

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:

MAC CONST., INC.,
a Virginia CORPORATION

RELIEF SOUGHT:

POOLING OF INTERESTS IN
DRILLING UNIT NO. N-13
LOCATED IN THE OAKWOOD
COALBED METHANE GAS FIELDS
I AND II PURSUANT TO VA.
CODE ANN. § 45.1-361.22,
FOR THE PRODUCTION OF
OCCLUDED NATURAL GAS PRODUCED
IN COALBEDS AND ROCK STRATA

) VIRGINIA GAS
) AND OIL BOARD

) DOCKET NO.
) 96-1217-0559

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	MAC CONST., INC.,	)	VIRGINIA GAS
	a Virginia CORPORATION	)	AND OIL BOARD
RELIEF SOUGHT:	POOLING OF INTERESTS IN	)	
	DRILLING UNIT NO. N-13	)	DOCKET NO.
	LOCATED IN THE OAKWOOD	)	96-1217-0559
	COALBED METHANE GAS FIELDS	)	
	I AND II PURSUANT TO VA.	)	
	CODE ANN. § 45.1-361.22,	)	
	FOR THE PRODUCTION OF	)	
	OCCLUDED NATURAL GAS PRODUCED	)	
	FROM COALBEDS AND ROCK STRATA	)	
	ASSOCIATED THEREWITH	)	
	FROM FRAC WELLS, SHORT HOLES,	)	
	UNSEALED GOB, AND ANY	)	
	ADDITIONAL WELLS THAT MAY	)	
	BE AUTHORIZED PURSUANT TO	)	
	VA. CODE ANN. § 45.1-361.20	)	
	(herein collectively referred	)	
	to as "Coalbed Methane Gas"	)	
	or "Gas") AND DESIGNATION OF	)	
	APPLICANT AS UNIT OPERATOR	)	
LEGAL DESCRIPTION:		)	
	DRILLING UNIT NUMBER N-13	)	
	(Hereafter "Subject Drilling Unit")	)	
	IN THE OAKWOOD COALBED METHANE GAS	)	
	FIELDS I AND II	)	
	SOUTH GRUNDY MAGISTERIAL DISTRICT,	)	
	VANSANT MOUNTAIN QUADRANGLE	)	
	BUCHANAN COUNTY, VIRGINIA	)	
	(the "Subject Lands" are more	)	
	particularly described on Exhibit	)	
	"A", attached hereto and made a	)	
	part hereof)	)	

REPORT OF THE BOARDFINDINGS AND ORDER

1. Hearing Date and Place: The application of Buchanan Production Company (herein "Buchanan"), VGOB Docket No. 96-0917-0555, for the pooling of Subject Drilling Unit pursuant to Va. Code § 45.1-361.22 requesting among other things that the Board name CONSOL Inc. as the Operator of Subject Drilling Unit (herein "Buchanan's Pooling Application") came on for hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on September 17, 1996, Dickenson Conference Room, 4-H Center, Abingdon, Virginia. Objections to Buchanan's Pooling Application were filed by Applicant who appeared at the hearing to move for a continuance of Buchanan's Pooling Application to allow Applicant an opportunity to obtain new counsel. Buchanan's Pooling Application came on again

