

V I R G I N I A :

BOOK 537 PAGE 624

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: BUCHANAN PRODUCTION COMPANY	)	VIRGINIA GAS
	)	AND OIL BOARD
RELIEF SOUGHT: POOLING OF INTERESTS IN	)	
DRILLING UNIT NO. A-26 LOCATED	)	DOCKET NO.
IN THE OAKWOOD COALBED METHANE GAS	)	01-1016-0929
FIELD I PURSUANT TO VA. CODE	)	
§§ 45.1-361.21 AND 45.1-361.22,	)	
FOR THE PRODUCTION OF OCCLUDED	)	
NATURAL GAS PRODUCED FROM COALBEDS	)	
AND ROCK STRATA ASSOCIATED	)	
THEREWITH (herein collectively	)	
referred to as "Coalbed Methane	)	
Gas" or "Gas")	)	

LEGAL DESCRIPTION: )

DRILLING UNIT NUMBER A-26 )

(hereafter "Subject Drilling Unit") )

IN THE OAKWOOD COALBED METHANE GAS FIELD I )

GARDEN MAGISTERIAL DISTRICT, )

PATTERSON QUADANGLE )

BUCHANAN COUNTY, VIRGINIA )

(the "Subject Lands" are more )

particularly described on Exhibit )

"A", attached hereto and made a )

part hereof) )

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for final hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on October 16, 2001, Southwest Virginia Higher Education Center, Campus of Virginia Highlands Community College, Abingdon, Virginia.
2. Appearances: Mark Swartz, Esquire, of Swartz & Stump, L.C., appeared for the Applicant and the Unit Operator. Sandra Riggs, Assistant Attorney General, was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a search of the reasonably available sources to determine the identity and whereabouts of gas and oil owners, coal owners, mineral owners and/or potential owners, i.e., persons identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas in all coal seams below the Tiller Seam, including the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, War Creek, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams, coalbeds and rock strata associated therewith (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; (2) represented it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations,

ENTERED

partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code §§ 45.1-361.19 and 45.1-361.22, to notice of the Application filed herein; and (3) that the persons set forth in Exhibit B-3 hereto are persons identified by Applicant through its due diligence who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formation, in Subject Drilling Unit underlying and comprised of Subject Lands, who have not heretofore agreed to lease or sell to the Applicant and/or voluntarily pool their Gas interests. Conflicting Gas Owners/Claimants in Subject Drilling Unit are listed on Exhibit E. Further, the Board has caused notice of this hearing to be published as required by Va. Code Ann. § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: Exhibit B-3 and Exhibit A, Page 2.

5. Dismissals: See Exhibit B-2 hereto.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.22, including the applicable portions of Va. Code § 45.1-361.21, the Board pool all the rights, interests and estates in and to the Gas in Subject Drilling Unit, including the pooling of the interests of the Applicant, the Unit Operator, and of the known and unknown persons named in Exhibit B-3 hereto and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas, produced from or allocated to the Subject Drilling Unit established for the Subject Formation underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"), and (2) that the Board designate Consol Energy Inc. as Unit Operator.

7. Relief Granted: The Applicant's requested relief in this cause be and hereby is granted: (1) Pursuant to Va. Code § 45.1-361.21.C.3, Consol Energy Inc. (herein "Operator" or "Unit Operator") is designated as the Unit Operator authorized to drill and operate Coalbed Methane Gas well(s) in the Subject Drilling Unit at the location depicted on the plat attached hereto as Exhibit A, subject to the permit provisions contained in Va. Code § 45.1-361.27 et seq.; to the Oakwood Coalbed Methane Gas Field I Order OGCB 3-90, dated May 18, 1990, as amended; to § 4 VAC 25-150 et seq., Gas and Oil Regulations; and to §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, including that of the Applicant, the Unit Operator, and of the known and unknown persons listed on Exhibit B-3, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formation in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formation</u>	<u>Unit Size</u>	<u>Permitted Well Location(s)</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All coal-beds and coal seams below the Tiller Seam, including, but not limited to Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, War Creek, Lower Horsepen, Pocahontas Nos. 9, 8, 7, 6, 5, 4, 3, 2 and various unnamed seams and associated rock strata	Approximately 80-acre drilling unit	Well CBM-A26 (herein "Well") proposed to be located in Unit A-26 at the location depicted on the plat attached hereto as Exhibit A to be drilled to an approximate depth of 2,520.00 feet.	Oakwood Coalbed Gas Field I for Coalbed Methane Gas Produced in advance of mining including Gas from an Additional Wells Authorized Pursuant to Va. Code § 45.1-361.20	OGCB-3-90 as amended, (herein "Oakwood I Field Rules")

