

1283

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 07/07/17-1970

ELECTIONS, UNIT: VC-536602

(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, E & EE WHICH IS/ARE ATTACHED TO AND A PART OF  
THIS ORDER.

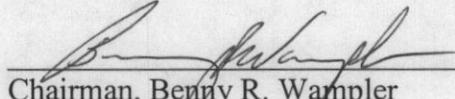
REPORT OF BOARD

FINDINGS AND ORDER

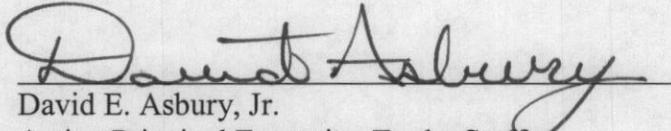
1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas 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 August 21, 2007 and recorded in Deed Book 441, Page 758 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on August 22, 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 September 7, 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 March 19, 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 May,  
2008, by a majority of the Virginia Gas and Oil Board.

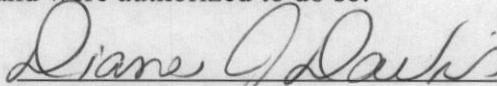
  
Chairman, Benny R. Wampler

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

  
David E. Asbury, Jr.  
Acting 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 May,  
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 E. Asbury, Jr., being duly sworn did depose  
and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil  
Board, that they executed the same and were authorized to do so.

  
Diane Davis, Notary  
0174394

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-536602 VGOB Docket No. VGOB-07/07/17-1970 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 August 21, 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 August 22, 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:

<u>Tract</u>	<u>Lessor</u>	<u>Elected</u>
4	Wellmore Energy Company, LLC. 1005 Glenway Ave Bristol, VA 24202	Participation

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>
1	Mary Mayes & Victoria Rasnick P. O. Box 286 Dante, VA 24237-0286	Leased 906478	0.02495000
<b>OR</b>	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293	Leased 241490L/TL-223	0.02495000
3	Delmar H. & Mary Mayes h/w P.O. Box 286 Dante, VA 24237	Leased 905997	0.00395000
<b>OR</b>	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293	Leased 241490L/TL-223	0.00395000
4	Wellmore Energy Company, LLC. 1005 Glenway Ave Bristol, VA 24202	Unleased Participation	0.14790000
<b>OR</b>	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293	Leased 241490L/TL-223	0.14790000

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.

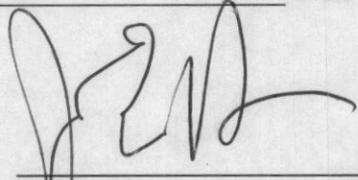
NONE

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.

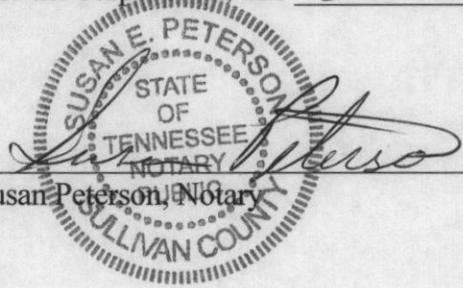
NONE

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 20<sup>th</sup> day of March 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 20<sup>th</sup> day of March 2008.

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

My commission expires: November 12, 2008

**EXHIBIT "B"**  
**VC-536602**  
**VGOB 07/07/17-1970**

<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>Gas Estate Only</b>						
1	Mary Mayes & TAX ID 11017 Victoria Rasnick P. O. Box 286 Dante, VA 24237-0286	Leased 906478	19.96000%	11.73	0.02495000	RI
	Equitable Production				0.17465000	WI
<b>Tract 1 Totals</b>			<b>19.96000%</b>	<b>11.73</b>	<b>0.19960000</b>	
2	Damon A. Rasnick & TAX ID 10341 Bobbi Rasnick, h/w 4241 Long Ridge Nora, VA 24272	Leased 906506	4.1900000%	2.46	0.00523750	RI
	Equitable Production				0.03666250	WI
<b>Tract 2 Totals</b>			<b>4.19000%</b>	<b>2.46</b>	<b>0.04190000</b>	
3	Delmar H. & Mary Mayes h/w TAX ID 5106 P.O. Box 286 Dante, VA 24237	Leased 905997	3.160000%	1.86	0.00395000	RI
	Equitable Production				0.02765000	WI
<b>Tract 3 Totals</b>			<b>3.16000%</b>	<b>1.86</b>	<b>0.03160000</b>	
4	Wellmore Energy Company, LLC. TAX ID 5889 1005 Glenway Ave Bristol, VA 24202	Unleased Participation	14.7900000%	8.69	0.14790000	WI
<b>Tract 4 Totals</b>			<b>14.79000%</b>	<b>8.69</b>	<b>0.14790000</b>	
5	Standard Banner Coal Corporation TAX ID 11816 P. O. Box 750 Wise, VA 24293	Leased 241490/TL223	54.960000%	32.3	0.06870000	RI
	Equitable Production				0.48090000	WI
<b>Tract 5 Totals</b>			<b>54.96000%</b>	<b>32.3</b>	<b>0.54960000</b>	
6	Standard Banner Coal Corporation TAX ID 11829 P. O. Box 750 Wise, VA 24293	Leased 241490/TL223	2.940000%	1.73	0.00367500	RI
	Equitable Production				0.02572500	WI
<b>Tract 6 Totals</b>			<b>2.94000%</b>	<b>1.73</b>	<b>0.02940000</b>	
<b>TOTAL GAS ESTATE</b>			<b>100.000000%</b>	<b>58.7700</b>	<b>100.000000%</b>	

