

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

AMENDED SUPPLEMENTAL ORDER REGARDING
ELECTIONS, UNIT Z-12
(herein "Subject Drilling Unit")

DOCKET NO. VGOB
91-0521-0126

REPORT OF BOARDFINDINGS AND ORDER

1. This Amended Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board 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 requirements of § 7.C of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 by supplementing the Orders previously issued by the Board for subject Docket on June 6, 1991, and recorded at Deed Book 375, page 812 and at Deed Book 409, Page 372 in the Clerk's Office of the Circuit Court of Buchanan County, Virginia on June 6, 1991 and June 10, 1993, respectively, (herein "Board Orders") to correct and complete the record regarding elections. The Board Order pooled all the interests 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). That the affidavit of Samuel E. Gordin dated the 5th day of May, 1993, REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER incorrectly reported at paragraph 5. Thereof that no Respondent(s) had made a timely election(s).

(b). That the following Respondents, surface owners in Tract 2A, who were named in the original pooling application timely elected to participate as carried operators: James C. Street, Mays S. Blankenship, Janice C. Taylor and Dorothy J. Shortridge.

(c). That as a result of the said error in the aforementioned affidavit of Mr. Gordin, the Supplemental Order entered on the 7th day of June, 1993, by the Virginia Gas and Oil Board regarding the captioned CBM Unit failed to record the fact that the persons named at paragraph 2. above had timely elected to participate as carried operators.

(d). That Exhibit 1 (Well Location Map), Exhibit 2 (Legend to Well Location Map) and Exhibit 3 (List of All Owners/Claimants) to the annexed affidavit of Leslie K. Arrington, all of which are attached to this Order as Exhibit A, set forth the interests of all Owners/Claimants in or under the tracts within Subject Drilling Unit. However, those surface owners identified in Exhibit 4 to Exhibit A hereto claim ownership of the coalbed methane gas underlying Tract 2A of Subject Drilling Unit; therefore, royalty payments attributable to said tract should have been deposited into the Board's escrow account pursuant to the requirements of the Board Order pertaining to conflicting claims.

(e). That Exhibit 4 to Exhibit A lists all conflicting owners/claimants whose royalty interests are to be escrowed and whose carried interests will ultimately be escrowed.

(f). That the royalty interests subject to escrow regarding Tract 2A were not heretofore paid over by the Unit Operator to the Board's escrow agent as required by the Board Order, but

instead were paid to the Big Axe Land Company, the owner of the coal as well as the gas and oil interest underlying said Tract 2A of Subject Drilling Unit.

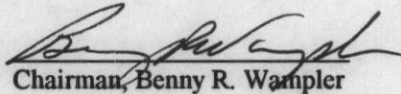
3. Order. By this Order, the Board orders the Unit Operator to tender forthwith consistent with and in accordance with the findings set forth in the Board Orders, as amended herein, an amount equal to all the royalty attributable to the conflicting interests identified in Exhibit 4 to the attached Exhibit A by virtue of past or future production of coalbed methane gas from Subject Drilling Unit, and instructs the Escrow Agent, Tazewell National Bank, Trust Department, c/o Premier Bankshares Corporation, 29 College Drive, P. O. Box 1199, Bluefield, VA 24605, or any successor named by the Board to receive such funds and account to the Board therefore.

4. Mailing of Order and Filing of Affidavit: The Unit 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 within seven (7) days from the date of receipt of this Order to each person whose interest or claim is subject to escrow and whose address is known.

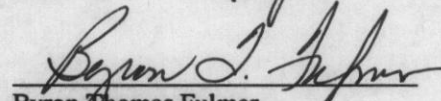
5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

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

DONE AND EXECUTED this 23rd day of May, 1997, by a majority of the Virginia Gas and Oil Board.

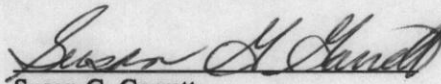

Chairman, Benny R. Wampler

DONE AND PERFORMED this 23rd day of May, 1997, by Order of this Board.


Byron Thomas Fulmer
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 23rd day of May, 1997, 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, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires: 7/31/98

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 23rd day of May, 1997, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, 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
Diane J. Davis
Notary Public

My commission expires:

9/30/97

Exhibit A**VIRGINIA:****BEFORE THE VIRGINIA GAS AND OIL BOARD****IN RE:**

Application of OXY USA Inc. for Forced Pooling of Interests in Unit Number Z-12, VGOB Docket No. 91-0521-0126 in the South Grundy District of Buchanan County, Virginia

SUPPLEMENTAL AFFIDAVIT OF CONSOL, Inc., successor Designated Operator to OXY USA Inc., (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

