VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANTS:	Hugh MacRae Land Trust (herein "Trust") and Garden Realty Corporation (herein "Garden") (Trust and Garden are sometimes herein collectively referred to as "Applicants")	DOCKET NO. VGOB 97-0415-0578
RELIEF SOUGHT:	Issuance of an Amended Supplemental Order Amending all Prior Orders Affecting The R-25 Drilling Unit to Provide: (1) for the Calculation of Those Funds Attributable To the Conflicting Claims, in the Aggregate, Of Trust and Garden Pursuant to the Terms Of Applicants' Voluntary Agreements with The Operator and (2) to Provide for an Accounting and Disbursement Thereof By the Operator and the Escrow Agent, As Applicable	

1. **Hearing Date and Place:** This matter came on for further and final hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on October 20, 1998 at the Breaks Interstate Park's Conference Center, VA.

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 pursuant to Va. Code § 45.1-361.21 and 45.1-361.22 it has jurisdiction over the establishment and maintenance of an escrow account for the coalbed methane gas drilling unit established by the Board through its Pooling Order (herein "R-25 Drilling Unit" or "Subject Drilling Unit"), as supplemented by the Supplemental Order, (herein "Escrow Account") into which Escrow Account the Unit Operator is required to deposit, as applicable, those funds specified in 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 ("Escrowed Funds"). Further, the Board finds: (1) that it does not have jurisdiction to resolve conflicting claims to the ownership of the Coalbed Methane Gas 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 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 claimants' entitlement with respect to the amount of funds on deposit in the Escrow Account attributable or allocable to Applicants' interests therein or there is an agreement by all the claimants within the drilling unit as to the amount of their respective entitlement to the Escrowed Funds.

4. **Prior Proceedings**:

4.1. At the Board's hearing on October 24, 1995, in Docket No. VGOB 95-1024-0523, the Board granted the relief sought by Buchanan Production Company (herein "Operator") and pooled all interests in the Subject Drilling Unit for the production of gas produced from coalbeds and rock strata associated therewith (herein "Coalbed Methane Gas" or "Gas") in accordance with field rules adopted by the Board for the Oakwood I Coalbed Methane Gas Field (herein "Pooling Order"). Pursuant to Va. Code §§ 45.1-361.21 and 45.1-361.22 and the terms of its Pooling Order, the Board named CONSOL Inc. the Operator of Subject Drilling Unit. The

Operator represented in Exhibit E of its Pooling Application (also incorporated as Exhibit E to the Pooling Order and attached hereto) that the only conflicting claims to the Gas in Subject Drilling Unit were the oil & gas fee ownership held by Garden and the coal fee ownership held by Trust (herein sometimes collectively "Owners" and/or "Claimants") within Tract 6, a 12.37-acre tract representing 15.4625% of Subject Drilling Unit (herein "Tract 6").

4.2. The Operator filed an affidavit with the Board (herein "Operator's Affidavit of Election") certifying that the only conflicting claims within Subject Drilling Unit were those of the Applicants in Tract 6. A Supplemental Order which had attached to and made a part of it the Operator's Affidavit of Election, was entered by the Board on February 1, 1996 and recorded in the Clerk's Office of the Circuit Court of Buchanan County, VA in Deed Book 445, Page 444 on February 14, 1996 (herein "Supplemental Order") to: (1) 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 (2) authorize the Escrow Agent to establish as escrow account for Subject Drilling Unit to receive payments due to the Applicants conflicting claims in Tract 6 pursuant to the terms of each of the Applicants' voluntary agreements with the Unit Operator

4.3. Pursuant to instructions from the Board through the Pooling Order and the Supplemental Order, the Escrow Agent established an account for Subject Drilling Unit (herein "Escrow Account") and periodically the Escrow Agent received from the Unit Operator for deposit into the Escrow Account proceeds purportedly attributable solely to Applicants' interests within Tract 6 of Subject Drilling Unit.