for hearing at 1:00 p.m. on October 15, 1996, Breaks Interstate Park, Buchanan County, Virginia at which time the Applicant, through counsel, moved to stay the Buchanan's Pooling Application pending resolution of litigation filed by Applicant in the Circuit Court of Buchanan County, Virginia, or in the alternative, Applicant moved for a 60-day continuance of the hearing on Buchanan's Pooling Application to allow Applicant time to file with the Board its own application for the pooling of Subject Drilling Unit pursuant to Va. Code § 45.1-361.22 and to request that Applicant be named as the Unit Operator of Subject Drilling Unit (herein "Applicant's Pooling Application"). Applicant's request for a stay of Buchanan's Pooling Application was denied by the Board; however, Applicant's motion for a 60-day continuance of the hearing on Buchanan's Pooling Application was granted by the Board to allow Applicant time to file, give notice and schedule a hearing before the Board on Applicant's Pooling Application prior to the Board making a decision on Buchanan's Pooling Application. Applicant filed with the Board Applicant's Pooling Application styled "Division of Gas and Oil Docket No. 96-1217-0559", which came on for hearing before the Board at 9:00 a.m. on December 16, 1996, Dickenson Conference Center, Southwest Virginia 4-H Center, Abingdon, Virginia. Buchanan's Pooling Application likewise came on for further hearing before the Board at 9:00 a.m. on December 16, 1996, Dickenson Conference Center, Southwest Virginia Education 4-H Center, Abingdon, Virginia. Prior to reaching a decision with respect to either Buchanan's Pooling Application or the Applicant's Pooling Application, the Board concluded its hearing as to each, and for purposes of reaching its decision on each, the Board consolidated the testimony given in both applications.

2. Appearances: Mark A. Swartz of Kay, Casto, Chaney, Love and Wise, appeared for Buchanan and CONSOL Inc.; Michael A. Bragg and Emmitt Yeary of Yeary and Associates, P.C. appeared for Applicant. Sandra B. Riggs was present to advise to Board.

3. Jurisdiction and Notice: Pursuant to Va. Code Ann. §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented, the Board also finds that the Applicant has (1) exercised due diligence to determine the identity and whereabouts of coal fee owners, oil and gas fee owners, coalbed methane leasehold owners/claimants, and coalbed methane owners/claimants, including Applicant as a surface owner and claimant to ownership of the Coalbed Methane Gas to be produced from or allocated to Subject Drilling Unit, i.e., persons identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas in all coal seams below the Tiller Seam (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; and (2) has given notice to those parties named in B (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code Ann. §§ 45.1-361.19 and 45.1-361.22, to notice of this Application; and (3) identified in Exhibit E heretocoexisting Owners or Claimants of Coalbed Methane Gas interests in Subject Formation, in Subject Drilling Unit underlying and comprised of Subject Lands. Further, the Board has caused notice of this hearing to be published as required by Va. Code Ann. § 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. Amendments: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests: (1) that pursuant to Va. Code Ann. § 45.1-361.22, including the applicable portions of Va. Code Ann. § 45.1-361.21, the Board pool all the rights, interests and estates in and to the Gas in Subject Drilling Unit of the known and unknown persons named in Exhibit B to Applicant's Pooling Application and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas produced from the Subject Drilling Unit established for the Subject Formation 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 (2) that the Board designate Applicant as Unit Operator.

7. Relief Granted in Part and Denied in Part:

7.1 Pooling of Subject Drilling Unit: Both the Applicant and Buchanan filed an application with the Board requesting that pursuant to Va. Code Ann. § 45.1-361.22, including the applicable portions of Va. Code Ann. § 45.1-361.21, the Board pool all rights, interests and estates in and to the Coalbed Methane Gas in Subject Drilling Unit. Pursuant to and subject to the terms of the Board's order in VGOB Docket No. 96-0917-0555 (herein "Pooling Order"), the Board granted said relief by pooling all the rights, interests and estates in and to the Coalbed Methane Gas in Subject Drilling Unit (including those of the known and unknown persons named in Exhibit B to the Pooling Order and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote) for the drilling and operation, including production, of Coalbed Methane Gas produced from the Subject Drilling Unit established for the Subject Formation underlying and comprised of Subject Lands. Subject to a final legal determination of ownership of the Coalbed Methane Gas, the Pooling Order pools any rights, claims and interests the parties herein, including Applicant, may have to the Gas produced and/or allocated to Subject Drilling Unit and affords to said parties those options/elections set forth in said order with respect to all such rights, interests and/or claims.

