

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS:

Torch Energy Advisors Incorporated (herein)
"Torch") and Pocahontas Gas Partnership)
(herein "PGP") (Torch and PGP sometimes)
collectively referred to as "Applicants"))

VGOB
92-04/21-0216-01

RELIEF SOUGHT:

Accountings, Disbursements from Escrow)
Account, and Amendment of Board's)
Pooling Order for Drilling Unit SLW8 in)
Docket No. VGOB 92-04/21-0216)
entered July 27, 1992, and recorded)
July 30, 1992, in Deed Book 396,)
Page 75, as amended by Order entered August 14,)
1992 and recorded August 19, 1992, and as)
modified by Order entered in VGOB Docket No.)
93-0817-0392 on October 25, 1993 and recorded)
on October 29, 1993 in Deed Book 415 at Page)
195 (herein collectively "Pooling Order"); the)
Board's Supplemental Order Regarding)
Elections Entered in Docket No. VGOB)
92-04/21-0216 Entered on July 11, 1996, and)
Recorded April 17, 1996 in Deed)
Book 451, Page 183 (herein "Supplemental)
Order"); the Board's Amended Supplemental)
Order entered August 25, 1997 and recorded)
September 3, 1997 in Deed Book 466 at Page 321)
(herein " First Amended Supplemental Order"); and)
the Board's Amended Supplemental Order)
entered June 26, 1998 and recorded July 14 1998)
at Deed Book 478 at Page 646 (herein "Second)
Amended Supplemental Order"), all recordings)
being in the Office of the Circuit Court of)
Buchanan County, Virginia)

LEGAL

DESCRIPTION:

Drilling Unit Number SLW-8 as Created)
by Board Order Effective as of February)
18, 1992, Docket No. VGOB)
92/01/21-0180 as amended by Board)
Orders in VGOB Docket Nos.)
93/06/22-0385 and 95/04/18-0498 (herein "Subject)
Drilling Unit") in the Hurricane Magisterial District,)
Buchanan County, Virginia (herein)
"Subject Lands"))

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 (herein "Board") at 9:00 a.m. on April 21, 1998, and as a result of action taken by the Board on that date, and as a result of the subsequent accountings filed by the Operator with the Board, the Board hereby enters this Order.
2. **Appearances:** Jill Harrison of the firm Penn Stuart appeared in behalf of the Applicants; Sandra B. Riggs, Assistant Attorney General was present to advise the Board.
3. **Jurisdiction and Notice:** Pursuant to Va. Code § 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the establishment and maintenance of the escrow account established by the Board for the Subject Drilling Unit pursuant to the terms of the Pooling Order, the Supplemental Order and the Amended Supplemental Order (herein "Escrow Account") into which the Unit Operator is required to deposit those funds specified in the escrow requirements of the Virginia Gas and Oil Act (herein "Act") found at Va. Code § 45.1-361.21.D., 45.1-361.22.A.2., 45.1-361.22.A.3, and 45.1-361.22.A.4. (herein "Escrowed Funds"). Further, the Board finds: (1) that it does not have jurisdiction to resolve conflicting claims of ownership to the Coalbed Methane Gas being produced by the Unit Operator from wells located on Subject Drilling Unit, (2) that it does not have jurisdiction to interpret voluntary agreements between the Gas owners/claimants and the Unit Operator or to abridge or contravene the provisions of such agreements, and (3) that pursuant to Va. Code § 45.1-361.22.A.5, it does have jurisdiction and authority to disburse funds from the Escrow Account provided there has first been either a legal determination of Applicants' entitlement with respect to the liquidated amount of the funds on deposit in the Escrow Account attributable or allocable to Applicants' interest therein or there is an agreement by all of the owners/claimants within the drilling unit as to the amount of their respective Entitlement to the Escrowed Funds. The Applicants have represented to the Board that they have given notice to all 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 and 45.1-361.22 to notice of this application, i.e., those persons set forth in Exhibit E hereto (persons identified by the Operator in the Escrow Accounting as being owners/claimants whose interests in Subject Drilling Unit are subject to the escrow requirements of the Act and the Pooling Order (persons whose Entitlements have purportedly been placed by the Unit Operator into the Escrow Account and who, according to the Operator, are the claimants to the Escrowed Funds). 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 state due process.
4. **Prior Proceedings:**
 - 4.1 At the Board's hearing on April 21, 1992 in Docket No. VGOB 92-04/21-0216, the Board granted the relief sought by Pocahontas Gas Partnership (herein "Operator") and pooled the interests in the Subject Formations in the Subject Drilling Unit underlying the Subject Lands for the production of coalbed methane gas (herein collectively referred to as "Coalbed Methane Gas" or "Gas") from active gob areas of the pool defined as those strata correlative to the coal seams and the coal seams below the Tiller Seam, including the Lower Castle, Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, C, War Creek, Pocahontas No. 10, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7 Pocahontas, No. 6 Pocahontas No. 5, Pocahontas, No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams or pools, and all zones in communication therewith and all productive extensions thereof (herein "Subject Formations") pursuant to Va. Code §§ 45.1-361.21 and 45.1-361.22, and the terms of the Pooling Order, and the Board named the PGP as the Operator. The Supplemental Order, the First Amended Supplemental Order, and the Second Amended Supplemental Order, each of which incorporated the Operator's Affidavit of Election, were entered by the Board *sua sponte* to comply with the requirements of the Board's Regulation 4 VAC 26-160.70.C. by supplementing the Pooling Order to complete the record regarding elections and to identify to the Board those claimants whose interests were subject to the escrow requirements of Act and the Pooling Order.

