

file

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES EXPLORATION
 A Division of Equitable Resources
 Energy Company

RELIEF SOUGHT: (1) ESTABLISHMENT OF THE DRILLING
 UNIT DESCRIBED IN EXHIBIT "A"
 HERETO AND SERVED BY WELL NO.
 V-2460 (herein "Subject
 Drilling Unit") PURSUANT TO
 § 45.1-361.20, CODE OF
 VIRGINIA, AND (2) POOLING OF
 INTERESTS IN SUBJECT DRILLING
 UNIT PURSUANT TO § 45.1-361.21,
 CODE OF VIRGINIA, FOR THE
 PRODUCTION OF CONVENTIONAL NATURAL
 GAS FROM SUBJECT FORMATIONS
 (herein sometimes referred to as
 "Gas")

VIRGINIA GAS
 AND OIL BOARD
 DOCKET NO.
 VGOB 92-1020-0281

LEGAL DESCRIPTION:

DRILLING UNIT SERVED BY WELL NUMBERED
 V-2460 TO BE DRILLED IN THE LOCATION
 DEPICTED ON EXHIBIT A HERETO, ON THE MALOY
 COUNTS TRACT, SANDLICK MAGISTERIAL DISTRICT,
 HAYSI QUADRANGLE, DICKENSON COUNTY,
 VIRGINIA (the "Subject Lands" are more
 particularly described on Exhibit
 "A", attached hereto and made a
 part hereof)

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 November 17, 1992, Dickenson Conference Room, Southwest Virginia Education 4-H Center, Abingdon, Virginia.

2. Appearances: Richard A. Counts appeared for the Applicant; Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to § 45.1-361.1 et seq., Virginia Code, 1950 as amended, 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 or oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has 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 § 45.1-361.19, Virginia Code, 1950 as amended, to notice of this application; and (3) that the persons set forth in Exhibit B hereto have been identified by applicant as owners of gas or oil, coal or mineral interests underlying Subject Drilling Unit, including those who have not heretofore leased or voluntarily agreed to pool

their interests. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19.B, Virginia Code, 1950 as amended. 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. Amendments: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to § 45.1-361.20, Code of Virginia, 1950, as amended, the Board establish Subject Drilling Unit to be served by Well No. V-2460; (2) that pursuant to § 45.1-361.21, Code of Virginia, 1950 as amended, the Board pool the rights, interests and estates of the known and unknown persons listed in Exhibit B hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Gas produced from the Subject Drilling Unit established for the formation described as from the surface to the total depth drilled of 4,569 feet, and all areas between, including, but not limited to the Ravencliff, Maxon, Big Lime, Weir, Coffee Shale, Berea, Brown Shale and Pennsylvania Coal formations (herein "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 Drilling Unit"); and, (3) that the Board designate Applicant as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) Pursuant to § 45.1-361.20, Code of Virginia, 1950 as amended, the Board hereby establishes Subject Drilling Unit; (2) pursuant to § 45.1-361.21.C.3, Code of Virginia, 1950 as amended, Equitable Resources Exploration (hereafter "Unit Operator") is designated as the Operator authorized to drill and operate the well in the Subject Drilling Unit 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 § 480-05-22.1 et seq., Gas and Oil Regulations and to § 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time; and (3) the Gas interests and estates in Subject Drilling Unit of the known and unknown persons listed on Exhibit B, 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.

<u>Subject Formations</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>
Commencing at the surface to the total depth drilled of 4,569 feet and all areas between, including, but not limited to the Ravencliff, Maxon, Big Lime, Weir, Coffee Shale, Berea, Brown Shale and Pennsylvania Coal formations	Approximately 125.66-acre circular drilling unit	V-2460 (See Exhibit A for location)	No applicable field rules; conventional gas and oil well under Statewide Spacing §45.1-361.17 Code of Virginia, as amended

For the Subject Drilling Unit

underlying and comprised of the Subject
Land Served by Well No. V-2460

Dickenson County, Virginia.

