

ENTERED

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	EQUITABLE PRODUCTION COMPANY,	)	VIRGINIA GAS
		)	AND OIL BOARD
RELIEF SOUGHT:	POOLING OF INTERESTS IN A 58.77-	)	
	ACRE SQUARE DRILLING UNIT	)	DOCKET NO.
	DESCRIBED IN EXHIBIT A HERETO	)	02-0820-1059
	LOCATED IN THE NORA COAL BED GAS	)	
	FIELD AND SERVED BY WELL NO.	)	
	VC-504651 (herein "Subject Drilling	)	
	Unit") 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 "Coalbed Methane	)	
	Gas" or "Gas")	)	

LEGAL DESCRIPTION: )  
)  
)  
SUBJECT DRILLING UNIT SERVED BY WELL NUMBERED )  
VC-504651 (herein "Well") TO BE DRILLED IN )  
THE LOCATION DEPICTED ON EXHIBIT A HERETO, )  
CLINCHFIELD COAL COMPANY TRACT T-115 )  
NORA QUADRANGLE )  
ERVINTON MAGISTERIAL DISTRICT )  
DICKENSON 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 hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on **August 20, 2002**, Southwest Higher Education Center, Campus of Virginia Highlands Community College, Abingdon, Virginia.

2. Appearances: James E. Kaiser of Wilhoit & Kaiser, appeared for the Applicant; and Sandra B. Riggs and Sharon Pigeon, Assistant Attorney Generals, were 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 meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner and/or potential owner, i.e., person identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas in all Pennsylvania-aged coals from the top of the Raven, including all splits to the top of the green and red shales including, but not limited to Jawbone, Greasy Creek, C-Seam, War Creek, Beckley, Lower Horspen, X-Seam, Poco No. 9, Poco No. 7, Poco No. 3, Poco No.

2, and any other unnamed coal seams, coalbeds and rock strata associated with the Nora Coalbed Gas Field (hereafter "Subject Formations") in the Subject Drilling Unit underlying and comprised of Subject Lands; (2) has given notice to those parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, 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 hereto have been identified by Applicant as persons who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formations in the Subject Drilling Unit, underlying and comprised of Subject Lands. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 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: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests that pursuant to Va. Code § 45.1-361.22, including the applicable portions of § 45.1-361.21, the Board pool the rights, interests and estates in and to the Gas in the Subject Drilling Unit, including those of the Applicant and of the known and unknown persons named in Exhibit B 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 the Subject Drilling Unit established for the Subject Formations 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, (3) that the Board designate Equitable Production Company as the Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) pursuant to Va. Code § 45.1-361.21.C.3, Equitable Production Company (hereafter "Unit Operator" or "Operator") is designated as the Unit Operator authorized to drill and operate the Well in Subject Drilling Unit, subject to the permit provisions contained in Va. Code § 45.1-361.27, et seq.; to §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; to § 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations and to the Nora Coal Bed Gas Field Rules established by the Oil and Gas Conservation Board's Order entered March 26, 1989; all as amended from time to time; and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, including those of the Applicant and of the known and unknown persons listed on Exhibit B, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, leased or unleased, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formation</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All Pennsylvanian aged coals from the top of the Raven including all splits to the top of the Green and red shales, including, but not limited to Jawbone, Greasy Creek, C-Seam, War Creek, Beckley, Lower Horsepen, X-Seam, Poco No. 9, Poco No. 7, Poco No. 3, Poco No. 2 and any other unnamed coal seams, coalbeds, and rock strata, associated with the Nora Coalbed Gas Field. (Multiple Completion)	Approximately 58.77-acre, square drilling unit.	Well VC-504651 (herein "Well") to be located as depicted on Exhibit A Depth: Approximately 2,642 feet.	Nora Coal Bed Gas Field	OGCB Order for the Nora Coal Bed Gas Field entered March 26, 1989, as amended.