4.2 In their application to the Board to withdraw those funds in the Escrow Account which Applicants claim are uniquely attributable to their mutually conflicting Gas interests within Subject Drilling Unit, the Applicants warranted and represented to the Board that:

a. Torch, CCC and PGP are the sole claimants to the following interests within Subject Drilling Unit:

<u>Tract</u>	<u>Aggregate Undivided Interest In Tract</u>	<u>Aggregate Interest in Unit</u>
17	PGP – 100% of Oil and Gas Torch- 100% of Coal	7.28098%
5	PGP – 100% of Oil and Gas Torch – 100% of Coal	6.40043%
	Total	13.68141%

b. By Assignment and Bill of Sale dated as of December 29, 1997 (herein "Assignment"), effective September 4, 1991 Trust assigned to Torch (1) the Gas Lease Royalty insofar as it relates to the production of Methane from the Conflict Property and the Non-Conflict Property and any gas royalty rights with respect to Methane that arise by operation of law or otherwise in all properties and lands pooled, unitized, communitized or consolidated with such properties (the "Royalty Interest") and (2) the royalties which have been held in escrow by Premier Bank as Escrow Agent and the royalty held by PGP pending the resolution of the conflicting claims to the Gas Lease Royalty, other than royalties that have been released or will be released pursuant to the term of the Garden Realty Settlement Agreement (the "Escrowed Funds").

c. That by the Assignment Trust assigned to Torch the Escrowed Funds attributable to the tracts identified in paragraph 4.2.a. above.

d. Trust, Torch and PGP by agreement dated December 30, 1997 (herein "Settlement Agreement") agreed that the portion of the Escrowed Funds uniquely attributable to their conflicting interests in Subject Drilling Unit, once determined, were to be paid as follows: a sum equal to fifty percent (50%) to PGP and a sum equal to fifty percent (50%) to Torch.

4.3 Through the application filed herein, the Applicants seek a partial disbursement of funds from the Escrow Account. A review of the Pooling Order, Supplemental Order, First Amended Supplemental Order and Second Amended Supplemental Order reveals that the Applicants have purportedly entered into voluntary agreements with the Operator with respect to their interests in Subject Drilling Unit and:

a. The Operator's Affidavit of Election of March 18, 1996 which was attached to and made a part of the Supplemental Order indicates that the only interest within Subject Drilling Unit that was subject to the escrow requirements of the Act and the Pooling Order was that of Glenn Rose, the owner of a 6.01 acre within a larger 55.975-acre tract in Subject Drilling Unit.