4.4. In Applicants' application herein for royalty accountings, determination of the dollar amount of their respective entitlements, and disbursement of such amounts to them pursuant to the Stipulation, the Applicants warranted and represented to the Board that: (1) Garden is the sole oil and gas owner within Tract 6 and that Trust is the sole coal owner within Tract 6; (2) that Tract 6 represents 15.4625 percent of Subject Drilling Unit, (3) that together Applicants have and own in the aggregate a 15.4625 percent conflicting Gas royalty interest in Subject Drilling Unit by virtue of their respective ownership interests in Tract 6 and the terms of their voluntary agreements with the Unit Operator pertaining to same; (4) that while at the time of the entry of the Pooling Order, Applicant's had conflicting claims of ownership in Tract 6, subsequent to the entry of the Pooling Order, Applicants entered into a written agreement whereby each Applicant is entitled to receive a sum equal to fifty percent (50%) of any entitlements attributable to Tract 6 which become payable by the Unit Operator pursuant to the terms of Claimants' voluntary agreements with the Unit Operator, including but not necessarily limited to those funds on deposit in the Escrow Account (herein "Stipulation of Ownership"). Notice of the Application was given to all claimants within Subject Drilling Unit, and the Board received no objections to it.

4.5. The Board entered an Order on May 23, 1997 (herein "Disbursement Order") in which it: (1) required the Unit Operator to file an accounting with the Board of those funds attributable to Applicants' interests in Tract 6 of Subject Drilling Unit, (2) required the Escrow Agent to file with the Board an accounting of the net funds on deposit in the Escrow Account (deposits, plus interest credited thereto and less escrow fees deducted therefrom); (3) provided that once received by the Board, the Operator's accounting and the Escrow Agent's accounting would be provided to the Applicants (4) gave Applicants fifteen (15) days from the receipt of the accountings in which to object to the Board in writing and seek a further hearing before the Board, (5) provided that in the event there were no objections to the accountings by the Applicants within the time specified, the Applicants would be deemed to have agreed to the accountings with respect to the amount of their Entitlement to the funds on deposit in the Escrow Account, and in the event of such agreement as to their respective Entitlement, the Board authorized the Escrow Agent to disburse from the Escrow Account to the Applicants' their respective Entitlement in accordance with the Stipulation of Ownership, and (6) provided that in the event the Operator disputed Applicants' claims of either ownership or

Entitlement, or in the event either or both the Applicants or the Operator objected to the accountings, then the Board would bring the matter on before the Board for further hearing.

4.6. Subsequent to the entry of the Disbursement Order, the Unit Operator ceased making deposits into the Escrow Account and commenced paying Applicants directly pursuant to the terms of their voluntary agreements with the Unit Operator and in accordance with Applicants' agreement with each other with respect to the division and apportionment of royalties attributable to their conflicting claims within Tract 6 (herein "Stipulation").

4.7. The Operator and Escrow Agent filed accountings with the Board, and by letters dated July 10, 1997 and September 12, 1997 to the attorneys for the Applicants and the Unit Operator, Counsel for the Board distributed the accountings for review and/or comment in accordance with the terms of the Disbursement Order. On September 26, 1997, Applicants filed objections to the accountings and a request for further hearing before the Board with respect to them. By letter dated December 31, 1997 Applicants' counsel set forth a statement of issues to be considered by the Board at its further hearing on this matter, i.e., "*adequacy of the accountings and information provided. The accountings do not provide any information concerning any deduction, expenses, allocations, etc., but simply give a "raw" number or numbers without any ability on the part of the royalty owner to correlate that information with the particular well or wells in question vis-à-vis production, etc.. . would like to have a full accounting and not just an abbreviated statement of what is purportedly due them.*"

4.8. The application herein came on for further hearing before the Board on January 20, 1998, at which time the Board by its order entered April 14, 1998 granted Applicants' request and required further accountings (herein "Accounting Order"). By letter dated March 13, 1998 the Board's Counsel forwarded to Applicants' counsel copies of royalty statements taken from the Escrow Agent's backup documents filed with the Escrow Agent by the Operator in support of the Operator's deposits of monies into the Escrow Account. Applicants' counsel objected to the Board providing such royalty statements, and took the position that their voluntary agreements with the Unit Operator and/or the Disbursement Order required that the Unit Operator, not the Board or Escrow Agent, provide royalty statements to them.