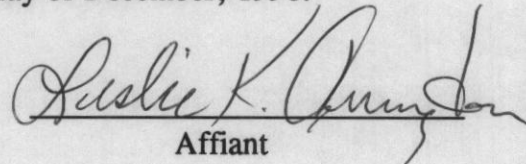
Leslie K. Arrington (herein Affiant), being first duly sworn on oath, deposes and says:

1. That your Affiant is employed by CONSOL Inc., the Designated Operator, whose mailing address is P.O. Box 947, Bluefield, VA 24605, that your Affiant is the Designated Operator's Permit Specialist, and is authorized to give this Affidavit in its behalf;
2. That the affidavit of Samuel E. Gordin dated the 5th day of May, 1993, REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER incorrectly reported at paragraph 5. thereof that no respondent(s) had made a timely election(s). In fact, the following respondents named in the original pooling application had presented timely electing wherein they elected to participate as carried operators under the terms to the original pooling order: James C. Street, Mays S. Blankenship, Janice C. Taylor and Dorothy J. Shortridge.
3. That as a result of the said error in the aforementioned affidavit of Mr. Gordin the Supplemental Order entered on the 7th day of June, 1993, by the Virginia Gas and Oil Board regarding the captioned CBM Unit failed to record the fact that the persons named at paragraph 2. above had timely elected to be carried and should not be regarded as parties who were deemed to have leased their interests to the applicant;
4. That your Affiant submits herewith a revised Unit Map, identified as Exhibit 1. hereto; the legend to said Unit Map, identified as Exhibit 2. hereto; Exhibit 3. hereto which sets forth the interests of all Owners/Claimants in or under the tracts shown on the revised Unit Map; and Exhibit 4. hereto which Lists all conflicting owners/claimants whose royalty interests are to be escrowed and whose carried interests will ultimately be escrowed; here caused a true and correct copy of the Order referred to at paragraph 2. above 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 were added as Respondents at the hearing held in the captioned matter; that the Designated Operator filed its affidavit of mailing, with attachments, with the Board by mail on June 19, 1996;

5. That for reasons which are not clear to your affiant, the royalty interests subject to escrow regarding Tract 2A were not heretofore paid over to the Board's escrow agent but were paid to the Big Axe Land Company as owner of the coal and oil and gas fee under Tract 2A; that through the end of September the sum paid to Big Axe Land Company under its lease was \$12,449.99; that the Designated Operator has caused a draft representing 94.4500% of said amount (the portion thereof subject to escrow) to be directed to the Board's escrow agent; that the designated operator hereby requests that the Board direct its escrow agent to accept said funds and further funds payable regarding the royalty interest pertaining to Tract 2A pending further order of the Board;

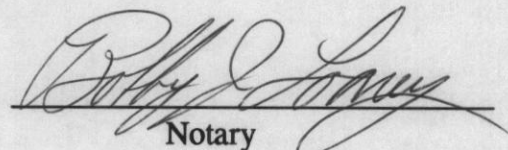
6. That pursuant to the provisions of VR 480-05-22.27.C and VR 480-05-22.2.8, annexed hereto and incorporated herein is a proposed amended supplemental order to be entered to complete the record regarding elections; that said annexed amended supplemental order sets forth and identifies the conflicting claims and/or interests which require escrow of funds pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22.A.3 and 4.;