7.2 Designation of Unit Operator: Pursuant to and subject to the terms of the Board's order in VGOB Docket No. 96-0917-0555, the Board named CONSOL Inc. as the Unit Operator of Subject Drilling Unit and authorized CONSOL Inc. the right to drill and operate coalbed methane gas well(s) in the Subject Drilling Unit. By this order, the Board hereby denies Applicant's request to be named as the Unit Operator of Subject Drilling Unit.

8. Special Findings: The Board specifically and specially finds:

ownership of the Well, and claims ownership of 75.37500 percent of the Coalbed Methane Gas underlying Subject Drilling Unit.²

- 8.5. On June 17, 1996 Applicant filed its application and proposed operations plan with the DGO to obtain a well work permit for the Well which application was amended on October 2, 1996 (herein "Permit Application"). The Permit Application seeks a permit to produce and ultimately plug the Well; however, it does not seek authority to drill, case, cement, stimulate, complete, equip, or rework the Well or to construct pipelines.
- 8.6. Buchanan Production Company, a claimant to ownership of gas leases, coalbed methane gas leases, and/or coal leases representing 100 percent of the oil and gas interest and 100 percent of the coal interest in Subject Drilling Unit and the right to explore for, develop and produce Coalbed Methane Gas from coal seams below the Tiller seam in Subject Drilling Unit, filed objections to the Permit Application. An informal hearing on the objections to the Permit Application was set before the Virginia Gas and Oil Inspector for July 31, 1996, and upon the request of the Applicant, said hearing was first continued to September 10, 1996, then to November 20, 1996, and finally to an unspecified date. In the meantime, first Buchanan Production Company, and then the Applicant filed applications with the Board for the pooling of Subject Drilling Unit pursuant to Va. Code § 45.1-361.22, but each in their respective Application asking that the Board designate them as the Unit Operator. The Permit Application is pending before the DGO awaiting a decision from the Board on the pooling, the Board's designation of a Unit Operator for the Subject Drilling Unit, and/or notification to the DGO there is a final resolution of certain civil actions filed by the Applicant in the Circuit Court of Buchanan County to establish that the Applicant has the right to conduct the operations as set forth in the Permit Application, which suits include, but may not be limited to, the following: (i) Bill of Complaint filed in the Chancery Court of the County of Buchanan by Applicant against Buchanan Production Company wherein the Applicant seeks specific performance of certain contracts by the execution of an assignment transferring Vertical Ventilation Holes 1/303, 1.303B and 1.303C to the Applicant; and (ii) Motion for Declaratory Judgment filed in the Circuit Court of Buchanan County by Plaintiff against Yukon Pocohontas Coal Company, Georgia-Pacific Corporation, Buchanan Coal Company, Sayers Pocohontas Coal Company, Island Creek Coal Company, Consolidation Coal Company and Buchanan Production Company wherein Applicant seeks an order of the court declaring that Applicant is the owner of all coalbed methane gas underneath Applicant's surface

²Paragraph 4 of "Objection to Consol, Inc. On Behalf of Buchanan Production Company's Request to be Designated Unit Operator for Unit Number N-13" filed by Applicant with the Board on October 2, 1996 in docket # VGOB 96-0917-0555 and Exhibit B to Applicant's Pooling Application.

