

154  
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 08/10/21-2356

ELECTIONS, UNIT: AE-195 & AE-196 (H-37)

(hereinafter "Subject Drilling Unit")

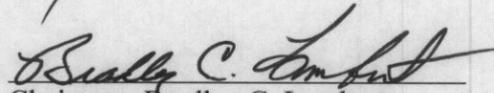
REPORT OF BOARD

FINDINGS AND ORDER

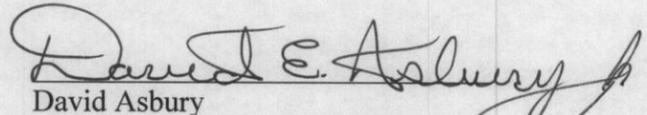
1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas 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 May 14, 2009, and recorded with Instrument # 090001772 at the Office of the Clerk of Circuit Court, Buchanan County, Virginia on June 11, 2009, (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 Appalachian Energy Inc., (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 July 31, 2009, 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 20, 2010, 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, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN, 37660 (423) 245-6971, Attn: Debbie Davis, 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, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN, 37660 (423) 245-6971, Attn: Debbie Davis, 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 3 day of Nov., 2010 by a majority of the Virginia Gas and Oil Board.

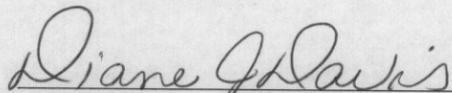
  
Chairman, Bradley C. Lambert

DONE AND PERFORMED THIS 3 day of November, 2010 by Order of this Board.

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

STATE OF VIRGINIA )  
COUNTY OF RUSSELL )

Acknowledged on this 3<sup>rd</sup> day of Nov, 2010, 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 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 Davis, Notary  
174394

My commission expires: September 30, 2013



**VIRGINIA:**

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

IN RE: Application of Appalachian Energy, Inc., for Forced Pooling of Interests in Unit Number AE-195 & AE-196 (H-37) VGOB Docket No. VGOB-08/10/21-2356 in the Garden 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 May 14, 2009, by the Virginia Gas and Oil Board regarding the captioned Conventional 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 June 11, 2009.
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:

NONE

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.

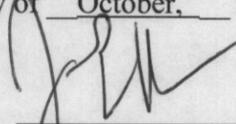
NONE

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.

See Exhibit B-3

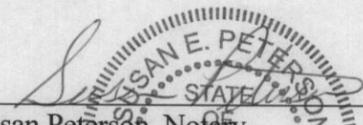
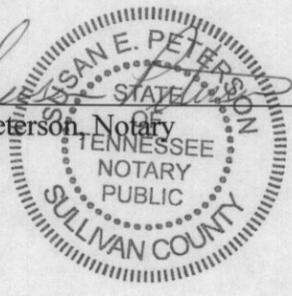
That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 20th day of October, 2010.

  
\_\_\_\_\_  
Affiant

State of Tennessee    )  
County of Sullivan    )

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Appalachian Energy Inc., a corporation, on behalf of the corporation, this 20th day of October, 2010.

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


My commission expires: October 24, 2012 .

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**EXHIBIT "B"**  
**AE-195 & AE-196**  
**H-37**  
 (Revised 10/08/08)

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
		<b>Gas Estate Only</b>		
1	<b>Anise Jones, Etal</b>		<b>32.36%</b>	<b>25.95</b>
	Anise Jean Jones 620 Delhart Rd Galax, VA 24333	Leased	16.18%	12.98
	Norine Harman 23164 Kestrel Dr Bristol, VA 24202	Leased	16.18%	12.98
2	<b>Katherine B. Cole Estate</b> PO Box 85 Jewell Ridge, VA 24622	Leased	<b>58.79%</b>	<b>47.14</b>
	<b>Heirs or Survivors of Fulton H. Cole</b>		<b>1.98%</b>	<b>1.5900</b>
3	Adria C. Kilbreath 3512 Stuart Av Richmond, VA 23221	Leased	0.50%	0.3975
	Amanda L. Shepley 2700 Hidden Oaks Pl Richmond, VA 23233	Leased	0.50%	0.3975
	Peggy W. Cole PO Box 78 Whitewood VA 24657	Leased	0.99%	0.7950
	<b>CAROLINE COLE ESTATE</b>		<b>0.41%</b>	<b>0.33</b>
4	Edith G. Street P.O. Box 792 Grundy, VA 24614	Leased	0.02%	0.018
	Martha Combs c/o A.G. Edwards & Co. P.O. Box 1199 Bluefield, VA 24605-4199	Leased	0.01%	0.006
	Fred H. Combs Testamentary Trust c/o Kelly Necessary - Trustee P.O. Box 841 Tazewell, VA 24651 and Elene Combs 318 East Fincastle Tazewell, VA 24651	Leased	0.01%	0.006
	Carol Irvine 4710 Hunterwood Circle Richmond, TX 77469-7635	Leased	0.01%	0.006
	Nancy Cole Box 2075 Beckley, WV 25802	Leased	0.046%	0.037
	James W. & Daisy Burress 22638 Aven Lane Abingdon, VA 24211	Leased	0.023%	0.018
	Margaret & Jerry Davis P.O. Box 10 Richlands, VA 24641	Leased	0.023%	0.018
	Timothy McDonald P.O. Box 609 Prestonsburg, KY 41653	Leased	0.009%	0.007
	Tamala Williams P.O. Box 82 Roaring Gap, NC 28668	Leased	0.009%	0.007
	Gregory B. McDonald P.O. Box 727 Prestonsburg, KY 41653	Leased	0.009%	0.007

