

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB 07/07/17-1969

ELECTIONS, UNIT: VC-536835

(hereinafter "Subject Drilling Unit")

TAX MAP IDENTIFICATION NUMBERS:

TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS  
AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBIT (S) \_  
B WHICH IS/ARE ATTACHED TO AND A PART OF THIS  
ORDER.

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 October 18, 2007 and recorded in Deed Book 444, Page 726 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on November 1, 2007, (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 November 26, 2007, 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 September 25, 2008, 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, N.A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (540) 563-7764, Attn: Judy Barger, 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, N.A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (540) 563-7764, Attn: Judy Barger, 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 30<sup>th</sup> day of October, 2008 by a majority of the Virginia Gas and Oil Board.

Benny Wampler  
Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 30<sup>th</sup> day of October, 2008 by Order of this Board.

David E. Asbury Jr.  
David Asbury  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA )  
COUNTY OF WASHINGTON )

Acknowledged on this 30<sup>th</sup> day of October, 2008, 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, and David Asbury, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.

Diane J. Davis  
Diane Davis, Notary  
174394

My commission expires: September 30, 2009



**VIRGINIA:**

***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number VC-537869 VGOB Docket No. VGOB-07/07/17-1969 in the Kenady Magisterial District of Dickenson 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 October 18, 2007, 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 November 1, 2007.
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>
5	Wellmore Energy Company, LLC. 1005 Glenway Ave Bristol, VA 24202	Unleased	0.00096250
<b>OR</b>			
5	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293	Leased 241490/TL223	0.00096250
6	Wellmore Energy Company, LLC. 1005 Glenway Ave Bristol, VA 24202	Unleased	0.00525000
<b>OR</b>			
6	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293	Leased 241490L/TL-223	0.00525000
7	John L. Jenkins & Lois Gay Jenkins, h/w Rt 1, Box 305 Nora, VA 24272	Unleased	0.00176250
<b>OR</b>			
7	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293	Leased 241490L/TL-223	0.00176250
8	John L. Jenkins & Lois Gay Jenkins, h/w Rt 1, Box 305 Nora, VA 24272	Unleased	0.00032500

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>NET REVENUE INTEREST</u>
8	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293	Leased 241490L/TL-223	0.00032500

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.

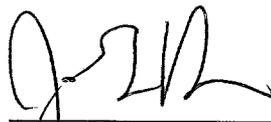
NONE

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.

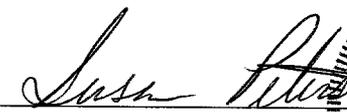
<u>TRACT</u>	<u>LESSOR</u>	<u>CASH CONSIDERATION</u>
5	Wellmore Energy Company, LLC. 1005 Glenway Ave Bristol, VA 24202	0.45 x \$5.00 = \$2.25
6	Wellmore Energy Company, LLC. 1005 Glenway Ave Bristol, VA 24202	2.47 x \$5.00 = \$12.35
7	John L. Jenkins & Lois Gay Jenkins, h/w Rt 1, Box 305 Nora, VA 24272	0.83 x \$5.00 = \$4.15
8	John L. Jenkins & Lois Gay Jenkins, h/w Rt 1, Box 305 Nora, VA 24272	0.1500 x \$5.00 = \$0.75

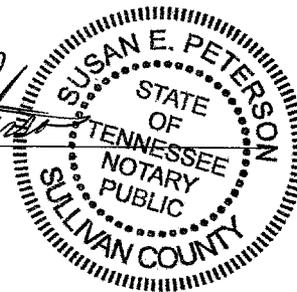
That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant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

Dated at Kingsport, Tennessee, this 25<sup>th</sup> day of September 2008.

  
\_\_\_\_\_  
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 25<sup>th</sup> day of September 2008.