8. Election and Election Period: Any gas or oil owner named in Exhibit B hereto who has not heretofore leased to the Operator and/or voluntarily agreed to pool their interests in the Gas in the Subject Drilling Unit 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 this Order is recorded in the county above named. 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 its 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 or oil owner named in Exhibit B hereto who has not leased to the Operator and/or voluntarily agreed to pool their interest may elect to participate in the development and operation of 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 in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 480-05-22.2, Section 10 (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 Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs:

\$ 279,150.00

A Participating Operator's proportionate cost hereunder shall be that portion of said costs which the net mineral acres in the Subject Drilling Unit owned or claimed by such Participating Operator bears to the total number of mineral acres in Subject Drilling Unit. 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 Estimated, Completed-for-Production Costs 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 development and operation of Subject Drilling Unit under Paragraph 9.1 above, any gas or oil owner named in Exhibit B hereto who has not leased to the Operator and/or voluntarily agreed to pool their interests 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 Coalbed Methane Gas and gas condensate produced from any well development covered by this Order [for purposes of this Order, net proceeds shall be actual proceeds received less all post-production costs incurred downstream of the wellhead, including, but not limited to, all 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 or oil owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) 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 all right, title, interest, estates, and claims of such electing gas or oil owner to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for all right, title, interests, estates 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 all its right, title, interests, estates, and claims to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 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 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 or oil owner named in Exhibit B hereto who has not leased to the Operator and/or voluntarily agreed to pool their interest may elect to share in the 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. All of such Carried Well Operator's rights, title, interests, estates and claims 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. 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.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for all rights, title, interests, estates 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 all its rights, title, interest, estates and claims in the gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which its 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 fails to elect within the time, in the manner and in accordance with the terms of this Order or the alternatives set forth in Paragraph 9 above, such person accepts as to such person's interest, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination of ownership, to have elected to accept as satisfaction in full for all such person's right, title, interests, estates and claims the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned all his right, title, interests, estates and claims 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 all right, title, interests, estates and claims of such person to the Gas in the Subject Lands underlying Subject Drilling Unit.

11. Default By Participating Person: In the event a person 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, title, interest, estates and claims the cash bonus consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any such cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) 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 all right, title, interests, estates and claims of such person to Gas underlying Subject Drilling Unit in the Subject Lands covered hereby.

12. Assignment of Interest: In the event a person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the Gas well in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator all of such person's right, title, interests, estates and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in Gas production to which such person may be entitled by reason of any election or deemed election hereunder.

13. Unit Operator (or Operator): Equitable Resources Exploration be and hereby is designated as Unit Operator authorized to drill and operate Well No. V-2460 in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Section 45.1-361.27 et seq. , Code of Virginia, 1950 as

amended, §§ 480-05-22.1 et seq., Gas and Oil Regulations and §§ 480-05-22.2 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:

Richard A. Counts
 Counsel for Equitable Resources Exploration
 2550 East Stone Drive, Suite 120
 Kingsport, TN 37660
 Phone: (615) 378-4999
 Fax: (615) 378-4097

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) 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 any 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 one 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 mineral 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 any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

16.1 Escrow Account: By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank
 P. O. Box 909
 Tazewell, VA 24651
 (herein "Escrow Agent")

16.2 Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order 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 Section 45.1-361.21.D, Code of Virginia, 1950 as amended, and said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, 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 § 45.1-361.21.D., Code of Virginia, 1950 as amended.

17. Special Findings: The Board specifically and specially finds:
- 17.1 Applicant is a division of Equitable Resources Energy Company, a corporation duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 17.2 Applicant claims ownership of gas leases on 85.1475 percent of Subject Drilling Unit and the right to explore for, develop and produce conventional gas and oil from same.
- 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.4 Applicant has proposed the drilling of Well No. V-2460 on the Subject Drilling Unit to develop the pool of Gas in Subject Formations.
- 17.5 Respondents are listed on Exhibit B. Set forth in Exhibit B is the name and last known address of each person of record identified by the Applicant as gas or oil, coal or mineral owners who may have or claim an interest in the Gas in Subject Drilling Unit underlying and comprised of Subject Lands.
- 17.6 The proposed depth of Well No. V-2460 is 4,569 feet.
- 17.7 The estimated production over the life of the proposed well is 499,999 mcf.
- 17.8 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 any well covered hereby are those options provided in Paragraph 9 above.
- 17.9 The Subject Drilling Unit does not constitute an unreasonable or arbitrary exercise of Applicant's right to explore for or produce Gas.
- 17.10 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production of the Gas 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 receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order 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. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 12th day of January, 1993, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED this 12th day of January, 1993, by Order of this Board.