7

	Greta Meek 177 Colvin Branch Oil Springs, KY 41238	Leased	0.009%	0.007
	William Byrd McDonald 513 NW 13th St. Suite 202 Portland, OR 97209	Leased	0.009%	0.007
	Larry Dean & Bridget Cole 19339 Old Jonesboro Road Abingdon, VA 24211	Leased	0.008%	0.006
	Mary Francis Harris 4823 Basswood Drive Columbus, GA 31904	Leased	0.008%	0.006
	Harold Cole 1436 Belana Avenue Akron, OH 44310	Leased	0.030%	0.024
	Donald Stephen Cole 7583 Lakewater Drive Cincinnati, OH 45242	Leased	0.015%	0.012
	Kenneth Edward Cole 12043 Windermere Crossing Circle Winter Garden, FL 34787-5522	Leased	0.015%	0.012
	Norma Cole Dotson P.O. Box 226 Rosedale, VA 24280	Leased	0.03%	0.024
	Caroline & Claude Keen Drawer B Whitewood, VA 24657	Leased	0.106%	0.086
	Thurman & Archine Cooper PO Box 782 Doran, VA 24612	Leased	0.005%	0.004
	Karen & Bryan Rowe Box 366 Bradshaw, WV 24871	Leased	0.003%	0.002
	Sharon & William Daniels PO Drawer T Gilbert, WV 25621	Leased	0.003%	0.002
	Melanie D. Cooper P.O. Box 314 Hurley, VA 24620	Leased	0.002%	0.001
	Corey S. Cooper P.O. Box 314 Hurley, VA 24620	Leased	0.002%	0.001
	Byron D. Cooper P.O. Box 314 Hurley, VA 24620	Leased	0.002%	0.001
5	Buck Jewell Resources, LLC PO Box 743 Doran, VA 24612-0743	Leased	6.46%	5.180
<b>Total Gas Estate</b>				
	Total Percentage Leased (AEI)		100.00%	
	Total Percentage Unleased		0.00%	
			<b>100.00%</b>	
	Total Acreage Leased (AEI)			80.19
	Total Acreage Unleased			0.00
				<b>80.19</b>

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EXHIBIT "B"  
 AE-195 & AE-196  
 H-37

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
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4	Edith G. Street P.O. Box 792 Grundy, VA 24614	Unleased	0.02%	0.018
	Martha Combs c/o A.G. Edwards & Co. P.O. Box 1199 Bluefield, VA 24605-4199	Leased	0.01%	0.006
	Fred H. Combs Testamentary Trust c/o Kelly Necessary - Trustee P.O. Box 841 Tazewell, VA 24651 and Elene Combs 318 East Fincastle Tazewell, VA 24651	Leased	0.01%	0.006
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5	Buck Jewell Resources, LLC PO Box 743 Doran, VA 24612-0743	Leased	6.46%	5.180
<b>Total Coal Estate</b>				
Total Percentage Leased (AEI)			99.98%	
Total Percentage Unleased (AEI)			0.02%	
			<b>100.00%</b>	
Total Acreage Leased (AEI)				80.17
Total Acreage Unleased (AEI)				0.02
				<b>80.19</b>

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**Exhibit B-3**  
**AE-195 & AE-196**  
**H-37**  
(Revised 10/8/08)

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Coal Estate Only</u>				
4	Edith G. Street P.O. Box 792 Grundy, VA 24614	Unleased	0.02%	0.018
Total Percentage Unleased AEI			0.02%	
Total Acreage Unleased AEI				0.018

INSTRUMENT #100003108  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
NOVEMBER 17, 2010 AT 02:09PM

BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB