

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

V I R G I N I A :

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Equitable Production Company ) VIRGINIA GAS  
) AND OIL BOARD

RELIEF SOUGHT: (1) ESTABLISHMENT OF THE PROVISIONAL )  
HORIZONTAL DRILLING UNIT DEPICTED )  
IN **EXHIBIT A** HERETO AND SERVED ) DOCKET NO.  
BY WELL NO. VH-539578 herein "Subject) 08/05/20-2231  
Drilling Unit") PURSUANT TO VA. CODE )  
\$ 45.1-361.20; (2) POOLING OF )  
INTERESTS IN 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 (3) DESIGNATE THE APPLICANT )  
AS THE UNIT OPERATOR FOR THE )  
SUBJECT PROVISIONAL HORIZONTAL )  
DRILLING UNIT )

LEGAL DESCRIPTION: )

DRILLING UNIT SERVED BY WELL NUMBERED )  
VH-539578 TO BE DRILLED IN THE LOCATION )  
DEPICTED ON **EXHIBIT A** HERETO. )  
Penn Virginia Operating Company )  
Tract 755 )  
Wise QUADRANGLE )  
Gladeville MAGISTERIAL DISTRICT )  
WISE COUNTY, VIRGINIA )  
(the "Subject Lands" are more particularly )  
described on **Exhibit A** attached hereto )  
and made a part hereof) )

TAX MAP IDENTIFICATION NUMBERS: )

TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS )  
AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBIT (S) )  
B-3 WHICH IS/ARE ATTACHED TO AND A PART )  
OF THIS ORDER. )

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 **May 20, 2008** Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Room 240, Abingdon, Virginia.

2. Appearances: **James E. Kaiser of Wilhoit & 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: **Revised Exhibits B, B-2 & B-3.**

5. Dismissals: **Tract 15: Keith & Sharon Nygren;**  
**Tract 19: Billy Joe Gibson; Erma & Ellis Sexton.**

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.20, the Board establish Subject Provisional Horizontal Drilling Unit to be served by Well **VH-539578**; 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 Provisional Horizontal 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 Provisional Horizontal 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 Provisional Horizontal 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. **VH-539578** in the Subject Provisional Horizontal 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 Provisional Horizontal 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 Provisional Horizontal Drilling Unit are as follows:

Estimated, Completed-for-Production Costs: \$1,513,954.00

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. **VH-539578** 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  
Land Administration  
P.O. Box 23536  
Pittsburgh, PA 15222  
Phone: (412) 395-2099  
Fax: (412) 395-3666  
Attn: Nikki Atkison

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** 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 no** 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** required to establish an interest-bearing escrow account for the Subject Drilling Unit.

Wachovia Bank, N.A.  
VA7515  
P.O. Box 14061  
Roanoke, VA 24038  
Attn: Judy Barger

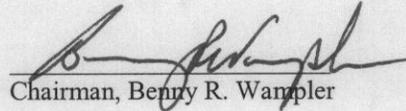
16.1 Escrow Provisions for Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment or other payment shall not be commingled with any 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 **98.885714%** 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 **VH-539578** to a depth of **4075 feet with a 4035 feet lateral** on the Subject Provisional Horizontal Drilling Unit at the location depicted in **Exhibit A** to develop the pool of Gas in Subject Formations, and to complete and operate Well **VH-539578** for the purpose of producing Conventional Gas.
- 17.5 The estimated production of the life of the proposed Well **VH-539578** is **980 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 **1.114286%** percent of Subject Drilling Unit;

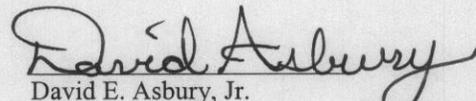
- 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in the Wells are those options provided in Paragraph 9 above;
- 17.8 The Subject Drilling Unit does not constitute an unreasonable or arbitrary exercise 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.

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DONE AND EXECUTED this 15<sup>th</sup> day of July, 2008, by a majority of the Virginia Gas and Oil Board.