Coal Estate Only

1	Standard Banner Coal Corporation	Leased	19.96000%	11.73	0.02495000	RI
TAX ID 11659	P. O. Box 750	241490L/TL-223				
	Wise, VA 24293					
	Wellmore Coal Company, LLC- Coal Lessee					
	Blackwatch Division					
	P.O. Box 458					
	Big Rock, VA. 24603					
	ATTN: Bill Fuller					
	Equitable Production				0.17465000	WI
<u>Tract 1 Totals</u>			<u>19.96000%</u>	<u>11.73</u>	<u>0.19960000</u>	
2	Standard Banner Coal Corporation	Leased	4.190000%	2.4600	0.00523750	RI
TAX ID 10341	P. O. Box 750	241490L/TL-223				
	Wise, VA 24293					
	Wellmore Coal Company, LLC- Coal Lessee					
	Blackwatch Division					
	P.O. Box 458					
	Big Rock, VA. 24603					
	ATTN: Bill Fuller					
	Equitable Production				0.03666250	WI
<u>Tract 2 Totals</u>			<u>4.19000%</u>	<u>2.46</u>	<u>0.04190000</u>	
3	Standard Banner Coal Corporation	Leased	3.160000%	1.8600	0.00395000	RI
TAX ID 5106	P. O. Box 750	241490L/TL-223				
	Wise, VA 24293					
	Wellmore Coal Company, LLC- Coal Lessee					
	Blackwatch Division					
	P.O. Box 458					
	Big Rock, VA. 24603					
	ATTN: Bill Fuller					
	Equitable Production				0.02765000	WI
<u>Tract 3 Totals</u>			<u>3.16000%</u>	<u>1.86</u>	<u>0.03160000</u>	
4	Standard Banner Coal Corporation	Leased	14.790000%	8.6900	0.01848750	RI
TAX ID 11659	P. O. Box 750	241490L/TL-223				
	Wise, VA 24293					
	Wellmore Coal Company, LLC- Coal Lessee					
	Blackwatch Division					
	P.O. Box 458					
	Big Rock, VA. 24603					
	ATTN: Bill Fuller					
	Equitable Production				0.12941250	WI
<u>Tract 4 Totals</u>			<u>14.79000%</u>	<u>8.69</u>	<u>0.14790000</u>	
5	Standard Banner Coal Corporation	Leased	54.960000%	32.3000	0.06870000	RI
TAX ID 11816	P. O. Box 750	241490L/TL-223				
	Wise, VA 24293					

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

	Equitable Production				0.48090000	WI
<hr/>						
Tract 5 Totals		54.96000%		32.3	0.54960000	

6	Standard Banner Coal Corporation	Leased	2.940000%	1.7300	0.00367500	RI
TAX ID 11829	P. O. Box 750	241490L/TL-223				
	Wise, VA 24293					

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

	Equitable Production				0.02572500	WI
<hr/>						
Tract 6 Totals		2.94000%		1.73	0.02940000	

<b>TOTAL COAL ESTATE</b>		<b>100.000000%</b>		<b>58.7700</b>	<b>100.000000%</b>	
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**EXHIBIT "E"**

BK 455PG 223

**VC-536602**

REVISED 07/24/07

<u>TR</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	Mary Mayes & Victoria Rasnick P. O. Box 286 Dante, VA 24237-0286 TAX ID 11017	Leased 906478	19.96000%	11.73
3	Delmar H. & Mary Mayes h/w P.O. Box 286 Dante, VA 24237 TAX ID 5106	Leased 905997	3.160000%	1.86
4	Wellmore Energy Company, LLC. 1005 Glenway Ave Bristol, VA 24202 TAX ID 5889	Unleased	14.7900000%	8.69
<b>TOTAL</b>			<b>37.910000%</b>	<b>22.2800</b>

<u>Coal Estate Only</u>				
1	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293 TAX ID 11659  Wellmore Coal Company, LLC- Coal Lessee Blackwatch Division P.O. Box 458 Big Rock, VA. 24603 ATTN: Bill Fuller	Leased 241490L/TL-223	19.96000%	11.73
3	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293 TAX ID 5106  Wellmore Coal Company, LLC- Coal Lessee Blackwatch Division P.O. Box 458 Big Rock, VA. 24603 ATTN: Bill Fuller	Leased 241490L/TL-223	3.160000%	1.8600
4	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293 TAX ID 11659	Leased 241490L/TL-223	14.790000%	8.6900
<b>TOTAL</b>			<b>37.910000%</b>	<b>22.2800</b>

EXHIBIT "EE"  
VC-536602  
REVISED 07/24/07

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
2	Damon A. Rasnick & Bobbi Rasnick, h/w Rt 1, Box 310 Nora, VA 24272 TAX ID 10341	Leased 906506	4.1900000%	2.46
TOTAL			4.190000%	2.4600

<u>Coal Estate Only</u>				
2	Standard Banner Coal Corporation P. O. Box 750 Wise, VA 24293 TAX ID 10341	Leased 241490L/TL-223	4.190000%	2.4600
Wellmore Coal Company, LLC- Coal Lessee Blackwatch Division P.O. Box 458 Big Rock, VA. 24603 ATTN: Bill Fuller TAX ID# 12453				
TOTAL			4.190000%	2.4600

INSTRUMENT #080001393  
RECORDED IN THE CLERK'S OFFICE OF  
DICKENSON ON  
JULY 10, 2008 AT 12:26PM  
RICHARD W. EDWARDS, CLERK  
RECORDED BY: JBM

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, 7/10, 2008 This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:26 o'clock PM, after payment of \$ 0 tax imposed by Sec. 58.1-802.

Original returned this date to:

BY:

TESTE: RICHARD EDWARDS, CLERK

D. CLERK