4.9. Having received from the Operator documents, but not the further accountings formatted as required by the Accounting Order, on July 21, 1998 the Board brought the Accounting Order on for further hearing, and thereafter on July 22, 1998 the Board had issued a Notice of Violation to the Operator on July 22, 1998 for its failure to comply with the requirements of the Accounting Order.

4.10. The Operator filed with the Board its Affidavit RE: Notice of Violation dated August 13, 1998 indicating that a total of $1,352.19 had been deposited by the Operator into the Escrow Account for Subject Drilling Unit and that that entire sum was attributable and allocable to Applicants interests in Tract 6 (herein "Principal"). A copy of the Operator's Affidavit RE: Notice of Violation with its further accounting for Subject Drilling Unit (herein "Further Accounting") was forwarded to the Applicants by the Board's Counsel by letter dated August 27, 1998, and the Board set this matter down for further hearing on its September 15, 1998 docket.

4.11. By letter dated September 14, 1998 and delivered to the Board at its September 15, 1998 hearing Applicants' stated their position with respect to the Further Accounting. It was pointed out during testimony that Hugh McRae Land Trust has filed suit against the Operator for breach of their voluntary agreement alleging that royalties payable to said them as lessor were not being properly calculated and/or paid by the Operator. The Board continued the application and requested that the Escrow Agent appear before the Board at its October 20, 1998 hearing to make recommendations to the Board with respect to a methodology which could be adopted by the Board for allocating funds on deposit in a particular drilling unit's escrow accounts to each of the various tracts of lands contained within that drilling unit. In order to grant the relief being requested by the Applicants to disburse funds from escrow on a tract by tract basis, rather than a unit by unit basis, the Board determined that it would have to adopt a fiscally sound methodology, which: afforded due process to all claimants in the drilling unit, established an equitable and accurate way to allocate escrowed funds in the drilling unit account to tracts within that drilling unit, evidenced that all claimants within a particular tract had been identified and that they all had all reached agreement resolving their conflicting claims to the ownership of the Gas and were in agreement as to the amount of their respective entitlements to the escrowed funds.

5. **Findings:**

Va. Code 45.1-361.22.5 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".* The term "entitlement" is not defined by law or regulation; therefore, the Board applies its common meaning as set forth in *Black's Law Dictionary to be "Right or benefits, income or property which may not be abridged without due process".* Thus, 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 are attributable to Applicant's/Claimant's Gas interest in Subject Drilling Unit". The Escrowed Funds are comprised of the Principal deposited by the Operator into the Escrow Account, plus interest accruing on the Principal while on deposit in the Escrow Account, less Escrow Agent fees charged to the account. In determining that Trust and Garden have established their Entitlement to 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. Testimony reveals that Trust (but not Garden) and the Operator are currently involved as parties to litigation in federal court with respect to the amount of Trust's monetary entitlement under the terms of its voluntary agreement with the Operator for Gas produced from Subject Drilling Unit.

(2) Notwithstanding the fact that Trust is challenging the Operator's royalty calculations under the terms of their voluntary lease, Trust and Garden have entered into the Stipulation of Ownership whereby they have agreed to split 50/50 all such royalties attributable to Tract 6 of Subject Drilling Unit, and based upon this split arrangements the Applicants' through their application herein seek, among other things, accountings, determinations of their respective Entitlement, and disbursements to their respective Entitlement to them from the Escrow Account.

(3) According to the Pooling Order, the Supplemental Order and the Operator's accountings filed in this matter: (a) the funds deposited by the Operator into the Escrow Account for Subject Drilling Unit consists solely of payments calculated by the Operator to be due the Applicants under the terms of their voluntary agreements with the Operator with respect to Tract 6 of Subject Drilling Unit, (b) Operator has identified the Applicants as the sole Gas owners/claimants within Tract 6 of Subject Drilling Unit and as the sole claimants to the funds on deposit in the Escrow Account and (c) Applicants have made the warranties and representations to the Board set fort in Paragraph 4.4 above. Further, at the October 20th hearing of this matter, the Applicants' agreed on the record that: (1) the liquidated amount of each of their respective Entitlement is a sum equal to half on the current balance of the Escrow Account for Subject Drilling Unit, being $1,352.19, plus interest, less Escrow fees and (2) that said amount represents their complete entitlement to and claim against the Escrow Account.