Byron Thomas Fulmer
Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 12th day of January, 1993, 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
Susan G. Garrett
Notary Public

My commission expires 7/31/94

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 12th day of January, 1993, 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.

Susan G. Garrett
Susan G. Garrett
Notary Public

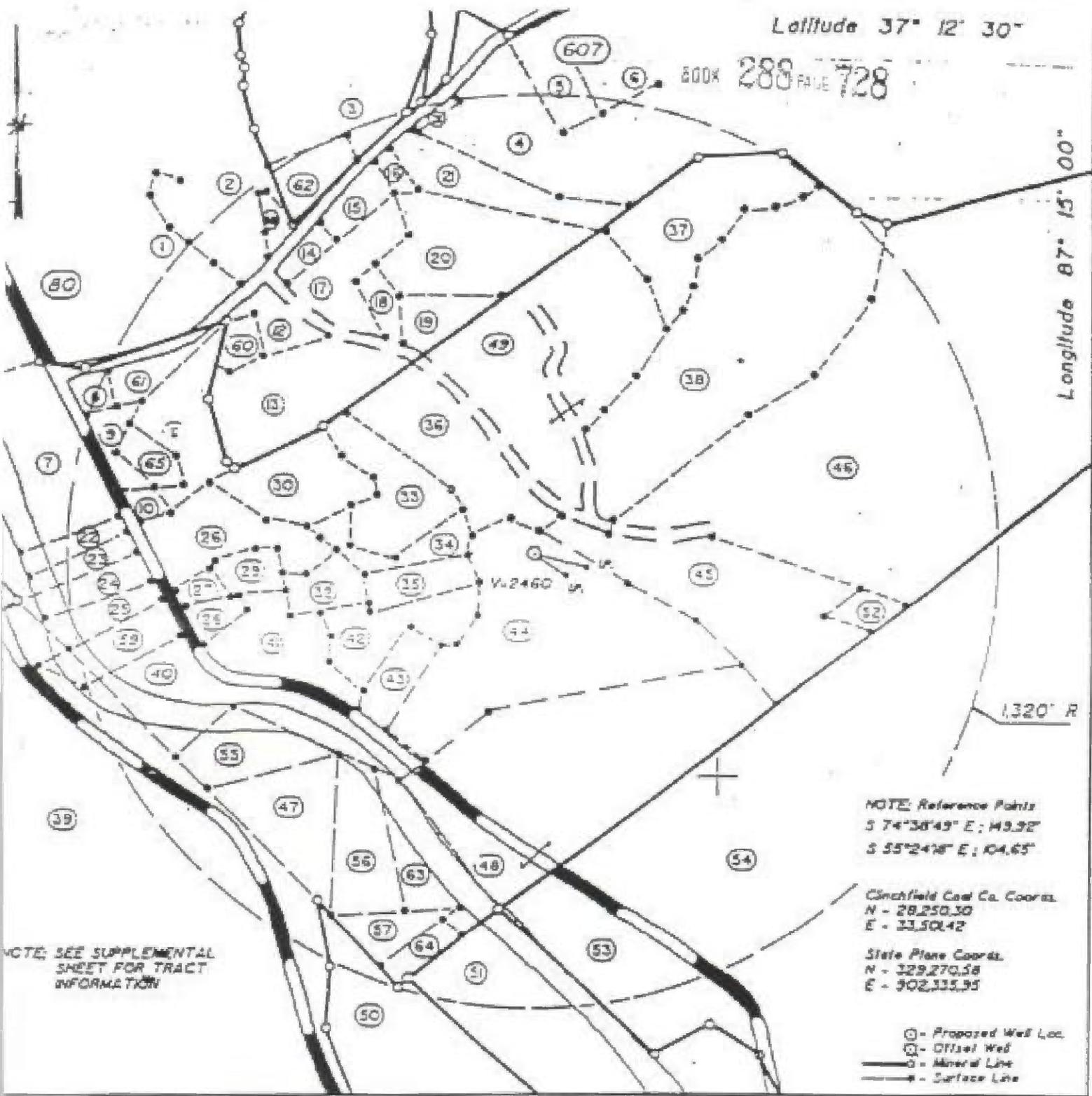
My commission expires 7/31/94



Latitude 37° 12' 30"

