

799

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 03-0415-1141

ELECTIONS: UNIT CC-31  
(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 May 12, 2003 which was recorded at Deed Book 570, Page 749 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on May 29, 2003, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (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 whether or not the escrow of funds is required with regard to Unit CC-31;

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, Wachovia Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty 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.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

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

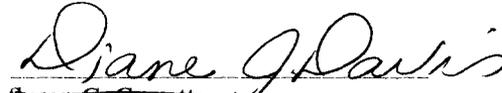
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 4<sup>th</sup> day of February, 2004, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

STATE OF VIRGINIA  
COUNTY OF ~~WISE~~ Washington

Acknowledged on this 4<sup>th</sup> day of February, 2004, 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 9<sup>th</sup> day of February, 2004, by Order of the Board.

  
B. R. Wilson,  
Principal Executive to the Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 9<sup>th</sup> day of February, 2004, 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 CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit CC-31  
VGOB 03-0415-1141 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF CNX GAS COMPANY LLC (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 CNX Gas Company LLC, as a Manager - Environmental / Permitting and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on May 12, 2003, 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 counties identified above; that said Order was recorded on May 29, 2003;

That the designated operator CNX GAS COMPANY LLC 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 May 12, 2003;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

See attached Exhibit B-2

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

Lida J. Holzgrefe

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

See attached Exhibit EE

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 30<sup>th</sup> day of January, 2004.

Leslie K. Arrington  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as a Manager - Environmental / Permitting for CNX Gas Company LLC, on behalf of the corporate Designated Operator, this 30<sup>th</sup> day of January, 2004.

Rhonda L. Cantuigh  
Notary

My commission expires: 10/31/05.

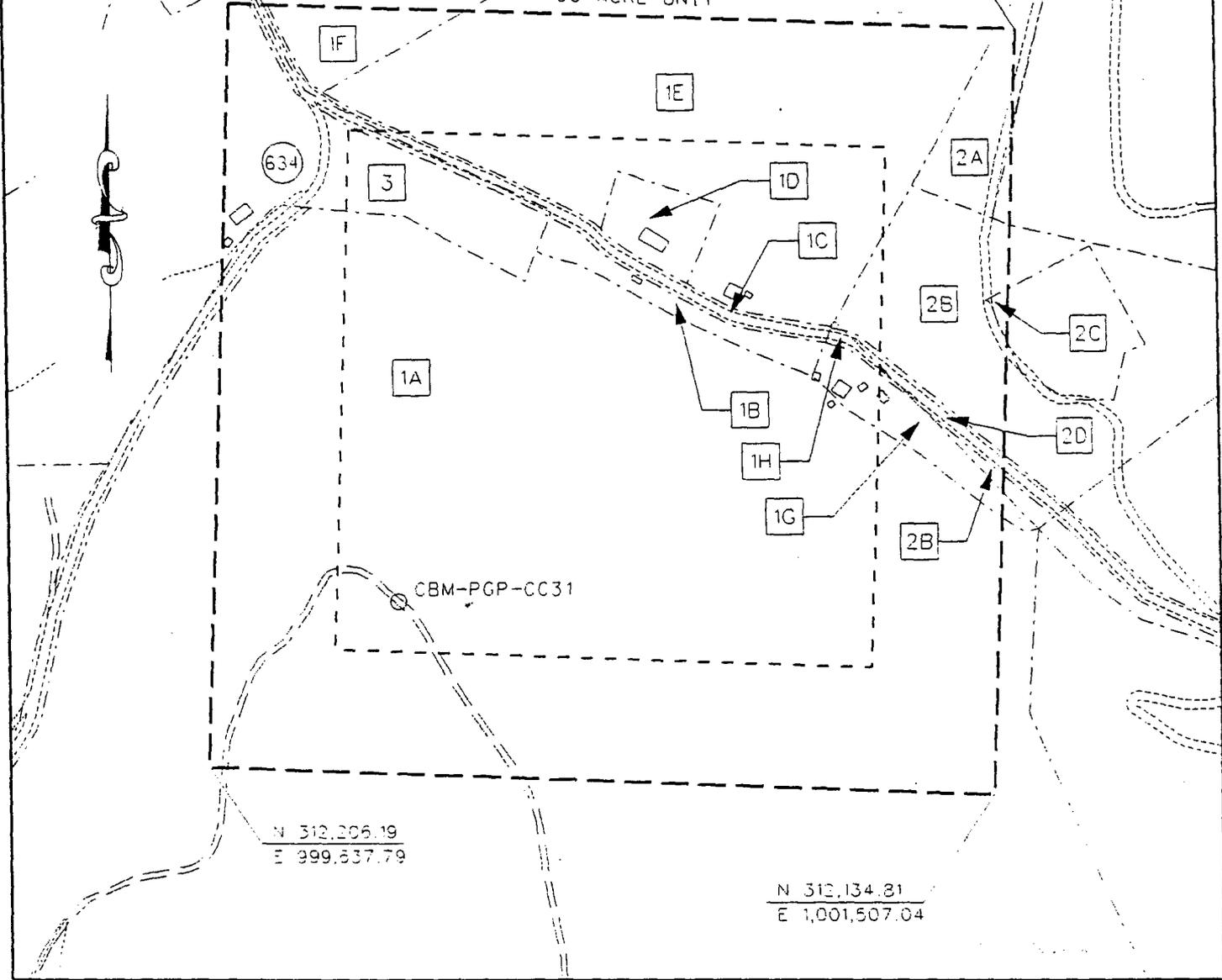
PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED.

