

BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant: Equitable Production Company)
)
Relief Sought: Pooling V-536128)
)
Legal Description: V.&T. Campbell #1,)
87.805 Acres, Tract D-51)
St. Paul Quadrangle) Docket No.
Kenady District) VGOB-04/10/19-1350
Dickenson County, Virginia)
)
(See Exhibit "A" For Specific)
Description))

APPLICATION

1. Parties: Applicant herein is Equitable Production Company whose address for the purposes hereof is 1710 Pennsylvania Ave., Charleston, West Virginia, 25328, Telephone: (304) 348-3800. The attorney for Applicant is James E. Kaiser, WILHOIT & KAISER, whose address is 220 Broad Street, Kingsport, Tennessee, 37660, Telephone: (423) 578-3838. The unleased entities or persons are listed on Exhibit B, attached hereto and made a party hereto. Set forth in Exhibit B is the name and last-known address of each owner of record identified by Applicant as having an interest in the oil and gas underlying the unit described in Exhibit A, attached hereto and made part hereof. Each of the unleased individuals named in Exhibit B is being made a party if living; if any such individual is deceased, then the unknown heirs, executors, administrators, devisees, trustees and assignees, both immediate and remote, of any such deceased individual are made parties herein. Each of the unleased entities listed in Exhibit B-3 that is a corporation is being made a party if such entity continues to have legal existence, and if any such corporation is dissolved, then the unknown successors, trustees, and assigns, both immediate and remote, of such dissolved corporation are made parties herein. Each of the unleased entities listed in Exhibit B-3 that is an unincorporated association is being made a party if such entity continues to have legal existence, and if any such unincorporated association is dissolved or otherwise not in existence, then the unknown successors, trustees and assigns, both immediate and remote, of such unincorporated association are made parties herein.

2. Allegation of Facts: Applicant is the owner of the right to develop and produce oil and gas from all formations, from the surface to total depth drilled underlying the lands described on Exhibit A attached hereto and made a part hereof and to appropriate the oil and gas produced therefrom.

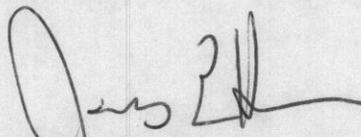
- (a) Applicant has proposed a plan of development and operation of the Formations underlying the drilling unit involved herein (described and depicted on Exhibit A attached hereto and made a part hereof) and has proposed to commence such plan of development and operation of such unit by a well, designated as well number V-536128, under such plan in the lands involved herein so as to produce oil and gas from the proposed unit.
- (b) A Well work permit for well number V-536128 is currently or is anticipated to be pending before the Department of Mines, Minerals and Energy.
- (c) Applicant has exercised due diligence to locate each of the oil and gas interest owners named herein at Exhibit B and has made a bona fide effort to reach an agreement with all unleased parties as to pooling their interest for the development and operation of the well involved herein. Simultaneously with the filing of this application, Applicant has provided notice to each of the unleased parties set forth in Exhibit B-3 pursuant to the provisions of § 45.1-361.19 of the Virginia Code Annotated. Applicant hereby notifies the Board that where the identity or location of any person is shown as "unknown" on Exhibit E, then Applicant is unable to provide such person with written notice of the application herein. The interest of all unleased persons in the Formations underlying the drilling unit for well number V-536128, should be pooled for the development and operation thereof.
- (d) Applicant proposes to drill at the permitted location to an approximate depth of 6362 feet on the Subject Lands to test for oil and gas from the top of all Mississippi, Devonian Age formations, including, but not limited to: Base Lee Sand, Bluestone, Ravencliff, Maxon, Little Lime, Big Lime, Top Weir, Base Weir, Sunbury, Berea, Cleveland, and Olentangy. Applicant estimates the cost for a well to said depth to be \$418,326.00 for a well completed for production. Exhibit C, attached hereto and made a part hereof, is Applicant's signed Detailed Well Estimate ("DWE") which shows the estimated cost of drilling, completing and equipping said well.
- (e) The estimated production over the life of the proposed well is 400 million cubic feet. These figures concerning estimated production and the amount of reserves are, however, estimates only that are not based upon actual production and should not be relied upon for any purpose.

3. Legal Authority: The relief sought by this Application is authorized by Virginia Code Annotated § 45.1-361.21 et seq. and § 4 VAC 25-160-70 et seq.

4. Relief Sought: Applicant request the Virginia Gas and Oil Board to enter an order pooling all unleased interests or estates of all persons or entities owning oil and gas interests in the Formations underlying the tracts encompassed by the drilling unit supporting well number V-536128, and (I) authorizing the drilling and operation of a well for the production of oil and gas from the pooled acreage; (II) designating Applicant as the party authorized to drill and operate such well; (III) prescribing the time, manner, and other conditions under which unleased parties owning an interest in the oil and gas may elect to participate in the operation of such well, or to exercise their rights of election under the applicable statutes; (IV) providing that all reasonable costs and expenses of drilling, completing, equipping, operating, plugging and abandoning such well shall be borne, and all production therefrom, shared, by all participating parties in the proportion which the acreage in the pooled tracts owned or under lease to each such participating party bears to the total acreage in such unit; and, (V) making provision for the payment of all reasonable costs of the operation, including a reasonable supervision fee, to the Applicant by all parties who elect to participate therein or who elect to be carried interest owners.

DATED this 17th day of September, 2004.

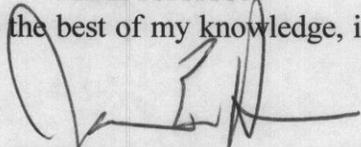
EQUITABLE PRODUCTION COMPANY



James E. Kaiser
WILHOIT & KAISER
220 Broad Street, Suite 202
Kingsport, Tennessee 37660
(423) 578-3838

VERIFICATION

The foregoing Application to the best of my knowledge, information and belief is true and correct.



James E. Kaiser
WILHOIT & KAISER

8,520'

Well Coordinates: (Geographic N27)
36.965212° -82.362631°

Latitude 37° 00' 00"

Lease No. 904576.00 / D-62
Elihu Kilgore
76.00 Acres
ACIN LLC - 7/11 oil & gas
W. R. Hillman Heirs - 4/11 oil & gas
Gas 2.27 Ac. 2.01%

Lease No. 904576.00 / WI-122
M. J. Carico
12 Acres
ACIN LLC - coal
Opal C. Ring - oil & gas
Gas 0.09 Ac. 0.08%

Lease No. 904576.00 / DI-62
Elihu Kilgore
p/o 862.29 Acres
ACIN LLC - coal, oil & gas
Gas 20.47 Ac. 18.17%

Lease No. 904576.00 / WI-120
F. A. Carico
90.263 Acres
ACIN LLC - coal, oil & gas
Gas 17.11 Ac. 15.18%

APPROX. COUNTY LINE

Jack Teasley, et al - surface

Approx. Loc. of Mobile Home

N 20°47' W
144.24'

IP

IP

V-536128

ACIN LLC - surface

S 76°58' W
130.89'

Lease No. 904576.00 / D-51
V. & T. Campbell #1
87.805 Acres
ACIN LLC - coal, oil & gas
Gas 59.28 Ac. 52.61%

Lease No. 904576.00 / WI-217
Jeremiah Solyer
165.302 Acres
ACIN LLC - surface, coal, oil & gas
Gas 13.47 Ac. 11.95%

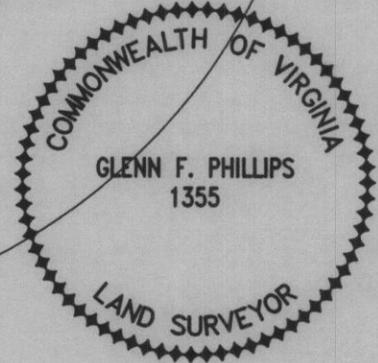
DICKENSON CO.
WISE CO.

V-535430

Well elevation determined by
GPS survey from mon. Va. City

Area of Unit = 112.69 Ac.