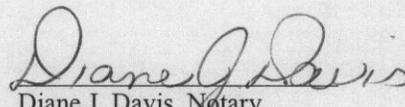
  
Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 15<sup>th</sup> day of July, 2008, by Order of the Board.

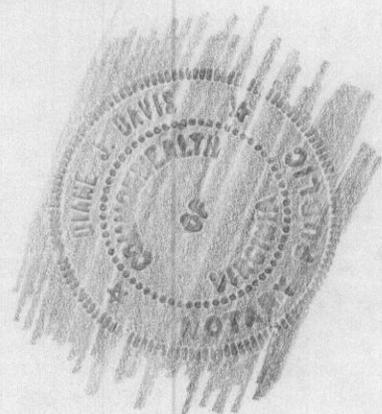
  
David E. Asbury, Jr.  
Acting Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 15<sup>th</sup> day of July, 2008, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, 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

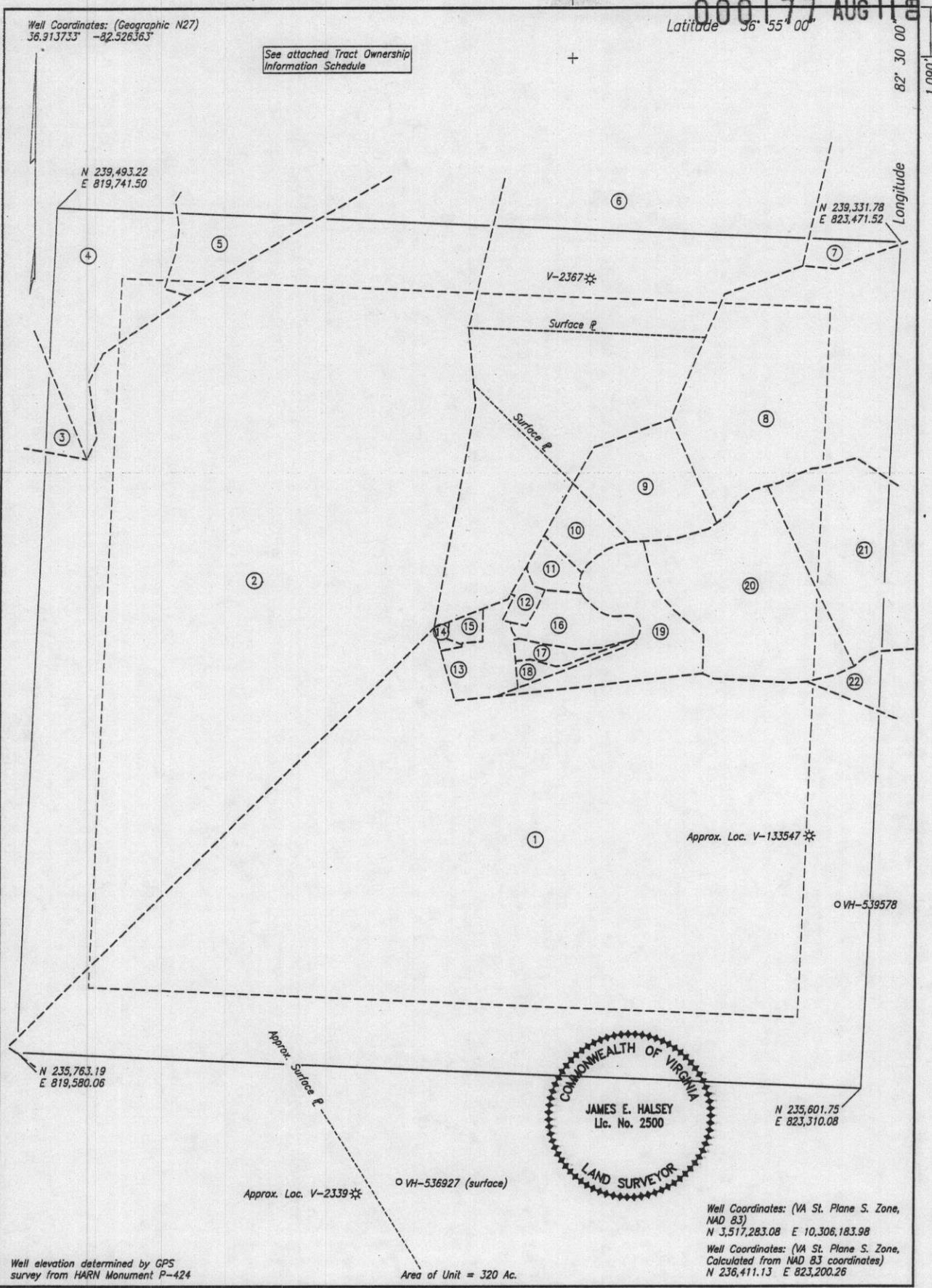
My commission expires: September 30, 2009