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Longitude 87° 15' 00"



NOTE: Reference Points
 S 74°38'49" E; 143.92'
 S 55°24'18" E; 104.65'

Cinchfield Coal Co. Coords.
 N - 28,250.30
 E - 33,504.42

State Plane Coords.
 N - 329,270.58
 E - 902,333.95

- - Proposed Well Loc.
- ⊙ - Official Well
- - Mineral Line
- +— - Surface Line

NOTE: SEE SUPPLEMENTAL SHEET FOR TRACT INFORMATION

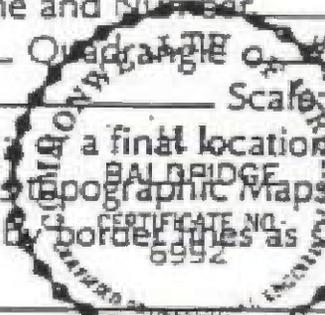
DWG. # 3071

WELL LOCATION PLAT

Company Equitable Resources Exploration Well Name and Number V-2460
 Tract No. _____ Elevation 1509.72 Quadrangle Hays
 County Dickenson District Sand Lick Scale: 1"=400' Date 9-16-92

This Plat is a new plat X; an updated plat _____; 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.

[Signature]



(Affix Seal)

Licensed Professional Engineer or Licensed Land Surveyor

EXHIBIT "B"

V-2460

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
1	Agnes Viers, widow P.O. BOX 382 Haysi, VA. 24256	243791L01 1sd-EREX	1.15	1.445
2	Garland Vance Jr. and Linda Denise Vance P.O. Box 382 Haysi, VA. 24256	243325L01 1sd-EREX	.67	.841
3	June Viers P.O. Box 717 Birchleaf, VA. 24220	243133L01 1sd-EREX	.15	.191
4	Barbara Edwards Howard Heirs	243824L01- 243824L10 1sd-EREX		
	Edgar Edwards & Ethel B. Edwards, H & W BOX 390 HONAKER, VA. 24260	LEASED EREX 243824L01	.308	.3868
	THOMAS EDWARDS & SHIRLEY EDWARDS, H&W 25648 THOMAS DR. WARREN, MI 48091	LEASED EREX 243824L02	.308	.3868
	Barbara Alice Brock & Jack Brock, W&H 16801 Fenton Detroit, MI 48219	leased EREX 243824L03	.308	.3868
	Walter Edwards & Marie Edwards, H&W 4952 Bernice St. Warren, MI. 48091	leased EREX 243824L04	.308	.3868
	Shirley Edwards & Howard Edwards, W&H 1127 E. Cambourne Ferndale, MI 48220	leased EREX 243824L05	.308	.3868
	Lenord Edwards & Bea Edwards, H&W 2165 Sonoma Ferndale, MI 48220	leased EREX 243824L07	.308	.3868

EXHIBIT "B"

V-2460

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
8	Richard Wade Edwards & Rita Owens Edwards Box 127 Birchleaf, VA. 24220	1sd-EREX 243856L01	.12	.151
9	James Clark Anderson, single Route 8 Box 58 Mechanicsville, VA. 23111	1sd-EREX 243875L01	.27	.339
10	Patsy E. Anderson, single Route 1 Box 712 Abingdon, VA. 24210	1sd-EREX 243790L01	.15	.188
11	Vayard & Lola Hall P.O. Box 97 Birchleaf, VA. 24220	1sd-EREX 243731L01	1.17	1.470
12	Ralph Jensen Byers & Barbara Byers Box 61 Birchleaf, VA. 24220	unleased	.60	.754
13	Ralph J. Byers Box 61 Birchleaf, VA. 24220	unleased	2.24	2.815
14	Primitive Baptist Church & Trustees c/o Clayton Belcher P.O. Box 67 Haysi, VA 24256	unleased	.21	.264
15	Dickenson County Board of Supervisors P. O. Box 1098 Clintwood, VA. 24229	1sd-EREX 243923L01	.55	.691
16	Bryan Keiser Church and Jennifer Carol Church Box 35 Birchleaf, VA. 24220	leased	.13	.188
17	Toy Owens & Zella Owens Box 29 Birchleaf, VA. 24220	unleased	1.06	1.332
18	Erman Owens & Marlene Roberts Owens Box 38 Birchleaf, VA. 24220	unleased	.24	.302