- 8.1. Applicant is a Virginia corporation, duly authorized and qualified to transact business in the Commonwealth of Virginia who has registered with the Virginia Division of Gas and Oil (herein "DGO") to become a gas operator in the Commonwealth of Virginia.
- 8.2 With the exception of the well work permit application described in Paragraph 8.5. below, the Applicant has not applied for nor has Applicant been issued a well work permit in the Commonwealth of Virginia. Further, with the exception of the above-styled pooling application, the Applicant has not requested nor has Applicant been designated as Unit Operator of a drilling unit in the Commonwealth of Virginia pursuant to the provisions of Va. Code §§ 45.1-361.21 or 45.1-361.22.
- 8.3. In 1983 Applicant drilled an unpermitted gas well within Subject Drilling Unit at the location depicted in the Plat attached hereto as Exhibit A (herein "Well"), and thereafter commenced producing and supplying gas to Applicant's asphalt plant located upon the surface of Subject Drilling Unit.¹ Applicant has not paid gas severance tax to Buchanan County for gas produced from the Well and utilized by Applicant in its asphalt operations. According to Applicant, the Well as currently drilled does not produce enough Gas to meet the total demand of the asphalt plant and is being used solely to heat liquid used in asphalt production and to heat some of the buildings located at the plant. Applicant testified that in order for Applicant to operate the Subject Drilling Unit, it would be necessary to deepen the Well to the Pocahontas #3 seam of coal, and/or convert a vertical ventilation hole(s) in said drilling unit to a gas well(s). The Well, if deepened as proposed, would penetrate the Pocahontas No. 3 seam of coal in the area of an entry in the VP-1 mine that has not yet been longwall mined, and therefore would be subject to the terms of the Oakwood I Field Rules. If Applicant were to convert one of the three existing vertical ventilation holes in Subject Drilling Unit to coalbed methane well(s), as proposed, said holes are drilled into the Pocahontas #3 seam in an area of the VP-1 mine where longwall mining has occurred, therefore, the production therefrom would be from active gob subject to the Oakwood II Field Rules.
- 8.4. The Applicant claims ownership of a surface estate consisting of approximately 60.30 acres within Subject Drilling Unit, claims

¹Paragraph 2 of "Objection to Consol, Inc. On Behalf of Buchanan Production Company's Request to be Designated Unit Operator for Unit Number N-13" filed by Applicant with the Board on October 2, 1996 in Docket # VGOB 96-0917-0555.

estate or produced by the VP-1 mine and adjudicating the parties' respective rights and interests (herein the civil actions referred to in subparagraphs (I) and (ii) of this paragraph are collectively referred to as "Lawsuits").

- 8.6. The method of disposal of produced fluids from the Well utilized by the Applicant is on-site land application. Applicant has heretofore utilized on-site land application of produced fluids from the Well without testing to assure that such produced fluids met the "Anti-degradation Policy for Groundwater and the Virginia Gas and Oil Regulations."³
- 8.7. Applicant estimates total production from Subject Drilling Unit to be 125 to 550 MMCF and the estimated amount of reserves from the Subject Drilling Unit to be 125 to 550 MMCF.
- 8.8. Longwall mining has occurred under approximately the south one third of Subject Drilling Unit. Such mining was conducted by Island Creek Coal Company who holds the Mine license for the VP-1 Mine in which said mining occurred. The current status of the mine is idled/inactive, but not permanently sealed.
- 8.9. Applicant testified that its primary and most beneficial and attractive use of the Gas produced by it from Subject Drilling Unit for Applicant's own use in businesses run by Applicant and located on its surface estate in Subject Drilling Unit. Applicant does not propose to market the Gas produced from Subject Drilling Unit through the use of pipeline systems to traditional competitive markets. Rather, Applicant proposes to expand its business operations on the surface of Subject Drilling Unit to create an on-site market for the Gas in Applicant's own business operations. Examples given to the Board by the Applicant of its potential on-site uses for the Gas were expansion of the asphalt plant, wood kilns, distillery, drying wood produced from local loggers, and manufacture of concrete products. Since the asphalt plant, the only current user of the Gas being produced from the Well, is a seasonal business operating predominately in the summer months when Gas prices are lowest, Applicant proposes to attempt through business expansion activities to create on-site, year-around demand for the Gas. Applicant proposes that the Board should or could establish the fair market value of the Gas to be produced from Subject Drilling Unit and supplied to Applicant for its own on-site uses for purpose of establishing the basis/formula upon which the Applicant could meet the escrowing requirements of the Virginia Gas and Oil Act. Based on the last five (5) years of operations, Applicant estimates that its current plant operations create a demand for approximately ten to twelve million cubic feet per year of Gas; however, the Well

