

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VG0B-97/0318-0567

ELECTIONS, UNIT: V-2823

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of § 7.C of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 by supplementing the Order previously issued by the Board for subject Docket on May 1, 1997, and recorded at Deed Book 325, Page 759 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on May 5, 1997 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

2. Findings: The Board finds that:

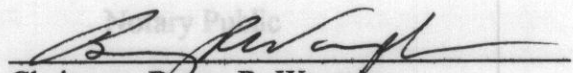
- (a) The Board Order directed Equitable Resources Energy Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
- (b) The designated operator filed its affidavit of mailing dated May 13, 1997, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
- (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated June 18, 1997, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and VR 480-05-22.2 (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any,

were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B.
- (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Premier Trust Company, P.O. Box 1199, Bluefield, Virginia 24605-1199, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.

3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazwell National Bank Trust Department, c/o Premier Bankshares Corporation, 29 College Drive, Premier, P.O. Box 1199, Bluefield, Virginia 24605-1199, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copy of this Order to each person whose interest or claim is subject to escrow and whose address is known.
5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 16th day of July, 1997 by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

My commission expires: 9/30/97

DONE AND PERFORMED THIS 16th day of July, 1997, 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 16th day of July, 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
Susan G. Garrett
Notary Public

My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 16th day of July, 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 Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane J. Davis
Diane J. Davis
Notary Public

My commission expires: 9/30/97

VIRGINIA:

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BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Equitable Resources Energy Company, Eastern Region for Forced Pooling of Interests in Unit Number V-2823, VGOB Docket No. VGOB-97/0318-0567 in the Sand Lick Magisterial District of Dickenson County, Virginia.

AFFIDAVIT OF WILHOIT, WEATHERLY, STETSON & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT, WEATHERLY, STETSON & KAISER, the Agent for the Designated Operator, with offices located at 155 Shelby Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on May 1, 1997, by the Virginia Gas and Oil Board regarding the captioned conventional Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on May 5, 1997.
5. That the Designated Operator, by and through their agent, Wilhoit, Weatherly, Stetson & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

<u>Tract</u>	<u>Name</u>	<u>Cash Consideration</u>
Tract 3	Lorreign D. Martin et vir	Cash Consideration: \$5 per net mineral acre (22.00 acres x \$5 = \$110.00), and a royalty of 1/8 of 8/8

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

None

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

None.

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

<u>Tract</u>	<u>Name</u>	<u>Cash Consideration</u>
Tract 7	Freddie C. Duty et ux	1.05 Acres x \$5 = \$5.25
Tract 9	Bob Sutherland et ux	1.13 Acres x \$5 = \$5.65
Tract 10	Garnett Duty et ux	0.48 Acres x \$5 = \$2.40
Tract 11	Donald Duncan et ux	0.15 Acres x \$5 = \$0.75
Tract 14	Danny G. Thomas et ux	2.69 Acres x \$5 = \$13.45
Tract 18	Slemp Raines et ux, Life Estate Arlene Raines Powers, Remainderman	0.06 Acres x \$5 = \$0.30

That pursuant to the provision of VR 480-05-22.27.C and VR 480-05-22.2.8, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22A.3 and 4.

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Dated at Kingsport, Tennessee, this 18th day of June 1997.

James E. Kaiser
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Resources Energy Company, a corporation, on behalf of the corporation, this 18th day of June 1997.

My commission expires: 6/19/2000

Jonnie R. Pendleton
Notary

V-2823

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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>	<u>NET REVENUE INTERESTS</u>
1	First Union National Bank Attn: Percy T. Blackburn, III Senior Vice President PO Box 13327 Roanoke, VA 24040-7227	Leased-EREC 244917L 01	31.060000%	34.99000	0.03882500 RI
	Equitable Resources Energy Company				0.27177500 WI
Tract 1 Totals			31.060000%	34.99000	0.31060000
2	First Union National Bank Attn: Percy T. Blackburn, III Senior Vice President PO Box 13327 Roanoke, VA 24040-7227	Leased-EREC 245241L 01	22.820000%	25.72000	0.02852500 RI
	Equitable Resources Energy Company				0.19967500 WI
Tract 2 Totals			22.820000%	25.72000	0.22820000
3	Lorreign D. Martin and W. Douglas Martin W/H 10635 Indian Creek Road Pound, VA 24279	Unleased	19.520000%	22.00000	0.02440000 RI
	Equitable Resources Energy Company				0.17080000 WI
Tract 3 Totals			19.520000%	22.00000	0.19520000
4	Nineteenth Hole, Inc. Douglas Ratliff, President Drawer Z Haysi, VA 24256	Leased-EREC 244924L 01	1.020000%	1.15000	0.00127500 RI
	Equitable Resources Energy Company				0.00892500 WI
Tract 4 Totals			1.020000%	1.15000	0.01020000