For the Subject Drilling Unit  
underlying and comprised of the Subject  
Land Served by Well No. VC-504651

Dickenson County, Virginia

8. Election and Election Period: In the event any Gas Owner or Claimant named in Exhibit B has not reached a voluntary agreement to share in the operation of the Well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said Gas Owner or Claimant and the Unit Operator, then such person 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 herein to the 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 Unit Operator at the address shown below or has duly postmarked and placed his 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 who has not reached a voluntary agreement with the Unit Operator may elect to participate in the Well development and operation in 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, 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 Estimated, Completed-for-Production Costs 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 estimated Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs (Multiple Completion):

**\$227,472.00**

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's "Interest within Unit" as set forth in the fourth column of Exhibit B times the Estimated Completed-for-Production Costs 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 Estimated, Completed-for-Production Costs 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 in Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in Exhibit B hereto who has not reached a voluntary agreement with the Unit Operator may elect to accept a cash bonus consideration of \$5.00 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 Gas produced from any Well development and operation covered by this Order multiplied by that person's Interest Within Unit as set forth in the fourth column of Exhibit B [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 one hundred twenty (120) 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, 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 Unit Operator.

- 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 Well 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 who has not reached a voluntary agreement with the 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 Costs 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 Unit Operator 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 Costs allocable to the interest of such Carried Well Operator. When the Unit Operator 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.

The election made under this Paragraph 9.3, 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 have and hereby does assign his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which his interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event any Gas Owner or Claimant named in Exhibit B hereto has not reached a voluntary agreement with the 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 in Subject Drilling Unit and shall be deemed, subject to any 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 said Gas produced from Subject Formation in Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed 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 Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in Exhibit B 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 Estimated, Completed-for-Production costs 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, interests, 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 1/8th royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in Exhibit B is unable to reach a voluntary agreement to share in the Well development and operation in Subject Drilling Unit at a rate of payment agreed to mutually by said Gas Owner or Claimant and the Unit Operator, and said 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 such person shall be deemed to have and shall have assigned unto Unit Operator such

person's right, interests, and claims in and to said Well, in Subject Formations in Subject Drilling Unit, and other share in and to Gas 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 elections.

13. Unit Operator (or Operator): Equitable Production Company be and hereby is designated as Unit Operator authorized to drill and operate Well No. VC-504651 in Subject Formations 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; Oil and Gas Conservation Board ("OGCB") Order establishing the Nora Coal Bed Gas Field Rules entered March 26, 1989; 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:

Equitable Production Company  
1710 Pennsylvania Avenue  
Charleston, WV 25238  
Phone: (304) 357-3522  
Fax: (304) 343-7133  
Attn: Melanie Freeman

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the Well within Subject Drilling Unit within seven hundred thirty (730) days from the date of this Order, and shall prosecute the same with due diligence. If the 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 Order of the Board, this Order shall expire at 12:00 p.m. on the date on which the well covered by this Order is permanently abandoned and plugged.

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 a charge 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 the Well has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

16.1 Escrow Account: The Unit Operator has represented to the Board, as reflected in Exhibit B hereto, that: (1) there are unknown and/or unlocatable Owners/Claimants within Tract 2 of Subject Drilling Unit whose entitlements are subject to the escrow provisions of Paragraph 16.2 below, and that (2) there are no conflicting Owners/Claimants in Subject Drilling Unit whose entitlements are subject to the escrow requirements of Paragraph 16.3 below. Therefore, by this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, with subaccounts for Tract 2 of Subject Drilling Unit (herein "the Escrow Account"), to receive and account to the Board pursuant to its agreement for the escrowed funds described in Paragraph 16.2 below for production from Well VC-504651:

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

16.2. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing pursuant to Va. Code §§ 45.1-361.21 or 45.1-361.22 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 shall, pursuant to Va. Code § 45.1-361.21.D, said sums shall be deposited by the 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 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 in accordance with Va. Code § 45.1-361.21.D.