6. **Relief Granted**:

For the reasons set forth in Paragraph 5 above, and based upon the Applicants' agreements to the Further Accounting with respect to Subject Drilling and Applicants' agreement with respect to their Entitlement to the Escrowed Funds, the Escrow Agent is ordered to (1) disburse fifty percent (50%) of all funds held by the Escrow Agent in the Escrow Account for Subject Drilling Unit to Trust and (2) disburse fifty percent (50%) of all funds held by the Escrow Agent in the Escrow Account for Subject Drilling Unit to Garden. Further, (1) the Supplement Order filed in this cause is hereby modified to delete the requirement that funds attributable to Applicants' interests in Tract 6 are to be deposited by the Operator into the Escrow Account, and (2) unless and until otherwise ordered by the Board, the Escrow Agent is hereby directed to close the Escrow Account for Subject Drilling Unit and to receive no further deposits from the Operator for same. To the extent not specifically granted herein, any other or further relief requested by the Applicants in their application filed herein or in their objections to the accountings heretofore provided is denied.

7. **Conclusion**:

Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and IT IS SO ORDERED.

8. **Appeals:**

Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Boar may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code §§ 9-6.14:1 *et seq.*

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

DONE AND EXECUTED this 23rd day of October, 1998, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler

Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 24th DAY OF October, 1998, by an Order of this Board.

Byron T. Fulmer

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

COMMONWEALTH OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 23rd day of October, 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

Susan G. Garrett
Notary Public

My Commission expires: July 31, 2002

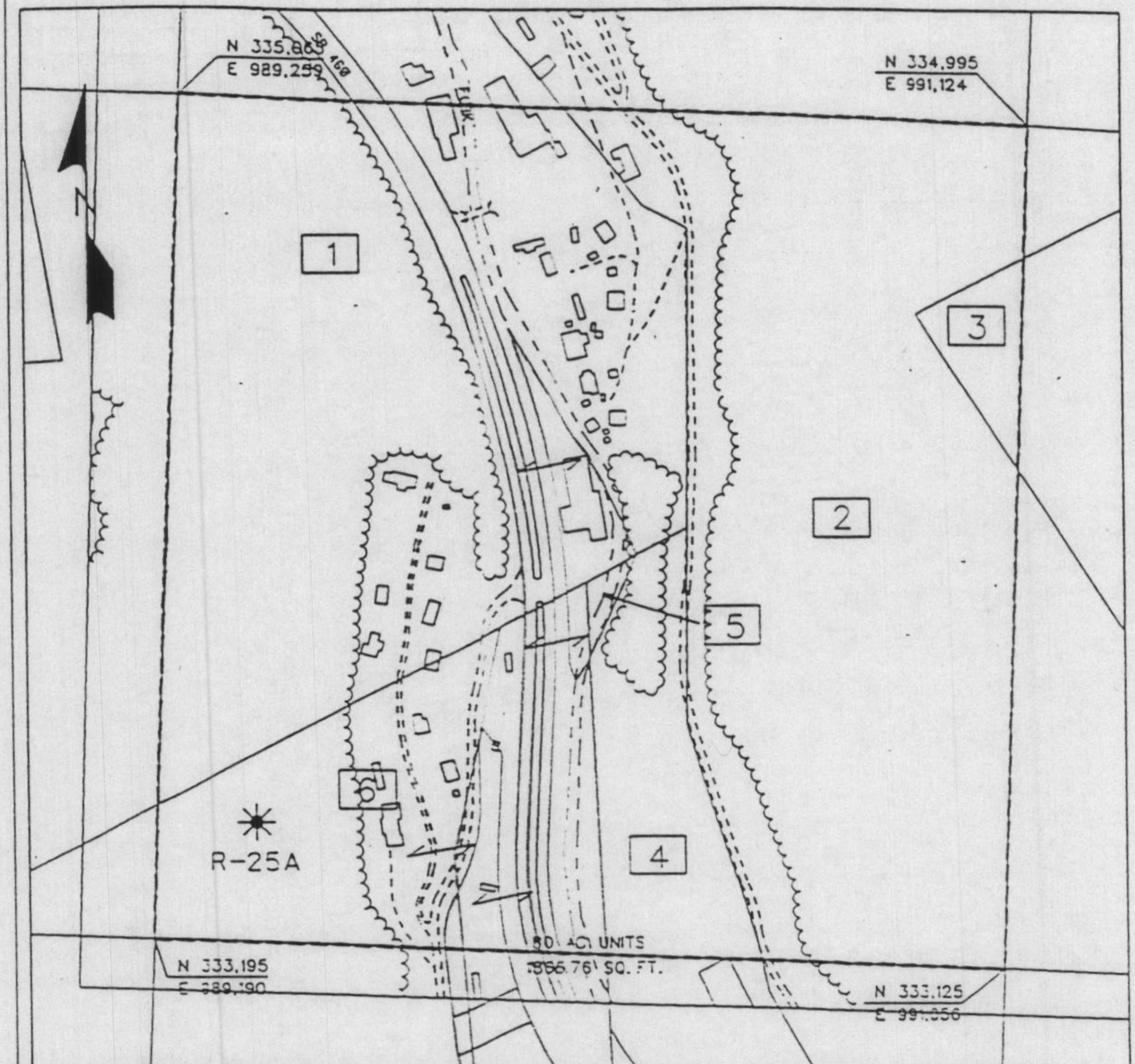
COMMONWEALTH OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 29th day of October, 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