b. The Operator's Affidavit of Election of August 5, 1997 (attached to and made part of the First Amended Supplemental Order) had attached an Exhibit E entitled "Conflicting Owners/Claimants that Require Escrow" and reflects that the only tract in which Trust and PGP both held an interest that would be escrowed was a 31.650-acre tract comprising 17.40656% of Subject Drilling Unit in which tract Trust is the coal fee owner, and the oil and gas fee owners were:

Coal Mountain Mining Company	4.32 acres	2.37587%
Thurman Wade	15.14 acres	8.32655%
PGP	4.10 acres	2.25488%
Consolidation Coal Co.	7.54 acres	4.14678%

c. Since the Application filed herein and testimony presented to the Board was inconsistent with the information set forth in the Operator's August 5, 1997

Affidavit of Election, the Board instructed the Operator to file an amended Affidavit of Election to support an the Second Amended Supplemental Order to properly reflect those interests in Subject Drilling Unit for which funds were actually being deposited by the Operator into the Escrow Account.

- d. The Operator's Affidavit of Election of May 14, 1998 (attached to and made part of the Second Amended Supplemental Order) had attached an Exhibit E entitled "List of Conflicting Owners/Claimants that require escrow", a copy of which is attached hereto and made a part hereof. Exhibit E reflects that Trust, as the coal owner, and PGP, as the gas and oil owner, have conflicting interests in the following tracts:

Tract #52	4.102 Acres	2.25598%
Tract #54	5.057 Acres	2.78120%
Tract #55A	12.423 Acres	6.83228%
Tract #55D	0.820 Acres	0.45098%

- 4.4 To comply with instructions given to the Operator by the Board at its hearing of this matter on April 21, 1998, by letter dated August 12, 1998 from Mark Swartz of the firm Swartz & Stump, the Operator forwarded to the Board an accounting entitled "Affidavit RE: Amended Supplemental Orders" (herein "Escrow Accounting") incorporating a schedule setting forth the total royalties the Operator represents it deposited into the Escrow Account allocated among twenty three (23) tracts within Subject Drilling Unit, including the four (4) tracts for which Applicants seek a disbursement herein (herein "Escrow Accounting"). The Escrow Accounting indicates that for the period January 1992 to July 1998 the Operator deposited the following sums attributable to the tracts indicated into the Escrow Account:

Tract 45	9100071-9A	\$ 767.75	
Tract 49	9100071-7B	5,421.39	
Tract 50	9100071-10A	1,099.63	
Tract 51	9100071-11A	1,588.58	
Tract 52	9100071-12A	728.41	(Trust and PGP)
Tract 52A	9100071-13A	285.24*	
Tract 52B	9100071-14A	155.74**	
Tract 53	9100071-15A	96.64	
Tract 54	9100071-16A	897.95	(Trust and PGP)
Tract 55	9100071-19A	2,050.55	
Tract 55A	9100071-20A	2,168.15	(Trust and PGP)
Tract 55B	9100071-21A	1,066.65	
Tract 55C	9100071-22A	1,374.10	
Tract 55D	9100071-23A	145.64	(Trust and PGP)
Tracts 55E, F & G	9100071-24A	2,789.36	
Tract 56	9100071-17A	2,280.67	
Tract 56A	9100071-25A	29.97	
Tract 57	9100071-18A	224.89	
Tract 58	9100071-8B1	1,436.30	
Tract 58A	9100071-8B2	1,268.27	
Tract 59	9100071-26A	15.79	

*Even though not applied for and not reflected as a Trust/PGP conflicting tract in the Pooling Order, Supplemental Order, First Amended Supplemental Order or Second Amended Supplemental Order, the Operator's affidavit attached to the Escrow Accounting indicates that PGP has purchased the gas and oil interest of Deborah Ann & Scott Whitt in this Tract 52A (9100071-13A) and that this sum is to be disbursed in accordance with the Settlement Agreement.

**Exhibit E indicates that Trust owns the coal in this Tract 52B (9100071-14A) and that Consolidation Coal Company owns the oil and gas. The Operator's affidavit

attached to the Escrow Accounting indicates that this sum is to be disbursed; however, the Board has received no application from Trust and/or CCC with respect to disbursement of funds attributable to their conflicting ownership interests in this tract.

