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VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB-02/05/21-1031

ELECTIONS, UNIT: 24727

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on May 28, 2002, and recorded at Deed Book 547, Page 676 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on June 5, 2002 (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 Columbia Natural Resources, Inc., (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 June 20, 2002, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
 - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated June 20, 2002 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

ENTERED

- 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 Union National Bank, Corporate Trust, PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Don Ballinghoff, 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 Union National Bank, Corporate Trust, PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, 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 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.

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Columbia Natural Resources, for Forced Pooling of Interests in Unit Number 24727, VGOB Docket No. VGOB-02/05/21-1031 in the Knox 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 May 28, 2002, by the Virginia Gas and Oil Board regarding the captioned conventional 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 June 5, 2002.
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 as unknown/unlocatable.

Tract	Name	Cash Consideration
2	Winifred L. Farley, Jr.	0.368 Acres x \$5.00 = \$1.84

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.

Tract	Name	Cash Consideration
2	Ruby E. Farley	0.553 Acres x \$5.00 = \$2.76
2	Talbert Randy Farley	0.092 Acres x \$5.00 = \$0.46
2	Herbert Farley, Jr.	0.824 Acres x \$5.00 = \$4.12
2	Kenneth L. & Connie Farley	0.085 Acres x \$5.00 = \$0.43
2	Brain K. & Linda Farley	0.099 Acres x \$5.00 = \$0.50
2	Arnold D. & Beverly Farley	0.074 Acres x \$5.00 = \$0.37
2	Terry L. & Chris Farley	0.074 Acres x \$5.00 = \$0.37
2	Linda Farley Childers	0.368 Acres x \$5.00 = \$1.84
2	Helen Farley Wilson	0.340 Acres x \$5.00 = \$1.70
2	Winifred L. Farley, Jr	0.368 Acres x \$5.00 = \$1.84

9. The final plat filed here as "Exhibit A" and the "Exhibit B" filed with this Order and Affidavit reflect the correct ownership within the Subject Unit.

DONE AND EXECUTED this 16th day of September, 2002 by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 20th day of September, 2002 by Order of this Board.

B. R. Wilson
B. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 16th 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
Susan G. Garrett
Notary Public

My commission expires: 7/31/06.

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 23rd 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 Principal Executive to the Staff Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane J. Davis
Diane J. Davis
Notary Public

My commission expires: 9/30/05.

Order Recorded Under Code of
Virginia Section 45.1-361.26

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

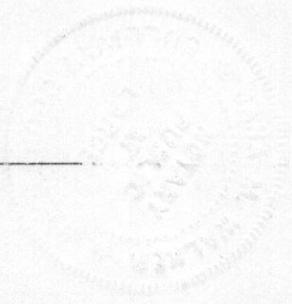
Dated at Kingsport, Tennessee, this 31st day of July 2002.

[Signature]
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Columbia Natural Resources, Inc., a corporation, on behalf of the corporation, this 31st day of July, 2002.

My commission expires: August 19, 2003

[Signature: Janam Walker]
Notary



Neenah Laser
2 1/2 cotton

EXHIBIT "B"
WELL 24727

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
1	Buchanan Energy Company P O Box 1510 Grundy, VA 24614	Leased	95.600000%	112.2200
2	MARY JANE FARLEY HEIRS <u>Herbert Farley Sr. Heirs</u> Ruby E. Farley, Widow 8733 Highway 1056 McCarr, KY 41544 Talbert Randy Farley P O Box 321 McCarr, KY 41544 Herbert Farley Jr. P O Box 396 McCarr, KY 41544 Kenneth L. Farley & Connie Farley P O Box 8789, Hwy 1056 McCarr, KY 41544 Brian K. Farley & Linda Farley P O Box 517 McCarr, KY 41544 <u>Edith Farley Norman Heirs</u> Essie Jane Whetstone 8703 Springtree Drive Tampa, FL 33637	Unleased Unleased Unleased Unleased Unleased Leased	0.455357% 0.075893% 0.075893% 0.075893% 0.075893% 0.301786%	0.5100 0.0850 0.0850 0.0850 0.0850 0.3500