Diane J. Davis
Notary Public

My commission expires: September 30, 2001



LEGEND:

TRACT LAND HOOK

6 TRACT ID. NO.

PERMITTED OR EXISTING WELLS

Revised 10/23/95
EXHIBIT A
OAKWOOD FIELD UNIT R-25
FORCE POOLING
VGOB-95/10/24-0523

COMPANY CONSOL Inc. WELL NAME AND NUMBER R25

TRACT NO. ______ ELEVATION ______ QUADRANGLE KEEN MOUNTAIN

COUNTY BUCHANAN DISTRICT GARDEN SCALE: 1" = 400' DATE 9-16-95

THIS PLAT IS A NEW PLAT x AN UPDATED PLAT ______ OR A FINAL PLAT ______

COMMONWEALTH OF VIRGINIA
CLAUDE D. MORGAN
No. 10888
PROFESSIONAL ENGINEER

Claude D. Morgan

LICENSED PROFESSIONAL ENGINEER (AFFIX SEAL)

FORM DGO-GO-7
REV. 9-91

CONSOL Inc.
Unit: R-25
VGOB-95/10/24-0523
Tract Identifications

1. Yukon Pocahontas Coal Company - Tr. 100 - Coal, Oil & Gas
   Coal Lessees
   Jewell Smokeless Coal
   Island Creek Coal Company
   Consolidation Coal Company - P3
   Buchanan Production Company - CBM Lessee
   E. Fletcher - Surface - Agreement
   31.23 acres - 39.0375%

2. Yukon Pocahontas Coal Company - Tr. 100 - Coal, Oil & Gas
   Coal Lessees
   Jewell Smokeless Coal
   Island Creek Coal Company
   Consolidation Coal Company - P3
   Buchanan Production Company - CBM Lessee
   30.07 acres - 37.5875%

3. Yukon Pocahontas Coal Company - Tr. 100 - Coal, Oil & Gas
   Coal Lessees
   Jewell Smokeless Coal
   Island Creek Coal Company
   Consolidation Coal Company - P3
   Buchanan Production Company - CBM Lessee
   E. Fletcher - Surface - Agreement
   1.23 acres - 1.5375%

4. Modern Homes, Inc. - Coal, Oil & Gas
   Coal Lessees
   Consolidation Coal Company
   Buchanan Production Company - CBM Lessee
   4.91 acres - 6.1375%