- 4.5 By action taken by the Board on October 20, 1998 in VGOB Docket No. 97/04/15-0577, Application of Hugh McRae Land Trust and Garden Realty Corporation to Withdraw from the Escrow Account funds attributable or allocable to their conflicting but settled Gas ownership interests in Tracts 57 (9100071-18A) of Subject Drilling Unit, the Board instructed the Escrow Agent (1) from records filed with it by the Operator and in cooperation with the Operator, to perform the work necessary to create subaccounts and to allocate the funds on deposit in the Escrow Account to the various tracts within Subject Drilling Unit for which funds have been escrowed by the Operator and (2) to report back to the Board its progress on November 17, 1998.
5. **Relief Requested:** Applicants requested that the Board (1) calculate the amount(s), in the aggregate, attributable to Tracts 17 and 5 pursuant to the terms of Applicants' voluntary agreements with the Operator, (2) provide for an accounting of said sums by the Operator and by the Escrow Agent to the Applicants, (3) disburse all sums due the Applicants by virtue of their voluntary agreements and/or the Pooling Order, including applicable earnings, whether held by the Operator and/or the Escrow Agent, in the manner set forth in the Settlement Agreement, and (4) direct the Operator in the future to discontinue the payment of Applicants' entitlements attributable to their conflicting claims within Tract 17 and 5 into the Escrow Account, but rather to disburse such funds, including any applicable earnings, together with an accounting thereof, to Applicants in accordance with the Settlement Agreement.
6. **Special Findings:**
- 6.1. The Operator's affidavit filed in support of the Amended Supplemental Order and the Operator's affidavit filed as part of the Escrow Accounting reflect that the Operator is depositing funds into the Escrow Account for the tracts identified in Paragraph 4.4 above and on Exhibit E hereto. The Board is unable to determine from the evidence presented when the Operator commenced depositing funds attributable to Applicants' interest in Subject Drilling Unit into the Escrow Account, or the period of time during which said funds have been on deposit in the Escrow Account.
- 6.2. The Escrow Accounting filed with the Board by the Operator in August 1998 reflects that the Operator has deposited into the Escrow Account the sum of \$25,891.67 of which: \$3,940.15 is attributable to those tracts within Subject Drilling Unit for which Trust/Torch and PGP seek distribution pursuant to the Settlement Agreement; \$155.74 is attributable to Tract 52B which the Operator indicates in its affidavit attached to the Escrow Accounting are to be disbursed to Trust and CCC as conflicting claimants, but for which the Board has no application to withdraw; \$224.89 is attributable to the tract 57 for which Trust and Garden Realty Corporation seek distribution in VGOB Docket No. 97/04/15-0577 as referenced in Paragraph 4.5 above; leaving \$21,570.89 (plus any deposits made subsequent to the filing of the Accounting) attributable to Tracts 45, 49, 50, 51, 53, 55, 55B, 55C, 55-E-F&G, 56, 56A, 57, 58, 58A, and 59 for which the Board has received no applications for disbursement (herein, as applicable, said sums are referred to as "Principal").
- 6.3. Through the testimony, the application filed herein, and the Escrow Accounting the Applicants and the Operator have represented to the Board that: (1) the sole claimants to the Escrowed Funds attributable to Tracts 52, 54, 55A and 55D are Trust/Torch and PGP, (3) that Trust, Torch and PGP entered into the Settlement Agreement effective December 30, 1997 which authorizes fifty percent (50%) of the Escrowed Fund attributable to their aggregate interest to be paid to PGP and fifty percent (50%) to be paid to Torch.