16.3. Escrow Provisions for Conflicting Claimants: If any payment of bonus, royalty payment or other payment due and owing pursuant to Va. Code § 45.1-361.22 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, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account, commencing within one hundred twenty (120) days of the 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 each 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 West Virginia corporation, duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 17.2 Applicant claims ownership of oil and gas and coalbed methane gas leasehold estates representing 87.86 percent of the gas estate, and 87.86 percent of the coal estate with the Subject Drilling Unit;
- 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;

- 17.4 Applicant proposes to drill one (1) well, Well No. **VC-504651**, to a depth of **2,642** feet, on the Subject Drilling Unit to develop the Gas in Subject Formations;
- 17.5 Set forth in Exhibit B is the name and last know address of each person identified by the Applicant as having or claiming an interest in the Coalbed Methane Gas in the Subject Drilling Unit underlying and comprised of Subject Lands, including those Gas Owners or Claimants within Tract **2** who have not in writing, leased to the Applicant or agreed to voluntarily pool their Gas interest in Subject Drilling Unit for its development. The Gas Owners or Claimants within Tract **2** of Subject Drilling Unit who have not reached a voluntary agreement to share in the operation of the well represent **12.14** percent of the gas and oil estate and **12.14** percent of the coal estate in Subject Drilling Unit;
- 17.6 The estimated production over the life of the proposed well is 450 million cubic feet;
- 17.7 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 any well covered hereby are those options provided in paragraph 9 above;
- 17.8 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production of the Gas from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of 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 receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order 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 § 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 15<sup>th</sup> day of October, 2002, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 8<sup>th</sup> day of October, 2002, by Order of this Board.

  
W. R. Wilson  
Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA            )  
COUNTY OF WISE            )

Acknowledged on this 1<sup>st</sup> day of October, 2002, 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  
Notary Public

My commission expires July 31, 2006

STATE OF VIRGINIA            )  
COUNTY OF WASHINGTON    )

Acknowledged on this 5<sup>th</sup> day of October, 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 of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary Public

My commission expires September 30, 2005

TOTAL UNIT AREA  
= 58.77 ACRES

BK 379PG 763

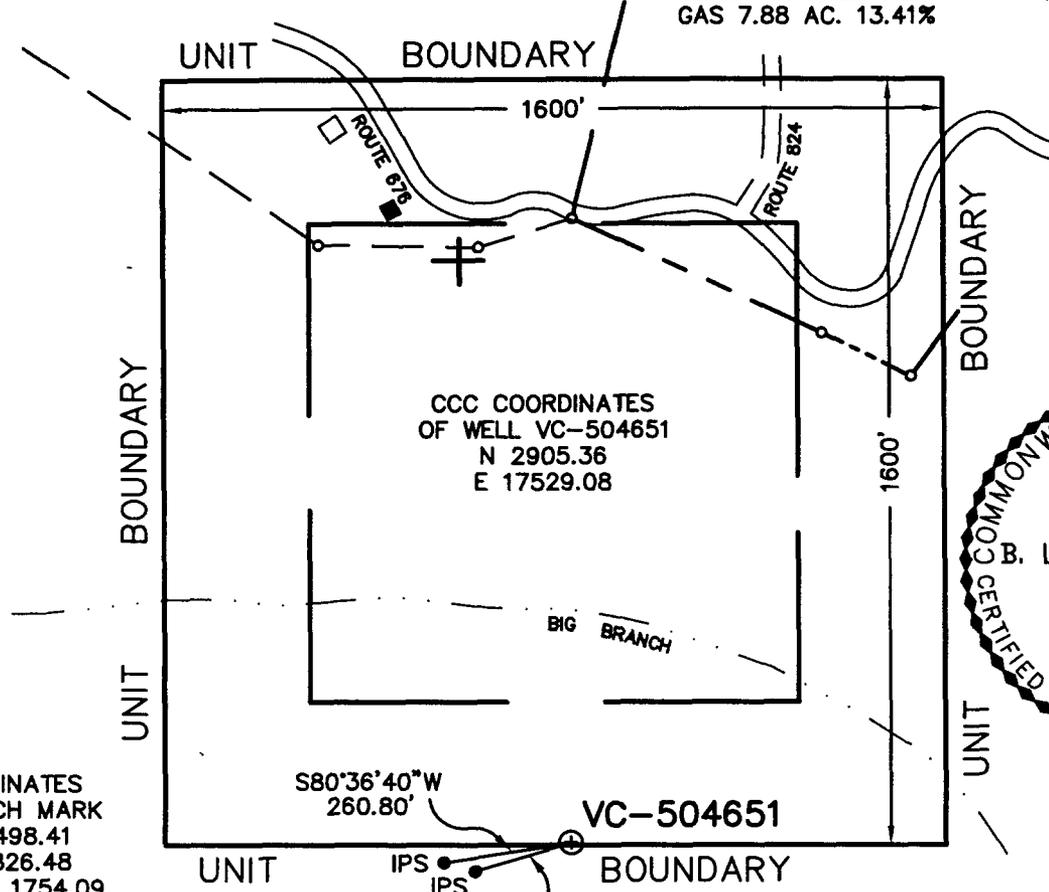
LATITUDE 37°07'30"