For the Subject Drilling Unit underlying and comprised of the Subject Land referred to as:

Unit Number A-26  
Buchanan County, Virginia

Pursuant to the Oakwood I Field Rules, the Board has adopted the following method for the calculation of production and revenue and allocation of allowable costs for the production of Coalbed Methane Gas.

For Frac Well Gas. - Gas shall be produced from and allocated to only the 80-acre drilling unit in which the Wells are located according to the undivided interests of each Owner/Claimant within the unit, which undivided interest shall be the ratio (expressed as a percentage) that the amount of mineral acreage within each separate tract that is within the Subject Drilling Unit, when platted on the surface, bears to the total mineral acreage, when platted on the surface, contained within the entire 80-acre drilling unit in the manner set forth in the Oakwood I Field Rules.

8. Election and Election Period: In the event any Owner or Claimant named in Exhibit B-3 hereto does not reach a voluntary agreement to share in the operation of the well located in the Subject Drilling Unit, at a rate of payment mutually agreed to by said Gas Owner or Claimant and the Applicant or the Unit Operator, then such person named may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have

been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in Exhibit B-3 who does not reach a voluntary agreement with the Applicant or the Unit Operator may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs of the development contemplated by this Order for Gas produced pursuant to the Oakwood I Field Rules, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation 4 VAC 25-160-100 (herein "Completed-for-Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Completed-for-Production Cost as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The Completed-for-Production Cost for the Subject Drilling Unit is as follows:

Completed-for-Production Cost: \$206,103.86

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operators' "Percent of Unit" times the Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Completed-for-Production Cost as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the well development and operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in Exhibit B-3 hereto who does not reach a voluntary agreement with the Applicant or Unit Operator may elect to accept a cash bonus consideration of \$1.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas produced from any Well development and operation covered by this Order multiplied by that person's Percent of Unit or proportional share of said production [for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred

downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person] as fair, reasonable and equitable compensation to be paid to said Gas Owner or Claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, subject to a final legal determination of ownership, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing person in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign, its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any Gas Owner or Claimant named in Exhibit B-3 hereto who does not reach a voluntary agreement with the Applicant or Unit Operator may elect to share in the well development and operation in Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Cost hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Applicant until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Cost allocable to the interest of such Carried Well Operator. When the Applicant recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated

initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development and operation.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign its rights, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in Exhibit B-3 hereto does not reach a voluntary agreement with the Applicant or Unit Operator and fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed well development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from the Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in Exhibit B-3 elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Completed-for-Production Cost as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interest, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within one hundred twenty (120) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in Exhibit B-3 is unable to reach a voluntary agreement to share in the operation of the Wells contemplated by this Order at a rate of payment agreed to mutually by

said Owner or Claimant and the Unit Operator, and such person elects or fails to elect to do other than participate under Paragraph 9.1 above in the well development and operation in Subject Drilling Unit, then subject to a final legal determination of ownership, such person shall be deemed to have and shall have assigned unto Applicant such person's right, interests, and claims in and to said Wells, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): Consol Energy Inc. be and hereby is designated as Unit Operator authorized to drill and operate the Well in Subject Formation in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code §§ 45.1-361.27 et seq.; §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations; the Oakwood Coalbed Gas Field I Order OGCB 3-90, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Consol Energy Inc.  
P. O. Box 947  
Bluefield, VA 24605  
Phone: (540) 988-1016  
Fax: (540) 988-1055  
Attn: Leslie K. Arrington

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the well within Subject Unit within seven hundred thirty (730) days from the date of this Order and shall prosecute operation of same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then, this Order shall terminate, except for any cash sums then payable hereunder; otherwise, unless sooner terminated by this Order of the Board at 12:00 p.m. on the date on which the well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the petition for appeal and the final order of the Circuit Court shall be excluded in calculating the two-year period referred to herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are chargeable against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any of the Wells has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