- 6.4. The Pooling Order, the Supplemental Order, the Amended Supplemental Order, and the Board's contract with the Escrow Agent directed and authorized the Escrow Agent to set up one escrow account for the Subject Drilling Unit and to receive from the Operator for deposit into that account proceeds subject to the Escrow Requirements of the Act and the Pooling Order. Funds within the SLW Drilling Unit Escrow Account are not segregated by tract within the drilling unit, nor is interest accrued or fees assessed on a tract-by-tract basis.
- 6.5. Va. Code § 45.1-361.22.A.5. provides that *"The Board shall order payment of principal and accrued interest from the escrow account to all persons legally entitled thereto pursuant to the provisions of § 45.1-361.21 and the order of the Board. Such order shall be issued within thirty days of receipt of notification of the final legal determination of entitlement thereto or upon agreement of all claimants."* Neither the Act or the regulations promulgated pursuant thereto define the term "entitlement"; therefore, the Board in applying its common meaning as set forth in Black's Law Dictionary (right or benefits, income or property, which may not be abridged without due process), the Board defines the term "entitlement" as used in Va. Code § 45.1-361.22.A.5. to mean *"the liquidated dollar amount of that portion of the Escrowed Funds which is uniquely attributable to each Gas Owner's interest in Subject Drilling Unit to be comprised of the Principal deposited by the Operator into the Escrow Account, plus interest accruing on the Principal for the period of time said Principal was on deposit in the Escrow Account (herein "Interest"), less the fees charged by the Escrow Agent to the Escrow Account allocable to Applicants' interests in Subject Drilling Unit (herein "Fees") (herein Principal, plus Interests less Fees is collectively referred to as "Entitlement")."*
- 6.6. In determining whether or not Applicants have established their Entitlement in the Escrowed Funds, the Board finds that: (1) with respect to the application herein, there has been no final legal determination of Applicants' entitlement to the Escrowed Funds, and (2) that while all of the persons identified by the Operator as having or claiming Gas interests within Subject Drilling Unit for which funds are being deposited by the Operator into the Escrow Account have not resolved their conflicting claims or agreed to their respective Entitlement, with respect to Tracts 52, 54, 55A and 55D, Trust/Torch and PGP are the sole claimants and they have resolved their conflicting claims within said tracts.

7. **Relief Granted:** Therefore:

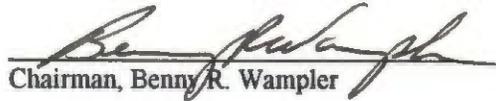
- 7.1 Applicants' request for an accounting is granted and is hereby deemed satisfied by the Escrow Accounting, a copy of which was heretofore provided to the Applicants.
- 7.2 The Escrow Agent is directed to: (1) review all records filed with it by the Operator, or to meet with the Operator to obtain such records as are necessary to perform the work required to create subaccounts within the Escrow Account by tracing and posting on a tract-by-tract basis the funds on deposit in the Escrow Account (including Principal and the allocation of Interest and Fees) to the various tracts referred to in Paragraph 4.4 above, (2) reconcile the results of its work to the Escrow Accounting, and (3) to report back to the Board on November 17, 1998 with respect to its progress pertaining thereto and/or results thereof.
- 7.3 For the reasons set forth in Paragraph 6 above, Applicants' request for disbursement of funds from the Escrow Account is continued to allow for the presentation to the Board of the information required by Paragraph 7.2, and the give Applicants notice of the Escrow Agent's recap of the deposits it received for deposit into the Escrow Account on a tract-by-tract basis, (2) to allow Applicants an opportunity to review the Escrow Agent's recap and to notify the Board and all those entitled to notice of these proceedings whether or not Trust/Torch and PGP agree that the Operator's calculation of the Principal attributable to their respective interests in Subject Drilling Unit and the

Escrow Agent's calculation of the net amount of each of their Entitlements represent their complete entitlement to and claim against the Escrow Account, (3) allow Applicants an opportunity to amend their application herein to include CCC with respect to Tract 52A and that Trust, Torch and CCC have entered into a settlement agreement with respect to said interest and (4) allow Applicants to seek disbursement in Tract 13A.

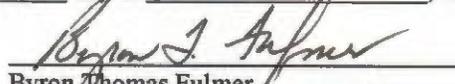
8. **Conclusion:** Therefore, the relief granted is just and reasonable, is supported by substantial evidence, and the Board is entering this Order granting the relief requested as more particularly set forth in Paragraph 7 above and IT IS SO ORDERED.

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

DONE AND EXECUTED this 6th day of November, 1998, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED this 12th day of November, 1998, by Order of this Board.


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

COMMONWEALTH OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 6th day of November, 1998, 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.