Well Coordinates: (Va. St. Plane S. Zone,
NAD 27)
N 253,138.49 E 871,793.57



Longitude 82° 20' 00"

12,675'

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER V-536128
TRACT NO. D-51 ELEVATION 2,896.63' QUADRANGLE St. Paul
COUNTY Dickenson DISTRICT Kenady SCALE 1" = 400' DATE 7-08-2004

This Plat is a new plat x; an updated plat ; or a final location plat

+ 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.

Glenn F. Phillips

Licensed Professional Engineer or Licensed Land Surveyor

EXHIBIT "B"
V-536128

<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	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract D-51	52.61000000%	59.28
2	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract WI-217	11.95000000%	13.4700
3	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract WI-120	15.18000000%	17.1100
4	Opal Carico Ring 15014 Sandy Ridge Road St. Paul, Virginia 24283	Unleased	0.08000000%	0.0900
5	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract DI-62	18.17000000%	20.4700
6	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576	1.27908360%	1.4445
	Franklin D. Hillman Lou Jean Hillman, h/w 205 Charlton Green Dr. Kingsport, TN 37663	Leased - EPC	0.18274719%	0.2064
	John Edgar Hillman 800 Amelia Key West, FL 33044	Unleased	0.18274719%	0.2064
	Doris Bray Perry Bobby J Perry, w/h P.O. Box 1256 Coeburn, VA 24219	Unleased	0.01218315%	0.0138

EXHIBIT "B"
V-536128

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Carolyn Hope Bray Gilliam Garnett Gilliam, w/h 790 Woods Ave East Big Stone Gap, VA 24219	Unleased	0.01218315%	0.0138
	Victoria P. Beck Daniel Beck, w/h P.O. Box 327 Beulaville, NC 28518	Unleased	0.00406105%	0.0046
	Frank Bray Jr Patricia Bray, h/w 4311 Hanover Drive Bryank, AR 72022	Unleased	0.00406105%	0.0046
	Lisa R. Williamson David Williamson, w/h 1704 Karen Circle Magnolia, AR 71753	Unleased	0.00406105%	0.0046
	Theodore Elmo Mayes Cormay Mayes, h/w P.O. Box 1141 Coeburn, VA 24230	Unleased	0.03652532%	0.0412
	Robert Edward Kennedy 11438 Riverview Rd. Coeburn, VA 24230	Unleased	0.03652532%	0.0412
	Carmen Cantrell Byron D. Cantrell, w/h 430 Oak Ave, NW Norton, VA 24273	Unleased	0.01827472%	0.0206
	William Warren Mayes Jr. 531 Williams Dale, Apt 1 Toledo, OH 43609	Unleased	0.01827472%	0.0206
	William Herschel Mayes Nancy Mayes, h/w 2404 Chesapeake Hampton, VA 23661	Unleased	0.03652532%	0.0412

EXHIBIT "B"
V-536128

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Tammy Ringley Collins Mike Collins H/W 4831 Silver Ct. Kingsport, TN 37664	Unleased	0.01142170%	0.0129
	Mark Ringley Tammy Ringley H/W P.O. Box 412 Coeburn, VA 24230	Unleased	0.01142170%	0.0129
	James Boyce Ringley Denise Ringley H/W 7505 Old National Pike Boonsboro, MD 21713	Unleased	0.01142170%	0.0129
	George Wythe Taylor, Jr. P.O. Box 2175 Coeburn, VA 24230	Unleased	0.01142170%	0.0129
	Mae M. Ringley RT. HC 05, Box 350 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Wayne H. Ringley P.O. Box 1701 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Reba Ann Lockhart Jess Boyd Lockhart w/h Rt. 3, Box 127 Clintwood, VA 24228	Unleased	0.00913736%	0.0103
	Darrel Vernon Ringley Phyllis Ringley h/w P.O. Box 67 McClure, VA 24269	Leased - EPC	0.00913736%	0.0103
	James Ronnie Ringley HC05, Box 350 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Larry Stanley Diane Stanley h/w 41 Linder Circle Homosassa, FL 34446	Unleased	0.02284340%	0.0258

EXHIBIT "B"
V-536128

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Leslie V. Stanley Diane Allen Stanley 10349 Hamlin Drive. Chester, VA 23831	Unleased	0.02284340%	0.0258
	Edith Elaine Moore Walter Moore w/h 4463 Windsong Ct. New Palestine, IN 46163	Unleased	0.01522893%	0.0172
	Charles Wade, widower 491 Van Buren St. Greenfield, IN 46140	Leased -EPC	0.01522893%	0.0172
	James B. Bise Vernie Bise h/w HC05, Box 452 Coeburn, VA 24230	Leased - EPC	0.01522891%	0.0172
	Total Gas Estate		100.00000000%	112.6900
	Percentage of Unit Leased		99.41142599%	
	Percentage of Unit Unleased		0.58857401%	
	Acreage in Unit Leased			112.0256
	Acreage in Unit Unleased			0.6644

EXHIBIT "B-3"
V-536128

<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>			
4	Opal Carico Ring 15014 Sandy Ridge Road St. Paul, Virginia 24283	Unleased	0.08000000%	0.0900
6	John Edgar Hillman 800 Amelia Key West, FL 33044	Unleased	0.18274719%	0.2064
	Doris Bray Perry Bobby J Perry, w/h P.O. Box 1250 Coeburn, VA 24219	Unleased	0.01218315%	0.0138
	Carolyn Hope Bray Gilliam Garnett Gilliam, w/h 790 Woods Ave East Big Stone Gap, VA 24219	Unleased	0.01218315%	0.0138
	Victoria P. Beck Daniel Beck, w/h P.O. Box 327 Beulaville, NC 28518	Unleased	0.00406105%	0.0046
	Frank Bray Jr Patricia Bray, h/w 4311 Hanover Drive Bryank, AR 72022	Unleased	0.00406105%	0.0046
	Lisa R. Williamson David Williamson, w/h 1704 Karen Circle Magnolia, AR 71753	Unleased	0.00406105%	0.0046
	Theodore Elmo Mayes Cormay Mayes, h/w 11616 Riverview Rd Coeburn, VA 24230	Unleased	0.03652532%	0.0412
	Robert Edward Kennedy 11438 Riverview Rd. Coeburn, VA 24230	Unleased	0.03652532%	0.0412
	Carmen Cantrell Byron D. Cantrell, w/h 430 Oak Ave, NW Norton, VA 24273	Unleased	0.01827472%	0.0206

EXHIBIT "B-3"
V-536128

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	William Warren Mayes Jr. 531 Williams Dale, Apt 1 Toledo, OH 43609	Unleased	0.01827472%	0.0206
	William Herschel Mayes Nancy Mayes, h/w 2404 Chesapeake Hampton, VA 23661	Unleased	0.03652532%	0.0412
	Tammy Ringley Collins Mike Collins w/h 4831 Silver Ct. Kingsport, TN 37664	Unleased	0.01142170%	0.0129
	Mark Ringley Tammy Ringley h/w P.O. Box 412 Coeburn, VA 24230	Unleased	0.01142170%	0.0129
	James Boyce Ringley Denise Ringley h/w 7505 Old National Pike Boonsboro, MD 21713	Unleased	0.01142170%	0.0129
	George Wythe Taylor, Jr. P.O. Box 2175 Coeburn, VA 24230	Unleased	0.01142170%	0.0129
	Mae M. Ringley RT. HC 05, Box 350 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Wayne H. Ringley P.O. Box 1701+B14 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Reba Ann Lockhart Jess Boyd Lockhart w/h Rt. 3, Box 127 Clintwood, VA 24228	Unleased	0.00913736%	0.0103
	James Ronnie Ringley HC05, Box 350 Coeburn, VA 24230	Unleased	0.00913736%	0.0103

EXHIBIT "B-3"
V-536128

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Larry Stanley Diane Stanley h/w 41 Linder Circle Homosassa, FL 34446	Unleased	0.02284340%	0.0258
	Leslie V. Stanley Diane Allen Stanley 10349 Hamlin Drive. Chester, VA 23831	Unleased	0.02284340%	0.0258
	Edith Elaine Moore Walter Moore w/h 4463 Windsong Ct. New Palestine, IN 46163	Unleased	0.01522893%	0.0172
			0.58857401%	0.6644