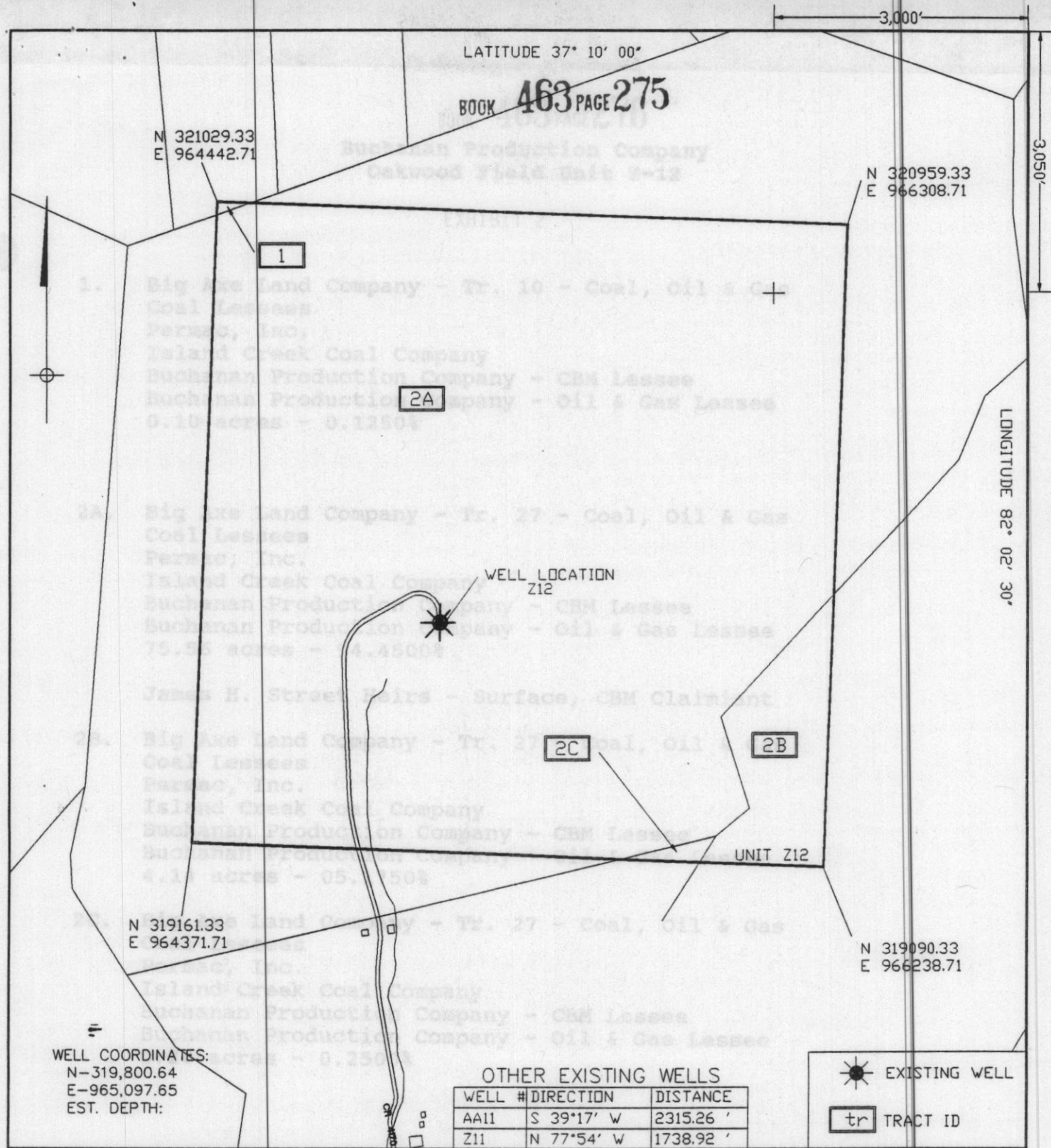
Dated at Bluefield, Virginia, this 18th day of December, 1996.


Affiant

Taken, subscribed and sworn to before me by Leslie K. Arrington, the Permit Specialist, of CONSOL Inc., a corporation, on behalf of the corporation, this 18th day of December, 1996.

My commission expires: 1-31-1997


Notary



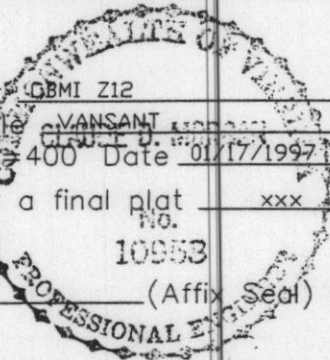
WELL LOCATION MAP

Company CONSOL INC. Well Name and Number GBMI Z12
 Tract No. Elevation 1967.33' Quadrangle VANSANT
 County BUCHANAN District SOUTH GRUNDY Scale: 1" = 400' Date 01/17/1997

This plat is a new plat ; an updated plat ; or a final 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.

Form DGO-GO-7
Rev. 9/91

Licensed Professional Engineer



**Buchanan Production Company
Oakwood Field Unit Z-12**

EXHIBIT 2

1. Big Axe Land Company - Tr. 10 - Coal, Oil & Gas
Coal Lessees
Permac, Inc.
Island Creek Coal Company
Buchanan Production Company - CBM Lessee
Buchanan Production Company - Oil & Gas Lessee
0.10 acres - 0.1250%

- 2A. Big Axe Land Company - Tr. 27 - Coal, Oil & Gas
Coal Lessees
Permac, Inc.
Island Creek Coal Company
Buchanan Production Company - CBM Lessee
Buchanan Production Company - Oil & Gas Lessee
75.56 acres - 94.4500%

James H. Street Heirs - Surface, CBM Claimiant

- 2B. Big Axe Land Company - Tr. 27 - Coal, Oil & Gas
Coal Lessees
Permac, Inc.
Island Creek Coal Company
Buchanan Production Company - CBM Lessee
Buchanan Production Company - Oil & Gas Lessee
4.14 acres - 05.1750%

- 2C. Big Axe Land Company - Tr. 27 - Coal, Oil & Gas
Coal Lessees
Permac, Inc.
Island Creek Coal Company
Buchanan Production Company - CBM Lessee
Buchanan Production Company - Oil & Gas Lessee
0.20 acres - 0.2500%