Susan G. Garrett
Notary Public

My commission expires July 31, 2002

COMMONWEALTH OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 17th day of November, 1998, 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
Notary Public

My commission expires September 30, 2001

UNIT SLWS
Docket # VGOB-92-0421-0216-01
Exhibit E

EXHIBIT H

List of Conflicting Owners/Claimants that require escrow

	Net Acres In Unit	Interest In Unit
<u>Tract #48 - 4.324 Acre Tract</u>		
COAL FEE OWNERSHIP		
(1) Hugh Macrae Land Trust Tr 5 P. O. Box 29 Tazewell, VA 24651	4.32 acres	2.37807%
OIL & GAS FEE OWNERSHIP		
(1) Coal Mountain Mining Company P. O. Box 675 Tazewell, VA 24651	4.32 acres	2.37807%
<u>Tract #49 - 31.064 Acre Tract</u>		
COAL FEE OWNERSHIP		
(1) Coal Mountain Mining Company Tr 4 P. O. Box 675 Tazewell, VA 24651	31.06 acres	17.08428%
OIL & GAS FEE OWNERSHIP		
(1) Ernest Keen Heirs	31.06 acres	17.08428%
(a) Paul Keen Rt. 1, Box 52 Raven, VA 24639	5.18 acres 1/6 of 31.064 acres	2.84738%
(b) Ralph Keen Rt. 1, Box 52 Raven, VA 24639	5.18 acres 1/6 of 31.064 acres	2.84738%
(c) Arnold Keen P. O. Box 386 Oakwood, VA 24631	5.18 acres 1/6 of 31.064 acres	2.84738%
(d) Ruby Hale Cedar Bluff, VA 24609	5.18 acres 1/6 of 31.064 acres	2.84738%
(e) Anna R. Lambert Rt. 1, Box 52 Raven, VA 24639	5.18 acres 1/6 of 31.064 acres	2.84738%
(f) Ann McGowan Rt. 1, Box 52 Raven, VA 24639	5.18 acres 1/6 of 31.064 acres	2.84738%
<u>Tract #50 - 6.193 Acre Tract</u>		
COAL FEE OWNERSHIP		
(1) Hugh Macrae Land Trust Tr 5 P. O. Box 29 Tazewell, VA 24651	6.19 acres	3.40597%
OIL & GAS FEE OWNERSHIP		
(1) Thurman Wade P. O. Box 225 Oakwood, VA 24631	6.19 acres	3.40597%

UNIT SLW8
Docket # VGOB-92-0421-0216-01
Exhibit E
List of Conflicting Owners/Claimants that require escrow

	Net Acres In Unit	Interest In Unit
<u>Tract #51 - 8.947 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 5 P. O. Box 29 Tazewell, VA 24651	8.95 acres	4.92058%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Thurman Wade P. O. Box 225 Oawood, VA 24631	8.95 acres	4.92058%
<u>Tract #52 - 4.102 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 5 P. O. Box 29 Tazewell, VA 24651	4.10 acres	2.25598%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	4.10 acres	2.25598%
<u>Tract #52A - 1.606 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 5 P. O. Box 29 Tazewell, VA 24651	1.61 acres	0.88325%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Deborah Ann & Scott Whitt P. O. Box 70 Mavisdale, VA 24627	1.61 acres	0.88325%
<u>Tract #52B - 0.877 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 5 P. O. Box 29 Tazewell, VA 24651	0.88 acres	0.48232%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Consolidation Coal Company P. O. Box 947 Bluefield, VA 24605	0.88 acres	0.48232%
<u>Tract #53 - 0.544 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 5 P. O. Box 29 Tazewell, VA 24651	0.54 acres	0.29916%

UNIT SLWS
Docket # VGOB-92-0421-0216-01
Exhibit E
List of Conflicting Owners/Claimants that require escrow

