

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB-01-0116-0852

ELECTIONS: UNIT AV-111  
(herein "Subject Drilling Unit")REPORT OF BOARDFINDINGS 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 March 2, 2001 which was recorded at Deed Book 520, Page 190 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on March 7, 2001, and at Deed Book 521, Page 518 in the Office of the Clerk of the Circuit Court of Russell County, Virginia, on March 7, 2001, (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 AV-111;

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 therefore.

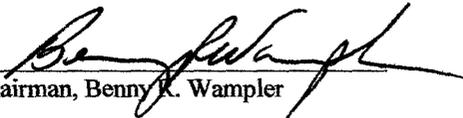
ENTERED

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.

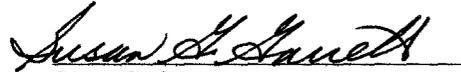
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 1<sup>st</sup> day of May, 2001, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny K. Wampler

STATE OF VIRGINIA  
COUNTY OF WISE

Acknowledged on this 1<sup>st</sup> day of May, 2001, 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

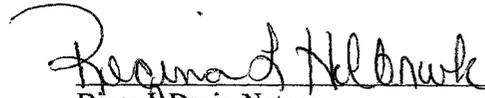
My commission expires: 7-31-02.

DONE AND PERFORMED THIS 21<sup>st</sup> day of May, 2001, by Order of the Board.

  
B. R. Wilson,  
Director of the Division of Gas & Oil Board and  
Principal Executive to the Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 21 day of May, 2001, 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 Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.

  
Diane P. Davis, Notary  
Regina L Holbrook

My commission expires: July 31, 2002.

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 AV-111  
VGOB-01-0116-0852 in the Hurricane and New Garden Districts 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 Energy Inc., as a Gas Engineer and is duly authorized to make this affidavit on behalf of POCAHONTAS GAS PARTNERSHIP, the designated operator,

That the Order entered on March 2, 2001, 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 March 7, 2001;

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 March 2, 2001;

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 subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

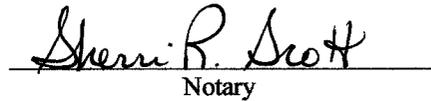
See attached Exhibit EE

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.

Dated at Tazewell, Virginia, this 2<sup>ND</sup> day of APRIL, 2001.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Gas Engineer of Consol Energy Inc., on behalf of the corporate Designated Operator, this 2<sup>nd</sup> day of April, 2001.

  
Notary

My commission expires: 11/30/01.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CONSOL Inc. AND WERE NOT SURVEYED

BOOK 526 PAGE 0739

BOOK 524 PAGE 789

N 306,921.34  
E 985,417.69

N 306,860.12  
E 987,016.03

50.9 ACRE UNIT

4

5

2

1

C&M-PGP-AV111

3

N 305,534.92  
E 985,367.90

N 305,477.51  
E 986,966.38

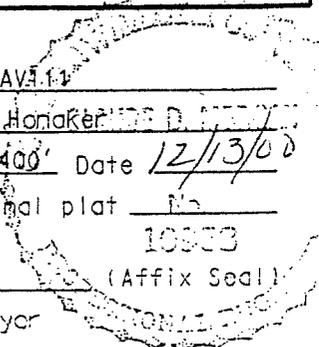


EXHIBIT A  
DAKWOOD FIELD UNIT AV-111  
FORCE POOLING  
VGOB-01-0116-0852

Company Pocahontas Gas Partnership Well Name and Number UNIT AV-111  
Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Honaker D. 1897  
County Buchanan/Russell District Hurricane/New Garden Scale: 1" = 400' Date 12/13/00  
This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat No

Form DGD-GD-7  
Rev. 9/91

Claude J. Moya  
Licensed Professional Engineer or Licensed Land Surveyor



## POCAHONTAS GAS PARTNERSHIP

Unit AV-111

Tract Identifications

(50.9 Acre Unit)

1. Hugh MacRae Land Trust - TR 9 - Coal  
Consolidation Coal Company - Below Tiller coal Leased  
Pocahontas Gas Partnership - CBM Lessee  
Pocahontas Gas Partnership - Surface, Oil & Gas  
39.34 acres                      77.2888 %
  
2. Pocahontas Gas Partnership - Fee  
2.75 acres                      5.4028 %
  
3. Buckhorn Coal Company (Jacob Fuller 453 Acre Tract) - Coal  
Coal Lessee  
Sandy Ridge Energy Company - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
Earl Whited - Surface, Oil & Gas  
Pocahontas Gas Partnership - Oil, Gas and CBM Leased  
6.89 acres                      13.5363 %
  
4. Buckhorn Coal Company Tr. 2 - Fee  
Coal Lessees  
Consolidation Coal Company - Below Drainage Coal Leased  
Sandy Ridge Energy Company - Above Drainage Coal Leased  
Reserve Coal Properties Company - Oil & Gas Leased  
Pocahontas Gas Partnership - CBM Leased  
0.70 acres                      1.3752 %
  