**Exhibit 3
Oakwood Field Unit Z-12
VGOB-91-0521-0126
List of All Owners/Claimants**

	Net Acres in Unit	Interest in Unit
I. COAL FEE OWNERSHIP		
<u>TRACT #1 - 0.10 acres</u>		
(1) Big Axe Land Company (Tract 10) c/o Landon R. Wyatt, Jr. Wyatt Buick Sales Danville, VA 24541	0.10 acres	0.1250%
<u>TRACT #2A - 75.56 acres</u>		
(1) Big Axe Land Company (Tract 27) c/o Landon R. Wyatt, Jr. Wyatt Buick Sales Danville, VA 24541	75.56 acres	94.4500%
<u>TRACT #2B - 4.14 acres</u>		
(1) Big Axe Land Company (Tract 27) c/o Landon R. Wyatt, Jr. Wyatt Buick Sales Danville, VA 24541	4.14 acres	5.1750%
<u>TRACT #2C - 0.20 acres</u>		
(1) Big Axe Land Company (Tract 27) c/o Landon R. Wyatt, Jr. Wyatt Buick Sales Danville, VA 24541	0.20 acres	0.2500%
II. OIL & GAS FEE OWNERSHIP		
<u>TRACT #1 - 0.10 acres</u>		
(1) Big Axe Land Company (Tract 10) c/o Landon R. Wyatt, Jr. Wyatt Buick Sales Danville, VA 24541	0.10 acres	0.1250%
<u>TRACT #2A - 75.56 acres</u>		
(1) Big Axe Land Company (Tract 27) c/o Landon R. Wyatt, Jr. Wyatt Buick Sales Danville, VA 24541	75.56 acres	94.4500%
<u>TRACT #2B - 4.14 acres</u>		
(1) Big Axe Land Company (Tract 27) c/o Landon R. Wyatt, Jr. Wyatt Buick Sales Danville, VA 24541	4.14 acres	5.1750%
<u>TRACT #2C - 0.20 acres</u>		
(1) Big Axe Land Company (Tract 27) c/o Landon R. Wyatt, Jr. Wyatt Buick Sales Danville, VA 24541	0.20 acres	0.2500%

BOOK **463** PAGE **278**
Exhibit 4
Oakwood Field Unit Z-12
VGOB-91-0521-0126
List Conflicting Owners/Claimants

	Net Acres in Unit	Interest in Unit
<u>TRACT #2A - 75.56 acres</u>		
<u>COAL, OIL & GAS FEE OWNERSHIP</u>		
(1) Big Axe Land Company (Tract 27) c/o Landon R. Wyatt, Jr. Wyatt Buick Sales Danville, VA 24541	75.56 acres	94.4500%
<u>SURFACE OWNERSHIP</u>		
(1) James H. Street Heirs, Devisees, Successors or Assigns ADDRESS UNKNOWN	75.56 acres	94.4500%
a. James C. Street Rt. 2, Box 76 Oakwood, VA 24631		
b. Mays S. Blankenship Box 44 Oakwood, VA 24631		
c. Alvin R. Anderson Jr. 3418 South 126 th Takwillia, WA 98168		
d. Sharon M. Bernhardt 3418 South 126 th Takwillia, WA 98168		
e. Janice C. Taylor Rt. 2, Box 57 Oakwood, VA 24631		
f. Dorothy J. Shortridge 76 Shannon Heights Richlands, VA 24641		
g. Ella B. Anderson 1950 Snively SW Chehalis, WA 98532		
h. Davie Street 103 North 25th Street San Jose, CA 95116		
i. Barry Street 103 North 25th Street San Jose, CA 95116		
j. Rose Mary Street 103 North 25th Street San Jose, CA 95116		
k. Lottie V. Rocha 3215 South 47th #10 Tocoma, WA 98409		

Exhibit 4
Oakwood Field Unit Z-12
VGOB-91-0521-0126
List Conflicting Owners/Claimants

		Net Acres in Unit	Interest in Unit
l.	Vivian L. Street Peisch 1029 South Tower Avenue Centralia, WA 98531		
m.	Barbara E. Street Prine 18501 Old Highway 99 SW Rogchester, WA 98579		
n.	Wiltha Street Parazoo P. O. Box 851 Sutherlin, OR 97479		
o.	Clifford Dean Street 14418 SE 61st Street Bellevue, WA 98006		
p.	Norma S. Nichols Address Unknown		
q.	Mary S. Alexander Address Unknown		
r.	Bea Street Fletcher Address Unknown		

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 4th day of June, 1997 5:13 P. M.
Deed Book No. 463 and Page No. 270 TESTE: James M. Bevins, Jr., Clerk
Returned this date to: Deputy 3. Tiller TESTE: Deputy 3. Tiller, Deputy Clerk