Well Coordinates: (Geographic N27)  
36.913733° -82.526363°

7,725'  
Latitude 36° 55' 00" AUG 11 2008

See attached Tract Ownership  
Information Schedule



Well elevation determined by GPS  
survey from HARN Monument P-424

Area of Unit = 320 Ac.

Well Coordinates: (VA St. Plane S. Zone,  
NAD 83)  
N 3,517,283.08 E 10,306,183.98  
Well Coordinates: (VA St. Plane S. Zone,  
Calculated from NAD 83 coordinates)  
N 236,411.13 E 823,200.26

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VH-539578  
TRACT NO. Lease No. 223086L / Tr. 755 ELEVATION 2,555.07' QUADRANGLE Wise  
COUNTY Wise DISTRICT Gladeville SCALE 1" = 400' DATE 4-09-2008  
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.

James E. Halsey  
Licensed Professional Engineer or Licensed Land Surveyor

VH-539578 PLAT  
TRACT OWNERSHIP INFORMATION SCHEDULE  
4/9/2008

- 1 . Lease No. 223096L / Tk. 755  
Penn Virginia Operating Company LLC - coal, oil & gas  
Buckhorn Hunting Club - surface  
265.60 Acres  
Gas 119.88 Acres 37.46%
- 2 . Lease No. 223096L / Tk. 749  
Penn Virginia Operating Company LLC - oil & gas  
6,604.27 Acres  
Gas 100.52 Acres 31.41%
- 3 . Lease No. 245578L  
J-312  
501.9 Acres  
Minerals Management Service - surface, oil & gas  
Gas 0.79 Acres 0.25%
- 4 . Lease No. 223096L / Tk. 753  
Penn Virginia Operating Company LLC - oil & gas  
211.14 Acres  
Gas 8.26 Acres 2.58%
- 5 . Lease No. 244679L-01  
Earl J. Horne Est. - surface, oil & gas  
30.0 Acres  
Gas 2.91 Acres 0.91%
- 6 . Lease No. 244646L-01  
The Hagan Estates - oil & gas  
67.4 Acres  
Gas 30.14 Acres 9.42%
- 7 . Lease No. 223334L  
Hoke I. Horne II, et al - surface, oil & gas  
160 Acres  
Gas 0.85 Acres 0.27%
- 8 . Lease No. 223333L  
Hoke I. Horne II, et al - surface, oil & gas  
40 Acres  
Gas 18.99 Acres 5.93%
- 9 . Lease No. 244739L  
Michael Slemph & Margaret Lively Slemph - surface, oil & gas  
12.5 Acres  
Gas 5.02 Acres 1.57%
- 10 . Leased  
Charlotte A. Warner - surface oil & gas  
Part of 4.555 Acres  
Gas 1.60 Acres 0.50%