The Unit Operator represented to the Board that there are no unknown or unlocatable claimants in Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.1 hereof; and, the Unit Operator has represented to the Board that there are no conflicting claimants in Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.2 hereof. Therefore, unless and until otherwise ordered by the Board, the Escrow Agent named herein or any successor named by the Board is not be required to establish an escrow account for Subject Drilling Unit, or to receive and account to the Board pursuant to its agreement for the escrowed funds

hereafter described in Paragraphs 16.1 and 16.2:

First Union National Bank  
 Corporate Trust PA1328  
 123 South Broad Street  
 Philadelphia, PA 19109-1199  
 Telephone: (215) 985-3485 or (800) 665-9359  
 Attention: Don Ballinghoff

- 16.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and, pursuant to Va. Code Ann. § 45.1-361.21.D, said sums shall be deposited by the Unit Operator into the Escrow Account, commencing within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are being deposited. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code § 45.1-361.21.D.
- 16.2. Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code Ann. §§ 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Unit Operator into the Escrow Account within one hundred twenty (120) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.
17. Special Findings: The Board specifically and specially finds:
- 17.1. Applicant is a Virginia general partnership composed of Consol Energy Inc, and Consolidation Coal Company. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;

- 17.2. Consol Energy Inc. has accepted Applicant's delegation of authority to explore, develop and maintain the properties and assets of Applicant now owned or hereafter acquired, has agreed to explore, develop and maintain the properties and assets of Applicant, and has consented to serve as Coalbed Methane Gas Unit Operator for Subject Drilling Unit and to faithfully discharge the duties imposed upon it as Unit Operator by statute and regulations;
- 17.3. Consol Energy Inc. is a Delaware corporation duly authorized to transact business in the Commonwealth of Virginia, is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;
- 17.4. Applicant, Buchanan Production Company, claims ownership of gas leases, Coalbed Methane Gas leases, and/or coal leases representing 99.950 percent of the oil and gas interest/claims in and to Coalbed Methane Gas and 99.950 percent of the coal interest/claims in and to Coalbed Methane Gas in Subject Drilling Unit, and Applicant claims the right to explore for, develop and produce Coalbed Methane Gas from Subject Formations in Oakwood Unit Number A-26 in Buchanan County, Virginia, which Subject Lands are more particularly described in Exhibit "A";
- 17.5. Applicant proposes to drill one Well, Well CBM-A26, on the Subject Drilling Unit to an estimated depth of 2,520.00 feet at the location depicted on the plat attached hereto as Exhibit A to develop the pool of Gas in Subject Formations;
- 17.6. The estimated total production from Subject Drilling Unit is 125 to 550 MMCF. The estimated amount of reserves from the Subject Drilling Unit is 125 to 550 MMCF;
- 17.7. Set forth in Exhibit B-3 is the name and last known address of each Owner or Claimant identified by the Applicant as having or claiming an interest in the Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who has not, in writing, leased to the Applicant or the Unit Operator or agreed to voluntarily pool his interests in Subject Drilling Unit for its development. The interests of the Respondents listed in Exhibit B-3 comprise 0.050 percent of the oil and gas interests/claims in and to Coalbed Methane Gas and 0.050 percent of the coal interests/claims in and to Coalbed Methane Gas in Subject Drilling Unit;
- 17.8. Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in the Wells are those options provided in Paragraph 9 above;
- 17.9. The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in Exhibit B-3 hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Coalbed Methane Gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the

correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt to each Respondent named in Exhibit B-3 pooled by this Order and whose address is known.

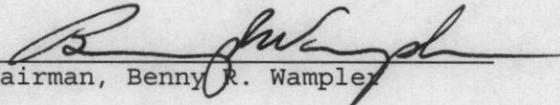
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

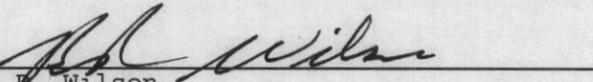
21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.

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

DONE AND EXECUTED this 18<sup>th</sup> day of December, 2001, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 9<sup>th</sup> day of January 2002 ~~December~~, 2001, by Order of this Board.

  
B. K. Wilson  
Acting Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA )  
COUNTY OF WISE )

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Acknowledged on this 18<sup>th</sup> day of December, 2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny 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 July 31, 2002

STATE OF VIRGINIA )  
COUNTY OF WASHINGTON )

Acknowledged on this 9<sup>th</sup> day of January 2002, 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 of the 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 September 30, 2005

Order Recorded Under Code of  
Virginia Section 45.1-361.26

800'

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS AND DEEDS PROVIDED BY CONSOL ENERGY, Inc. AND DO NOT REPRESENT A CURRENT FIELD SURVEY.