³Section 680-21-04.2 of the State Water Control Board "Groundwater Standards" and Section 1.42 of VR 480-05-22.1, Gas and Oil Regulations.

as currently drilled/equipped has not been able to produce enough Gas to meet that demand. Applicant intends to deepen the well into the Pocahontas #3 seam of coal and put a compressor on it, then if and to the extent the Applicant is unable to use all the Gas produced from the Subject Drilling Unit for its own production, Applicant proposes to:

(a) negotiate to market any Gas produced from Subject Drilling Unit but not used in Applicant's on-site business operations to Virginia Gas Company who is certificated by the State Corporation Commission and holds the Gas franchise for Buchanan County. [Since it is not legally permissible for Applicant to retail the Gas in Buchanan County]

(b) recirculate/recycle the compressed Gas back into the Well.

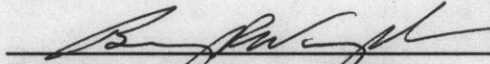
- 8.10. Applicant does not currently have in its employ appropriate technical and/or marketing people to administer the safety and reclamation requirements of the Virginia Gas and Oil Act and regulations promulgated pursuant thereto, but proposes to hire such people as needed.
- 8.11. While Applicant claims the right to stimulate coal with respect to three vertical ventilation holes which are the subject matter of the agreements between Applicant and Island Creek Coal Company which form the basis of the Lawsuits, Applicant does not claim the right nor does it propose to stimulate the coal with respect to the Well.
- 8.12. The Gas produced from the Well to date has not been metered and Applicant has not accounted to any of the Owners/Claimants within Subject Drilling Unit for the Gas heretofore produced and utilized by Applicant in its business operations.
- 8.13. The Board finds that the naming of CONSOL Inc. as the Unit Operator of Subject Drilling Unit, will ensure to the greatest extent possible the greatest ultimate recovery of Coalbed Methane Gas, prevent or assist in preventing the various types of waste prohibited by the statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. The Board has entered an Order in VGOB Docket No. 96-0917-0555 pooling Subject Drilling Unit and naming CONSOL Inc. as the Unit Operator, and the Board enters this Order granting in part and denying in part the relief sought by the Applicant as set forth in paragraph 7 above and Paragraph 10 below.
9. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney will file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt to each Owner/Claimant named in Exhibits B whose address is known.

10. Conclusion: Therefore, the requested relief is granted in part and denied in part all as is more particularly set forth in Paragraph 7 above and IT IS SO ORDERED.

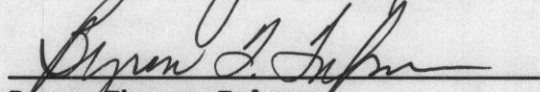
11. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 et seq. and Rule 2A:2 of the Rules of the Supreme Court of Virginia. Any person directly affected by this Order has thirty days following service of this Order to file his/her notice of appeal with the Principal Executive to the Staff of the Board. If such person receives this decision by mail, three days are added to the thirty day period.

12. Effective Date: This Order will be effective on the date of its execution.

DONE AND EXECUTED this 17th day of January, 1997, by a majority of the Virginia Gas and Oil Board.