- 11 . Leased  
Larry Hyder & Sharon Hyder - surface, oil & gas  
Part of 5.181 Acres  
Gas 0.88 Acres 0.28%
- 12 . Leased  
Larry G. Hyder & Sharon R. Hyder - surface, oil & gas  
Part of 0.943 Acres  
Gas 0.54 Acres 0.17%
- 13 . Leased  
Sharon R. Hyder - surface, oil & gas  
Part of 1 Acres  
Gas 2.11 Acres 0.66%
- 14 . Leased  
Sharon R. Hyder - surface, oil & gas  
Part of 0.438 Acres  
Gas 0.16 Acres 0.05%
- 15 . Unleased  
Keith Nygren & Sharon - surface, oil & gas  
Part of 0.539 Acres  
Gas 0.41 Acres 0.13%
- 16 . Unleased  
Michelle Wireman, et al - surface, oil & gas  
1.894 Acres  
Gas 2.13 Acres 0.66%
- 17 . Leased  
Tmothy G. Hyder & Susana L. Hyder - surface, oil & gas  
0.658 Acres  
Gas 0.62 Acres 0.19%
- 18 . Leased  
Gaston B. Velez & Maria S. Velez - surface, oil & gas  
0.500 Acres  
Gas 0.52 Acres 0.16%
- 19 . Lease No. 244730  
Bessie Gibson Est. - surface, oil & gas  
15.6 Acres  
Gas 5.10 Acres 1.59%
- 20 . Lease No. 244752  
Robert Bays - surface, oil & gas  
10.78 Acres  
Gas 10.80 Acres 3.38%
- 21 . Lease No. 244737L  
Wayne Watts - surface, oil & gas  
10.77 Acres  
Gas 6.84 Acres 2.14%
- 22 . Lease No. 223333L  
Hoke I. Horne II, et al - surface, oil & gas  
260 Acres  
Gas 0.93 Acres 0.29%

**EXHIBIT "B"**  
**VH-539578**  
 REVISED 05/19/08

000180 AUG 11 8

<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	Mr Stephen F. Looney Vice President, Virginia Operations Penn Virginia Resource Partners 2250 East Stone Dr; Suite 200 Kingsport, TN 37660 TAX ID 020340	Leased 223096 Tk. 755	37.460000%	119.8800
2	Mr Stephen F. Looney Vice President, Virginia Operations Penn Virginia Resource Partners 2250 East Stone Dr; Suite 200 Kingsport, TN 37660 TAX ID 020334	Leased 223096 Tk. 749	31.410000%	100.5200
3	Department of The Interior Minerals Management Service RMPBRASS P.O. Box 5640 Denver, CO 80217-5640 TAX ID 037472	Leased 245578 J-312	0.250000%	0.7900
4	Mr Stephen F. Looney Vice President, Virginia Operations Penn Virginia Resource Partners 2250 East Stone Dr; Suite 200 Kingsport, TN 37660 TAX ID 020338	Leased 223096 Tk 753	2.580000%	8.2600
5	Mildred Y. Horne Earlene & Rodney Lester Karen & Joseph Peters 4301 D Burns Creek Road Coeburn, VA 24230 TAX ID 010860	Leased 244679	0.910000%	2.9100
6	The Hagan Estates 314 West Main Street P. O. Box 675 Tazewell, VA 24651-0675 Minerals Only	Leased 244646	9.420000%	30.1400
7	Mary Alice Horne Abbitt 1401 N High Street, Apt. # 303 Franklin, VA 23851-1244 TAX ID 010861	Leased 223334	0.135000%	0.4250
	Hoke I Horne II BY Hoke I Horne III 13339 NE 92nd Way Redmond, WA 98052-6439	Leased 223334	0.135000%	0.4250