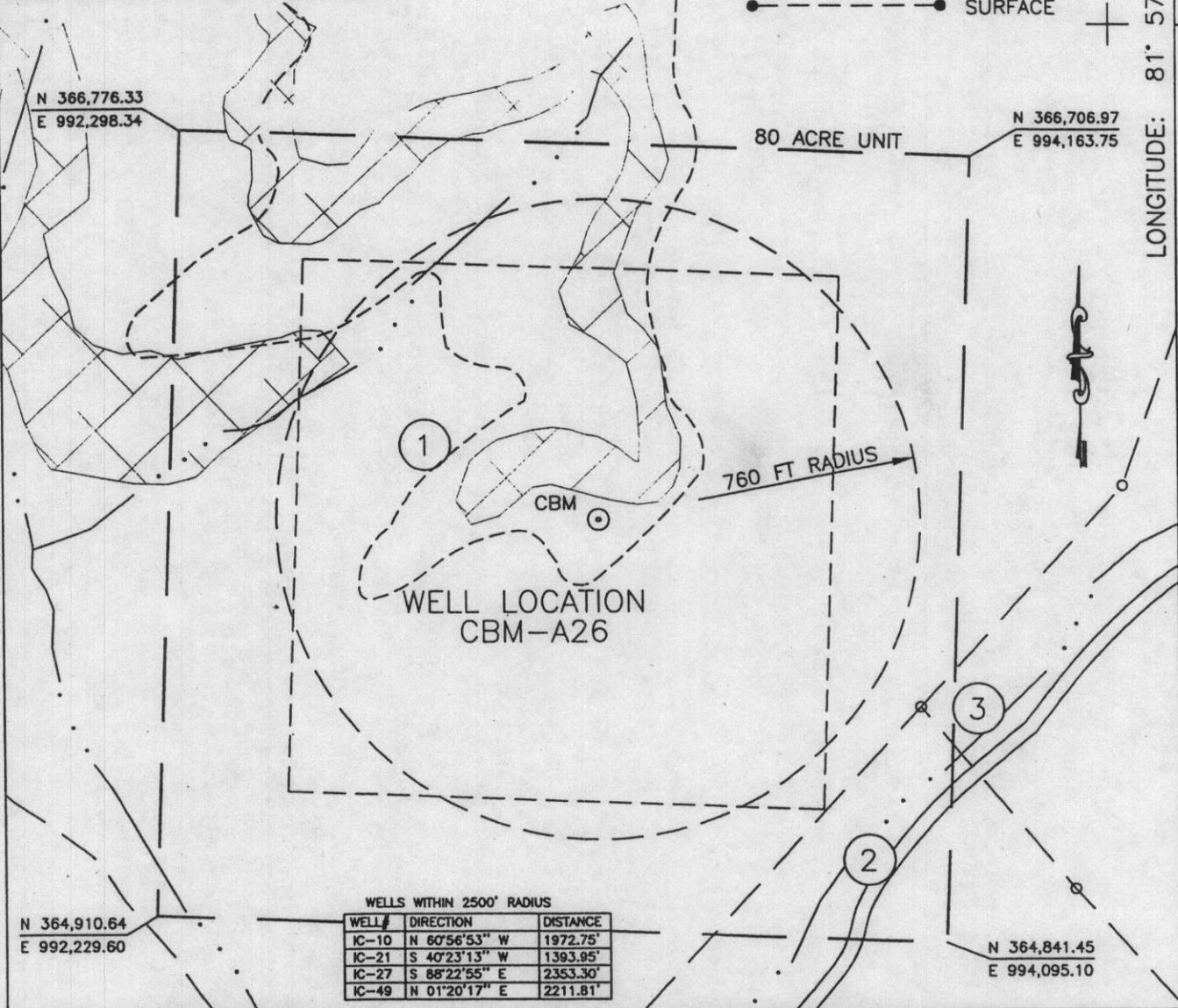
LATITUDE: 37° 17' 30"