BOOK 0586 PAGE 0343

N 314,074.66  
E 999,706.26

N 314,003.41  
E 1,001,575.39

80 ACRE UNIT



N 312,206.19  
E 999,637.79

N 312,134.81  
E 1,001,507.04

EXHIBIT A  
DAKWOOD FIELD UNIT CC-31  
FORCE POOLING  
VGOB-03-0415-1141

Company Pocahontas Gas Partnership Well Name and Number UNIT CC31  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Keep Mountain  
 County Buchanan District Garden Scale: 1" = 400' Date 3/12/03  
 This plat is a new plat X; an updated plat \_\_\_\_\_; or a final plat \_\_\_\_\_

Form DDU-60-7  
Rev. 9/91

*Charles E. Meyer*  
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

**POCAHONTAS GAS PARTNERSHIP**

**UNIT CC-31**

**Tract Identifications**

- 1A. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
New Garden Coal Corp. - Surface and All Minerals except Coal  
Pocahontas Gas Partnership - Oil Gas and CBM Leased  
48.92 acres                      61.1500%
- 1B. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
Amos Short - Surface and All Minerals  
0.93 acres                      1.1625%
- 1C. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
New Garden Coal Corp. - All Minerals except Coal  
Pocahontas Gas Partnership - Oil Gas and CBM Leased  
Commonwealth of Virginia - Surface  
0.96 acres                      1.2000%
- 1D. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
New Garden Coal Corp. - All Minerals except Coal  
Pocahontas Gas Partnership - Oil Gas and CBM Leased  
Unknown Surface Owner  
1.04 acres                      1.3000%
- 1E. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
New Garden Coal Corp. - All Minerals except Coal  
Pocahontas Gas Partnership - Oil Gas and CBM Leased  
Amos Short - Surface  
15.20 acres                      19.0000%

**POCAHONTAS GAS PARTNERSHIP****UNIT CC-31****Tract Identifications**

- 1F. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
Lida J. Holzgrefe – Surface and All Minerals except Coal  
1.15 acres 1.4375%
- 1G. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
New Garden Coal Corp. – All Minerals except Coal  
Pocahontas Gas Partnership – Oil Gas and CBM Leased  
Consolidation Coal Company - Surface  
1.15 acres 1.4375%
- 1H. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 1 - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Knox Creek Coal Corporation - Above Drainage Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
New Garden Coal Corp. – All Minerals except Coal  
Pocahontas Gas Partnership – Oil Gas and CBM Leased  
Commonwealth of Virginia - Surface  
0.10 acres 0.1250%
2. Coal Mountain Mining Company Limited Partnership, L.L.P. Tr. 29 – All Minerals  
Consolidation Coal Company - Below Drainage Coal Leased  
New Garden Coal Corp. - Above Drainage Coal Leased  
Pocahontas Gas Partnership – Oil, Gas and CBM Leased  
5.60 acres 7.0000%
- 2A. Consolidation Coal Company – Surface  
2B. Consolidation Coal Company – Surface  
2C. Unknown Surface Owner  
2D. Commonwealth of Virginia - Surface
3. Mae Wells, et al – Fee  
4.95 acres 6.1875%

Exhibit B-2  
Unit CC-31  
Docket #VGOB 03-0415-1141  
List of Respondents to be Dismissed

BOOK 586 PAGE 0346

	Net Acres in Unit	Interest in Unit	Reason for Dismissal
<b>II. <u>OIL &amp; GAS FEE OWNERSHIP</u></b>			
<b><u>Tract #1F - 1.15 acres</u></b>			
(1) Lida J. Holzgrefe 5005 Saddlebrook Drive Fayetteville, NY 13066-9787	1.15 acres	1.4375%	Leased