EXHIBIT "B"

V-2460

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
19	Erman Owens & Marlene Roberts Owens Box 38 Birchleaf, VA. 24220	unleased	.55	.691
20	Danie G. & Cheryl Edwards P.O. Box 327 Haysi, VA. 24228	1sd-EREX 243749L01	2.13	2.677
21	Snoda Rose, widow Gen. Delivery Birchleaf, VA 24220	1sd-EREX 243807L01	1.31	1.646
22	Benny J. Stallard and Shirley Stallard Route 1 Box 201 Haysi, VA 24228	unleased	.24	.302
23	Curtis and Leona Thomas P.O. Box 159 Birchleaf, VA 24220	Life Estate 1sd-EREX 244325L01	.30	.377
	Anthony C. Thomas and Holly R. Thomas 51109-2 Waco Court Fort Hood, TX 76544	unleased Remainder		
24	James C. Anderson, single Route 8 Box 58 Mechanicsville, VA 23111	1sd-EREX 243875L01	.43	.540
25	James Clark Anderson, single Route 8 Box 58 Mechanicsville, VA. 23111	1sd-EREX 243875L01	.43	.540
26	Erwin Yates & Alberta Yates P.O. Box 187 Birchleaf, VA. 24220	1sd-EREX 243842L01	1.45	1.822
27	Andrew J. Mullins III and Vanietta Gail Mullins P.O. Box 18 Birchleaf, VA 24220	1sd-EREX 243843L01	.18	.226
28	Maloy Counts & Eura Counts P.O. Box 22 Birchleaf, VA. 24220	1sd-EREX 243725L01	.27	.339

EXHIBIT "B"

V-2460

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
29	James Anthony Anderson Anetta Anderson PO Box 158 Birchleaf, VA. 24220	1sd-EREX 243866L01	.40	.503
30	Warren and Opal Mullins P.O. Box 135 Haysi, VA. 24256	unleased	1.37	1.722
31	Brice Sykes PO Box 104 Birchleaf, VA. 24220	Leased 243185L01	.05	.065
32	Roger Coleman & Jan Coleman Box 333 Haysi, VA. 24256	unleased	.55	.691
33	James Hess & Jackie Hess Box 35 Haysi, VA. 24256	unleased	1.37	1.722
34	James Hess & Jackie Hess Box 35 Haysi, VA. 24256	unleased	.64	.804
35	Maloy Counts & Eura Counts PO Box 22 Birchleaf, VA. 24220	1sd-EREX 243725L01	.52	.653
36	Donnie Raines & Patricia Raines Box 67 Birchleaf, VA 24220	unleased	2.07	2.601
37	Robey & Anna Rae Owens St. Rt. Box 105 Birchleaf, VA 24220 Life Estate Only	1sd to Va. Gas Co.	2.22	2.790
	Darren Deel & Cassie Deel St. Rt. Box 105 Birchleaf, VA. 24220 Remaindermen	Unleased - VA Gas pursuing		
38	Fred O'Quinn & Marie Stor Route 780 Birchleaf, VA. 24220	1sd-EREX 243726L01	6.72	8.445

EXHIBIT "B"