BEARING BASIS:  
VIRGINIA STATE PLANE - SOUTH ZONE - NAD'27

○ — ○ MINERAL  
● — ● SURFACE

LONGITUDE: 81° 57' 30"

1,500'



WELLS WITHIN 2500' RADIUS

WELL #	DIRECTION	DISTANCE
IC-10	N 60°56'53" W	1972.75'
IC-21	S 40°23'13" W	1393.95'
IC-27	S 88°22'55" E	2353.30'
IC-49	N 01°20'17" E	2211.81'

THE ACTUAL WELL LOCATION WILL BE WITHIN 10 FEET OF THE PROPOSED LOCATION ACCORDING TO 4 VAC 25-150-290 AND 45.1-361.30

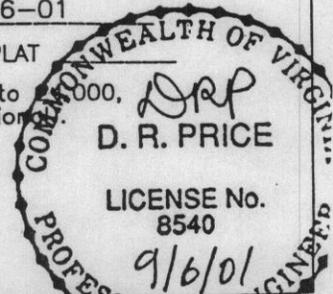
### WELL LOCATION PLAT

COMPANY CONSOL ENERGY, INC WELL NAME OR NUMBER CBM-A26  
 TRACT NUMBER SLOCUM LAND CO. QUADRANGLE PATTERSON  
 DISTRICT: GARDEN  
 WELL COORDINATES (VIRGINIA STATE PLANE): STATE PLANE N 365,848.77 E 993,279.31  
 ELEVATION: 2240.00' METHOD USED TO DETERMINE ELEVATION: USGS TOPOGRAPHIC MAPPING  
 COUNTY BUCHANAN Scale: 1" = 400' Date 09-06-01  
 THIS PLAT IS A NEW PLAT ; AN UPDATED PLAT ; OR A FINAL LOCATION PLAT

⊕ Denotes the location of a well on United States Topographic Maps, scale 1 to 62,500, latitude and longitude lines being represented by border lines as shown (optional).

*D.R. Price*

Licensed Professional Engineer or Licensed Land Surveyor (Affix Seal)



**CONSOL ENERGY INC.**

**UNIT A-26**

**Tract Identifications**

- 1 Slocum Land Corp. – Coal, Oil and Gas  
Coal Lessees  
Island Creek Coal Co. – Coal below the Tiller Seam  
Tight Sands Investment, LLC c/o Cabot Oil and Gas Corp. – Oil and Gas Leased (?)  
Eastern American Energy Corp. – Oil and Gas Leased (?)  
Buchanan Production Company – CBM Lessee  
North American Timber Corp. – Surface  
75.88 Acres 94.8500 %
  
- 2 C. L. Ritter Lumber Co. – Coal, Oil, and Gas  
Coal Lessees  
Island Creek Coal Co. – Coal below the Tiller Seam  
Jewell Smokeless Coal Corporation – Coal overlying and including the Tiller Seam  
Tight Sands Investment, LLC c/o Cabot Oil and Gas Corp. – Oil and Gas Leased (?)  
Eastern American Energy Corp. – Oil and Gas Leased (?)  
Buchanan Production Company – CBM Lessee  
3.96 Acres 4.9500 %
  
- 3 D. W. Robinson Tract– Coal, Oil, and Gas  
Coal Lessees  
Island Creek Coal Co. – Coal below the Tiller Seam  
Buchanan Production Company - 5/8 CBM Lessee  
0.16 Acres 0.2000 %

Exhibit B-2  
Unit A-26  
Docket # VGOB 01-1016-0929  
List of Respondents to be Dismissed

BOOK 537 PAGE 637

	Acres in Unit	Percent of Unit	Reason for Dismissal
<b>I. COAL FEE OWNERSHIP</b>			
<b><u>Tract #3, 0.16 Acres</u></b>			
(1) D.W. Robinson Tract	0.16 acres	0.2000%	
(c) Chapman Belew 3133 Monument Avenue Richmond, VA 23221	0.01 acres 1/16 of 0.16 acres	0.0125%	Not an owner
(d) Alan Belew 1810 Monument Ave., Apt E Richmond, VA 23221	0.01 acres 1/16 of 0.16 acres	0.0125%	Not an owner
(e) Lindsey B. Paul 508 Rt. 169 Woodstock, CT 06281	0.01 acres 1/16 of 0.16 acres	0.0125%	Not an owner
(f) Katherine Belew 2106 New Burne Road Richmond, VA 23221	0.01 acres 1/16 of 0.16 acres	0.0125%	Not an owner
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>			
<b><u>Tract #3, 0.16 Acres</u></b>			
(1) D.W. Robinson Tract	0.16 acres	0.2000%	
(c) Chapman Belew 3133 Monument Avenue Richmond, VA 23221	0.01 acres 1/16 of 0.16 acres	0.0125%	Not an owner
(d) Alan Belew 1810 Monument Ave., Apt E Richmond, VA 23221	0.01 acres 1/16 of 0.16 acres	0.0125%	Not an owner
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Exhibit B-3  
Unit A-26  
Docket # VGOB 01-1016-0929  
List of Unleased Owners/Claimants