**EXHIBIT "B"**  
**VH-539578**  
 REVISED 05/19/08

000181 AUG 11 8

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
8	Mary Alice Horne Abbitt 1401 N High Street, Apt. # 303 Franklin, VA 23851-1244 TAX ID 010865	Leased 223333	2.965000%	9.4950
	Hoke I Horne II BY Hoke I Horne III 13339 NE 92nd Way Redmond, WA 98052-6439	Leased 2233333	2.965000%	9.4950
9	Michael Glen Slemp Margaret B. Lively Slemp 164 Ripley Lane Church Hill, TN 37642-6647 TAX ID 009803	Leased 244739	1.570000%	5.0200
10	Charlotte A. Warner 3869 Stone Mountain Road Coeburn, VA 24230 TAX ID 037806	Leased	0.500000%	1.6000
11	Sharon R. Hyder Larry G. Hyder, w/h P. O Box 1684 Coeburn, VA 24230 TAX ID 037890	Leased	0.280000%	0.8800
12	Sharon R. Hyder Larry G. Hyder, w/h P. O Box 1684 Coeburn, VA 24230 TAX ID 037890	Leased	0.170000%	0.5400
13	Sharon R. Hyder Larry G. Hyder, w/h P. O Box 1684 Coeburn, VA 24230 TAX ID 010407	Leased	0.660000%	2.1100
14	Sharon R. Hyder Larry G. Hyder, w/h P. O Box 1684 Coeburn, VA 24230 TAX ID 050013	Leased	0.050000%	0.1600
15	Keith Nygren & Sharon Nygren, h/w 3739 Stone Mountain Road Coeburn, VA 24230 TAX ID 038046	Leased	0.130000%	0.4100
16	Michelle Wireman 7164 Redwine Road Wise, VA 24239 TAX ID 039873	Unleased	0.220000%	0.7100

**EXHIBIT "B"**  
**VH-539578**  
 REVISED 05/19/08

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<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Dalton Wayne Wireman 7164 Redwine Road Wise, VA 24239	Unleased	0.220000%	0.7100
	Amber LeAnn Wireman 7164 Redwine Road Wise, VA 24239	Unleased	0.220000%	0.7100
17	Tomothy G. Hyder & Susan L. Hyder, h/w 3739-F Stone Mountain Road Coeburn, VA 24230 TAX ID 039731	Leased	0.190000%	0.6200
18	Gaston B. Velez Maria S. Velez 3739-B Stone Mountain Road Coeburn, VA 24230 TAX ID 038426	Leased	0.160000%	0.5200
19	Bernus Gibson Arkie Gobson 3802 Stone Mountain Raod Coeburn, VA 24230-6234 TAX ID 010395	Leased 244730.01	0.037857%	0.1214
	Hazel Sexton Don Sexton 3820 Stone Mountain Road Coeburn, VA 24230-6234	Leased 244730.02	0.227143%	0.7286
	Drucilla Gibson Route 1, Box 1425 Norton, VA 24273-9776	Leased 244730	0.075714%	0.2429
	Betty Brooks Jeff Brooks Route 1, Box 1425 Norton, VA 24273-9776	Leased 244730	0.037857%	0.1214
	Geneva Sexton Herbert Sexton 9848 Stone Mountain Road Coeburn, VA 24230	Leased 244730	0.227143%	0.7286
	Hershel Messer Rt 3, Box 765 Wise, VA 24293	Leased 244730	0.227143%	0.7286
	Dennis Wayne Gibson 10064 Coeburn Mt Road Wise, VA 24293	Unleased	0.113571%	0.3643
	Derek Gibson 5148 Tacoma Mt Rd. Lot 7 Wise, Virginia, 24293	Leased	0.075714%	0.2429
	Regina L. Gibson Unknown/Unlocatable	Unleased	0.037857%	0.1214