V-2460

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
39	McGhee Heirs	1sd-EREX 242637L01 242637L38		
	Winfred H. McGhee & Madeline McGhee Route 3, Box 50 Cedar Bluff, VA 24609	leased EREX 242637L21	.0533	.067
	Nina B. Palmer & Belve M. Palmer 3203 E. Baltimore St. Baltimore, MD 21224	leased EREX 242637L28	.0533	.067
	Garland M. McGhee 605 Oliver Avenue Fairmont, WV 26554	leased EREX 242637L25	.0533	.067
	Gladys L. Cruey P.O. Box 404 Doran, Virginia 24612	leased EREX 242637L24	.0533	.067
	Earl J. McGhee & Ruth A. McGhee 470 Armora Drive Ferndale, Michigan 48220	leased EREX 242637L27	.0533	.067
	Bradley T. McGhee & Joyce B. McGhee Star Route, Box 19 Raven, Virginia 24639	leased EREX 242637L02	.0533	.067
	Helen M. Altizer & Henry Altizer Star Route, Box 20 Raven, Virginia 24639	leased EREX 242637L04	.0533	.067
	Troy L. McGhee & Myrtle J. McGhee Star Route, Box 16 Raven, Virginia 24639	leased EREX 242637L05	.0533	.067
	Alsace Lorraine Wisniewski 1525 Cherry Street Baltimore, MD.21226	leased EREX 242637L11	.0533	.067
	Roy E. McGhee & Ruth N. McGhee 1607 Gray Place Baltimore, MD. 21222	leased EREX 242637L07	.0533	.067

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Vivian M. Helton & Ralph Helton P.O. Box 120 Rowe, Virginia 24646	leased EREX 242637L22	.0132	.0166
	Irvin St. Clair Spruill 8378 Oakwood Road Millersville, MD 21108	leased EREX 242637L18	.1242	.1561
	Earl Dewey Hankins & Earl Dean Hankins 2404 Harriet Baltimore, MD 21230	leased EREX 242637L14	.0415	.0521
	Donald Allen Hankins & Betty J. Hankins 2907 Rayshire Road Baltimore, MD. 21230	leased EREX 242637L19	.0415	.0521
	Bonnie Lavonne Hankins & 2404 Harriett Ave. Baltimore, MD. 21230	leased EREX 242637L20	.0415	.0521
	Billy Joe Hankins & Barbara Hankins 2569 Southdene Ave. Baltimore, MD. 21230	leased EREX 242637L17	.0415	.0521
	Bobby Wayne Hankins & Cynthia K. Hankins 8353 Elm Road Millersville, MD. 21108	leased EREX 242637L23	.0415	.0521
	Geraldine C. LaFon & Ralph LaFon Route 6 Box 209 Princeton, WV. 24740	leased EREX 242637L03	.0354	.0444
	Juanita B. Labroski P.O. Box 6452 Bluefield, WV. 24701	leased EREX 242637L03	.1399	.201
	A. Marcella Eanes P.O. Box 48 Maybeury, WV. 24861	leased EREX 242637L08	.0354	.0444
	Barbara VanDyke & Ray VanDyke P.O. Box 110 Rowe, Virginia 24646	leased EREX 242637L16	.0132	.0166

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Randall J. Keene 1104 West 38th St. Baltimore, MD. 21211	leased EREX 242637L36	.0076	.0096
	Barbara S. Evrett 1104 West 38th St. Baltimore, MD. 21211	leased EREX 242637L37	.0076	.0096
	Deena A. Elkswick 4342 Newport Ave. Baltimore, MD. 21211	leased EREX 242637L37	.0076	.0096
	Lora Geneva Swann & Edward C. Swann 5529 Fox Tail Lane Ellicott City, MD. 21043	leased EREX 242637L35	.0076	.0096
	Gaynell Lawson P.O. Box 211 Richlands, VA. 24641	leased EREX 242637L34	.0076	.0096
	Diana M. Gilbert & Charles Gilbert 1714 Lawndale St. Detroit, MI. 48209	leased EREX 242637L31	.0177	.0222
	Britten E. McGhee 2901 Oldhoff Dr. Muskegon, MI. 49443	leased EREX 242637L32	.0177	.0222
	Erma Cronk and Michael Cronk 4904 Cabot Street Detroit, MI 48210	leased EREX 242637L31	.0177	.0222
	Clarence E. Wyatt & Virginia M. Wyatt Route 4, Box 60A N. Tazewell, VA. 24630	leased EREX 242637L29	.0533	.067
	Margie Lee Wyatt James E. Wyatt William H. Wyatt Lena May Whitaker 508 Shenandoah St. Richlands, VA. 24641	leased EREX 242637L30	.0533	.067
	Betty Jean Arell 1378 Norvella St. San Jose, CA. 95122	leased	.0415	.0521