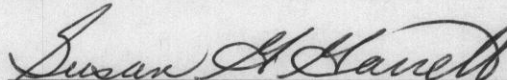

Chairman, Benny R. Wampler

DONE AND PERFORMED this 17th day of January, 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)

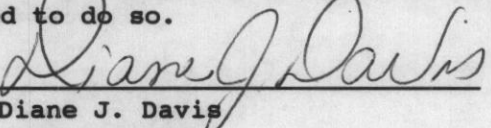
Acknowledged on this 17th day of January, 1997, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 17th day of January, 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
Notary Public

My commission expires 7/31/97

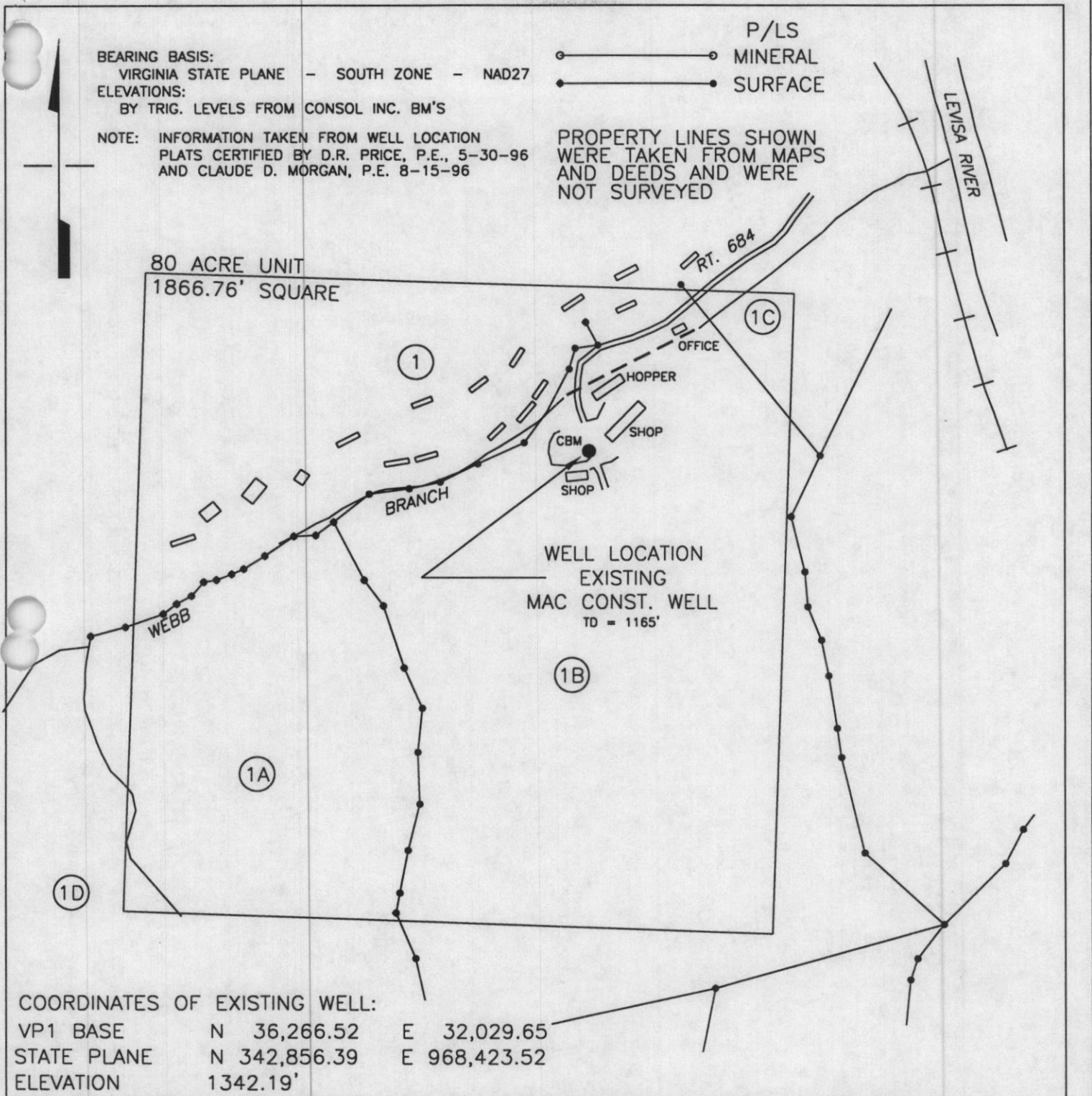
BEARING BASIS:
VIRGINIA STATE PLANE - SOUTH ZONE - NAD27
ELEVATIONS:
BY TRIG. LEVELS FROM CONSOL INC. BM'S