**EXHIBIT "B"**  
**VH-539578**  
 REVISED 05/19/08

000183 AUG 11 8

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Erma Sexton Ellis Sexton 11 Cheyenne Court Bryan Road, MD 20616	Leased	0.227143%	0.7286
	Roy Gibson Yevon Gibson 1024 Strauss Avenue Indianhead, MD 20640	Unleased	0.227143%	0.7286
	Peggy Ann Sexton Wilson K. Sexton Route 1, Box 145C Lexington Park, MD 20653-9801	Unleased	0.037857%	0.1214
	Ellis Gibson Debbie Gibson 42839 Dusty Lane Hollywood, MD 20636-3234	Unleased	0.037857%	0.1214
20	Robert Bays P. O. Box 1741 Wise, VA 24293-1741 TAX ID 033570	Leased 244752	3.380000%	10.8000
21	Wayne Watts 452 Woodland TER SE Norton, VA 24237 TAX ID 009150	Leased 244737	2.140000%	6.8400
22	Mary Alice Horne Abbitt 1401 N High Street, Apt. # 303 Franklin, VA 23851-1244 TAX ID 010871	Leased 223333	0.145000%	0.4650
	Hoke I Horne II BY Hoke I Horne III 13339 NE 92nd Way Redmond, WA 98052-6439	Leased 2233333	0.145000%	0.4650
	<b>TOTAL GAS ESTATE</b>		<b>100.000000%</b>	<b>320.0000</b>
	Percentage of Unit Leased		98.885714%	
	Percentage of Unit Unleased		1.114286%	
	Acreage in Unit Leased			316.4129
	Acreage in Unit Unleased			3.5871

EXHIBIT "B-2"  
 VH-539578  
 REVISED 05/19/08

000184 AUG 11 8

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>DISMISSED</u>				
15	Keith Nygren & Sharon Nygren, h/w 3739 Stone Mountain Road Coeburn, VA 24230 TAX ID 038046	Unleased	0.130000%	0.4100
19	Billy Joe Gibson 1115 Liberty Avenue Norton, VA 24273-2855	Unleased	0.227143%	0.7286
	Erma Sexton Ellis Sexton 11 Cheyenne Court Bryan Road, MD 20616	Unleased	0.227143%	0.7286
<b>TOTAL</b>			<b>0.454286%</b>	<b>1.4571</b>
<u>ADDED</u>				
	Dennis Wayne Gibson 10064 Coeburn Mt Road Wise , VA 24293	Unleased	0.113571%	0.3643
	Derek Gibson 5148 Tacoma Mt Rd. Lot 7 Wise, Virginia, 24293	Leased	0.075714%	0.2429
	Regina L. Gibson Unknown/Unlocatable	Unleased	0.037857%	0.1214
<b>TOTAL</b>			<b>0.227143%</b>	<b>0.7286</b>

**EXHIBIT "B-3"  
VH-539578  
REVISED 05/19/08**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
16	Michelle Wireman 7164 Redwine Road Wise, VA 24239 TAX ID 039873	Unleased	0.220000%	0.7100
	Dalton Wayne Wireman 7164 Redwine Road Wise, VA 24239	Unleased	0.220000%	0.7100
	Amber LeAnn Wireman 7164 Redwine Road Wise, VA 24239	Unleased	0.220000%	0.7100
19	Dennis Wayne Gibson 10064 Coeburn Mt Road Wise, VA 24293	Unleased	0.113571%	0.3643
	Regina L. Gibson Unknown/Unlocatable	Unleased	0.037857%	0.1214
	Roy Gibson Yevon Gibson 1024 Strauss Avenue Indianhead, MD 20640	Unleased	0.227143%	0.7286
	Peggy Ann Sexton Wilson K. Sexton Route 1, Box 145C Lexington Park, MD 20653-9801	Unleased	0.037857%	0.1214
	Ellis Gibson Debbie Gibson 42839 Dusty Lane Hollywood, MD 20636-3234	Unleased	0.037857%	0.1214
<b>TOTAL</b>			<b>1.114286%</b>	<b>3.5871</b>

000185 AUG 11 8

INSTRUMENT #200803169  
RECORDED IN THE CLERK'S OFFICE OF  
WISE COUNTY ON  
AUGUST 11, 2008 AT 02:44PM

J. JACK KENNEDY, JR., CLERK  
RECORDED BY: ADH

Instrument Control Number

[Empty box for Instrument Control Number]