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Junior McGhee 622 North Street Richland, VA. 24641	leased 242637L39	.0746	.0938
	Este Chapman & Leon Route 1 Swords Creek, Virginia 24649	unleased	.0746	.0938
	John D. Elkins & Mary Ann Elkins 1115 West 52nd St. Marion, IN. 46953	Unleased	.0533	.067
	William E. Guess 5732 Hamlet Cleveland, OH. 44127	Unleased	.0354	.0444
	Billy Jamison & Jill Jamison P.O. Box 104 Geraldine, AL. 35974	Unleased	.0076	.0095
	Dolly I. Wyatt single 336 Black Eagle Road Mullens, WV. 25882	Unleased	.0533	.067
	Goldie M. Tool & William F. Tool 912 Oak Drive Gas City, IN. 46933	Unleased	.0533	.067
	Ivy L. Nance & William E. Nance P.O. Box 931 Zephyrhills, FL. 33543	Unleased	.0533	.067
	Anthony J. Stancato, Single 841 Parkview, N.E. Massillon, OH 44646	Unleased	.0533	.067
40	Effie O'Quinn, widow @Jim O'Quinn Drawer D Haysi, VA. 24256	1sd-IREK 243841L01	2.56	3.217
41	William Hammonds & Edith Hammonds Route 1 Box 585 Clinchco, VA. 24226	unleased	1.34	1.684

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
42	Maloy Counts & Eura Counts P.O. Box 22 Birchleaf, VA. 24220	1sd-EREX 243725L01	1.22	1.533
43	Maloy Counts & Eura Counts P.O. Box 22 Birchleaf, VA.2422	1sd-EREX 243725L01	.61	.767
44	Maloy Counts & Eura Counts P. O. Box 22 Birchleaf, VA. 24220	1sd-EREX 243725L01	5.50	6.912
45	Ruth Ann Fuller Drawer I Kaysi, VA. 24256	leased to VA. Gas 03-17-92	3.62	4.547
46	Wayne O'Quinn & Patsy O'Quinn PO Box 75 Birchleaf, VA. 2422047	leased to Va.Gas Co 03-19-92	9.85	12.878
47	Holly Ray Edwards, widow PO Box 164 Birchleaf, VA.24220	1sd-EREX 242287L01	1.61	2.018
48	Veronica & Leonard Owens Birchleaf, VA. 24220	Leased to VA. Gas Co 03-16-92	6.47	8.130
49	Carrie O'Quinn, widow Box 52 Birchleaf, VA. 24220	1sd-EREX 243748L01	5.35	6.723
50	Pine Mountain Oil & Gas Tract T-227 P.O. Box 4000 Lebanon, VA 24256	1sd-EREX 241490	.42	.528
51	Pine Mountain Oil & Gas Tract T2-217 P.O. Box 4000 Lebanon, VA 24256	1sd-EREX 241640	1.52	1.910
52	James R. Wampler, Jr. and Irene Wampler, his wife P. O. Box 96 Lebanon, VA 24256	leased 244285L04	.0275	.03464

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
52	Charles Wampler and Lona Wampler, his wife Route 3, Box 136 Clintwood, VA 24228	leased 244285L02	.0275	.03464
52	Roy Wampler and Vivian Wampler, his wife Route 1, Box 213A Haysi, VA 24256	leased 244285L05	.0046	.00586
52	Ervin Wampler and Janice Wampler, his wife Route 1, Box 212E Haysi, VA 24256	unleased	.0046	.00586
52	Elsie Rose, single Route 1, Box 420 Clintwood, VA 24228	unleased	.0046	.00586
52	Julie Vance and Roger Vance, her husband Route 1, Box 223 Clintwood, VA 24228	leased 244285L03	.0046	.00586
52	Adam Wampler and Tammy Wampler, his wife Route 1 Haysi, VA 24256	unleased	.0046	.00586
52	Verlin Lee Wampler and Glenda Wampler, his wife Route 1, Box 213B Haysi, VA 24256	unleased	.0046	.00586
52	Curtis Wampler and Rita Wampler, his wife P.O. Box 23 Birchleaf, VA 24220	leased 244285L01	.0039	.00498
52	Jimmy Wampler and Debra Pauline Wampler, his wife Route 1 Haysi, VA 24256	unleased	.0039	.00498
52	Billy Wampler and Ima Jean Wampler, his wife 722 Randolph Road Newport News, VA 23605	unleased	.0039	.00498