EXHIBIT "B"
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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>	<u>NET REVENUE INTERESTS</u>
5	Helen S. Owens, widow Route 1, Box 532 Haysi, VA 24256	Leased-EREC 244708L 01	10.070000%	11.35000	0.01258750 RI
	Equitable Resources Energy Company				0.08811250 WI
	Tract 5 Totals		10.070000%	11.35000	0.10070000
6	Cumberland Plateau Regional Housing Authority Box 1328 Lebanon, VA 24266	Leased-EREC 244911L 01	0.520000%	0.59000	0.00065000 RI
	Equitable Resources Energy Company				0.00455000 WI
	Tract 6 Totals		0.520000%	0.59000	0.00520000
7	Freddie C. Duty and Loretta S. Duty H/W Route 1, Box 77A Haysi, VA 24256	Unleased	0.930000%	1.05000	0.00116250 RI
	Equitable Resources Energy Company				0.00813750 WI
	Tract 7 Totals		0.930000%	1.05000	0.00930000
8	Channe R. Barton and Peggy Barton H/W Route A, Box 175 Bee, VA 24217	Leased-EREC 244638L 01	0.820000%	0.92000	0.00102500 RI
	Equitable Resources Energy Company				0.00717500 WI
	Tract 8 Totals		0.820000%	0.92000	0.00820000

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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>	<u>NET REVENUE INTERESTS</u>
9	Bob Sutherland and Coleen Sutherland H/W Route 1, Box 77 Haysi, VA 24256	Unleased	1.000000%	1.13000	0.00125000 RI
	Equitable Resources Energy Company				0.00875000 WI
Tract 9 Totals			1.000000%	1.13000	0.01000000
10	Garnett Duty and Marcella Duty H/W Route 1, Box 77A Haysi, VA 24256	Unleased	0.430000%	0.48000	0.00053750 RI
	Equitable Resources Energy Company				0.00376250 WI
Tract 10 Totals			0.430000%	0.48000	0.00430000
11	Donald Duncan and Stacy Duncan H/W Route 1, Box 37 Haysi, VA 24256	Unleased	0.130000%	0.15000	0.00016250 RI
	Equitable Resources Energy Company				0.00113750 WI
Tract 11 Totals			0.130000%	0.15000	0.00130000
12	Teresa Edwards, single PO Box 398 Haysi, VA 24256	Leased-EREC 244733L 01	0.490000%	0.55000	0.00061250 RI
	Equitable Resources Energy Company				0.00428750 WI
Tract 12 Totals			0.490000%	0.55000	0.00490000

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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>	<u>NET REVENUE INTERESTS</u>
13	Chad M. Barton and Patsy M. Barton Box T Haysi, VA 24256	Leased-EREC 244637L 01	3.330000%	3.75000	0.00416250 RI
	Equitable Resources Energy Company				0.02913750 WI
	Tract 13 Totals		3.330000%	3.75000	0.03330000
14	Danny G. Thomas and Mildred Thomas H/W Route 1, Box 77D Haysi, VA 24256	Unleased	2.390000%	2.69000	0.00298750 RI
	Equitable Resources Energy Company				0.02091250 WI
	Tract 14 Totals		2.390000%	2.69000	0.02390000
15	Roy E. Owens and Selma C. Owens, H/W Route 1, Box 78-A Haysi, VA 24256	Leased-EREC 244636L 01	2.130000%	2.40000	0.00266250 RI
	Equitable Resources Energy Company				0.01863750 WI
	Tract 15 Totals		2.130000%	2.40000	0.02130000
16	James R. Colley and Debbie Colley, H/W Route 1, Box 77-B1 Haysi, VA 24256	Leased-EREC 244711L 01	1.270000%	1.43000	0.00158750 RI
	Equitable Resources Energy Company				0.01111250 WI
	Tract 16 Totals		1.270000%	1.43000	0.01270000

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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>	<u>NET REVENUE INTERESTS</u>
17	Robert R. Senter and Theresa E. Senter, H/W Route 1, Box 78H Haysi, VA 24256	Leased-EREC 244709L 01	2.020000%	2.28000	0.00252500 RI
	Equitable Resources Energy Company				0.01767500 WI
Tract 17 Totals			2.020000%	2.28000	0.02020000
18	Slemp Raines and Pearl Raines H/W Route 1, Box 78E Haysi, VA 24256	Unleased Life Estate	(0.050000%)	(0.060)	(0.0000625 RI)
	Arlene Raines Powers, single Route 1, Box 78E Haysi, VA 24256	Unleased Remainderman	0.050000%	0.06000	0.00006250 RI
	Equitable Resources Energy Company				0.00043750 WI
Tract 18 Totals			0.050000%	0.06000	0.00050000
UNIT TOTALS			100.000000%	112.69000	1.00000000

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, July 21, 1997. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:24 o'clock P.M, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to:

Diane Davis

TESTE: JOE TATE, CLERK

BY: [Signature] D. CLERK