9236'

LONGITUDE 82°17'30"  
6221'

- DENOTES MINERAL LINE
- - - DENOTES SURFACE LINE
- DENOTES SURFACE & MINERAL LINES

LEASE No. 245288  
ELBERT RAMSEY HEIRS  
50.00 ACRES  
ELBERT RAMSEY HEIRS - coal, oil, & gas  
GAS 7.88 AC. 13.41%



STATE PLANE  
NAD 27 COORDINATES  
OF WELL VC-504651  
N 304588.87  
E 885367.68

CCC COORDINATES  
OF WELL VC-504651  
N 2905.36  
E 17529.08



COORDINATES  
OF BENCH MARK  
S 77498.41  
E 22826.48  
ELEV. = 1754.09

S80°36'40"W  
260.80'

VC-504651

S72°37'38"W  
203.30'

NOTE !!!

WELL COORDINATES ARE BASED ON CLINCHFIELD  
COAL COMPANY'S COORDINATE SYSTEM  
STATE PLANE WELL COORDINATES ARE CALCULATED  
FROM CLINCHFIELD COAL COMPANY COORDINATES.  
PROPERTY INFORMATION PROVIDED BY EQUITABLE  
PRODUCTION COMPANY.

ELEVATIONS ARE BASED ON NGS CONTROL ST. PAUL 2.

LEASE No. 241490 / T-115  
RAINWATER RAMSEY  
1303 ACRES  
CLINCHFIELD COAL COMPANY/  
PYXIS RESOURCES COMPANY - surface & coal  
PINE MOUNTAIN OIL & GAS, INC. - oil & gas  
GAS 50.89 AC. 86.59%

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-504651  
TRACT No. LEASE NO. 241490 / T-115 ELEVATION 2254.79 (GPS) QUADRANGLE NORA  
COUNTY DICKENSON DISTRICT ERVINTON SCALE: 1" = 400' DATE JULY 11, 2002  
THIS PLAT IS A NEW PLAT x; AN UPDATED PLAT    ; OR A FINAL LOCATION PLAT      
PROPOSED TOTAL DEPTH OF WELL =    

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

*B. Leman Kendrick* 7/11/02 (AFFIX SEAL)  
LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

**EXHIBIT "B"  
504651**

BK 379PG 764

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Gas Estate Only</u>			
1	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24226	Leased-EPC 241490L Tract T-115	86.590000%	50.8900
2	<b><u>ELBERT ("BIRD") RAMSEY AND NANCY RAMSEY HEIRS</u></b>  <b><u>Daniel Ramsey and Hannah Blair Ramsey Heirs</u></b>			
	Pansy Edwards, widow 1806 Worth Street Knoxville, TN 37917	Unleased ✓	0.152386%	0.0895
	Margie Duncan, Widow Route 1, Box 551 Clinchco, VA 24226	Leased	0.152386%	0.0895
	Agnes White and Robert White, W/H 2215 Center Circle Jefferson City, TN 37760	Unleased ✓	0.152386%	0.0895
	Edra Riner, widow 15431 Merman Street Abingdon, VA 24210	Unleased ✓	0.152386%	0.0895
	Nina Myers, AIF for Josephine Alderson, widow 107 Woodmont Kingsport, TN 37660	Unleased ✓	0.152386%	0.0895
	Mary Lockie Rhea, widow 516 Bays Cove Trail Kingsport, TN 37660	Unleased ✓	0.152386%	0.0895
	Arbutus Goins and W. Ralph Goins, W/H 574 Lovedale Drive Kingsport, TN 37660	Unleased ✓	0.152386%	0.0895