BOOK 537 PAGE 638

	Acres in Unit	Percent of Unit
<b>I. COAL FEE OWNERSHIP</b>		
<b><u>Tract #3, 0.16 Acres</u></b>		
(1) D.W. Robinson Tract	0.16 acres	0.2000%
(a) Robert Bottimore, Jr. 213 W. Sequoia Blvd. Florence, AL 35630	0.04 acres 1/4 of 0.16 acres	0.0500%
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>		
<b><u>Tract #3, 0.16 Acres</u></b>		
(1) D.W. Robinson Tract	0.16 acres	0.2000%
(a) Robert Bottimore, Jr. 213 W. Sequoia Blvd. Florence, AL 35630	0.04 acres 1/4 of 0.16 acres	0.0500%

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 11<sup>th</sup> day of January, 2002.  
Deed Book No. 537 and Page No. 629 TESTE: James M. Bevins, Jr., Clerk  
Returned this date to: DMNE TESTE: Patricia [Signature], Deputy Clerk

25  
BM

INSTRUMENT #020000201  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
JANUARY 11, 2002 AT 10:39AM  
JAMES M. BEVING JR., CLERK

BY: .....

*At*  
(100)

662

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 01-1016-0929

ELECTIONS: UNIT A-26  
(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 December 18, 2001 which was recorded at Deed Book 537, Page 624 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on January 11, 2002, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed Consol Energy Inc. (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 A-26;

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. The respondents listed in Exhibit B-2 to the Affidavit of Elections are dismissed.

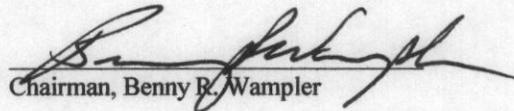
ENTERED

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 or who is hereby dismissed 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 16<sup>th</sup> day of September, 2002, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

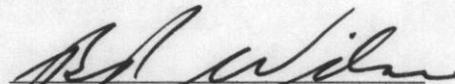
STATE OF VIRGINIA  
COUNTY OF WISE

Acknowledged on this 16<sup>th</sup> day of September, 2002, 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

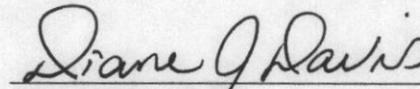
My commission expires: 7-31-06.

DONE AND PERFORMED THIS 20<sup>th</sup> day of September, 2002, 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 20<sup>th</sup> day of September, 2002, 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 J. Davis, Notary

My commission expires: 9/30/05.

Order Recorded Under Code of  
Virginia Section 45.1-361.26

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Buchanan Production Company for Forced Pooling of Interests in CBM Unit A-26  
VGOB 01-1016-0929 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF Consol Energy Inc. (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 Consol Energy Inc., the designated operator,

That the Order entered on December 18, 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 January 11, 2002;

That the designated operator Consol Energy Inc. 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 December 18, 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:

None

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, 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.

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.

Dated at Tazewell, Virginia, this 28<sup>th</sup> day of August, 2002.

Leslie K. Arrington  
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 28<sup>th</sup> day of August, 2002.

Rhonda L. Cartwright  
Notary

My commission expires: 10/31/05.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS AND DEEDS PROVIDED BY CONSOL ENERGY, Inc. AND DO NOT REPRESENT A CURRENT FIELD SURVEY.