  
\_\_\_\_\_  
Susan Peterson, Notary



My commission expires: November 12, 2008

**EXHIBIT "B"**  
**VC-536835**  
**VGOB 07/07/17-1969**

<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>
<b><u>Gas Estate Only</u></b>					
1	Standard Banner Coal Corporation	Leased	39.92000%	23.46	0.04990000 RI
TAX ID 6046	P. O. Box 750 Wise, VA 24293	241490/TL223			
	Equitable Production				0.34930000 WI
<b>Tract 1 Total</b>			<b>39.92000%</b>	<b>23.46</b>	<b>0.39920000</b>
2	Standard Banner Coal Corporation	Leased	29.0900000%	17.1	0.03636250 RI
TAX ID 3814	P. O. Box 750 Wise, VA 24293	241490/TL223			
	Equitable Production				0.25453750 WI
<b>Tract 2 Total</b>			<b>29.0900000%</b>	<b>17.1000</b>	<b>0.29090000</b>
3	Standard Banner Coal Corporation	Leased	1.070000%	0.63	0.00133750 RI
TAX ID 6073	P. O. Box 750 Wise, VA 24293	241490/TL223			
	Equitable Production				0.00936250 WI
<b>Tract 3 Total</b>			<b>1.070000%</b>	<b>0.6300</b>	<b>0.01070000</b>
4	Standard Banner Coal Corporation	Leased	23.280000%	13.6800	0.02910000 RI
TAX ID 6095	P. O. Box 750 Wise, VA 24293	241490/TL223			
	Equitable Production				0.20370000 WI
<b>Tract 4 Total</b>			<b>23.280000%</b>	<b>13.6800</b>	<b>0.23280000</b>
5	Wellmore Energy Company, LLC.	Unleased	0.7700000%	0.45	0.00096250 RI
TAX ID 5889	1005 Glenway Ave Bristol, VA 24202				
	Equitable Production				0.00673750 WI
<b>Tract 5 Total</b>			<b>0.770000%</b>	<b>0.4500</b>	<b>0.00770000</b>
6	Wellmore Energy Company, LLC.	Unleased	4.200000%	2.47	0.00525000 RI
TAX ID 13676	1005 Glenway Ave Bristol, VA 24202				
	Equitable Production				0.03675000 WI
<b>Tract 6 Total</b>			<b>4.200000%</b>	<b>2.47</b>	<b>0.04200000</b>
7	John L. Jenkins & Lois Gay Jenkins, h/w	Unleased	1.410000%	0.83	0.00176250 RI
TAX ID 5779	Rt 1, Box 305 Nora, VA 24272				
	Equitable Production				0.01233750 WI
<b>Tract 7 Total</b>			<b>1.410000%</b>	<b>0.8300</b>	<b>0.01410000</b>

8 John L. Jenkins & Unleased 0.260000% 0.1500 0.00032500 RI  
 TAX ID 5779 Lois Gay Jenkins, h/w  
 Rt 1, Box 305  
 Nora, VA 24272

	Equitable Production			0.00227500	WI
Tract 8 Total		0.260000%	0.1500	0.00260000	
<b>TOTAL GAS ESTATE</b>		<b>100.00%</b>	<b>58.77</b>	<b>1.00</b>	

Coal Estate Only

1 Standard Banner Coal Corporation Leased 39.92000% 23.46 0.0499 RI  
 TAX ID 6046 P. O. Box 750 241490/TL223  
 Wise, VA 24293

Wellmore Coal Company, LLC- Coal Lessee  
 Blackwatch Division  
 P.O. Box 458  
 Big Rock, VA. 24603  
 ATTN: Bill Fuller

	Equitable Production			0.3493	WI
Tract 1 Total		39.92000%	23.46	0.39920000	

2 Standard Banner Coal Corporation Leased 29.0900000% 17.1 0.0363625 RI  
 TAX ID 3814 P. O. Box 750 241490/TL223  
 Wise, VA 24293

Wellmore Coal Company, LLC- Coal Lessee  
 Blackwatch Division  
 P.O. Box 458  
 Big Rock, VA. 24603  
 ATTN: Bill Fuller