NOTE: INFORMATION TAKEN FROM WELL LOCATION
PLATS CERTIFIED BY D.R. PRICE, P.E., 5-30-96
AND CLAUDE D. MORGAN, P.E. 8-15-96

P/LS
MINERAL
SURFACE

PROPERTY LINES SHOWN
WERE TAKEN FROM MAPS
AND DEEDS AND WERE
NOT SURVEYED

80 ACRE UNIT
1866.76' SQUARE



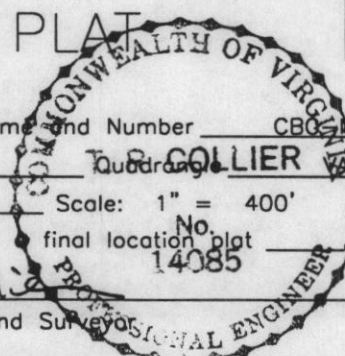
COORDINATES OF EXISTING WELL:

VP1 BASE	N 36,266.52	E 32,029.65
STATE PLANE	N 342,856.39	E 968,423.52
ELEVATION	1342.19'	

WELL LOCATION PLAT

EXHIBIT A
OAKWOOD FIELD UNIT N13
FORCE POOLING

Company MAC CONSTRUCTION INC. Well Name and Number CBO-113C
Tract No. BIG VEIN 137 Elevation 1342.19 Quadrangle T. S. COLLIER VANSANT
County BUCHANAN District SOUTH GRUNDY Scale: 1" = 400' Date 11-4-96
This Plat is a new plat X; an updated plat ; or a final location plat



WELL PLAT LEGEND
Property and Lease Information
CBG N-13
VGOB-96-12/17-0059

1.	Coal, Oil & Gas	Yukon Pocahontas Coal Co., Et al. Tract No. 137
	Oil & Gas Lessee.....	None of Record
	Coal Lessee	Island Creek Coal Co. Jewell Smokeless Coal Corp.
	Coalbed Methane Lessee	Buchanan Production Company
	Coalbed Methane Claimant	MAC Const., Inc.
1A.	Surface	MAC Const., Inc.
1B.	Surface	MAC Const., Inc.
1C.	Surface	MAC Const., Inc.
1D.	Surface	S. J. Breeding & L. Cox
	80.0 Acres	100.00% of Unit

Ownership information pertaining to N-13 unit.

1. Percentage of coalbed methane rights owned, leased or previously pooled by applicant:

<u>Coal Owner(s)</u>		
<u>Gross Percentages</u>		<u>Net Percentages</u>
00.00%		00.00%
<u>Oil and Gas Owner(s)</u>		
<u>Gross Percentages</u>		<u>Net Percentages</u>
100.00%		75.375%

2. Percentage of coalbed methane rights not owned, leased or previously pooled by applicant:

<u>Coal Owner(s)</u>		
<u>Gross Percentages</u>		<u>Net Percentages</u>
00.00%		00.00%
<u>Oil and Gas Owner(s)</u>		
<u>Gross Percentages</u>		<u>Net Percentages</u>
00.00%		00.00%

3. Percentage of coal leased: 00.00%

4. Total interest to be pooled:

- a. Coal interest: 00.00%
- b. Oil & Gas interest: 100.00%
- c. Surface Owner interest: 75.375%

