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090003507

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 07/10/16-2047

ELECTIONS, UNIT: VC-537889

(hereinafter "Subject Drilling Unit").

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on December 5, 2007, and recorded in Instrument # 070004654 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on December 12, 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 January 11, 2008, 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

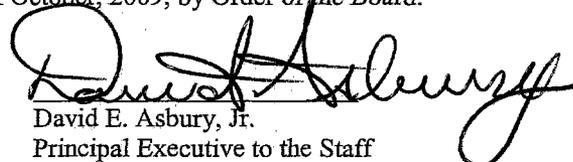
Designated Operator has filed its affidavit dated October 23, 2008, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether 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 19 day of October, 2009, by a majority of the Virginia Gas and Oil Board.

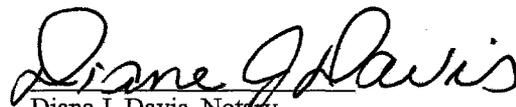

Chairman, Bradley C. Lambert

DONE AND PERFORMED THIS 19 day of October, 2009, by Order of the Board.


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

STATE OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 19th day of October, 2009, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared 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 J. Davis, Notary
174394

My commission expires: September 30, 2013



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number VC-537889 VGOB Docket No. VGOB-0710/16-2047 in the Hurricane Magisterial District of Buchanan County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on December 5, 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 December 12, 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>
2	Oliver Gibson and Peggy L. Gibson 1082 Palm View Drive Daytona Beach, FL 32119	Leased 907054	0.01530625
	Donald Gibson and Glynis C. Gibson HC 4, Box 100 Davenport, VA 24239	Leased 907054	0.01530625
OR			
2	Pine Mountain Oil & Gas Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 241490/T-612	0.08637500
3	Jerry Yates and Ellen Yates, h/w HC 4, Box 98 Davenport, VA 24239	Leased 907114	0.00212500
OR			
3	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	0.00212500
4	Garmon Rasnake and Phyllistene Rasnake, H/W HC 4, Box 98-A Davenport, VA 24239	Leased 907115	0.00212500
OR			
4	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	0.00212500
5	Carmel Rasnake and Tonya Rasnake, H/W 860 Barren Valley Road Greenville, TN 37641	Leased 907342	0.00212500

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>NET REVENUE INTEREST</u>
OR			
5	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	0.00212500
6	Albert Tivis Rasnake, Jr HC 4, Box 97-C 907519 Davenport, VA 24239	Leased	0.00021964
6	Curtis Rasnake & Donna Rasnake, h/w 960 Cumberland Dr. Greenville, TN 37745	Unleased	0.00021964
6	Kathy Williams & Joseph Williams, w/h 103 Lake Road Madisonville, TN 37354	Leased 902913.01	0.00021964
6	Nancy Williams c/o Curtis Rasnake 960 Cumberland Dr. Greenville, TN 37745	Unleased	0.00021964
6	Mary Deel & Roger Von Deel, w/h HC 01, Box 710 Birchleaf, VA 24220	Unleased	0.00021964
6	James Rasnake, single 909 Brushy Valley Road Heiskell, TN 37754	Unleased	0.00021964
6	Brenda Deel & Marlo Deel, w/h P. O. Box 186 Birchleaf, VA 24220	Unleased	0.00007321
6	Keith O'Quinn & Virgia Sue O'Quinn, h/w Box 155 Birchleaf, VA 24220	Unleased	0.00007321
6	Kyle O'Quinn c/o Keith O'Quinn Box 155 Birchleaf, VA 24220	Unleased	0.00007321

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>NET REVENUE INTEREST</u>
OR			
6	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	0.00153750
7	Albert Tivis Rasnake, Jr HC 4, Box 97-C Davenport, VA 24239	Leased 907519	0.00010000
OR			
7	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	0.00010000

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>
6	Curtis Rasnake & Donna Rasnake, h/w 960 Cumberland Dr. Greenville, TN 37745	0.1029 x \$5.00 \$0.51
6	Kathy Williams & Joseph Williams, w/h 103 Lake Road Madisonville, TN 37354	0.1029 x \$5.00 \$0.51
6	Nancy Williams c/o Curtis Rasnake 960 Cumberland Dr. Greenville, TN 37745	0.1029 x \$5.00 \$0.51

<u>Tract</u>	<u>Lessor</u>	<u>Cash Consideration</u>
6	Mary Deel & Roger Von Deel, w/h HC 01, Box 710 Birchleaf, VA 24220	0.1029 x \$5.00 \$0.51
6	James Rasnake, single 909 Brushy Valley Road Heiskell, TN 37754	0.1029 x \$5.00 \$0.51
6	Brenda Deel & Marlo Deel, w/h P. O. Box 186 Birchleaf, VA 24220	0.0343 x \$5.00 \$0.17
6	Keith O'Quinn & Virgia Sue O'Quinn, h/w Box 155 Birchleaf, VA 24220	0.0343 x \$5.00 \$0.17
6	Kyle O'Quinn c/o Keith O'Quinn Box 155 Birchleaf, VA 24220	0.0343 x \$5.00 \$0.17

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.

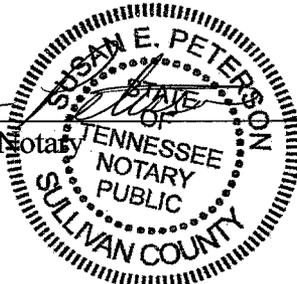
Dated at Kingsport, Tennessee, this 23rd day of October 2008.