	Equitable Production			0.2545375	WI
Tract 2 Total		29.0900000%	17.1000	0.29090000	

3 Standard Banner Coal Corporation Leased 1.070000% 0.63 0.0013375 RI  
 TAX ID 6073 P. O. Box 750 241490/TL223  
 Wise, VA 24293

Wellmore Coal Company, LLC- Coal Lessee  
 Blackwatch Division  
 P.O. Box 458  
 Big Rock, VA. 24603  
 ATTN: Bill Fuller

	Equitable Production			0.01070000	WI
Tract 3 Total		1.070000%	0.6300	0.01070000	

INSTRUMENT #080002477  
 RECORDED IN CLERK'S OFFICE OF  
 DICKENSON ON  
 DECEMBER 17, 2008 AT 03:22PM

RICHARD W. EDWARDS, CLERK  
 RECORDED BY: CJF

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, 12-17, 2008. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:22 o'clock P M, after payment of \$ 0 tax imposed by Sec. 58.1-802.

TESTE: RICHARD EDWARDS, CLERK  
 BY: [Signature] D. CLERK

Original returned this date to: DMM E

4	Standard Banner Coal Corporation TAX ID 6095 P. O. Box 750 Wise, VA 24293	Leased 241490/TL223	23.280000%	13.6800	0.0291	RI
	Wellmore Coal Company, LLC- Coal Lessee Blackwatch Division P.O. Box 458 Big Rock, VA. 24603 ATTN: Bill Fuller					
	Equitable Production					
<b>Tract 4 Total</b>			<b>23.280000%</b>	<b>13.6800</b>	<b>0.23280000</b>	<b>WI</b>
5	Standard Banner Coal Corporation TAX ID 5889 P. O. Box 750 Wise, VA 24293	Leased 241490/TL223	0.770000%	0.4500	0.0009625	RI
	Wellmore Coal Company, LLC- Coal Lessee Blackwatch Division P.O. Box 458 Big Rock, VA. 24603 ATTN: Bill Fuller					
	Equitable Production					
<b>Tract 5 Total</b>			<b>0.770000%</b>	<b>0.4500</b>	<b>0.0067375</b>	<b>WI</b>
6	Standard Banner Coal Corporation TAX ID 13675 P. O. Box 750 Wise, VA 24293	Leased 241490L/TL-223	4.200000%	2.4700	0.00525	RI
	Wellmore Coal Company, LLC- Coal Lessee Blackwatch Division P.O. Box 458 Big Rock, VA. 24603 ATTN: Bill Fuller					
	Equitable Production					
<b>Tract 6 Total</b>			<b>4.200000%</b>	<b>2.4700</b>	<b>0.03675</b>	<b>WI</b>
7	Standard Banner Coal Corporation TAX ID 5779 P. O. Box 750 Wise, VA 24293	Leased 241490L/TL-223	1.410000%	0.8300	0.0017625	RI
	Wellmore Coal Company, LLC- Coal Lessee Blackwatch Division P.O. Box 458 Big Rock, VA. 24603 ATTN: Bill Fuller					
	Equitable Production					
<b>Tract 7 Total</b>			<b>1.410000%</b>	<b>0.8300</b>	<b>0.0123375</b>	<b>WI</b>
8	Standard Banner Coal Corporation TAX ID 5779 P. O. Box 750 Wise, VA 24293	Leased 241490L/TL-223	0.260000%	0.1500	0.000325	RI
	Wellmore Coal Company, LLC- Coal Lessee Blackwatch Division P.O. Box 458 Big Rock, VA. 24603 ATTN: Bill Fuller					
	Equitable Production					
<b>Tract 8 Total</b>			<b>0.260000%</b>	<b>0.1500</b>	<b>0.002275</b>	<b>WI</b>
<b>TOTAL COAL ESTATE</b>			<b>100.00%</b>	<b>58.7700</b>	<b>1.00</b>	