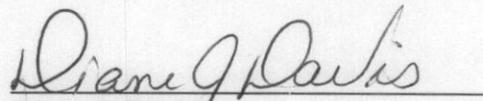
Acknowledged on this 14<sup>th</sup> day of June, 1999, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary Public

My commission expires 7/31/2002

STATE OF VIRGINIA )  
COUNTY OF WISE )

Acknowledged on this 21<sup>st</sup> 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  
Notary Public

My commission expires: 9/30/2001

## VIRGINIA:

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number VC-4072, VGOB Docket No. VGOB-99/0316-0715 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 April 5, 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 7, 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:

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:

NONE

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 paragraph 10 of the Order.

<u>Tract</u>	<u>Name</u>	<u>Cash Consideration</u>
2 Gas & Coal Estate	Willis Compton widower (Life Estate)	4.32 Acres x \$5=\$21.60
2 Gas & Coal Estate	Philip Compton & Rebecca Compton (Remainderman)	4.32 Acres x \$5=\$21.60

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 not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 17<sup>th</sup> day of May 1999.

James Edwards  
Affiant

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

My commission expires: July 31, 2001

Jamie E. Fuller  
Notary



Neenah Laser  
25% cotton

**EXHIBIT "B"**

**VC-4072**

VGOB 99-0316-0715

BOOK **493** PAGE **490**

<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>	
<b><u>Gas Estate Only</u></b>						
1	Joseph Frederick McGuire, single 201 Woodrum St. Pearisburg, Va 24134	Leased-EREC 245078L02	33.435000%	19.6500	0.04179375	RI
	Meredith Ellis Iqbal, single 2418 W. Linden Ave. Nashville, TN 37212	Leased-EREC 245078L01	11.145000%	6.5500	0.01393125	RI
	John W. Pobst & Lynda L. Pobst, H/W P. O. Box 86 Revere, PA 18953	Leased-EREC 245078L03	5.572500%	3.2750	0.00696563	RI
	Richard K. Pobst & M. Katherine Pobst, H/W 3760 Lindell Rd. Las Vegas, NV 89103-2473	Leased-EREC 245078L06	5.572500%	3.2750	0.00696563	RI
	Virginia Lee Linwick & Phillip Gregory Linwick, W/H 4324 S. Ball Dr. Veradale, WA 99037	Leased-EREC 245078L05	5.572500%	3.2750	0.00696562	RI
	Nancy Catherine Pobst-Hooper, single 30 Bramblewood Rd SW Cartersville, GA 30120	Leased-EREC 245078L04	5.572500%	3.2750	0.00696562	RI
	Equitable Production Co.				0.58511250	WI
<b>Tract 1 Totals</b>			66.870000%	39.3000	0.66870000	
2	The Pittston Company c/o Pine Mountain Oil and Gas, Inc. Attn: Richard Brillhart P.O. Box 5100 Lebanon, VA 24226	Leased-EREC 241490L01 T-569	25.780000%	15.1500	0.03222500	RI

**EXHIBIT "B"**  
**VC-4072**

BOOK **493** PAGE **491**

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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>
	Equitable Production Co.				0.22557500 WI
<b>Tract 2 Totals</b>			25.780000%	15.1500	0.25780000
3	Willis Compton, widower P. O. Box 157 Davenport, VA 24239-0157	Unleased Life Estate	[0.000000%]	[0.0000]	[0.0000000]
	Phillip Compton & Rebeca Compton, H/W P. O. Box 123 Davenport, VA 24239-0123	Unleased Remainderman	7.350000%	4.3200	0.00918750 RI
	Equitable Production Co.				0.06431250 WI
<b>Tract 3 Totals</b>			7.350000%	4.3200	0.07350000
<b>Gas Estate Totals</b>			100.000000%	58.7700	1.00000000

**EXHIBIT "B"**

**VC-4072**

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BOOK **493** PAGE **492**

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<b><u>Coal Estate Only</u></b>						
1	Joseph Frederick McGuire, single 201 Woodrum St. Pearisburg, Va 24134	Leased-EREC 245078L02	33.435000%	19.6500	0.04179375	RI
	Meredith Ellis Iqbal, single 2418 W. Linden Ave. Nashville, TN 37212	Leased-EREC 245078L01	11.145000%	6.5500	0.01393125	RI
	John W. Pobst & Lynda L. Pobst, H/W P. O. Box 86 Revere, PA 18953	Leased-EREC 245078L03	5.572500%	3.2750	0.00696563	RI
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	Equitable Production Co.				0.58511250	WI
	<b>Tract 1 Totals</b>		66.870000%	39.3000	0.66870000	
2	The Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P.O. Box 7 Dante, VA 24237	Leased-EREC 241490L T-638	25.780000%	15.1500	0.03222500	RI

EXHIBIT "B"

VC-4072

BOOK 493 PAGE 493

VGOB 99-0316-0715

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	Equitable Production Co.				0.22557500 WI
	<b>Tract 2 Totals</b>		25.780000%	15.1500	0.25780000
3	Willis Compton, widower P. O. Box 157 Davenport, VA 24239-0157	Unleased Life Estate	[0.000000%]	[0.0000]	[0.0000000]
	Phillip Compton & Rebeca Compton, H/W P. O. Box 123 Davenport, VA 24239-0123	Unleased Remainderman	7.350000%	4.3200	0.00918750 RI
	Equitable Production Co.				0.06431250 WI
	<b>Tract 3 Totals</b>		7.350000%	4.3200	0.07350000
	<b>TOTAL COAL ESTATE</b>		100.000000%	58.7700	1.00000000

RECORDED IN  
 JAMES M. BEVINS, JR.  
 JUNE 23  
 2:58 P

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 23rd day of June, 1999 at 2:58 P M. Deed Book No. 493 and Page No. 484.  
 Returned this date to; Deane Davis TESTE: Atticus G. Smith James M. Bevins, Jr., Clerk  
 TESTE: Atticus G. Smith Deputy Clerk