

213

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB 01-1120-0983

ELECTIONS: UNIT K-18 (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 February 1, 2002 which was recorded at Deed Book 540, Page 294 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on February 8, 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 K-18;

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.

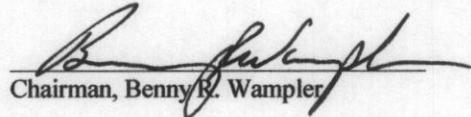
ENTERED

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.

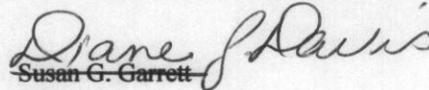
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 18th day of February, 2003, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA
COUNTY OF WISE

Acknowledged on this 18th day of February, 2003, 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

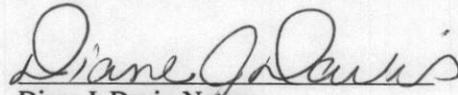
My commission expires: 9/30/05.

DONE AND PERFORMED THIS 19th day of February, 2003, 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 19th day of February, 2003, 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 K-18
VGOB 01-1120-0983 in the South Grundy 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 February 1, 2002, 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 February 8, 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:

GeoMet, Inc. and Highland Resources, Inc.

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 February 1, 2002;

See attached Exhibit B-3 (100% Leased)

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:

See attached Exhibit B-2

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:

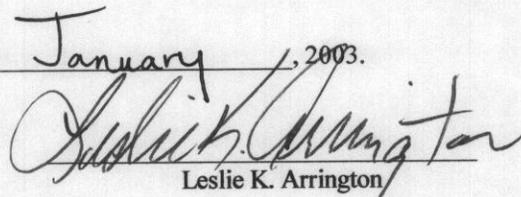
Plum Creek Timberlands, L.P, GeoMet, Inc. and Highland Resources, Inc.

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.

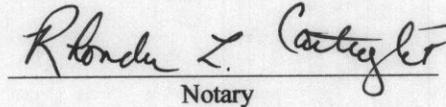
None

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.