LATITUDE: 37° 17' 30"

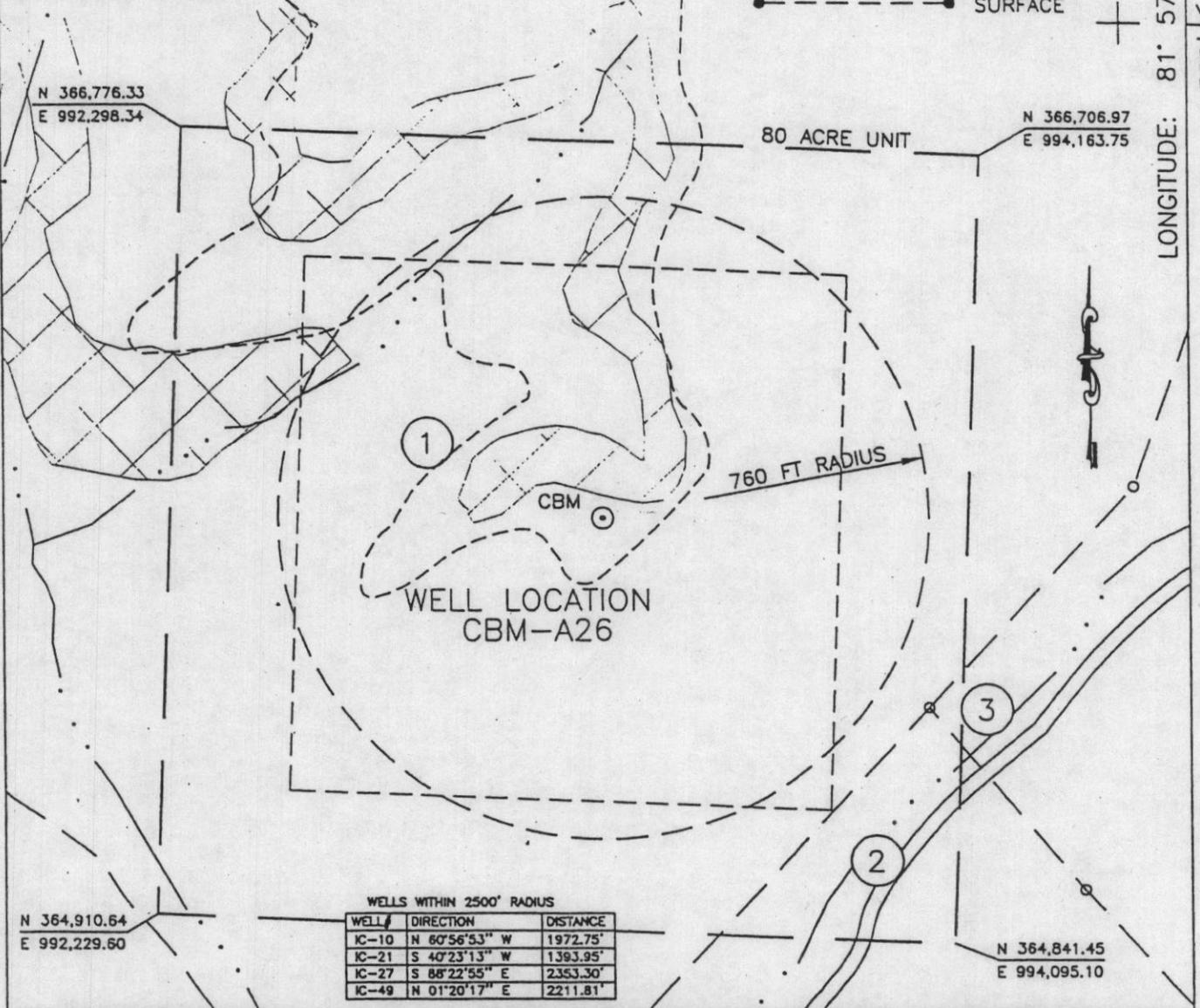
BEARING BASIS:  
VIRGINIA STATE PLANE - SOUTH ZONE - NAD'27

MINERAL SURFACE

800'

LONGITUDE: 81° 57' 30"

1,500'



N 366,776.33  
E 992,298.34

N 366,706.97  
E 994,163.75

80 ACRE UNIT

1

CBM

760 FT RADIUS

WELL LOCATION  
CBM-A26

3

2

N 364,910.64  
E 992,229.60

N 364,841.45  
E 994,095.10

WELLS WITHIN 2500' RADIUS

WELL	DIRECTION	DISTANCE
IC-10	N 60°56'53" W	1972.75'
IC-21	S 40°23'13" W	1393.95'
IC-27	S 88°22'55" E	2353.30'
IC-49	N 01°20'17" E	2211.81'