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WELL 24727

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	John Norman & Mary L. Norman, h/w 2317 Meadow View Lane Cridersville, OH 45806	Leased 1222299-007	0.151786%	0.1700
	Claude Norman Jr., by Essie Jane Whetstone, POA 8703 Springtree Drive Tampa, FL 33637	Leased	0.151786%	0.1700
	<u>Charles Farley Heirs</u>			
	Merle Ivadean Anderson & George E. Anderson, w/h 00317 State Rt 33 West St. Marys, OH 45885	Leased 1222299-001	0.060714%	0.0680
	Karean Bernada Rude & Roger Rude, w/h 750 Columbus Ave Belfontaine, OH 43311	Leased 1222299-002	0.060714%	0.0680
	Ronnie H Farley & Lois Farley, h/w 16487 Hauss Road Wapaknoeta, OH 45895	Leased	0.060714%	0.0680
	Arnold Darel Farley & Beverly Farley, h/w 08350 Bice Road Cridersville, OH 45806	Unleased	0.060714%	0.0680
	Janice L. Ramga & Charles Ramga, w/h 08299 National Road Wapakoneta, OH 45895	Leased 1222299-003	0.060714%	0.0680
	Donnie F. Farley & Janice Farley, h/w 1306 Hawthorne Street St. Marys, OH 45885	Leased 1222299-004	0.060714%	0.0680

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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>
	Terry L. Farley & Chris Farley 15198 Kruse Road Wapakoneta, OH 45895	Unleased	0.060714%	0.0680
	Lonnie Douglas Farley, Single 20 Riverside Drive Wapakoneta, OH 45895	Leased 1222299-005	0.060714%	0.0680
	Sharon Kaye Duty & C. W. Duty, w/h 09325 National Road Wapakoneta, OH 45895	Leased 1222299-006	0.060714%	0.0680
	Aretta Sue Sullivan & Larry Sullivan, w/h 610 Royal Oak Drive St. Marys, OH 45885	Leased	0.060714%	0.0680
	<u>Glen C. Farley Heirs</u>			
	Herbert Farley Jr. P O Box 396 McCarr, KY 41544	Unleased	0.607143%	0.6800
	<u>Ernest Farley Heirs</u>			
	L. Roger Farley 5261 Oglethorpe Court Powder Springs, GA 30127	Leased	0.121429%	0.1360
	Carolyn Stultz & Jim Stultz, w/h Montecito Drive Glendale, CA 91208	Leased	0.121429%	0.1360
	Debbie Clemson & William B. Clemson, Jr., w/h 727 Vera Drive Pikeville, KY 41501	Leased	0.121429%	0.1360

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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>
	Gary Farley & Martha Farley, h/w 7380 Talbot Colony Dunwoody, GA 30328	Leased	0.121429%	0.1360
	Bruce Farley & Agnes Farley, h/w 2400 Florence Road Powder Springs, GA 30127	Leased	0.121429%	0.1360
	<u>Winfred L. Farley Sr. Heirs</u>			
	Winfred L. Farley Jr. Address Unknown	Unleased	0.303571%	0.3400
	Linda Farley Childers 491 New Camp Road South Williamson, KY 41503	Unleased	0.303571%	0.3400
	<u>Tobey Ray Farley Heirs</u>			
	Helen Farley Wilson P O Box 122 Matewan, WV 25679	Unleased	0.303571%	0.3400
	<u>Herbert Farley Sr. Heirs</u>			
	Ruby E. Farley, Widow 8733 Highway 1056 McCarr, KY 41544	Unleased	0.037946%	0.0425
	Talbert Randy Farley P O Box 321 McCarr, KY 41544	Unleased	0.006324%	0.0071
	Herbert Farley Jr. P O Box 396 McCarr, KY 41544	Unleased	0.006324%	0.0071
	Kenneth L. Farley & Connie Farley P O Box 8789, Hwy 1056 McCarr, KY 41544	Unleased	0.006324%	0.0071

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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>
	Brian K. Farley & Linda Farley P O Box 517 McCarr, KY 41544	Unleased	0.006324%	0.0071
	<u>Edith Farley Norman Heirs</u>			
	Essie Jane Whetstone 8703 Springtree Drive Tampa, FL 33637	Leased	0.012648%	0.0142
	John Norman & Mary L. Norman, h/w 2317 Meadow View Lane Cridersville, OH 45806	Leased 1222299-007	0.012648%	0.0142
	Claude Norman Jr., by Essie Jane Whetstone, POA 8703 Springtree Drive Tampa, FL 33637	Leased	0.012648%	0.0142
	<u>Charles Farley Heirs</u>			
	Merle Ivadean Anderson & George E. Anderson, w/h 00317 State Rt 33 West St. Marys, OH 45885	Leased 1222299-001	0.005060%	0.0057
	Karean Bernada Rude & Roger Rude, w/h 750 East Columbus Ave Belfontaine, OH 43311	Leased 1222299-002	0.005060%	0.0057
	Ronnie H Farley & Lois Farley, h/w 16487 Hauss Road Wapakoneta, OH 45895	Leased	0.005060%	0.0056
	Arnold Darel Farley & Beverly Farley, h/w 08350 Bice Road Cridersville, OH 45806	Unleased	0.005060%	0.0056

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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>
	Janice L. Ramga & Charles Ramga, w/h 08299 National Road Wapakoneta, OH 45895	Leased 1222299-003	0.005060%	0.0057
	Donnie F. Farley & Janice Farley, h/w 1306 Hawthorne Street St. Marys, OH 45885	Leased 1222299-004	0.005060%	0.0057
	Terry L. Farley & Chris Farley 15198 Kruse Road Wapakoneta, OH 45895	Unleased	0.005060%	0.0056
	Lonnie Douglas Farley, Single 20 Riverside Drive Wapakoneta, OH 45895	Leased 1222299-005	0.005060%	0.0057
	Sharon Kaye Duty & C. W. Duty, w/h 09325 National Road Wapakoneta, OH 45895	Leased 1222299-006	0.005060%	0.0057
	Aretta Sue Sullivan & Larry Sullivan, w/h 610 Royal Oak Drive St. Marys, OH 45885	Leased	0.005060%	0.0057
	<u>Glen C. Farley Heirs</u>			
	Herbert Farley Jr. P O Box 396 McCarr, KY 41544	Unleased	0.050595%	0.0567
	<u>Ernest Farley Heirs</u>			
	L. Roger Farley 5261 Oglethorpe Court Powder Springs, GA 30127	Leased	0.010119%	0.0113

**EXHIBIT "B"
WELL 24727**

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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>
	Carolyn Stultz & Jim Stultz, w/h Montecito Drive Glendale, CA 91208	Leased	0.010119%	0.0113
	Debbie Clemson & William B. Clemson, Jr., w/h 727 Vera Drive Pikeville, KY 41501	Leased	0.010119%	0.0113
	Gary Farley & Martha Farley, h/w 7380 Talbot Colony Dunwoody, GA 30328	Leased	0.010119%	0.0113
	Bruce Farley & Agnes Farley, h/w 2400 Florence Road Powder Springs, GA 30127	Leased	0.010119%	0.0113
	<u>Winfred L. Farley Sr. Heirs</u>			
	Winfred L. Farley Jr. Address Unknown	Unleased	0.025298%	0.0283
	Linda Farley Childers P O Box 517 McCarr, KY 41544	Unleased	0.025298%	0.0283
TOTALS			100.000000%	117.1600
	Percentage of Unit Leased		97.427234%	
	Percentage of Unit Unleased		2.572766%	
	Acreage in Unit Leased			109.6986
	Acreage in Unit Unleased			2.8814

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 September, 2002 9:08 A.M.
Deed Book No. 585 and Page No. 35
Returned to: James M. Bevins, Jr.
TESTE: Jessie S. Miller Deputy Clerk