**EXHIBIT "B"  
504651**

BK 379PG 765

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Louvenna Austin and Joe Austin, W/H 809 Afton Street Kingsport, TN 37660	Unleased ✓	0.152386%	0.0895
	Esther Brooks, widow 105 Woodmont Drive Kingsport, TN 37660	Unleased ✓	0.152386%	0.0895
	<u>Evans Ramsey Heirs</u>			
	Chloe Ramsey, widow Route 1, Box 543 Clincho, VA 24226	Unleased ✓	0.152386%	0.0895
	<u>Lura Ramsey McKinney Heirs</u>			
	Cicero McKinney and Judy McKinney, H/W Route 1, Box 529 Clinchco, VA 24226	Unleased ✓	0.152386%	0.0895
	<b><u>Stephen Ramsey and Elizabeth Counts Ramsey Heirs</u></b>			
	Alice Anderson, single PO Box 67 Clintwood VA 24228	Unleased ✓	0.279375%	0.1642
	Ruth Irene Speight and Oscar Bruce Speight 1635 Hicks Drive Vienna, VA 22182	Unleased ✓	0.279375%	0.1642
	Margaret Macel Bennett and Ralph Bennett, W/H 314 W. Concord, Box 146 Holyrood, Kansas 67450	Unleased ✓	0.279375%	0.1642
	Elsie Adkins and Kern Adkins, W/H 1375 Master Street, Apt. 210 Corbin, KY 40701	Unleased ✓	0.279375%	0.1642

**EXHIBIT "B"  
504651**

BK 379PG 766

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Grover Ramsey Heirs</u>			
	Stephanie Ramsey, widow 2944 Longshore Avenue Philadelphia, PA 19149	Unleased ✓	0.279375%	0.1642
	<u>Henry Ramsey Heirs</u>			
	Stevie Ramsey Unknown	Unleased ✓	0.279375%	0.1642
	<b><u>Sylvester Ramsey and Bitha Ramsey Heirs</u></b>			
	Sylvester Ramsey, Jr. single 410 Addison Street Johnston SC 29832	Unleased ✓	0.239464%	0.1407
	Dallas Ramsey and Mary Ramsey Box 165 Ashcamp, KY 41512	Unleased ✓	0.239464%	0.1407
	Clayton Ramsey and Mae Ramsey, H/W 1415 Anderson Street Bristol, TN 37620	Unleased ✓	0.239464%	0.1407
	Louvern Viers and Whetsel Viers, W/H 46680 Ayers Belleville, MI 48111-1203	Unleased ✓	0.239464%	0.1407
	Juanita Bartley and Jackson Bartley, W/H 133 Bartley Town Road Ashcamp, KY 41512	Unleased ✓	0.239465%	0.1407
	Francis Taylor and Fred Taylor, W/H Box 1911 Wise, VA 24293	Unleased ✓	0.239465%	0.1407

EXHIBIT "B"  
504651

379PG 767

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Jonsie Potter Heirs</u>			
	Beldon Potter, Widower Fayette Senter and Jerry W. Senter, W/H PO Box 473 Ashcamp, KY 41512	Unleased ✓	0.239465%	0.1407
	<u>Cora Ramsey Colley and Holiday Colley Heirs</u>			
	Beldon Colley and Blanche M. Colley, H/W 740 Sam Martin Road Dandridge, TN 37725	Unleased ✓	1.676250%	0.9850
	<u>Floyd Ramsey Heirs</u>			
	Hillard Ramsey Unknown	Unleased ✓	0.838125%	0.4925
	Walter Ramsey Unknown	Unleased ✓	0.838126%	0.4925
	<u>Margaret Ramsey Ball Green Heirs</u>			
	Leona Ball Unknown	Unleased ✓	0.838126%	0.4925
	Warren Gamelial Ball Unknown	Unleased ✓	0.838126%	0.4926
	<u>Dora Ramsey Church Baker and Cleve Baker Heirs</u>			
	<u>Benton Church Heirs</u> Lee Roy Church and Jane Church, H/W P O Box 129 McClure, VA 24265	Leased ✓	0.558750%	0.3284
	Mitchell Church Unknown	Unleased ✓	0.558750%	0.3284