Exhibit B-3  
Unit CC-31  
Docket #VGOB 03-0415-1141  
List of Unleased Owners/Claimants

BOOK 0586 PAGE 0347

Net Acres  
in Unit

Interest in  
Unit

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I. COAL FEE OWNERSHIP

Tract #3 - 4.95 acres

(1) Mae Wells, et al. H.G. McCall Estate c/o Lettie Wade Rt.2 Box 168D Cedar Bluff, VA 24609	4.95 acres	6.1875%
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II. OIL & GAS FEE OWNERSHIP

Tract #1B - 0.93 acres

(1) Amos Short Rt.1 Box 37 Raven, VA 24639	0.93 acres	1.1625%
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Tract #3 - 4.95 acres

(1) Mae Wells, et al. H.G. McCall Estate c/o Lettie Wade Rt.2 Box 168D Cedar Bluff, VA 24609	4.95 acres	6.1875%
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List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
<b><u>Tract #1B - 0.93 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Coal Mountain Mining Company, Tr.1 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.93 acres	1.1625%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Amos Short Rt.1 Box 37 Raven, VA 24639	0.93 acres	1.1625%
<b><u>Tract #1F - 1.15 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Coal Mountain Mining Company, Tr.1 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	1.15 acres	1.4375%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Lida J. Holzgrefe 5005 Saddlebrook Drive Fayetteville, NY 13066-9787	1.15 acres	1.4375%

List of Conflicting Owners/Claimants with Royalty Split Agreements

	Net Acres in Unit	Interest in Unit
<b><u>Tract #1A - 48.92 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Coal Mountain Mining Company, Tr.1 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	48.92 acres	61.1500%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) New Garden Coal Corporation c/o Edward Vandyke P.O. Box 29 Tazewell, VA 24651	48.92 acres	61.1500%
<b><u>Tract #1C - 0.96 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Coal Mountain Mining Company, Tr.1 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.96 acres	1.2000%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) New Garden Coal Corporation c/o Edward Vandyke P.O. Box 29 Tazewell, VA 24651	0.96 acres	1.2000%
<b><u>Tract #1D - 1.04 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Coal Mountain Mining Company, Tr.1 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	1.04 acres	1.3000%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) New Garden Coal Corporation c/o Edward Vandyke P.O. Box 29 Tazewell, VA 24651	1.04 acres	1.3000%
<b><u>Tract #1E - 15.20 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Coal Mountain Mining Company, Tr.1 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	15.20 acres	19.0000%

List of Conflicting Owners/Claimants with Royalty Split Agreements

	Net Acres in Unit	Interest in Unit
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) New Garden Coal Corporation c/o Edward Vandyke P.O. Box 29 Tazewell, VA 24651	15.20 acres	19.0000%

**Tract #1G - 1.15 acres**

**COAL FEE OWNERSHIP**

(1) Coal Mountain Mining Company, Tr.1 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	1.15 acres	1.4375%
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**OIL & GAS FEE OWNERSHIP**

(1) New Garden Coal Corporation c/o Edward Vandyke P.O. Box 29 Tazewell, VA 24651	1.15 acres	1.4375%
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**Tract #1H - 0.10 acres**

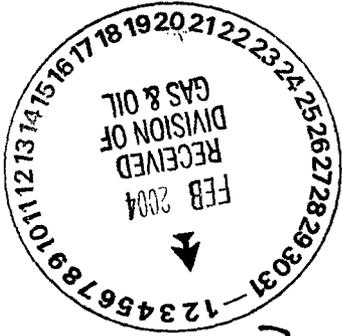
**COAL FEE OWNERSHIP**

(1) Coal Mountain Mining Company, Tr.1 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.10 acres	0.1250%
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**OIL & GAS FEE OWNERSHIP**

(1) New Garden Coal Corporation c/o Edward Vandyke P.O. Box 29 Tazewell, VA 24651	1.15 acres	1.4375%
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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 10th day of February, 20 04 at 11:05A M.  
Deed Book No. 586 and Page No. 339.  
Returned to: AMME TESTE: Shirley S. Bevens James M. Bevens, Jr., Clerk  
Deputy Clerk



*Received  
not signed  
AW*

Order Received from Operator 2/2/04  
Order Received from BSG \_\_\_\_\_  
Check Ordered 2/16  
Check Received 2/19  
Order Ready for Recording 2/19  
Order Recorded 2/19  
Order Returned From Clerk's Office 2/11  
Order Mailed to Operator 2/11

INSTRUMENT #040000438  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
FEBRUARY 10, 2004 AT 11:05AM  
JAMES M. BEVINS, CLERK

BY: \_\_\_\_\_ (DC)

*EDC now in 9  
202  
BU*