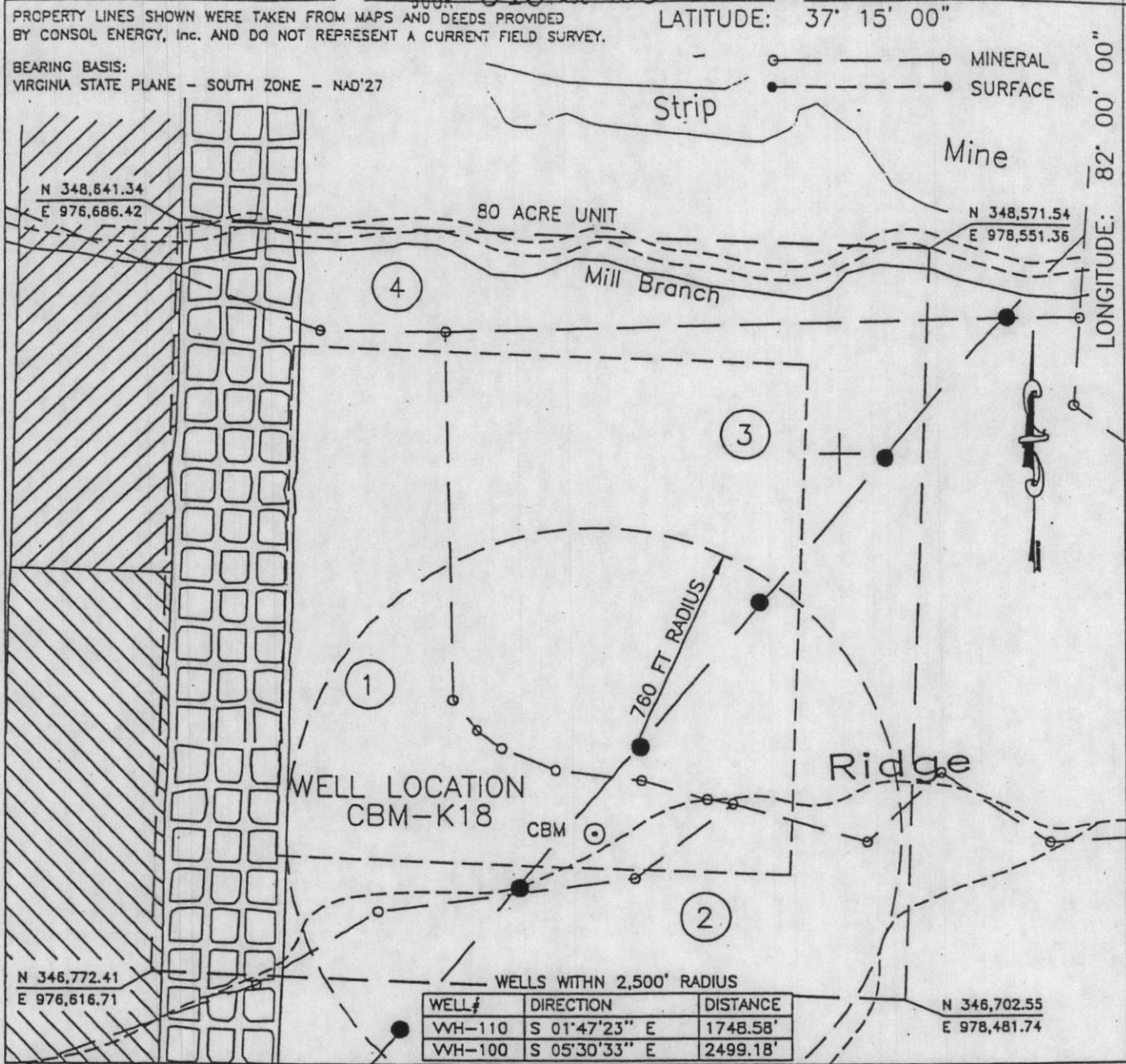
Dated at Tazewell, Virginia, this 20th day of January, 2003.


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 20th day of January, 2003.


Notary

My commission expires: 10/31/03.



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

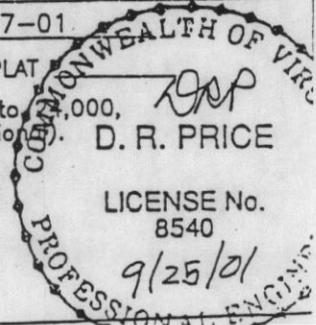
COMPANY CONSOL ENERGY, INC WELL NAME OR NUMBER CBM-K18
 TRACT NUMBER YUKON POCAHONTAS QUADRANGLE VANSANT
 DISTRICT: SOUTH GRUNDY

WELL COORDINATES (VIRGINIA STATE PLANE): STATE PLANE N 347,117.70 E 977,714.70
 ELEVATION: 2,180.0' METHOD USED TO DETERMINE ELEVATION: USGS TOPOGRAPHIC MAPPING
 COUNTY BUCHANAN Scale: 1" = 400' Date 09-17-01

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 25,000, 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 K-18
Tract identifications