5. Keen Mtn Free Pentecostal Holiness Church - Surface, coal, oil & gas
   0.19 acres - 0.2375%

6. Hugh MacRae Land Trust - Tr. 23 - Coal
   Coal Lessees
   Consolidation Coal Company - Coal Below Drainage
   Island Creek Coal Company - Pocahontas No. 3 seam
   Permac Inc. - Coal Above Drainage
   Garden Realty - Oil & Gas
   Consolidation Coal Company - Oil & Gas Lessee
   Buchanan Production Company - CBM Lessee
   E. Fletcher - Surface - Agreement
   12.37 acres - 15.4625%

R – 25 Unit
VGOB–95/10/24–0523
Exhibit E
Conflicting Owners or Claimants

	Net Acres in Unit	Interest in Unit
TRACT #6 – 12.37 acres		
COAL FEE OWNERSHIP		
(1) Hugh MacRae Land Trust P.O. Box 29 Tazewell, VA 24651	12.37 acres	15.4625 %
OIL & GAS FEE OWNERSHIP		
(1) Garden Realty Corporation c/o Mrs. Betty Boyd King 2370 Lyndhurst Avenue Winston–Salem, NC 27103	12.37 acres	15.4625 %

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 31st day of October, 1995 1:37 P. M.
Deed Book No. 442 and Page No. 64. TESTE: James M. Bevins, Jr., Clerk
Returned this date to; Diane Davis TESTE: Deputy Clerk

UNIT R-25
Docket No. VGOB-95/10/24-0523
Exhibit E
List of Conflicting Owners/Claimants

		Net Acres in Unit	Interest in Unit
TRACT #6 - 12.37 acres			
COAL FEE OWNERSHIP			
(1)	Hugh MacRae Land Trust P.O. Box 29 Tazewell, VA 24651	12.37 acres	15.4625 %
OIL & GAS FEE OWNERSHIP			
(1)	Garden Realty Corporation c/o Mrs. Betty Boyd King 2370 Lynchurst Avenue Winston-Salem, NC 27103	12.37 acres	15.4625 %

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 14th day of February 1996 2:34P M.
Deed Book No. 445 and Page No. 444 TESTE: James M. Bevins, Jr., Clerk
Returned this date to; Diane Davis TESTE: [illegible] Deputy Clerk

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: BUCHANAN PRODUCTION COMPANY

DOCKET NO.: VGOB-97/04/15-0578-01

UNIT: R-25

AFFIDAVIT RE: NOTICE OF VIOLATION

Mark A. Swartz, being first duly sworn on oath, deposes and says:

1. That he is one of the attorneys for the Applicant and for CONSOL Inc., which is the designated operator of the Drilling Unit listed above; and that he makes this affidavit on their behalf being duly authorized to do so;

2. That, upon information and belief, the annexed Exhibit A lists the total payments made to the Virginia Gas and Oil Board's escrow agent from first production for R-25 through the date on which payments to the escrow agent ceased and direct payments to the conflicting claimants began, to-wit: the period July, 1995 to May, 1997, inclusive;

3. That, upon information and belief, the annexed Exhibits B and C list the total payments made directly to the conflicting claimants Hugh MacRae Land Trust and Garden Realty Corporation from June, 1997 through May, 1998, inclusive;

4. That, upon information and belief, the Exhibits to the pooling application, pooling order and supplemental order(s) pertaining to Unit R-25 set forth all necessary

information and that the percentages used by the contractors which have provided royalty accounting services to calculate royalties are accurately set forth therein;

5. That Exhibit A sets forth the sums paid into escrow which the designated operator believes are subject to agreements between all conflicting claimants thereto and are therefore eligible to be disbursed by the Virginia Gas and Oil Board (hereinafter "Board") and its escrow agent;

6. That your affiant believes that the escrow agent should be directed by the Board to allocate costs, expenses and income by some reasonable method, to be specified by the Board or proposed by the escrow agent, which sum shall then be added to or subtracted from the totals shown on the annexed Exhibits to allow disbursement of specific sums attributable to each tract(s) in question;

7. That your affiant believes that all parties requesting the disbursement of funds should be required by the Board to accept the accounting methods by which the funds to be disbursed are calculated by both the designated operator and the Board's escrow agent as a condition of disbursement; complaints by claimants, if any, with regard to accounting and allocations should be made before funds are disbursed so that all parties can agree to the disbursement(s) as appropriate; public notice should then be given by the Board of its proposed action so that other claimants, whose "funds" will remain on deposit have an opportunity to be heard at a Board hearing prior to disbursement.