UNIT N-13
Docket # VGOB-96-12/17-0559
Exhibit B
List of all Owners/Claimants

	Acres in Unit	Percent of Unit
I. <u>COAL FEE OWNERSHIP</u>		
Tract No. 1, 19.36 Acres		
(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	19.36 acres	24.20000%
Tract No. 1A, 18.39 Acres		
(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	18.39 acres	22.98750%
Tract No. 1B, 40.58 Acres		
(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	40.58 acres	50.72500%
Tract No. 1C, 1.33 Acres		
(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	1.33 acres	1.66250%
Tract No. 1D, 0.34 Acres		
(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	0.34 acres	0.42500%

	Acres in Unit	Percent of Unit
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II. OIL & GAS FEE OWNERSHIP

Tract No. 1, 19.36 Acres

(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	19.36 acres	24.20000%
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Tract No. 1A, 18.39 Acres

(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	18.39 acres	22.98750%
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Tract No. 1B, 40.58 Acres

(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	40.58 acres	50.72500%
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Tract No. 1C, 1.33 Acres

(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	1.33 acres	1.66250%
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Tract No. 1D, 0.34 Acres

(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	0.34 acres	0.42500%
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III. COALBED METHANE LEASEHOLD OWNERSHIP

Tract No. 1, 19.36 Acres

(1) Buchanan Production Company P. O. Box 947 Bluefield, VA 24605	19.36 acres	24.20000%
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	Acres in Unit	Percent of Unit
Tract No. 1A, 18.39 Acres		
(1) Buchanan Production Company (disputed) P. O. Box 947 Bluefield, VA 24605	18.39 acres	22.98750%
Tract No. 1B, 40.58 Acres		
(1) Buchanan Production Company (disputed) P. O. Box 947 Bluefield, VA 24605	40.58 acres	50.72500%
Tract No. 1C, 1.33 Acres		
(1) Buchanan Production Company (disputed) P. O. Box 947 Bluefield, VA 24605	1.33 acres	1.66250%
Tract No. 1D, 0.34 Acres		
(1) Buchanan Production Company P. O. Box 947 Bluefield, VA 24605	0.34 acres	0.42500%

IV. COALBED METHANE OWNERSHIP

Tract No. 1A, 18.39 Acres

(2) MAC Const., Inc. P.O. Box 338 Oakwood, VA 24631	0.34 acres	22.98750%
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Tract No. 1B, 40.58 Acres

(2) MAC Const., Inc. P.O. Box 338 Oakwood, VA 24631	40.58 acres	10.72500%
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	Acres in Unit	Percent of Unit
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Tract No. 1C, 1.33 Acres

(2) MAC Const., Inc. P.O. Box 338 Oakwood, VA 24631	1.33 acres	1.66250%
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Tract No. 1D, 0.34 Acres

(2) MAC Const., Inc. P.O. Box 338 Oakwood, VA 24631	0.34 acres	0.42500%
---	------------	----------

V. SURFACE OWNERSHIP

Tract No. 1A, 1B, 1C, 60.30 Acres

(2) Mac Const., Inc. P. O. Box 338 Oakwood, VA 24631	60.30 acres	75.37500%
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UNIT N-13

Docket # VGOB-96-12/17-0559

Exhibit E

List of Conflicting Owners/Claimants and Respondents

	Acres in Unit	Percent of Unit
Tract No. 1A, 1B, 1C, 60.30 Acres		
<u>COAL FEE OWNERSHIP</u>		
(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	19.36 acres	24.20000%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Yukon Pocahontas Coal Company P. O. Box 187 Tazewell, VA 24651	60.30 acres	75.37500%
<u>SURFACE OWNERSHIP</u>		
(1) Mac Const., Inc. P. O. Box 338 Oakwood, VA 24631	60.30 acres	75.37500%
<u>COALBED METHANE LEASE</u>		
(1) Buchanan Production Company P.O. Box 947 Bluefield, VA 24605		

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 28th day of January, 1997, 11:24 A.M. Deed Book No. 457 and Page No. 846. TESTE: James M. Bevins, Jr., Clerk
Returned this date to; Diane Davis TESTE: Deputy Clerk