	Net Acres In Unit	Interest in Unit
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Winfrad L. Wade Rt. 1, Box 57 Raven, VA 24639	0.54 acres	0.29918%
<u>Tract #54 - 5.057 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 5 P. O. Box 29 Tazewell, VA 24651	5.06 acres	2.78120%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	5.06 acres	2.78120%
<u>Tract #55 - 11.749 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	11.75 acres	6.46160%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Earl Marshall Heirs, devisees, Successors or Assigns	11.75 acres	6.46160%
(a) Charles L. Ritchie Rt. 1, Box 258-A St. Paul, VA 24283	7.34 acres 5/8 of 11.749 acres	4.03850%
(b) Lowery L. Jackson 5001 Parker Avenue West Palm Beach, FL 33405	1.47 acres 1/8 of 11.749 acres	0.80770%
(c) Corbit Jackson Rt. 1, Box 80 Raven, VA 24639	1.47 acres 1/8 of 11.749 acres	0.80770%
(d) Herbert L. Jackson P. O. Box 426 Grundy, VA 24614	1.47 acres 1/8 of 11.749 acres	0.80770%
<u>Tract #56A - 12.423 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	12.42 acres	6.83228%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	12.42 acres	6.83228%

UNIT SLW8
Docket # VGOB-92-0421-0216-01
Exhibit E
List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
<u>Tract #55B - 6.007 Acre Tract</u>		
COAL FEE OWNERSHIP		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	6.01 acres	3.30367%
OIL & GAS FEE OWNERSHIP		
(1) Glenn Rose 114 First Avenue Richlands, VA 24641	6.01 acres	3.30367%
<u>Tract #55C - 7.739 Acre Tract</u>		
COAL FEE OWNERSHIP		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	7.74 acres	4.25622%
OIL & GAS FEE OWNERSHIP		
(1) Bobby Steele Rt. 1, Box 66 Raven, VA 24641	7.74 acres	4.25622%
<u>Tract #55D - 0.820 Acre Tract</u>		
COAL FEE OWNERSHIP		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	0.82 acres	0.45098%
OIL & GAS FEE OWNERSHIP		
(1) Pocahontas Gas Partnership P. O. Box 947 Bluefield, VA 24605	0.82 acres	0.45098%
<u>Tract #55E - 15.210 Acre Tract</u>		
COAL FEE OWNERSHIP		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	15.21 acres	8.36505%
OIL & GAS FEE OWNERSHIP		
(1) Ernest Keen Heirs, Devisees, Successors or Assigns	15.21 acres	8.36505%
(a) Paul Keen Rt. 1, Box 52 Raven, VA 24639	2.54 acres 1/6 of 15.210 acres	1.39417%
(b) Ralph Keen Rt. 1, Box 52 Raven, VA 24639	2.54 acres 1/6 of 15.210 acres	1.39417%

UNIT SLWS
Docket # VGOB-92-0421-0216-01
Exhibit E
List of Conflicting Owners/Claimants that require escrow

	Net Acres In Unit	Interest In Unit
(c) Arnold Keen P. O. Box 386 Oakwood, VA 24631	2.54 acres 1/6 of 15.210 acres	1.39417%
(d) Ruby Hale Cedar Bluff, VA 24609	2.54 acres 1/6 of 15.210 acres	1.39417%
(e) Anna R. Lambert Rt. 1, Box 52 Raven, VA 24639	2.54 acres 1/6 of 15.210 acres	1.39417%
(f) Ann McGowan Rt. 1, Box 52 Raven, VA 24639	2.54 acres 1/6 of 15.210 acres	1.39417%

Tract #55F - 0.12 Acre Tract

COAL FEE OWNERSHIP

(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	0.12 acres	0.06600%
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OIL & GAS FEE OWNERSHIP

(1) Tracey & Vinnie Keen Rt. 2, Box 54 Grundy, VA 24614	0.12 acres	0.06600%
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Tract #55G - 0.38 Acre Tract

COAL FEE OWNERSHIP

(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	0.38 acres	0.20899%
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OIL & GAS FEE OWNERSHIP

(1) Orpha Deskins c/o Beecher Deskins Box 33 Shortt Gap, VA 24647	0.38 acres	0.20899%
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Tract #56 - 12.845 Acre Tract

COAL FEE OWNERSHIP

(1) Hugh Macrae Land Trust Tr 2 P. O. Box 29 Tazewell, VA 24651	12.85 acres	7.06437%
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OIL & GAS FEE OWNERSHIP