EQUITABLE PRODUCTION

Equitable Production Comp

1710 Pennsylvania Avenue
Charleston, WV 25328
(304) 348-3800

AUTHORIZATION FOR EXPENDITURE

Well Name:	536128 V-536128 (536128)			AFE Number:	2175361281A
Operator:				AFE Date:	7/13/2004
AFE Group:	BigStoneGap	AFE Type:	Drilling	Job Start Date:	
Prospect:				County, State:	Dickenson, VA
Sec/Twp/Rge:	/ /			Field:	
Location:					
Well Type:		Depth:	0	Prep. By:	
Surface Located:	ft. from line		ft. from line		
	Long:	Lat:	Xloc:	Yloc:	
Bott. Hole Located:	ft. from line		ft. from line		
	Long:	Lat:	Xloc:	Yloc:	
Remarks:					
Working Interest:	0.00000000%	Before Casing:	0.00000000%	After Casing:	0.00000000%
Lease Name (ID):	Unknown (Unknown)			NRI:	0.00000000%
Current BOPD:	0	Current MCFPD:	0	Current BWPD:	0
Expected BOPD:	0	Expected MCFPD:	0	Expected BWPD:	0

AFE Number	AFE Date	AFE Gross			AFE Net		
		Drilling	Completion	Total	Drilling	Completion	Total
2175361281A	7/13/2004	\$217,892	\$200,434	\$418,326	\$0	\$0	\$0
Intangible		Notes		Drilling	Dry Hole	Completion	Total
180011	TURNKEY CONTRACTOR PRICIN			\$0	\$0	\$0	\$0
180013	CONTRACT FOOTAGE	6362' @15.40		\$97,975	\$97,975	\$0	\$97,975
180015	DAYWORK			\$0	\$0	\$0	\$0
180030	CONTRACTOR SETUP	Butcher		\$850	\$850	\$0	\$850
180049	LEGAL SERVICES, TITLE CURATI	Heflin		\$6,000	\$6,000	\$0	\$6,000
180061	GPS, SURVEY, WELL PLAT, PERMI	Heflin		\$5,000	\$5,000	\$0	\$5,000
180075	DIRECTIONAL SERVICE & TOOLS/			\$0	\$0	\$0	\$0
180093	LOCATION PIT LINERS			\$3,500	\$3,500	\$0	\$3,500
180094	LOCATION CONSTRUCTION, DOZ	Mick		\$18,500	\$18,500	\$0	\$18,500
180096	ROCKING, CULVERTS & STONE L	Mick		\$4,500	\$4,500	\$0	\$4,500
180111	PIT TREATMENT/RESTORATION/	Mick		\$7,000	\$7,000	\$0	\$7,000
180130	DRILLING MUD & CHEMICALS			\$0	\$3,000	\$0	\$0
180141	BITS, REAMERS, STABILIZERS, HA			\$0	\$0	\$0	\$0
180170	DRILLING WATER			\$5,000	\$5,000	\$0	\$5,000
180180	OPEN HOLE LOGGING	Allegheny		\$6,426	\$6,426	\$0	\$6,426
180201	SPECIAL LOGGING, SCIENCE, MU			\$0	\$0	\$0	\$0
180222	WELL TESTING, DST & PRODUCTI			\$0	\$0	\$0	\$0
180229	CEMENTING - CONDUCTOR / COA			\$0	\$0	\$0	\$0
180231	CEMENTING - SURFACE CASING (SLB		\$7,137	\$7,137	\$0	\$7,137
180241	CEMENTING - INTERMEDIATE CA	SLB		\$8,825	\$8,825	\$0	\$8,825
180251	WELL KILLING/MISC. PUMPING/M			\$0	\$0	\$0	\$0
180281	SPECIAL DRILLING TOOLS, RENT			\$0	\$0	\$0	\$0
180299	TRANSPORTATION/TRUCKING C			\$1,800	\$1,800	\$0	\$1,800
180310	FISHING EXPENSES			\$0	\$0	\$0	\$0
180333	P & A COSTS INCLUDING RIG TIM			\$0	\$10,000	\$0	\$0
180341	SURFACE DAMAGES, LOCATION	Heflin		\$0	\$0	\$0	\$0
180720	OPERATOR OVERHEAD			\$6,000	\$6,000	\$0	\$6,000
180731	CONSULTING SERVICES RIG SUPE			\$0	\$0	\$0	\$0
180733	LAND CONTRACTOR COST	Heflin		\$8,800	\$8,800	\$0	\$8,800
180751	CONTINGENCY, OTHER, MISCELL			\$1,000	\$1,000	\$0	\$1,000
180971	REGULAR WAGE			\$0	\$0	\$0	\$0
181011	DAYWORK COMPLETION OPERA			\$0	\$0	\$0	\$0
181021	SERVICE RIG / COILED TUBING &			\$0	\$0	\$4,500	\$4,500
181071	PERFORATING, CASED HOLE LOG	Allegheny 3 Stage		\$0	\$0	\$10,000	\$10,000
181101	CEMENTING - PROD. CASING (FL	SLB		\$0	\$0	\$7,491	\$7,491

7/30/2004 02:05 PM

EQUITABLE PRODUCTION

Equitable Production Comp

1710 Pennsylvania Avenue
Charleston, WV 25328
(304) 348-3800

AUTHORIZATION FOR EXPENDITURE

Well Name:	536128 V-536128 (536128)			AFE Number :	2175361281A
Operator:				AFE Date :	7/13/2004
AFE Group :	BigStoneGap	AFE Type :	Drilling	Job Start Date :	
Prospect :				County, State :	Dickenson, VA
Sec/Twp/Rge:	/ /			Field :	
Location :					
Well Type :		Depth :	0	Prep. By :	
Surface Located :	ft. from line		ft. from line		
	Long :	Lat :	Xloc :	Yloc :	
Bott. Hole Located :	ft. from line		ft. from line		
	Long :	Lat :	Xloc :	Yloc :	
Remarks :					
Working Interest :	0.00000000%	Before Casing :	0.00000000%	After Casing :	0.00000000%
Lease Name (ID):	Unknown (Unknown)			NRI :	0.00000000%
Current BOPD:	0	Current MCFPD:	0	Current BWPD:	0
Expected BOPD:	0	Expected MCFPD:	0	Expected BWPD:	0