THE ACTUAL WELL LOCATION WILL BE WITHIN 10 FEET OF THE PROPOSED LOCATION ACCORDING TO 4 VAC 25-150-290 AND 45.1-361.30

### WELL LOCATION PLAT

COMPANY CONSOL ENERGY, INC WELL NAME OR NUMBER CBM-A26  
TRACT NUMBER SLOCUM LAND CO. QUADRANGLE PATTERSON  
DISTRICT: GARDEN

WELL COORDINATES (VIRGINIA STATE PLANE): STATE PLANE N 365,848.77 E 993,279.31

ELEVATION: 2240.00' METHOD USED TO DETERMINE ELEVATION: USGS TOPOGRAPHIC MAPPING

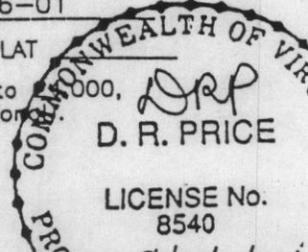
COUNTY BUCHANAN Scale: 1" = 400' Date 09-06-01

THIS PLAT IS A NEW PLAT X; AN UPDATED PLAT \_\_\_\_\_; OR A FINAL LOCATION PLAT \_\_\_\_\_

+ Denotes the location of a well on United States Topographic Maps, scale 1 to 62,500, latitude and longitude lines being represented by border lines as shown (optional)

*D.R. Price*

Licensed Professional Engineer or Licensed Land Surveyor (Affix Seal)



## CONSOL ENERGY INC.

## UNIT A-26

## Tract Identifications

- 1 Slocum Land Corp. – Coal, Oil and Gas  
Coal Lessees  
Island Creek Coal Co. – Coal below the Tiller Seam  
Tight Sands Investment, LLC c/o Cabot Oil and Gas Corp. – Oil and Gas Leased (?)  
Eastern American Energy Corp. – Oil and Gas Leased (?)  
Buchanan Production Company – CBM Lessee  
North American Timber Corp. – Surface  
75.88 Acres 94.8500 %
  
- 2 C. L. Ritter Lumber Co. – Coal, Oil, and Gas  
Coal Lessees  
Island Creek Coal Co. – Coal below the Tiller Seam  
Jewell Smokeless Coal Corporation – Coal overlying and including the Tiller Seam  
Tight Sands Investment, LLC c/o Cabot Oil and Gas Corp. – Oil and Gas Leased (?)  
Eastern American Energy Corp. – Oil and Gas Leased (?)  
Buchanan Production Company – CBM Lessee  
3.96 Acres 4.9500 %
  
- 3 D. W. Robinson Tract– Coal, Oil, and Gas  
Coal Lessees  
Island Creek Coal Co. – Coal below the Tiller Seam  
Buchanan Production Company - 5/8 CBM Lessee  
0.16 Acres 0.2000 %

Exhibit B-3  
 Unit A-26  
 Docket # VGOB 01-1016-0929  
 List of Unleased Owners/Claimants

17 30

	Acres in Unit	Percent of Unit
<b>I. COAL FEE OWNERSHIP</b>		
<u>Tract #3, 0.16 Acres</u>		
(1) D.W. Robinson Tract	0.16 acres	0.2000%
(a) Robert Bottimore, Jr. 213 W. Sequoia Blvd. Florence, AL 35630	0.04 acres 1/4 of 0.16 acres	0.0500%
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>		
<u>Tract #3, 0.16 Acres</u>		
(1) D.W. Robinson Tract	0.16 acres	0.2000%
(a) Robert Bottimore, Jr. 213 W. Sequoia Blvd. Florence, AL 35630	0.04 acres 1/4 of 0.16 acres	0.0500%

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 25 day of September, 20 02 9:00 A.M.  
 Deed Book No. 555 and Page No. 7  
 Returned to: Amme TESTE: James M. Bevins, Jr., Clerk  
 TESTE: Quincy S. Viller Deputy Clerk

LA  
BV

*Garmon*

INSTRUMENT #020000589  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
SEPTEMBER 25, 2002 AT 09:00AM  
JAMES M. BEVINS JR., CLERK

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

*[Signature]*