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 23rd day of October 2008.



Susan Peterson, Notary


My commission expires: November 12, 2008.

EXHIBIT "B"
VC-537889
VGOB 07/10/16-2047
REVISED 10/12/07

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 241490/ T-612	69.100000%	40.6100	0.08637500	RI
	Equitable Production				0.60462500	WI
Tract 1 Totals			69.100000%	40.6100	0.69100000	
2	Oliver Gibson and Paggy L. Gibson, H/W 1082 Palm View Drive Daytona Beach, FL 32119	Leased 907054	12.245000%	7.1950	0.01530625	RI
	Donald Gibson and Glynis C. Gibson, H/W HC 4, Box 100 Davenport, VA 24239	Leased 907054	12.245000%	7.1950	0.01530625	RI
	Equitable Production				0.21428750	WI
Tract 2 Totals			24.490000%	14.3900	0.24490000	
3	Jerry Yates and Ellen Yates, h/w HC 4, Box 98 Davenport, VA 24239	Leased 907114	1.700000%	1.0000	0.00212500	RI
	Equitable Production				0.01487500	WI
Tract 3 Totals			1.700000%	1.0000	0.01700000	
4	Garmon Rasnake and Phyllistene Rasnake, H/W HC 4, Box 98-A Davenport, VA 24239	Leased 907115	1.700000%	1.0000	0.00212500	RI
	Equitable Production				0.01487500	WI
Tract 4 Totals			1.700000%	1.0000	0.01700000	

5	Carmel Rasnake and Tonya Rasnake, H/W 860 Barren Valley Road Greenville, TN 37641	Leased 907342	1.700000%	1.0000	0.00212500	RI
	Equitable Production				0.01487500	WI
Tract 5 Totals			1.700000%	1.0000	0.01700000	
6	Albert Tivis Rasnake, Jr HC 4, Box 97-C Davenport, VA 24239	Leased 917509	0.175714%	0.1029	0.00021964	RI
	Curtis Rasnake & Donna Rasnake, h/w 960 Cumberland Dr. Greenville, TN 37745	Unleased	0.175714%	0.1029	0.00021964	RI
	Kathy Williams & Joseph Williams, w/h 103 Lake Road Madisonville, TN 37354	Leased 902913.01	0.175714%	0.1029	0.00021964	RI
	Nancy Williams c/o Curtis Rasnake 960 Cumberland Dr. Greenville, TN 37745	Unleased	0.175714%	0.1029	0.00021964	RI
	Mary Deel & Roger Von Deel, w/h HC 01, Box 710 Birchleaf, VA 24220	Unleased	0.175714%	0.1029	0.00021964	RI
	James Rasnake, single 909 Brushy Valley Road Heiskell, TN 37754	Unleased	0.175714%	0.1029	0.00021964	RI
	Brenda Deel & Marlo Deel, w/h P. O. Box 186 Birchleaf, VA 24220	Unleased	0.058571%	0.0343	0.00007321	RI
	Keith O'Quinn & Virgia Sue O'Quinn, h/w Box 155 Birchleaf, VA 24220	Unleased	0.058571%	0.0343	0.00007321	RI
	Kyle O'Quinn c/o Keith O'Quinn Box 155 Birchleaf, VA 24220	Unleased	0.058571%	0.0343	0.00007321	RI
	Equitable Production				0.01076250	WI
Tract 6 Totals			1.230000%	0.7200	0.01230000	

7	Albert Tivis Rasnake, Jr HC 4, Box 97-C Davenport, VA 24239	Leased 917509	0.080000%	0.0500	0.00010000	RI
	Equitable Production				0.00070000	WI
Tract 7 Totals			0.080000%	0.0500	0.00080000	
TOTAL			100.000000%	58.7700	1.00000000	
<u>Coal Estate Only</u>						
1	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 241490/ T-612	69.100000%	40.6100	0.08637500	RI
	Equitable Production				0.60462500	WI
Tract 1 Totals			69.100000%	40.6100	0.69100000	
2	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792/TC-223	24.490000%	14.3900	0.03061250	RI
	Equitable Production				0.21428750	WI
Tract 2 Totals			24.490000%	14.3900	0.24490000	
3	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	1.700000%	1.0000	0.00212500	RI
	Equitable Production				0.01487500	WI
Tract 2 Totals			1.700000%	1.0000	0.01700000	
4	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	1.700000%	1.0000	0.00212500	RI
	Equitable Production				0.01487500	WI
Tract 4 Totals			1.700000%	1.0000	0.01700000	
5	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	1.700000%	1.0000	0.00212500	RI
	Equitable Production				0.01487500	WI
Tract 5 Totals			1.700000%	1.0000	0.01700000	

6	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	1.230000%	0.7200	0.00153750	RI
	Equitable Production				0.01076250	WI
Tract 6 Totals			1.230000%	0.7200	0.01230000	
7	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212	Leased 244792L/ TC-223	0.080000%	0.0500	0.00010000	RI
	Equitable Production				0.00070000	WI
Tract 7 Totals			0.080000%	0.0500	0.00080000	
TOTAL COAL ESTATE			100.000000%	58.7700	1.00000000	

INSTRUMENT #090003507
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
NOVEMBER 13, 2009 AT 08:58AM

BEVERLY S. TILLER, CLERK
RECORDED BY: NKE