(1) Ernest Keen Heirs, devisees, Successors or Assigns	12.85 acres	7.06437%
(a) Paul Keen Rt. 1, Box 52 Raven, VA 24639	2.14 acres 1/6 of 12.845 acres	1.17739%

UNIT SLW8
Docket # VGOB-92-0421-0216-01
Exhibit E
List of Conflicting Owners/Claimants that require escrow

	Net Acres In Unit	Interest in Unit
(b) Ralph Keen Rt. 1, Box 52 Raven, VA 24639	2.14 acres 1/6 of 12.845 acres	1.17739%
(c) Arnold Keen P. O. Box 386 Oakwood, VA 24631	2.14 acres 1/6 of 12.845 acres	1.17739%
(d) Ruby Hale Cedar Bluff, VA 24609	2.14 acres 1/6 of 12.845 acres	1.17739%
(e) Anna R. Lambert Rt. 1, Box 52 Raven, VA 24639	2.14 acres 1/6 of 12.845 acres	1.17739%
(f) Ann McGowan Rt. 1, Box 52 Raven, VA 24639	2.14 acres 1/6 of 12.845 acres	1.17739%

Tract #56A - 0.171 Acre Tract

COAL FEE OWNERSHIP

(1) Hugh Macrae Land Trust Tr 2 P. O. Box 29 Tazewell, VA 24651	0.17 acres	0.09404%
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OIL & GAS FEE OWNERSHIP

(1) Julius Rowe P. O. Box 454 Grundy, VA 24614	0.17 acres	0.09404%
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Tract #57 - 1.289 Acre Tract

COAL FEE OWNERSHIP

(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	1.27 acres	0.69626%
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OIL & GAS FEE OWNERSHIP

(1) Garden Realty Corporation c/o Betty Boyd King 2370 Lyndhurst Avenue Winston-Salem NC 27103	1.27 acres	0.69626%
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Tract #58 - 8.23 Acre Tract

COAL FEE OWNERSHIP

(1) Coal Mountain Mining Company Tr 24 P. O. Box 675 Tazewell, VA 24651	8.23 acres	4.52626%
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OIL & GAS FEE OWNERSHIP

(1) Garden Realty Corporation c/o Betty Boyd King 2370 Lyndhurst Avenue Winston-Salem NC 27103	8.23 acres	4.52626%
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UNIT SLWS
Docket # VGOB-92-0421-0216-01
Exhibit E
List of Conflicting Owners/Claimants that require escrow

	Net Acres in Unit	Interest in Unit
<u>Tract #58A - 7.14 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Coal Mountain Mining Company Tr 24 P. O. Box 675 Tazewell, VA 24651	7.14 acres	3.92679%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Garden Realty Corporation c/o Betty Boyd King 2370 Lyndhurst Avenue Winston-Salem NC 27103	7.14 acres	3.92679%
<u>Tract #59 - 0.090 Acre Tract</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Hugh Macrae Land Trust Tr 17 P. O. Box 29 Tazewell, VA 24651	0.09 acres	0.04950%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) W. J. Sisk Heirs, devisees Successors or Assigns	0.09 acres	0.04950%
(a) Dale Hodge Chambers Rt. 1, Box 82 Raven, VA 24639	0.030 acres 7/21 of 0.090 acres	0.01650%
(b) Larry Douglas Chambers Rt. 1, Box 81 Raven, VA 24639	0.047 acres 11/21 of 0.090 acres	0.02593%
(c) Jimmy Donald Sisk 3153 Creekside Drive Norton, OH 44203	0.003 acres 1/28 of 0.090 acres	0.00177%
(d) Walter Jackson "Bud" Sisk 229 Hesque Street Kingsport, TN 37665	0.003 acres 1/28 of 0.090 acres	0.00177%
(e) Nancy Sisk c/o Walter Jackson Sisk 229 Hesque Street Kingsport, TN 37665	0.003 acres 1/28 of 0.090 acres	0.00177%
(f) Maudie Ellen Sanders 600 North 583 Street Kokomo, IN 46901	0.003 acres 1/28 of 0.090 acres	0.00177%