

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB 04/09/21-1336

ELECTIONS, UNIT: VC-535874

(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 February 15, 2005 and recorded in Deed Book 612, Page 001 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on February 18, 2005 (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 Equitable Production Company, (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 March 4, 2005, 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 May 3, 2005, 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 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, Wachovia Bank, Corporate Trust, PA 1328, 123 South Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Rachel Rafferty, 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, Wachovia Bank, Corporate Trust, PA 1328, 123 South Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, 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 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 a true and correct copy of this Order was mailed 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.

DONE AND EXECUTED this 15th day of June, 2005 by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 17th day of June, 2005 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 15th day of June, 2005, 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 L. Gault
Notary Public

My commission expires: 7-31-06

STATE OF VIRGINIA)
COUNTY OF Washington)

Acknowledged on this 17th day of June, 2005, 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

EXHIBIT ~~000~~ 620 PAGE 0119
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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>	<u>NET REVENUE INTEREST</u>
<u>Gas Estate Only</u>					
1	Dennis Associates, Inc. P.O. Box 2005 Grundy, VA 24614 <i>Julia Breeding Heirs</i>	Leased- EPC 244790L01	21.584500%	12.6876	0.02698063 RI
	Yvonne Ray Carl Ray w/h Route 1 Box 253 Vansant, VA 24656	Leased- EPC 244790L04	3.597800%	2.1145	0.00449725 RI
	Louise V. Allen 1613 Mars Hill Drive Dayton, OH 45449	Leased- EPC 244790L08	3.597800%	2.1145	0.00449725 RI
	Zane F. Breeding Aleen Breeding h/w 634 Mears Drive Miamisburg, OH 45342	Leased- EPC 244790L07	3.597800%	2.1144	0.00449725 RI
	Udell Breeding Roxie A. Breeding h/w 1327 Marsha Drive Miamisburg, OH 45342	Leased- EPC 244790L05	3.597800%	2.1144	0.00449725 RI
	Arthur F. Breeding Kimberly Breeding h/w 813 Wake Forest Road Dayton, OH 45431	Leased- EPC 244790L06	3.597800%	2.1144	0.00449725 RI
	Novelada E. Kahlau P.O. Box 2014 Marco Island, FL 34146 <i>Vince & Mae Breeding Heirs</i>	Leased- EPC 244790L09	3.597800%	2.1144	0.00449725 RI
	James D. Breeding Sr. Myrtle Breeding h/w 113-A Hume Avenue Alexandria, VA 22301	Leased- EPC 244790L10	2.398500%	1.4095	0.00299813 RI
	Sharon Breeding 13492 Scatlin Mt. Road Culpepper, VA 22701	Leased- EPC 244790L02	7.195500%	4.2288	0.00899438 RI
	Ken Titus Breeding Karen Breeding h/w 12455 Yeawood Drive Boston, VA 22713	Unleased	2.398500%	1.4095	0.00299812 RI

EXHIBIT **B** 620 PAGE 0120
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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>	<u>NET REVENUE INTEREST</u>
	Richard Sutphine 28 Oak Street Annapolis, MD 21401	Unleased	2.398900%	1.4095	0.00299862 RI
	Terri L. Clark Stephen Clark w/h 11308 Indian Head Highway Ft. Washington, MD 20744	Leased- EPC 244790L13	2.399100%	1.4095	0.00299887 RI
	Joyce Breeding 9508 Loman Drive Manassas, VA 22111	Leased- EPC 244790L14	2.399100%	1.4095	0.00299887 RI
	Sandra Breeding 6116 Harmon Place Springfield, VA 22111	Leased- EPC 244790L03	2.399100%	1.4095	0.00299888 RI
	Equitable Production Company				0.56665000 WI
Tract 1 Totals			64.760000%	38.0600	0.64760000
2	Bernice Nadeen Breeding 8200 Depot Place Manassas, VA 20112	Leased- EPC 245324L	18.650000%	10.9600	0.02331250 RI
	Equitable Production Company				0.16318750 WI
Tract 2 Totals			18.650000%	10.9600	0.18650000
3	<i>Joseph F. McGuire, et al</i>				
	Meredith Ellis Iqbal 542 Butler Mill Road Maryville, TN 37803-3314	Leased- EPC 245078L01	1.726800%	1.0146	0.00215850 RI
	Joseph Frederick McGuire Estate Stanford T. Mullins, Executor P.O. Box 2100 Grundy, VA 24614	Leased- EPC 245078L02	5.180000%	3.0458	0.00647500 RI
	John W. Pobst Linda L. Pobst h/w P.O. Box 86 Revere, PA 18953-0086	Leased- EPC 245078L03	0.863300%	0.5075	0.00107913 RI
	Nancy Catherine Hooper C/O Professional Accounting Servi 111 Postelle Cartersville, GA 30120-3621	Leased- EPC 245078L04	0.863300%	0.5075	0.00107913 RI
	Virginia Linwick Phillip Linwick w/h 4324 South Ball Drive Veradale, WA 99037	Leased- EPC 245078L05	0.863300%	0.5075	0.00107912 RI

EXHIBIT "B"
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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>	<u>NET REVENUE INTEREST</u>
	Richard Pobst Katherine Pobst h/w 3760 Lindell Road Las Vegas, NV 89103-2473	Leased- EPC 245078L06	0.863300%	0.5071	0.00107912 RI
	Equitable Production Company				0.09065000 WI
Tract 3 Totals			10.360000%	6.0900	0.10360000
4	Denver C. Barton Jr. Amanda S. Barton Route 1, Box 298 Vansant, VA 24656	Unleased	6.230000%	3.6600	0.00778750 RI
	Equitable Production Company				0.05451250 WI
Tract 4 Totals			6.230000%	3.6600	0.06230000
TOTAL GAS ESTATE			100.000000%	58.7700	1.00000000

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number VC-535874 VGOB Docket No. VGOB-04/09/21-1336 in the Hurricane 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 **February 15, 2005**, by the Virginia Gas and Oil Board regarding the captioned coalbed methane 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 **February 18, 2005**.
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 as either unknown claimants or conflicting claimants under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>NET REVENUE INTEREST</u>
4 Gas Estate	Denver C. Barton Jr. Amanda S. Barton Route 1, Box 298 Vansant, VA 24656	Unleased	0.00778750 RI
or			
4 Coal Estate	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 2136 Abingdon, VA 24212	Leased- EPC 244792L	0.00778750 RI

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.

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.

<u>Tract</u>	<u>Payee</u>	<u>Cash Consideration</u>
1	Ken Titus Breeding Karen Breeding h/w 12455 Yeawood Drive Boston, VA 22713	1.4095 X \$5.00 = \$7.05
	Robert Sutphine 28 Oak Street Annapolis, MD 21401	1.4095 X \$5.00 = \$ 7.05
4	Denver C. Barton Jr. Amanda S. Barton Route 1, Box 298 Vansant, VA 24656	3.6600 X \$5.00 = \$ 18.30

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 3rd day of May 2005.

[Signature]
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Production Company, a corporation, on behalf of the corporation, this 3rd day of May 2005.

My commission expires: 11-12-08

[Signature: Susan Peterson]
Notary



RECORDED &
JAMES M. BEVINS
JUNE 22 2005
BUCHANAN CO
RECEIVED

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 22nd day of June, 2005 1:04 PM.
Deed Book No. 620 and Page No. 116.
Returned to: Dmme.
TESTE: [Signature] James M. Bevins, Jr., Clerk
TESTE: [Signature] Deputy Clerk