5. Hugh MacRae Land Trust Tr. 9 - Coal  
Coal Lessee  
Consolidation Coal Company - Below Tiller Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
Carlos Hale Heirs - Surface, Oil & Gas  
1.22 acres                      2.3969 %

Exhibit B-3  
CBM-PGP-AV111  
Docket No. VGOB-01-0116-0852  
List of Unleased Owners/Claimants

BOOK 524 PAGE 791

BOOK 526 PAGE 0741

		Acres in Unit	Interest in Unit
II.	<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
	<b><u>Tract #5, 1.22 acres</u></b>		
(1)	Carlos Henry Hale Heirs, Devisees, Successors or Assigns	1.22 acres	2.40%
(a)	Lorene Hale P.O. Box 841 Cedar Bluff, VA 24609	0.41 acres 1/3 of 1.22 acres	0.80%
(b)	Pamela J. Keene HC 65, Box 18-B Oakwood, VA 24631	0.27 acres 2/9 of 1.22 acres	0.53%
(c)	Jamie Hale Rt.2 Box 468 Haysi, VA 24256	0.27 acres 2/9 of 1.22 acres	0.53%
(d)	Jeffery C. Hale 1926 Zacks Fork Road Lenoir, NC 28645	0.27 acres 2/9 of 1.22 acres	0.53%

Docket No. VGOB-01-0116-0852

List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Interest in Unit
<b><u>Tract #3, 6.89 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Buckhorn Coal Company P. O. Box 187 Tazewell, VA 24651	6.89 acres	13.54%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Earl Whited Rt.1 Box 150 Swords Creek, VA 24649	6.89 acres	13.54%
<b><u>Tract #5, 1.22 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust, Tr.9 P.O. Box 29 Tazewell, VA 24651	1.22 acres	2.40%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Carlos Henry Hale Heirs, Devisees, Successors or Assigns	1.22 acres	2.40%
(a) Lorene Hale P.O. Box 841 Cedar Bluff, VA 24609	0.41 acres 1/3 of 1.22 acres	0.80%
(b) Pamela J. Keene HC 65, Box 18-B Oakwood, VA 24631	0.27 acres 2/9 of 1.22 acres	0.53%
(c) Jamie Hale Rt.2 Box 468 Haysi, VA 24256	0.27 acres 2/9 of 1.22 acres	0.53%
(d) Jeffery C. Hale 1926 Zacks Fork Road Lenoir, NC 28645	0.27 acres 2/9 of 1.22 acres	0.53%

Docket No. VGOB-01-0116-0852

List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Interest in Unit
<b><u>Tract #1, 39.34 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust, Tr.9 P.O. Box 29 Tazewell, VA 24651	39.34 acres	77.29%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Pocahontas Gas Partnership P.O. Box 947 Bluefield, VA 24605	39.34 acres	77.29%

0001720

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF RUSSELL COUNTY, 5-25, 2001. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 8:58 o'clock PM, after payment of \$        tax imposed by Sec. 58.1-802.

Original returned this date to: Regina Halbrook

TESTE: DOLLIE M. COMPTON, CLERK  
BY: Dollie M. Compton D. CLERK

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 25th day of May, 2001.  
Deed Book No. 524 and Page No. 785  
Returned this date to: James  
TESTE: James M. Bevens, Jr. Clerk  
TESTE: Nathaniel Dineen Deputy Clerk

19 B  
19 R

INSTRUMENT #010001503  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
MAY 25, 2001 AT 11:47AM  
JAMES H. BEVINS JR., CLERK

BY: \_\_\_\_\_



COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT  
RUSSELL CIRCUIT COURT  
DEED RECEIPT

DATE: 05/25/01 TIME: 09:05:08 ACCOUNT: 167CLR0001721 RECEIPT: 01000003672  
CASHIER: DMC REG: RUC4 TYPE: OTH PAYMENT: FULL PAYMENT  
INSTRUMENT : 0001721 - BOOK: 526 PAGE: 744 RECORDED: 05/25/01 AT 09:03  
GRANTOR NAME : VIRGINIA GAS & OIL BOARD EX: N LOCALITY: CO  
GRANTEE NAME : PECONONTAE GAS PARTNERSHIP EX: N PERCENT: 100%  
AND ADDRESS : POB 947 BLUEFIELD, VA  
RECEIVED OF : DEPT. OF MINES MINERALS ENERGY

CHECK :	\$19.00	PAGES:	9
DESCRIPTION 1: DE 521 PG 526		NAMES:	0
2:		NAP:	
CONSIDERATION:	.00	ASSUME/VAL:	.00
CODE DESCRIPTION		PAID CODE DESCRIPTION	PAID
301 DEEDS	17.00	145 USLF	1.00
212 TRANSFER FEES	1.00		
		TENDERED :	19.00
		AMOUNT PAID:	19.00
		CHANGE AMT :	.00

CLERK OF COURT: DOLLIE M. COMPTON