2231

000165 AUG 11 8

Commonwealth of Virginia  
Land Record Instruments  
Cover Sheet - Form A

INSTRUMENT #200803169  
RECORDED IN THE CLERK'S OFFICE OF  
WISE COUNTY ON  
AUGUST 11, 2008 AT 02:44PM

[ILS VLR Cover Sheet Agent 1.0.93]

J. JACK KENNEDY, JR., CLERK  
RECORDED BY: ADH

*[Handwritten Signature]*

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Date of Instrument: [7/23/2008 ]

Instrument Type: [ORDER ]

Number of Parcels [ 1 ]

Number of Pages [ 19 ]

City  County  [Wise County ] (Box for Deed Stamp Only)

First and Second Grantors

Last Name	First Name	Middle Name or Initial	Suffix
[Virginia Gas and Oil Bo ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]

First and Second Grantees

Last Name	First Name	Middle Name or Initial	Suffix
[Wireman ]	[Michelle ]	[ ]	[ ]
[Wireman ]	[Dalton ]	[Wayne ]	[ ]

Grantee Address (Name) [Equitable Production Company ]  
 (Address 1) [P. O. Box 23536 ]  
 (Address 2) [ ]  
 (City, State, Zip) [Pittsburgh ] [PA ] [15222 ]

Consideration [0.00 ] Existing Debt [0.00 ] Assumption Balance [0.00 ]

Prior Instr. Recorded at: City  County  [Wise County ] Percent. in this Juris. [ 100 ]  
 Book [ ] Page [ ] Instr. No [ ]

Parcel Identification No (PIN) [ ]  
 Tax Map Num. (if different than PIN) [039873 ]  
 Short Property Description [Pooling Order vor VH-539578 ]  
 Current Property Address (Address 1) [ ]  
 (Address 2) [ ]  
 (City, State, Zip) [ ] [ ] [ ]

Instrument Prepared By [DMME ]  
 Recording Paid for By [DMME ]  
 Return Recording To (Name) [Diane Davis ]  
 (Address 1) [DMME ]  
 (Address 2) [P. O. Box 1416 ]  
 (City, State, Zip) [Abingdon ] [VA ] [24212 ]

Customer Case ID [0805202231 ] [ ] [ ]



Instrument Control Number

[Empty box for Instrument Control Number]

000166 AUG 11 88

Commonwealth of Virginia  
Land Record Instruments  
Continuation Cover Sheet  
Form B

[ILS VLR Cover Sheet Agent 1.0.93]

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Date of Instrument: [7/23/2008 ]

Instrument Type: [ORDER ]

Number of Parcels [ 1 ]

Number of Pages [ 19 ]

City  County  [Wise County ] (Box for Deed Stamp Only)

Grantors/Grantees/Parcel Continuation Form B

Last Name	First Name	Middle Name or Initial	Suffix	
<input type="checkbox"/>	[Wireman	] [Amber	] [LeAnn	] [ ]
<input type="checkbox"/>	[Gibson	] [Dennis	] [Wayne	] [ ]
<input type="checkbox"/>	[Gibson	] [Regina	] [L	] [Unknown
<input type="checkbox"/>	[Gibson	] [Roy	] [ ]	] [ ]
<input type="checkbox"/>	[Gibson	] [Yevon	] [ ]	] [ ]
<input type="checkbox"/>	[Sexton	] [Peggy	] [Ann	] [ ]
<input type="checkbox"/>	[Sexton	] [Wilson	] [K	] [ ]
<input type="checkbox"/>	[Gibson	] [Ellis	] [ ]	] [ ]
<input type="checkbox"/>	[Gibson	] [Debbie	] [ ]	] [ ]
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Prior Instr. Recorded at: City  County  [ ] Percent. in this Juris. [ ]

Book [ ] Page [ ] Instr. No [ ]

Parcel Identification No (PIN) [ ]

Tax Map Num. (if different than PIN) [ ]

Short Property Description [ ]

[ ]

Current Property Address (Address 1) [ ]

(Address 2) [ ]

(City, State, Zip) [ ] [ ] [ ]