Intangible		Notes	Drilling	Dry Hole	Completion	Total
181122	SERVICE COMPANY, NITROGEN,	SLB 2 Stg (Foam & Acid)	\$0	\$0	\$40,451	\$40,451
181131	SQUEEZE, MISC. CEMENTING & P		\$0	\$0	\$0	\$0
181141	TANKS/PITS/DOZER-COMPLETIO		\$0	\$0	\$5,500	\$5,500
181151	PIPELINE CONSTRUCTION & REC	Coots	\$0	\$0	\$37,420	\$37,420
181161	WATER HAULING IN-COMPLETIO		\$0	\$0	\$2,000	\$2,000
181202	WELLHEAD TIE IN. LABOR, ETC.	Harless	\$0	\$0	\$3,000	\$3,000
181215	DRILLING/FRAC FLUID DISPOSAL		\$0	\$0	\$1,000	\$1,000
181251	TRANSPORTATION/TRUCKING (C		\$0	\$0	\$3,000	\$3,000
181270	ENVIRONMENTAL COSTS		\$0	\$0	\$0	\$0
181751	CONTINGENCY OTHER, MISCELL		\$0	\$0	\$500	\$500
181971	REGULAR WAGES		\$900	\$900	\$0	\$900
181992	OTHER BENEFITS		\$300	\$300	\$0	\$300
Total Intangible Cost :			\$189,513	\$202,513	\$114,862	\$304,375
Tangible		Notes	Drilling	Dry Hole	Completion	Total
182019	PRODUCTION CASING: NEW		\$0	\$0	\$24,875	\$24,875
182022	CASING: CONDUCTOR & DRIVE		\$1,000	\$1,000	\$0	\$1,000
182030	SURFACE CASING		\$7,488	\$7,488	\$0	\$7,488
182036	NEW TUBING		\$0	\$0	\$15,086	\$15,086
182039	USED TUBING		\$0	\$0	\$0	\$0
182040	INTERMEDIATE CASING		\$19,891	\$19,891	\$0	\$19,891
182051	CASING HEAD, TUBINGHEAD, WE		\$0	\$0	\$1,567	\$1,567
182055	VALVES & FITTINGS	Harless	\$0	\$0	\$2,300	\$2,300
182060	GATHERING LINES	Coots	\$0	\$0	\$24,570	\$24,570
182061	PIPELINE FITTINGS & TIE IN FITT	Coots	\$0	\$0	\$5,000	\$5,000
182079	MEASUREMENT VALVES & FITTI		\$0	\$0	\$0	\$0
182099	NEW SEPARATOR, SEPARATOR P		\$0	\$0	\$2,164	\$2,164
182110	DRIPS	Harless	\$0	\$0	\$280	\$280
182120	HEATER TREATERS		\$0	\$0	\$0	\$0
182131	TANK & TANK HCP FITTINGS, TA	Harless	\$0	\$0	\$3,500	\$3,500
182151	ARTIFICIAL LIFT SURFACE VALV	Harless	\$0	\$0	\$6,230	\$6,230
182161	SUCKER RODS & DOWNHOLE PU		\$0	\$0	\$0	\$0
182181	CONTINGENCIES, OTHER		\$0	\$0	\$0	\$0
Total Tangible Cost :			\$28,379	\$28,379	\$85,572	\$113,951
Total AFE Costs :			\$217,892	\$230,892	\$200,434	\$418,326

EQUITABLE PRODUCTION

Equitable Production Comp

1710 Pennsylvania Avenue
Charleston, WV 25328
(304) 348-3800

AUTHORIZATION FOR EXPENDITURE

Well Name:	536128 V-536128 (536128)			AFE Number :	2175361281A
Operator:				AFE Date :	7/13/2004
AFE Group :	BigStoneGap	AFE Type :	Drilling	Job Start Date :	
Prospect :				County, State :	Dickenson, VA
Sec/Twp/Rge:	/ /			Field :	
Location :					
Well Type :		Depth :	0	Prep. By :	
Surface Located :	ft. from line		ft. from line		
	Long :	Lat :	Xloc :	Yloc :	
Bott. Hole Located :	ft. from line		ft. from line		
	Long :	Lat :	Xloc :	Yloc :	
Remarks :					
Working Interest :	0.00000000%	Before Casing :	0.00000000%	After Casing :	0.00000000%
Lease Name (ID):	Unknown (Unknown)			NRI :	0.00000000%
Current BOPD:	0	Current MCFPD:	0	Current BWPD:	0
Expected BOPD:	0	Expected MCFPD:	0	Expected BWPD:	0

Approved by:

Mike Butch

Date: 7-30-04

PartnerApproval:

BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant: Equitable Production Company)
)
)
Relief Sought: Pooling)
)
Location: See Exhibit "A") Docket No.
Well Number: V-536128) VGOB-04/10/19-1350
)
Legal)
Description: V.&T. Campbell #1)
87.805 Acres, Tract D-51)
St. Paul Quadrangle)
Kenady District)
Dickenson County, Virginia)



NOTICE OF HEARING

HEARING DATE: October 19, 2004
PLACE: Southwest Virginia Higher Education Center
Abingdon, VIRGINIA
TIME: 9:00 a.m.

COMMONWEALTH OF VIRGINIA: To all unleased persons owning an interest in the oil and gas in and underlying the unit surrounding Well Number V-536128 as described on Exhibit "A" to the Application, which is attached to this Notice, in Dickenson County, Virginia (hereinafter "Subject Lands") and adjacent lands, and in particular to the following persons, their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote:

See attached Exhibit B.

NOTICE IS HEREBY GIVEN that the Applicant is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order pooling all the rights, interests, and estates of the unleased persons pursuant to Virginia Code Ann. § 45.1-361.1 *et seq.* in regard to the drilling, development and production of oil and gas from drilling Unit V-536128, containing approximately 112.69 acres, located on the above-referenced tracts situated approximately 2000 feet Northeast of the intersection of Virginia State Routes 654 and 650 on the waters of Kilgore Creek, approximately 5.19 miles Southwest of Austin Gap in the Kenady District, St. Paul Quadrangle of Dickenson County, Virginia.

Applicant requests that the Board issue an order providing as follows:

- a) Pooling all the interests and estates of the persons named herein and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling, development and production of oil and gas from the subject drilling unit for the Subject Formations underlying and comprised of the Subject Lands;
- b) Establishing a procedure whereby each person named herein shall have the right to elect (1) to assign or lease his oil and gas interest in the subject drilling unit to the designated operator; (2) to enter into a voluntary agreement with the designated operator to share in the operation (including the sharing in all reasonable costs of the drilling of the well and development of the unit) at a rate of payment mutually agreed to by the person making the election hereunder and the designated operator herein or (3) to share in the operation of the well as a nonparticipating operator on a carried basis after the proceeds allocable to such person's share equal the following:

In the case of a leased tract, 300 percent of the share of the costs allocable to such person's interest; or

In the case of an unleased tract, 200 percent of the share of such costs allocable to such person's interest;
- c) Providing that any person named herein who does not make a timely written election under the terms of the Order to be entered herein shall be deemed to have leased his oil and gas interest in the subject drilling unit to the operator designated herein at a rate to be established by the Board;
- d) Designating Applicant, EPC, as Operator; providing that the operator shall have the right to drill, develop, produce, market and sell oil and gas produced from the subject drilling unit; granting the operator the right to market and sell oil and gas produced from the subject drilling unit which is attributable to the conflicting claims and interest pooled herein; providing that the operator shall have an operator's lien on the oil and gas and estate and rights owned or claimed by the unleased persons named herein in the subject drilling unit; and granting the operator the right to drill at any legal or specially permitted location on the subject drilling unit;
- e) Making any necessary provision for the escrow of funds pursuant to Va. Code Ann. § 45.1-361.22;
- f) Providing that the order to be entered herein shall expire two (2) years from the date of its issuance if operations for the development of the subject drilling unit have not commenced by said date; but further providing that if operations have commenced

during said two year period, then said order shall remain in effect for so long as operations continue on the subject drilling unit;

- g) Providing that the conduct of operations on any tract in the subject drilling unit shall be deemed to be the conduct of operations on all tracts in the drilling unit; and providing that the production allocated to any tract in the pooled drilling unit shall be in the same proportion as the acreage of that tract bears to the total acreage in the drilling unit; and
- h) Granting such other relief as is merited by the evidence and is just and equitable whether or not such relief has been specifically requested herein.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at 9:00 a.m. on October 19, 2004 at the Southwest Virginia Higher Education Center, Abingdon, Virginia and that notice will be published as required by the law and the rules of the Board.

NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. The Board rules require that any written objections you wish to file must be filed with the Board at least 10 days before the hearing. For further information, contact the Virginia Gas and Oil Board, State Gas and Oil Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P.O. Box 1416, Abingdon, Virginia, 24210, (540) 676-5423 or the Applicant at the address shown below.

DATED this 17th day of September, 2004.

Equitable Production Company
1710 Pennsylvania Ave.
Charleston, West Virginia 25328

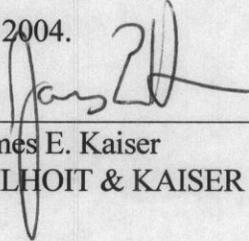


James E. Kaiser
WILHOIT & KAISER
of Counsel for
Equitable Production Company
220 Broad Street, Suite 202
Kingsport, Tennessee 37660
(423) 578-3838

CERTIFICATE OF SERVICE

I, James E. Kaiser, of counsel for Equitable Production Company, hereby certify that I have on this, the 17th day of September, 2004, caused the foregoing notice and application to be served upon the parties listed herein, at their address, by certified mail, return receipt requested.