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
52	Brenda Edwards and James Edwards, her husband 1397 Highway 25 South Harpersville, AL 35078	unleased	.0039	.00498
52	Linda Thomas, widow P.O. Box 175 Hurley, VA 24620	unleased	.0039	.00498
52	David Davis and Brenda Davis, his wife RFD 2 Haysi, VA 24256	unleased	.0010	.00134
52	Johnny Davis and Staplet Davis, his wife (unknown)	unleased	.0010	.00134
52	Richard Davis and Vicki Davis, his wife Route 1, Box 92 Clinchco, VA 24226	unleased	.0010	.00134
52	Betty Jean Willis and Jamie Willis, her husband Route 1 Haysi, VA 24256	unleased	.0010	.00134
52	Judy Wampler, widow P.O. Box - General Delivery Haysi, VA 24256	unleased	.0091	.01160
52	George Wampler (unknown)	unleased	.0062	.00788
52	Eugene Wampler (unknown)	unleased	.0062	.00788
52	Biltha Sue Griffey (unknown)	unleased	.0062	.00788
52	Faye Wampler, widow Haysi, VA 24256	unleased	.0013	.00178
52	Mickey Wampler, single Route 1, Box 394 Haysi, VA 24256	unleased	.0008	.00108

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
52	Mona Lisa Tiller and Mickey Tiller, her husband Route 1, Box 160B1A Haysi, VA 24256	unleased	.0008	.00108
52	Teresa Fields and Randall Hank Fields, her husband Route 1, Box 394 Haysi, VA 24256	unleased	.0008	.00108
52	Jeff Dennison (unknown)	unleased	.0275	.03464
52	Ruth Ann Fuller Drawer I Haysi, VA 24256	leased to VA Gas .	.165	.20740
53	Pine Mountain Oil & Gas Tract T2-213 P.O. Box 4000 Lebanon, VA 24266	1sd-EREX 241640	2.13	2.677
54	Pine Mountain Oil & Gas Tract T2-213 P.O. Box 4000 Lebanon, VA 24266	1sd-EREX 241640	11.79	14.816
55	Ricky Sam & Lois Edwards P.O. Box 452 Haysi, Va 24256	1sd-EREX 243747L01	1.03	1.294
56	Tom & Cathy Gary Rt 2 Box 546 Haysi, VA. 24256	1sd-EREX 243730L01	1.30	1.637
57	Charles J & Nina Edwards Route 1 Box 595 Haysi, VA. 24256	unleased	.49	.609
58	Ollie Raines, Widow PO Box 59 Birchleaf, Va. 24220	1sd-EREX 243792L01	.22	.276
59	Morgan Anderson Route 2 Box 541 Haysi, VA. 24256	unleased	.72	.905

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
60	Heirs Of Margaret Byers: Ellis Harold Byers Ralph J. Byers Beulah Viers, c/o Ralph Byers PO Box 61 Birchleaf, VA. 24220	unleased	.31	.390
61	Mickey C. Viers, single PO Box 81 Birchleaf, VA. 24220	1sd-EREX 243806L01	.63	.791
62	David Junior Deel & Pinkie Deel Box 120 Birchleaf, VA.	1sd-EREX 243876L01	.55	.689
63	Holly Roy Edwards, Widow PO Box 164 Birchleaf, VA. 24220	1sd-EREX 242287L01	1.36	1.714
64	Charlie J. & Nina K. Edwards Route 1 Box 595 Haysi, VA. 24256	unleased	.33	.419
65	Maloy Counts & Eura Counts PO Box 22 Birchleaf, VA. 24220	1sd-EREX 243725L01	.33	.415
TOTAL			100.00000	125.663
Percentage of unit leased		85.1475		
Percentage of unit unleased		14.8525		