

BOOK 519 PAGE 373

VIRGINIA:

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**IN RE:**

**REVISED SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 91-0521-0119**

**ELECTIONS: CBM UNIT P-35  
(herein "Subject Drilling Unit")**

**REPORT OF BOARD**

**FINDINGS AND ORDER**

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on May 31, 1991 which was recorded at Deed Book 375, Page 473 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on May 31, 1991, (herein "Board Order") and the Supplemental Order(s) entered on August 23, 1993 and January 3, 1994 which was/were recorded at Deed Book 413, Page 199 and Deed Book 417, Page 333 in the said Clerk's Office on September 15, 1993 and January 18, 1994, respectively.

**Findings:** The Board finds that:

1. The Board Order and previous Supplemental Order(s) directed Consol Energy Inc. (herein "Designated Operator") to escrow bonus and royalty payments attributable to conflicting claims of ownership by paying the same to the Board's Escrow Agent for deposit in the Escrow Account pursuant to the provisions and requirements of § 45.1-361.4, Va. Code Ann.
2. The Designated Operator has filed a Supplemental Affidavit dated January 12, 2001 disclosing that Ronald Clyborne and Reserve Coal Properties have entered into a royalty split agreement.
3. By reason of the aforementioned royalty split agreement, it is no longer necessary for the Designated Operator to tender royalty payments to the Escrow Agent attributable to the conflicting claims of Ronald Clyborne and Reserve Coal Properties.
4. The revised Exhibit E annexed hereto and submitted to the Board by the Designated Operator with its Supplemental Affidavit identifies those persons whose conflicting claims of ownership continue to require escrow.
5. The Supplemental Affidavit further indicates that the Designated Operator has heretofore filed or will forthwith file its petition seeking a further Board Order disbursing escrowed bonus and royalty payments now on deposit in the Escrow Account subject to the aforementioned split agreement.

**Order:**

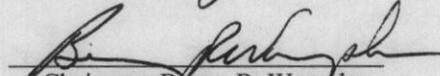
6. By this order, the Board vacates those portions of its prior Order(s), and/or Supplemental Orders(s), which required the Designated Operator to deposit funds pertaining to the conflicting claims of Ronald Clyborne and Reserve Coal Properties and orders the Designated Operator after entry of this Supplemental Order to pay such funds, which would otherwise have been payable to the Escrow Agent under the Board's prior Orders, directly to the parties to the said split agreement as provided in their agreement.
7. The Board, in the event the Designated Operator has not already done so, directs the Designated Operator to forthwith file its petition seeking disbursement of all funds on deposit in the Escrow Account attributable to the conflicting claims of Ronald Clyborne and Reserve Coal Properties.

**Mailing of Order and Filing of Affidavit:** The Designated Operator 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 Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

**Conclusion:** Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

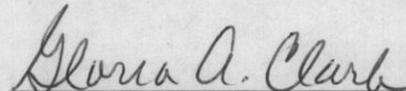
**Effective Date:** This Order shall be effective on the date of its execution.

**DONE AND EXECUTED** this 6<sup>th</sup> day of February, 2001 by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

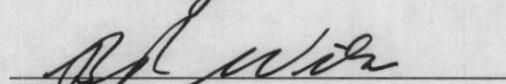
STATE OF VIRGINIA )  
COUNTY OF WISE )

Acknowledged on this 6<sup>th</sup> day of February, 2001, 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, that he executed the same and was authorized to do so.

  
Gloria A. Clark, Notary

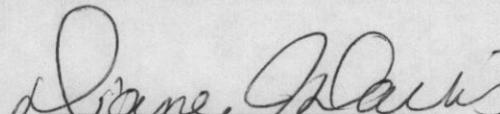
My commission expires: 12/31/03

**DONE AND PERFORMED** this 9<sup>th</sup> day of February, 2001 by Order of the Board.

  
B. R. Wilson  
Director of the Virginia Gas and oil Board  
And Principal Executive to the Board

STATE OF VIRGINIA )  
COUNTY OF WASHINGTON )

Acknowledged on this 9<sup>th</sup> day of February, 2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis, Notary Public

My commission expires: 09/30/01

VIRGINIA:

SUPPLEMENTAL AFFIDAVIT RE CBM UNIT P-35  
BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Buchanan Production Company for Forced Pooling of Interests in CBM Unit P-35  
VGOB-91-0521-0119 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF Consol Energy Inc. (herein "Designated Operator")  
REGARDING ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by Consol Energy Inc. as a Permit Specialist and is duly authorized to make this affidavit on behalf of Consol Energy Inc., the Designated Operator;

That the Order entered on January 3, 1994, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to tender to the Escrow Agents funds attributable to the rights, interests and claims of the persons identified in the annexed Exhibit E as subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia;

That after the pooling hearing held in the captioned matter, Ronald Clyborne and Reserve Coal Properties entered into a royalty split agreement; that by the terms of said agreement escrow regarding the conflicting claims of Ronald Clyborne and Reserve Coal Properties is no longer required;

That annexed hereto are revised Exhibit EE;

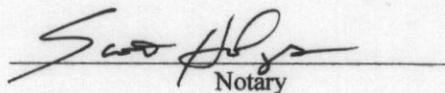
That the Designated Operator has heretofore filed its petition seeking the disbursement from escrow of all funds on deposit attributable to the conflicting claims of Ronald Clyborne and Reserve Coal Properties or the Designated Operator is preparing its petition seeking disbursement from escrow of all funds on deposit attributable to the conflicting claims of said respondents and will file same at its earliest opportunity; and

That the annexed supplemental order provides that the payment of funds subject to the annexed royalty split agreement shall be made to the said parties thereto rather than to the Escrow Agent.

Dated at Tazewell, Virginia, this 12<sup>th</sup> day of JANUARY, 2001.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Permit Specialist of Consol Energy Inc., on behalf of the corporate Designated Operator, this 12 day of January, 2001

  
Notary

My commission expires: July 31, 2004

Exhibit E  
UNIT P-35  
Docket # VGOB 95-0521-0119

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List of Conflicting Owners/Claimants that require escrow

Acres in Unit	Percent of Unit	Lease #
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There are no further conflicts.

Docket # VGOB 95-0521-0119

List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit
<b>Tract No. 3, 0.14 Acres</b>		
<b>COAL FEE OWNERSHIP</b>		
Franks Estate et al.	0.14 acres	0.17500%
(2) Consolidation Coal Company (1/2 Jawbone & bel.) P.O. Box 947 Bluefield, VA 24605	0.07 1/2 of 0.14 acres	0.0875%
<b>OIL &amp; GAS FEE OWNERSHIP</b>		
Franks Estate et al.	0.14 acres	0.17500%
(2) Clyborne, Inc. 11201 Whitcomb Place Woodway, WA 98020	0.07 1/2 of 0.14 acres	0.0875%

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 15<sup>th</sup> day of February, 20 01 11:36A M.  
 Deed Book No. 519 and Page No. 377  
 Returned this date to: Diana Davis TESTE: James M. Bevins, Jr., Clerk  
 TESTE: Jewely S. Viller, Deputy Clerk