Dated this 17th day of September, 2004.



James E. Kaiser
WILHOIT & KAISER

NOTICE OF HEARING BEFORE THE DEPARTMENT OF MINES, MINERALS &
ENERGY, DIVISION OF GAS AND OIL
Docket Number VGOB-04/10/19-1350
Well Number V-536128

To: All persons, their known and unknown heirs, executors, administrators, devisees, assigns and successors, owning an interest in the gas, oil, coal or minerals underlying the V.&T. Campbell #1, 87.805 acre, Tract D-51, and adjacent tracts situated approximately 2000 feet Northeast of the intersection of Virginia State Routes 654 and 650 on the waters of Kilgore Creek, approximately 5.19 miles Southwest of Austin Gap in the Kenady District, St. Paul Quadrangle of Dickenson County, Virginia.

NOTICE IS HEREBY GIVEN that Equitable Production Company, 1710 Pennsylvania Ave., Charleston, West Virginia, 25328, is requesting that the Virginia Gas and Oil Board (hereinafter "Board") issue an order pooling all the rights, interests, and estates pursuant to Virginia Code Ann. § 45.1-361.1 et seq. in regard to the drilling, development and production of oil and gas from drilling Unit V-536128, containing approximately 112.69 acres, located on the above-referenced tracts.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at 9:00 a.m. on October 19, 2004 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.

All interested persons may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. The Board rules require that any written objections you wish to file must be filed with the Board at least 10 days before the hearing. For further information, contact the Virginia Gas and Oil Board, State Gas and Oil Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P.O. Box 1416, Abingdon, Virginia, 24210, (540) 676-5423 or the Applicant at the address shown above.

EXHIBIT "B"
V-536128

Revised 10/19/2004

<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	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract D-51	52.61000000%	59.28
2	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract WI-217	11.95000000%	13.4700
3	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract WI-120	15.18000000%	17.1100
4	Opal Carico Ring 15014 Sandy Ridge Road St. Paul, Virginia 24283	Unleased	0.08000000%	0.0900
5	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract DI-62	18.17000000%	20.4700
6	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576	1.27908360%	1.4445
	Franklin D. Hillman Lou Jean Hillman, h/w 205 Charlton Green Dr. Kingsport, TN 37663	Leased - EPC	0.18274719%	0.2064
	John Edgar Hillman 800 Amelia Key West, FL 33044	Unleased	0.18274719%	0.2064
	Doris Bray Perry Bobby J Perry, w/h P.O. Box 1256 Coeburn, VA 24219	Unleased	0.01218315%	0.0138

EXHIBIT "B"
V-536128

Revised 10/19/2004

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Carolyn Hope Bray Gilliam Garnett Gilliam, w/h 790 Woods Ave East Big Stone Gap, VA 24219	Unleased	0.01218315%	0.0138
	Victoria P. Beck Daniel Beck, w/h P.O. Box 327 Beulaville, NC 28518	Unleased	0.00406105%	0.0046
	Frank Bray Jr Patricia Bray, h/w 4311 Hanover Drive Bryank, AR 72022	Unleased	0.00406105%	0.0046
	Lisa R. Williamson David Williamson, w/h 1704 Karen Circle Magnolia, AR 71753	Unleased	0.00406105%	0.0046
	Theodore Elmo Mayes Cormay Mayes, h/w P.O. Box 1141 Coeburn, VA 24230	Leased	0.03652532%	0.0412
	Robert Edward Kennedy 11438 Riverview Rd. Coeburn, VA 24230	Unleased	0.03652532%	0.0412
	Carmen Cantrell Byron D. Cantrell, w/h 430 Oak Ave, NW Norton, VA 24273	Unleased	0.01827472%	0.0206
	William Warren Mayes Jr. 531 Williams Dale, Apt 1 Toledo, OH 43609	Unleased	0.01827472%	0.0206
	William Herschel Mayes Nancy Mayes, h/w 2404 Chesapeake Hampton, VA 23661	Unleased	0.03652532%	0.0412

EXHIBIT "B"
V-536128

Revised 10/19/2004

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Tammy Ringley Collins Mike Collins H/W 4831 Silver Ct. Kingsport, TN 37664	Unleased	0.01142170%	0.0129
	Mark Ringley Tammy Ringley H/W P.O. Box 412 Coeburn, VA 24230	Unleased	0.01142170%	0.0129
	James Boyce Ringley Denise Ringley H/W 7505 Old National Pike Boonsboro, MD 21713	Unleased	0.01142170%	0.0129
	George Wythe Taylor, Jr. P.O. Box 2175 Coeburn, VA 24230	Leased	0.01142170%	0.0129
	Mae M. Ringley RT. HC 05, Box 350 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Wayne H. Ringley P.O. Box 1701 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Reba Ann Lockhart Jess Boyd Lockhart w/h Rt. 3, Box 127 Clintwood, VA 24228	Unleased	0.00913736%	0.0103
	Darrel Vernon Ringley Phyllis Ringley h/w P.O. Box 67 McClure, VA 24269	Leased - EPC	0.00913736%	0.0103
	James Ronnie Ringley HC05, Box 350 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Larry Stanley Diane Stanley h/w 41 Linder Circle Homosassa, FL 34446	Leased	0.02284340%	0.0258

EXHIBIT "B"
V-536128

Revised 10/19/2004

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Leslie V. Stanley Diane Allen Stanley 10349 Hamlin Drive. Chester, VA 23831	Unleased	0.02284340%	0.0258
	Edith Elaine Moore Walter Moore w/h 4463 Windsong Ct. New Palestine, IN 46163	Leased	0.01522893%	0.0172
	Charles Wade, widower 491 Van Buren St. Greenfield, IN 46140	Leased -EPC	0.01522893%	0.0172
	James B. Bise Vernie Bise h/w HC05, Box 452 Coeburn, VA 24230	Leased - EPC	0.01522891%	0.0172
	Total Gas Estate		100.00000000%	112.6900
	Percentage of Unit Leased		99.49744534%	
	Percentage of Unit Unleased		0.50255466%	
	Acreage in Unit Leased			112.1228
	Acreage in Unit Unleased			0.5672

EXHIBIT "B-3"**V-536128**

Revised 10/19/2004

<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>		
4	Opal Carico Ring 15014 Sandy Ridge Road St. Paul, Virginia 24283	Unleased	0.08000000%	0.0900
6	John Edgar Hillman 800 Amelia Key West, FL 33044	Unleased	0.18274719%	0.2064
	Doris Bray Perry Bobby J Perry, w/h P.O. Box 1250 Coeburn, VA 24219	Unleased	0.01218315%	0.0138
	Carolyn Hope Bray Gilliam Garnett Gilliam, w/h 790 Woods Ave East Big Stone Gap, VA 24219	Unleased	0.01218315%	0.0138
	Victoria P. Beck Daniel Beck, w/h P.O. Box 327 Beulaville, NC 28518	Unleased	0.00406105%	0.0046
	Frank Bray Jr Patricia Bray, h/w 4311 Hanover Drive Bryank, AR 72022	Unleased	0.00406105%	0.0046
	Lisa R. Williamson David Williamson, w/h 1704 Karen Circle Magnolia, AR 71753	Unleased	0.00406105%	0.0046
	Robert Edward Kennedy 11438 Riverview Rd. Coeburn, VA 24230	Unleased	0.03652532%	0.0412
	Carmen Cantrell Byron D. Cantrell, w/h 430 Oak Ave, NW Norton, VA 24273	Unleased	0.01827472%	0.0206

EXHIBIT "B-3"
V-536128

Revised 10/19/2004

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	William Warren Mayes Jr. 531 Williams Dale, Apt 1 Toledo, OH 43609	Unleased	0.01827472%	0.0206
	William Herschel Mayes Nancy Mayes, h/w 2404 Chesapeake Hampton, VA 23661	Unleased	0.03652532%	0.0412
	Tammy Ringley Collins Mike Collins w/h 4831 Silver Ct. Kingsport, TN 37664	Unleased	0.01142170%	0.0129
	Mark Ringley Tammy Ringley h/w P.O. Box 412 Coeburn, VA 24230	Unleased	0.01142170%	0.0129
	James Boyce Ringley Denise Ringley h/w 7505 Old National Pike Boonsboro, MD 21713	Unleased	0.01142170%	0.0129
	Mae M. Ringley RT. HC 05, Box 350 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Wayne H. Ringley P.O. Box 1701+B14 Coeburn, VA 24230	Unleased	0.00913736%	0.0103
	Reba Ann Lockhart Jess Boyd Lockhart w/h Rt. 3, Box 127 Clintwood, VA 24228	Unleased	0.00913736%	0.0103
	James Ronnie Ringley HC05, Box 350 Coeburn, VA 24230	Unleased	0.00913736%	0.0103

EXHIBIT "B-3"

V-536128

Revised 10/19/2004

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Leslie V. Stanley Diane Allen Stanley 10349 Hamlin Drive. Chester, VA 23831	Unleased	0.02284340%	0.0258
			0.50255466%	0.5672

EXHIBIT "B-2"

V-536128

Revised 10/19/2004

<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>				
	Dismissed			
6	Theodore Elmo Mayes Cormay Mayes, h/w P.O. Box 1141 Coeburn, VA 24230	Leased	0.00036525	0.0412
	George Wythe Taylor, Jr. P.O. Box 2175 Coeburn, VA 24230	Leased	0.01142170%	0.0129
	Larry Stanley Diane Stanley h/w 41 Linder Circle Homosassa, FL 34446	Leased	0.02284340%	0.0258
	Edith Elaine Moore Walter Moore w/h 4463 Windsong Ct. New Palestine, IN 46163	Leased	0.01522893%	0.0172

BEFORE THE VIRGINIA GAS AND OIL BOARD

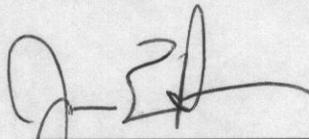
Applicant: Equitable Production Company)
)
)
 Relief Sought: Well No. V-536128) Docket No.
 Force Pooling) VGOB-04/10/19-1350
)
)

AFFIDAVIT OF MAILING
(CERTIFICATE OF SERVICE)

STATE OF TENNESSEE)
)
 COUNTY OF SULLIVAN)

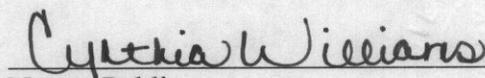
James E. Kaiser, of lawful age, being duly sworn, upon oath, deposes and says:

- (1) He is a partner with WILHOIT & KAISER, Agent for Equitable Production Company ("EPC") and makes this affidavit on behalf of EPC.
- (2) Based upon information and belief, the names and last-known addresses, where such addresses are known, of the parties owning an interest in the oil and gas in this cause are set forth and attached hereto.
- (3) On the 17th day of September, 2004, true and correct copies of the Application and the Notice of Hearing in this matter were placed in the United States mail in Kingsport, TN, certified mail, return receipt requested, postage prepaid, duly addressed to the unleased parties at their respective addresses as set forth in the attached Exhibit B which is hereby made a part of this Affidavit.
- (4) Notice of this cause has therefore been served by mail pursuant to the applicable statutes and rules of the Board.



 James E. Kaiser

SUBSCRIBED AND SWORN TO before me this 12th day of October, 2004.



 Notary Public

My commission expires: 1-15-06

Certificate of Publication



I, Jenay Tate, Publisher of The Coalfield Progress, a newspaper published twice a week on Tuesdays and Thursdays in the City of Norton, in Wise County, State of Virginia, do hereby certify that the order of publication, copy of which is hereby attached, of

Notice of Hearing
-Plaintiff-

-vs-

.....
-Defendant-

was published for 1 issues weeks,
beginning ending *Sept. 21, '04*

Publishers fee, \$ *50⁴⁰*

Jenay Tate
Publisher

NOTICE OF HEARING BEFORE
THE DEPARTMENT OF MINES,
MINERALS & ENERGY,
DIVISION OF GAS AND OIL

Docket Number VGOB-04/10/19-1350
Well Number V-536128

To: All persons, their known and unknown heirs, executors, administrators, devisees, assigns and successors, owning an interest in the gas, oil, coal or minerals underlying the V.&T. Campbell #1, 87.805 acre, Tract D-51; and adjacent tracts situated approximately 2000 feet Northeast of the intersection of Virginia State Routes 654 and 650 on the waters of Kilgore Creek, approximately 5.19 miles Southwest of Austin Gap in the Kenady District, St. Paul Quadrangle of Dickenson County, Virginia.

NOTICE IS HEREBY GIVEN that Equitable Production Company, 1710 Pennsylvania Ave., Charleston, West Virginia, 25328, is requesting that the Virginia Gas and Oil Board (herein after "Board") issue an order pooling all the rights, interests, and estates pursuant to Virginia Code Ann. § 45.1-361.1 et seq. in regard to the drilling, development and production of oil and gas from drilling Unit V-536128, containing approximately 112.69 acres, located on the above-referenced tracts.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence before the Board at 9:00 a.m. on October 19, 2004 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.

All interested persons may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. The Board rules require that any written objections you wish to file must be filed with the Board at least 10 days before the hearing. For further information, contact the Virginia Gas and Oil Board, State Gas and Oil Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P.O. Box 1416, Abingdon, Virginia, 24210, (276)676-5423 or the Applicant at the address shown above.

EXHIBIT "B"
V-536128

04-3903

Tracking Sheet

<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	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract D-51	52.61000000% <i>90869852/9-20-04</i>	59.28
2	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract WI-217	11.95000000%	13.4700
3	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract WI-120	15.18000000%	17.1100
4	Opal Carico Ring 15014 Sandy Ridge Road St. Paul, Virginia 24283	Unleased <i>90869869/9-20-04</i>	0.08000000%	0.0900
5	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576 Tract DI-62	18.17000000%	20.4700
6	ACIN LLC P.O. Box 2827 Huntington, WV 25727	Leased - EPC 904576	1.27908360%	1.4445
	Franklin D. Hillman Lou Jean Hillman, h/w 205 Charlton Green Dr. Kingsport, TN 37663	Leased - EPC <i>90869845/9-22-04</i>	0.18274719%	0.2064
	John Edgar Hillman 800 Amelia Key West, FL 33044	Unleased <i>90869838/9-24-04</i>	0.18274719%	0.2064
	Doris Bray Perry Bobby J Perry, w/h P.O. Box 1256 Coeburn, VA 24219	Unleased <i>90869821/9-21-04</i>	0.01218315%	0.0138

EXHIBIT "B"
V-536128

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Carolyn Hope Bray Gilliam Garnett Gilliam, w/h 790 Woods Ave East Big Stone Gap, VA 24219	Unleased <i>9086 9814 / 9-22-04</i>	0.01218315%	0.0138
	Victoria P. Beck Daniel Beck, w/h P.O. Box 327 Beulaville, NC 28518	Unleased <i>9086 9807 / 9-28-04</i>	0.00406105%	0.0046
	Frank Bray Jr Patricia Bray, h/w 4311 Hanover Drive Bryank, AR 72022	Unleased <i>9086 3164 / 9-27-04</i>	0.00406105%	0.0046
	Lisa R. Williamson David Williamson, w/h 1704 Karen Circle Magnolia, AR 71753	Unleased <i>9086 3157 / 9-24-04</i>	0.00406105%	0.0046
	Theodore Elmo Mayes Cormay Mayes, h/w P.O. Box 1141 Coeburn, VA 24230	Unleased <i>9086 3140 / 9-22-04</i>	0.03652532%	0.0412
	Robert Edward Kennedy 11438 Riverview Rd. Coeburn, VA 24230	Unleased <i>9086 3058 / 9-21-04</i>	0.03652532%	0.0412
	Carmen Cantrell Byron D. Cantrell, w/h 430 Oak Ave, NW Norton, VA 24273	Unleased <i>9086 3041 / 9-21-04</i>	0.01827472%	0.0206
	William Warren Mayes Jr. 531 Williams Dale, Apt 1 Toledo, OH 43609	Unleased <i>9086 3034 / 10-1-04</i>	0.01827472%	0.0206
	William Herschel Mayes Nancy Mayes, h/w 2404 Chesapeake Hampton, VA 23661	Unleased <i>9086 3027 / 9-24-04</i>	0.03652532%	0.0412