Dated at Charleston, West Virginia, this 13th day of August, 1998.

Mark A. Swartz

Taken, subscribed and sworn to before me by Mark A. Swartz this 13 day of August, 1998.

Charla M Barrick
Notary

My commission expires: 2/25/2008.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CHARLA M. BARRICK
SWARTZ & STUMP L.C.
128 CAPITAL STREET
CHARLESTON, WV 25323
My Commission Expires February 25, 2008

08/12/1998

Buchanan Production Company
RoyHist List - File/Rsc VGOB Audit
Criteria = PyStat: P

EXHIBIT A

R258
16003800

First Virginia Bank - Mt. Empire
c/o Trust Department
VGOB 95/10/24-0523 (R25)
HUGH MACRAE LAND TRUST/GARDEN REALTY CORPORATION
TRACT 5 - 12.37 ACRES
PO Box 1038 (498 Cummings Street)
Abingdon, VA 24210

RSC Code	RSC Description	P	=Inv Ref From---	= To-----	= Prod Month = From---	To-----	Owner MCF	Owner MMBTU	Owner Net
B00R25F101	R-25	P	1996-03	1996-08	1995/07	1996/07	662.00	707.00	740.09
B00R25F101	R-25	P	1996-08	1997-05	1996/08	1997/05	517.94	509.29	612.10
Total							1179.94	1216.29	1352.19

06/12/1999

Buchanan Production Company
RoyHist List - File/Asc VCCE Acct
Criteria = PyStat: P

2
99571924

HUGH MACRAE LAND TRUST
ESQ. C/O Alan Siegel
GUMP, STRAUSS, HAUER & FELD, LLP ATTN
590 Madison Avenue-20th Floor
New York, NY 10022

EXHIBIT B

RSC Code	RSC Description	P	=Inv Ref = From--- To---	= Prodn Month = From--- To---	Owner MCF	Owner MMBTU	Owner Net
0000250101	R-25	P	1997-06 1998 05	1997/06 1998/05	423.66	417.87	433.90
Total					423.66	437.87	433.90

08/12/1998

Buchanan Production Company
RoyHist List - File/Rsc V006 Audit
Criteria = PyStat: P

EXHIBIT C

21D
22666300

GARDEN REALTY CORPORATION
C/O BETTY BOYD KING
2370 LYNCHURST AVE
WINSTON SALEM, NC 27103-3503

RSC Code	RSC Description	P	=Inv Ref From---	To----=	= Prodn Month From---	To----=	Owner MCF	Owner MMBTU	Owner Net
B00R25E101	R-25	P	1997-06	1998-05	1997/06	1998/05	181.56	179.08	185.97
Total							181.56	179.08	185.97

O. GENE DISHNER
DIRECTOR
BENNY R. WAMPLER
DEPUTY DIRECTOR

DIVISIONS
ENERGY
GAS AND OIL
MINED LAND RECLAMATION
MINERAL MINING
MINERAL RESOURCES
MINES
ADMINISTRATION

COMMONWEALTH of VIRGINIA

Department of Mines, Minerals and Energy

Division of Gas and Oil
P. O. Box 1416
Abingdon, Virginia 24212
Phone (540) 676-5423
Fax: (540) 676-5459
Byron T. Fulmer, Division Director

November 2, 1998

Mr. Rob Martin
First Virginia Bank- Mt. Empire
C/o Trust Department
P. O. Box 1038
Abingdon, VA 24212

Dear Mr. Martin:

Enclosed is an order issued by the Virginia Gas and Oil Board for Drilling Unit R-25, Docket 97-0415-0578. This order is being issued by the Board amending prior orders and providing instructions for calculation of funds and disbursement thereof by the operator and the escrow agent.

If you have any questions concerning the content of this order, please call.

Sincerely,

Byron T. Fulmer

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

Enc.

Cc: Mark Swartz
Les Arrington
Jill Harrison
Sandra Riggs