**EXHIBIT "B"**  
**504651**

BK 379PG 768

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Velvie Sutherland Coleman Route 1, Box 542 Clincho, VA 24226	Leased	0.558750%	0.3284
	<b>Lula Ramsey Branham and Nelson Branham Heirs</b>			
	Ramsey Ridge Church and Cemetery c/o Wilburn Ramsey, Trustee Rt. 1, Box 538 Clincho, VA. 24226	Unleased /	1.676250%	0.9851
<b>TOTAL GAS ESTATE</b>			<hr/> 100.000000%	<hr/> 58.7700
	Percentage of Unit Leased		87.859886%	
	Percentage of Unit Unleased		12.140114%	
	Acreage in Unit Leased			51.6363
	Acreage in Unit Unleased			7.1337

**EXHIBIT "B"  
504651**

BK 379PG 769

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<b>Coal Estate Only</b>				
1	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon, VA 24226	Leased-EPC 241490L Tract T-115	86.590000%	50.8900
2	<b><u>ELBERT ('BIRD') RAMSEY AND NANCY RAMSEY HEIRS</u></b>  <b><u>Daniel Ramsey and Hannah Blair Ramsey Heirs</u></b>			
	Pansy Edwards, widow 1806 Worth Street Knoxville, TN 37917	Unleased	0.152386%	0.0895
	Margie Duncan, Widow Route 1, Box 551 Clinchco, VA 24226	Leased	0.152386%	0.0895
	Agnes White and Robert White, W/H 2215 Center Circle Jefferson City, TN 37760	Unleased	0.152386%	0.0895
	Edra Riner, widow 15431 Merman Street Abingdon, VA 24210	Unleased	0.152386%	0.0895
	Nina Myers, AIF for Josephine Alderson, widow 107 Woodmont Kingsport, TN 37660	Unleased	0.152386%	0.0895
	Mary Lockie Rhea, widow 516 Bays Cove Trail Kingsport, TN 37660	Unleased	0.152386%	0.0895
	Arbutus Goins and W. Ralph Goins, W/H 574 Lovedale Drive Kingsport, TN 37660	Unleased	0.152386%	0.0895

**EXHIBIT "B"  
504651**

BK 379PG 770

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Louvenna Austin and Joe Austin, W/H 809 Afton Street Kingsport, TN 37660	Unleased	0.152386%	0.0895
	Esther Brooks, widow 105 Woodmont Drive Kingsport, TN 37660	Unleased	0.152386%	0.0895
	<u>Evans Ramsey Heirs</u>			
	Chloe Ramsey, widow Route 1, Box 543 Clincho, VA 24226	Unleased	0.152386%	0.0895
	<u>Lura Ramsey McKinney Heirs</u>			
	Cicero McKinney and Judy McKinney, H/W Route 1, Box 529 Clinchco, VA 24226	Unleased	0.152386%	0.0895
	<u>Stephen Ramsey and Elizabeth Counts Ramsey Heirs</u>			
	Alice Anderson, single PO Box 67 Clintwood VA 24228	Unleased	0.279375%	0.1642
	Ruth Irene Speight and Oscar Bruce Speight 1635 Hicks Drive Vienna, VA 22182	Unleased	0.279375%	0.1642
	Margaret Macel Bennett and Ralph Bennett, W/H 314 W. Concord, Box 146 Holyrood, Kansas 67450	Unleased	0.279375%	0.1642
	Elsie Adkins and Kern Adkins, W/H 1375 Master Street, Apt. 210 Corbin, KY 40701	Unleased	0.279375%	0.1642

**EXHIBIT "B"**  
**504651**

BK 379PG 771

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Grover Ramsey Heirs</u>			
	Stephanie Ramsey, widow 2944 Longshore Avenue Philadelphia, PA 19149	Unleased	0.279375%	0.1642
	<u>Henry Ramsey Heirs</u>			
	Stevie Ramsey Unknown	Unleased	0.279375%	0.1642
	<b><u>Sylvester Ramsey and Bitha Ramsey Heirs</u></b>			
	Sylvester Ramsey, Jr. single 410 Addison Street Johnston SC 29832	Unleased	0.239464%	0.1407
	Dallas Ramsey and Mary Ramsey Box 165 Ashcamp, KY 41512	Unleased	0.239464%	0.1407
	Clayton Ramsey and Mae Ramsey, H/W 1415 Anderson Street Bristol, TN 37620	Unleased	0.239464%	0.1407
	Louvern Viers and Whetsel Viers, W/H 46680 Ayers Belleville, MI 48111-1203	Unleased	0.239464%	0.1407
	Juanita Bartley and Jackson Bartley, W/H 133 Bartley Town Road Ashcamp, KY 41512	Unleased	0.239465%	0.1407
	Francis Taylor and Fred Taylor, W/H Box 1911 Wise, VA 24293	Unleased	0.239465%	0.1407