1. Yukon Pocahontas Coal Co./ Buchanan Coal Co./ Sayers Pocahontas Coal Co./North American Timber Corp.- Coal, Oil & Gas
James D. and Patricia Keen- Surface
Coal Lessees
Island Creek Coal Co. – Coal below the Tiller Seam
Buchanan Production Co.- CBM Lessee
29.61 Acres 37.0125 %
2. Yukon Pocahontas Coal Co./ Buchanan Coal Co./ Sayers Pocahontas Coal Co./North American Timber Corp.- Coal, Oil, and Gas
Coal Lessees
Island Creek Coal Co. – Coal below the Tiller Seam
Buchanan Production Co.- CBM Lessee
10.21 Acres 12.7625 %
3. Yukon Pocahontas Coal Co./ Buchanan Coal Co./ Sayers Pocahontas Coal Co.- Coal, Oil & Gas (2/3)
North American Timber Corp.-Coal, Oil, and Gas- (1/3)
Coal Lessees
Island Creek Coal Co. – Coal below the Tiller Seam
Buchanan Production Co.- CBM Lessee (2/3)
30.87 Acres 38.5875 %
4. Yukon Pocahontas Coal Co./ Buchanan Coal Co./ Sayers Pocahontas Coal Co.- Coal, Oil & Gas (2/3)
North American Timber Corp.-Coal, Oil, and Gas- (1/3)
Coal Lessees
Island Creek Coal Co. – Coal below the Tiller Seam
Buchanan Production Co.- CBM Lessee (2/3)
9.31 Acres 11.6375 %

Exhibit B-2
Unit K-18
Docket # VGOB 01-1120-0983
List of Respondents to be Dismissed

BOOK 563 PAGE 128

	Acres in Unit	Percent of Unit	Reason for Dismissal
I. COAL FEE OWNERSHIP			
<u>Tract #3, 30.87 Acres</u>			
(1) Plum Creek Timberland, L.P., Tr.6 Plum Creek (prev. North American Timber Corp.) Natural Resources Department 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303	10.29 acres 1/3 of 30.87 acres	12.8625%	Leased
<u>CBM LESSEE:</u>			
(a) GeoMet, Inc. 5336 Stadium Trace Parkway, Suite 206 Birmingham, AL 35244			Leased
(a) Highland Resources, Inc. 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303			Leased
<u>Tract #4, 9.31 Acres</u>			
(1) Plum Creek Timberland, L.P., Tr.6 Plum Creek (prev. North American Timber Corp.) Natural Resources Department 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303	3.10 acres 1/3 of 9.31 acres	3.8792%	Leased
<u>CBM LESSEE:</u>			
(a) GeoMet, Inc. 5336 Stadium Trace Parkway, Suite 206 Birmingham, AL 35244			Leased
(a) Highland Resources, Inc. 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303			Leased
II. OIL & GAS FEE OWNERSHIP			
<u>Tract #3, 30.87 Acres</u>			
(1) Plum Creek Timberland, L.P., Tr.6 Plum Creek (prev. North American Timber Corp.) Natural Resources Department 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303	10.29 acres 1/3 of 30.87 acres	12.8625%	Leased
<u>CBM LESSEE:</u>			
(a) GeoMet, Inc. 5336 Stadium Trace Parkway, Suite 206 Birmingham, AL 35244			Leased
(a) Highland Resources, Inc. 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303			Leased

Exhibit B-2
Unit K-18
Docket # VGOB 01-1120-0983
List of Respondents to be Dismissed

BOOK 563 PAGE 129

	Acres in Unit	Percent of Unit	Reason for Dismissal
<u>Tract #4, 9.31 Acres</u>			
(1) Plum Creek Timberland, L.P., Tr.6 Plum Creek (prev. North American Timber Corp.) Natural Resources Department 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303	3.10 acres 1/3 of 9.31 acres	3.8792%	Leased
<u>CBM LESSEE:</u>			
(a) GeoMet, Inc. 5336 Stadium Trace Parkway, Suite 206 Birmingham, AL 35244			Leased
(a) Highland Resources, Inc. 100 Peachtree Street NW, Suite 2650 Atlanta, GA 30303			Leased

Exhibit B-3
Unit K-18
Docket # VGOB 01-1120-0983
List of Unleased Owners/Claimants

BOOK 563 PAGE 130

Acres in Unit Percent
of Unit

This unit is 100% Leased

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 February, 2003 1:27 P. M.
Deed Book No. 563 and Page No. 22 TESTE: James M. Bevins, Jr., Clerk
Returned to: DMMZ TESTE: Stacy S. Miller Deputy Clerk