EXHIBIT "B"
V-536128

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Tammy Ringley Collins Mike Collins H/W 4831 Silver Ct. Kingsport, TN 37664	Unleased <i>90863010/9-20-04</i>	0.01142170%	0.0129
	Mark Ringley Tammy Ringley H/W P.O. Box 412 Coeburn, VA 24230	Unleased <i>90863003/9-21-04</i>	0.01142170%	0.0129
	James Boyce Ringley Denise Ringley H/W 7505 Old National Pike Boonsboro, MD 21713	Unleased <i>90862990/9-28-04</i>	0.01142170%	0.0129
	George Wythe Taylor, Jr. P.O. Box 2175 Coeburn, VA 24230	Unleased <i>90862983/9-21-04</i>	0.01142170%	0.0129
	Mae M. Ringley RT. HC 05, Box 350 Coeburn, VA 24230	Unleased <i>90862976/9-21-04</i>	0.00913736%	0.0103
	Wayne H. Ringley P.O. Box 1701 Coeburn, VA 24230	Unleased <i>90862969/9-22-04</i>	0.00913736%	0.0103
	Reba Ann Lockhart Jess Boyd Lockhart w/h Rt. 3, Box 127 Clintwood, VA 24228	Unleased <i>90863133/9-22-04</i>	0.00913736%	0.0103
	Darrel Vernon Ringley Phyllis Ringley h/w P.O. Box 67 McClure, VA 24269	Leased - EPC <i>90863126/9-21-04</i>	0.00913736%	0.0103
	James Ronnie Ringley HC05, Box 350 Coeburn, VA 24230	Unleased <i>90863119/9-28-04</i>	0.00913736%	0.0103
	Larry Stanley Diane Stanley h/w 41 Linder Circle Homosassa, FL 34446	Unleased <i>90863102/9-27-04</i>	0.02284340%	0.0258

EXHIBIT "B"
V-536128

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Leslie V. Stanley Diane Allen Stanley 10349 Hamlin Drive. Chester, VA 23831	Unleased <i>90863096/9-28-04</i>	0.02284340%	0.0258
	Edith Elaine Moore Walter Moore w/h 4463 Windsong Ct. New Palestine, IN 46163	Unleased <i>90863089/9-23-04</i>	0.01522893%	0.0172
	Charles Wade, widower 491 Van Buren St. Greenfield, IN 46140	Leased -EPC <i>90863072/9-22-04</i>	0.01522893%	0.0172
	James B. Bise Vernie Bise h/w HC05, Box 452 Coeburn, VA 24230	Leased - EPC <i>90863065/9-21-04</i>	0.01522891%	0.0172
	Total Gas Estate		100.00000000%	112.6900
	Percentage of Unit Leased		99.41142599%	
	Percentage of Unit Unleased		0.58857401%	
	Acreage in Unit Leased			112.0256
	Acreage in Unit Unleased			0.6644

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Equitable Production Company)
)
 RELIEF SOUGHT: PURSUANT TO VA. CODE § 45.1-361.20;)
 (1) POOLING OF INTERESTS IN A **180.00**)
ACRE DRILLING UNIT DESCRIBED IN)
EXHIBIT A HERETO; LOCATED IN THE)
 PILGRAMS KNOB GAS FIELD AND SERVED)
 BY WELL NO. **V-507920** (HEREIN "SUBJECT)
 DRILLING UNIT") PURSUANT TO VA. CODE)
 § 45.1-361.21, FOR THE PRODUCTION OF)
 GAS OTHER THAN COALBED METHANE GAS)
 FROM SUBJECT FORMATIONS (herein)
 referred to as "**Conventional Gas**" or)
 "Gas"); and (2) DESIGNATE THE)
 APPLICANT AS THE UNIT OPERATOR FOR)
 THE SUBJECT DRILLING UNIT)

VIRGINIA GAS AND OIL BOARD

DOCKET NO. 04/10/19-1353

LEGAL DESCRIPTION:

DRILLING UNIT SERVED BY WELL NUMBERED)
V-507920 TO BE DRILLED IN THE LOCATION)
 DEPICTED ON **EXHIBIT A** HERETO)
Patterson QUADRANGLE)
North Grundy MAGISTERIAL DISTRICT)
Buchanan 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 **October 19, 2004** Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Room 240, Abingdon, Virginia.
2. Appearances: **James E. Kaiser** appeared for the Applicant.
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 having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has represented to the Board that it has given notice to those parties (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 to notice of the Application filed herein; and (3) that the persons set forth in their Application and Notice of Hearing have been

identified by Applicant through its due diligence as Owners or Claimants of Conventional Gas interests underlying Subject Drilling Unit, including those set out in **Exhibit B-3** who have not heretofore leased, sold or voluntarily agreed with the Applicant to pool their Gas interests in Subject Drilling Unit. Conflicting Gas Owners/Claimants in Subject Drilling Unit are listed on **Exhibit E**. 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 due process.

4. Amendments: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.20, the Board establish Subject Drilling Unit to be served by Well **V-507920**; and (2) that pursuant to Va. Code § 45.1-361.21, the Board pool the rights, interests and estates in and to the Conventional Gas of the known and unknown persons listed in the attached **Exhibit B-3**, 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 Conventional Gas from the Subject Drilling Unit established for 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 Unit Operator.

7. Relief Granted: The requested relief in this cause shall be and hereby is granted.

7.1 The Board hereby: (1) establishes Subject Drilling Unit pursuant to Va. Code § 45.1-361.20; (2) pursuant to Va. Code § 45.1-361.21.C.3, Equitable Production Company (hereafter "Unit Operator") is designated as the Operator authorized to drill and operate Well No. V-505090 in the Subject Drilling Unit at the location depicted on the plat attached hereto as **Exhibit A** to produce Conventional Gas from Subject Formations, subject to the permit provisions contained in § 45.1-361.27 et seq., Code of Virginia, 1950 as amended, to § 4 VAC 25-150 et seq., Gas and Oil Regulations and to § 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time; and (3) the rights, interests and estates in and to the Conventional Gas in Subject Drilling Unit including those of the known and unknown persons listed on **Exhibit B-3**, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands. There are no applicable field rules and the unit is subject to statewide spacing requirements of Va. Code § 45.1-361.17.

8. Election and Election Period: In the event any Gas owner named in the Application and Notice of Hearing has not heretofore 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 and the 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 designated Unit Operator at the address shown

below within thirty (30) days from the date of receipt of a copy of this Order. 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 designated 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-3** who has not reached a voluntary agreement with the Operator may elect to participate in the Well Development and Operation on 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, 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 Completion-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs: \$364,474.00

Any gas owner and/or claimants named in Exhibit B-3, who elect this option (Option 1) understand and agree that their initial payment under this option is for their proportionate share of the Applicant's estimate of actual costs and expenses. It is also understood by all persons electing this option that they are agreeing to pay their proportionate share of the actual costs and expenses as determined by the operator named in this Board Order.

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operators' "Percent of Unit" times the Completed-for-Production Cost 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 Completed-for-Production Cost 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 of Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in **Exhibit B-3** in the unit who has not reached a voluntary agreement with the 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 the Gas owner's percentage Interest Within Unit as set forth in the Application and Notice of Hearing (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. 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 Gas owner 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 Applicant.

- 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-3** hereto who does not reach a voluntary agreement with the Operator may elect to share in the Well Development and Operation of 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. Any Gas Owner and/or Claimant named in Exhibit B-3 who elects this option (Option 3) understands and agrees that Completed-for-Production Costs are the Operator's actual costs for well development and operation. 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.