EXHIBIT "B"  
504651

BK 379 PG 772

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<u>Jonsie Potter Heirs</u>			
	Beldon Potter, Widower Fayette Senter and Jerry W. Senter, W/H PO Box 473 Ashcamp, KY 41512	Unleased	0.239465%	0.1407
	<u>Cora Ramsey Colley and <del>Johnny Colley Heirs</del></u>			
	Beldon Colley and Blanche M. Colley, H/W 740 Sam Martin Road Dandridge, TN 37725	Unleased	1.676250%	0.9850
	<u>Floyd Ramsey Heirs</u>			
	Hillard Ramsey Unknown	Unleased	0.838125%	0.4925
	Walter Ramsey Unknown	Unleased	0.838126%	0.4925
	<u>Margaret Ramsey Ball Green Heirs</u>			
	Leona Ball Unknown	Unleased	0.838126%	0.4925
	Warren Gamelial Ball Unknown	Unleased	0.838126%	0.4926
	<u>Dora Ramsey Church Baker and Cleve Baker Heirs</u>			
	<u>Benton Church Heirs</u>			
	Lee Roy Church and Jane Church, H/W P O Box 129 McClure, VA 24265	Leased	0.558750%	0.3284
	Mitchell Church Unknown	Unleased	0.558750%	0.3284
	Velvie Sutherland Coleman Route 1, Box 542 Clincho, VA 24226	Leased	0.558750%	0.3284

**EXHIBIT "B"**  
**504651**

BK 379PG 773

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<b>Lula Ramsey Branham and Nelson Branham Heirs</b>			
	Ramsey Ridge Church and Cemetery c/o Wilburn Ramsey, Trustee Rt. 1, Box 538 Clincho, VA. 24226	Unleased	1.676250%	0.9851
<b>TOTAL COAL ESTATE</b>			<hr/> 100.000000%	<hr/> 58.7700
Percentage of Unit Leased			87.859886%	
Percentage of Unit Unleased			12.140114%	
Acreage in Unit Leased				51.6363
Acreage in Unit Unleased				7.1337

INSTRUMENT #020001952  
RECORDED IN THE CLERK'S OFFICE OF  
DICKENSON ON  
OCTOBER 9, 2002 AT 11:36AM  
JOE TATE, CLERK

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, 10/9, 2002 This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:36 o'clock AM, after payment of \$ 0 tax imposed by Sec. 58.1-802.

Original returned this date to [Signature]

TESTE: JOE TATE, CLERK  
BY: [Signature] D. CLERK

COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT  
STOVENSON CIRCUIT COURT  
DEED RECEIPT

DATE: 10/09/08 TIME: 11:28:30 ACCOUNT: 051CLR020001952 RECEIPT: 08000005951  
CASHIER: ISM REB: DM06 TYPE: DCU PAYMENT: FULL PAYMENT  
INSTRUMENT : 080001952 BOOK: 279 PAGE: 728 RECORDED: 10/09/08 AT 11:34  
GRANTOR NAME : VIRGINIA GAS AND OIL BOARD EX: N LOCALITY: CO  
GRANTEE NAME : DEPT OF MINES, MINERAL & ENER SK: N PERCENT: 100%  
AND ADDRESS : PO BOX 500 818 BONE GAP VIRGINIA 24219  
RECEIVED OF : DWM DATE OF DEED: 10/08/08

CHECK : \$21.00  
DESCRIPTION : REPORT OF BOARD/FINDINGS & PROERWELL VC-50465 PAGES: 21  
2: 1 NAMES: 2

CONSIDERATION: .00 (REB/VAL: .00) MAP:  
PAID CODE DESCRIPTION PAID  
301 DEEDS 21.00  
TENDERED : 21.00  
AMOUNT PAID: 21.00  
CHANGE AMT : .00

CLERK OF COURT: JIR TATE