Subject to a final legal determination of ownership, 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 a person named in **Exhibit B-3** hereto does not reach a voluntary agreement with the Applicant and fails to do so 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 Gas in the 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-3** 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-3** is unable to reach a voluntary agreement to share in the Well Development and Operation contemplated by this Order at a rate of payment agreed to mutually by said Owner or Claimant and the Applicant, 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 Applicant 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, shall be and hereby is designated as Unit Operator authorized to drill and operate Well No. V-507920 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 and §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, 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 25363
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 covered hereby within seven hundred and thirty (730) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming 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. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the two-year period referenced herein.

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 covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

Applicant has represented to the Board that there **are not** unknown and/or unlocatable Gas owners in the Subject Drilling Unit whose interests are subject to the escrow requirements of Paragraph 16.1; and, the Applicant has represented to the Board that there **are not** conflicting claimants in Subject Drilling Unit whose payments are subject to the provisions of Paragraph 16.2 hereof. Therefore, by the Order and unless and until otherwise ordered by the Board, the Escrow Agent **is not** required to establish an interest-bearing escrow account for the Subject Drilling Unit.

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

16.1 Escrow Provisions for Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing 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, 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 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.

16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment, proceeds in excess of ongoing operational expenses, or other payment due and owing under this Order 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 Unit Operator pursuant to Paragraph 9.1 hereof, 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 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 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.

17. Special Findings: The Board specifically and specially finds:
- 17.1. Applicant is **Equitable Production Company**. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 17.2. Applicant **Equitable Production Company** is an operator in the Commonwealth of Virginia, and has satisfied the Board's requirements for operations in Virginia;
- 17.3. Applicant **Equitable Production Company** claims ownership of Gas leases on **100.00%** percent of Subject Drilling Unit and the right to explore for, develop and produce Gas from same;
- 17.4. Applicant has proposed the drilling of Well **V-507920** to a depth of **4725** feet on the Subject Drilling Unit at the location depicted in **Exhibit A** to develop the pool of Gas in Subject Formations, and to complete and operate Well **V-507920** for the purpose of producing Conventional Gas.
- 17.5 The estimated production of the life of the proposed Well **V-507920** is **350 MMCF**.
- 17.6 With this Application, notice was provided to everyone claiming an ownership interest relative to the production of conventional gas in the Subject Drilling Unit. Set forth in **Exhibit B-3**, is the name and last known address of each Owner or Claimant identified by the Applicant as Gas owners in Subject Drilling Unit who has not, in writing, leased to the Applicant or the Unit Operator or agreed to voluntarily pool his interests in Subject Drilling Unit for its development. Gas interests unleased to the Operator and listed in **Exhibit B-3** represent **0.00%** percent of Subject Drilling Unit;
- 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 the Wells are those options provided in Paragraph 9 above;
- 17.8 The Subject Drilling Unit does not constitute an unreasonable or arbitrary exercise of Applicant's right to explore for or produce Gas;
- 17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in **Exhibit B-3** hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of Conventional 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 recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt by the Unit Operator to each Respondent named in **Exhibit B-3** pooled by this Order and whose address is known.

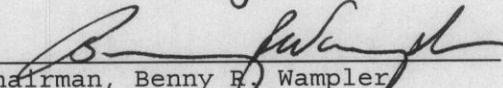
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

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

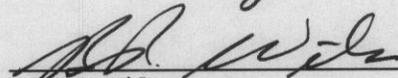
21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.

22. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

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

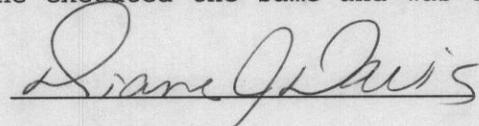

Chairman, Benny R. Wampler

DONE AND PERFORMED this 18th day of February, 2005, by Order of this Board.


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

STATE OF VIRGINIA)
COUNTY OF ~~WISE~~

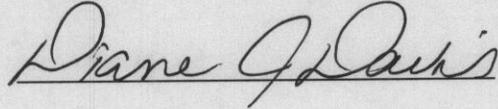
Washington
Acknowledged on this 15th day of February, 2005 personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Notary Public

My commission expires: 9/30/05

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 18th day of February, 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 of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.



Notary Public

My commission expires: 9/30/05

11,025'

Latitude 37° 20' 00"

645'

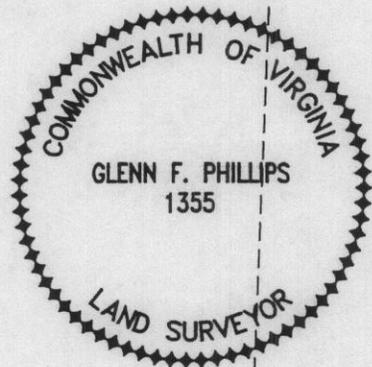
2,800'

81° 52' 30"

Longitude

Lease No. 241640L / T2-257
 T. R. Watkins
 528.21 Acres
 Clinchfield Coal Company /
 Pyxis Resources Company - coal
 Pine Mountain Oil & Gas, Inc. - oil & gas
 Gas 111.64 Ac. 62.02%

TRACT 1



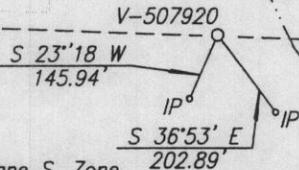
Lease No. 005693
 Plum Creek Timber Company -
 surface, coal, oil & gas
 435 Acres
 Gas 58.34 Ac. 32.41%

TRACT 3

Knox Creek

Lease No. 005859L / Tr. 31
 Lon B. Rogers Bradshaw Trust -
 coal, oil & gas
 21.60 Ac.
 Gas 10.02 Ac. 5.57%

TRACT 2



Well Coordinates: (Va. St. Plane S. Zone,
 NAD 27, calculated from NAD 83 coord.)
 N 381,375 E 1,007,916

Well Coordinates: (Va. St. Plane S. Zone,
 NAD 83)
 N 3,662,255.52 E 10,490,904.18

Well elevation determined by GPS
 survey from HARN Sta. GAP AZMK

Well Coordinates: (Geographic N27)
 37.331574° -81.912888°

Area of Unit = 180.00 Ac.

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER V-507920
 TRACT NO. LS. No. 005693 ELEVATION 1,753.23' QUADRANGLE Patterson
 COUNTY Buchanan DISTRICT North Grundy SCALE 1" = 400' DATE 9-03-2004

This Plat is a new plat x; an updated plat ; or a final location plat

+ 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.

Glenn F. Phillips

Licensed Professional Engineer or Licensed Land Surveyor

EXHIBIT **BOOK 612 PAGE 0274**
V-507920

Revised 9/28/2004

<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	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P.O. Box 2136 Abingdon, VA 24212	Leased - EPC 241640L T2-257	62.02000000%	111.640000
2	LBR Holdings, LLC Fon Rogers II, Manager P.O. Box 22427 Lexington, KY 40522-2427	Leased - EPC 245280L 005859L	4.61903391%	8.309500
	* Gregory Poulos Karen Poulos, h/w 48 Azalee Avenue Inglis, FL 33176	Leased - EPC 245280L 005859L	0.15849435%	0.285100
	* Pamela Poulos, single 1444 Mendavia Avenue Coral Gables, FL 33146	Leased - EPC 245280L 005859L	0.15849435%	0.285100
	* Jason Poulos, single 10870 SW 95th Street Miami, FL 33176	Leased - EPC 245280L 005859L	0.15849435%	0.285100
	* Talmage G. Rogers III Tracey Rogers h/w 14229 Ballantyne Country Club Drive Charlotte, NC 28277	Leased - EPC 245280L 005859L	0.11887076%	0.213800
	* Shaun D. Rogers Nadine Davey Rogers h/w 121 NE 100th Street Miami Shores, FL 33128	Leased - EPC 245280L 005859L	0.11887076%	0.213800
	* Kevin H. Rogers Katherine Rogers h/w 139 Wickham Road Garden City, NY 11530	Leased - EPC 245280L 005859L	0.11887076%	0.213800

