

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB-97-09/16-0603  
ELECTIONS, UNIT: P-13/P-13B  
(herein "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 September 17, 1996, Dickenson Conference Room, Southwest Virginia Education 4-H Center, Abingdon, 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 Section 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 March 15, 1998 and recorded at Deed Book 474, Page 175 in the office of the Clerk of Circuit Court, Buchanan County, Virginia on March 27, 1998 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interests 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, Section 45.1-361.1 et seq., Virginia Code, 1950 as amended.

2. Findings: The Board finds that:

(a). The Board Order directed Consol, Inc. (herein the "Designated Operator"), to mail copies of the Board order to all respondents whose interests, if any, were pooled by said board Order.

(b). The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's order to all respondents whose interests, if any, were pooled by said Board Order.

©. The Board order required each respondent whose interests, 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 affidavit of elections filed herein and annexed hereto as Exhibit A states: (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, interests, estates and claims in Subject Drilling Unit to the Designated Operator.

(d). That the affidavit of elections annexed hereto with the exhibits submitted therewith identifies the respondent(s) making a timely election, if any; identifies the respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrowing under Virginia Code Section 45.1-361.21.D.; and identifies the respondent(s), if any, who may be dismissed by reason of having been released or entered into a voluntary agreement with the Designated Operator. The affidavit of elections indicates that the escrow of funds is required with regard to unit P-13 P-13-B.

(e). Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Virginia Bank - Mountain Empire, c/o Trust Department, P. O. Box 1038, Abingdon, Virginia 24212 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.

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 affidavit of elections with exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Virginia Bank - Mountain Empire, c/o Trust Department, P. O. Box 1038, Abingdon, Virginia 24212, 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 the affidavit of elections with exhibits thereto, to receive such funds and account to the Board therefore.

4. Mailing of the 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 a true and correct copy of this Order was mailed within seven (7) days from the date of receipt 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 10<sup>th</sup> day of June, 1998, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 11<sup>th</sup> day of June, 1998, 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 10<sup>th</sup> day of June, 1998, 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 WASHINGTON)

Acknowledged on this 11<sup>th</sup> day of June, 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 7/30/2001

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Buchanan Production Company for Forced Pooling of Interests in CBM Unit P-13/P13B  
VGOB- 97-0916-0603 in the South Grundy District of Buchanan County, Virginia

AFFIDAVIT OF CONSOL, INC. (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND  
SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CONSOL Inc., the designated operator, as a Permit Specialist and is duly authorized to make this affidavit on its behalf.

That the Order entered on March 15, 1997, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order,

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused 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 were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the 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 the Order was recorded in the county identified above; that said Order was recorded on March 27, 1997;

That the designated operator CONSOL Inc. has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests 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 the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None.

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of March 15, 1998.

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

None.

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:

None.

that to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

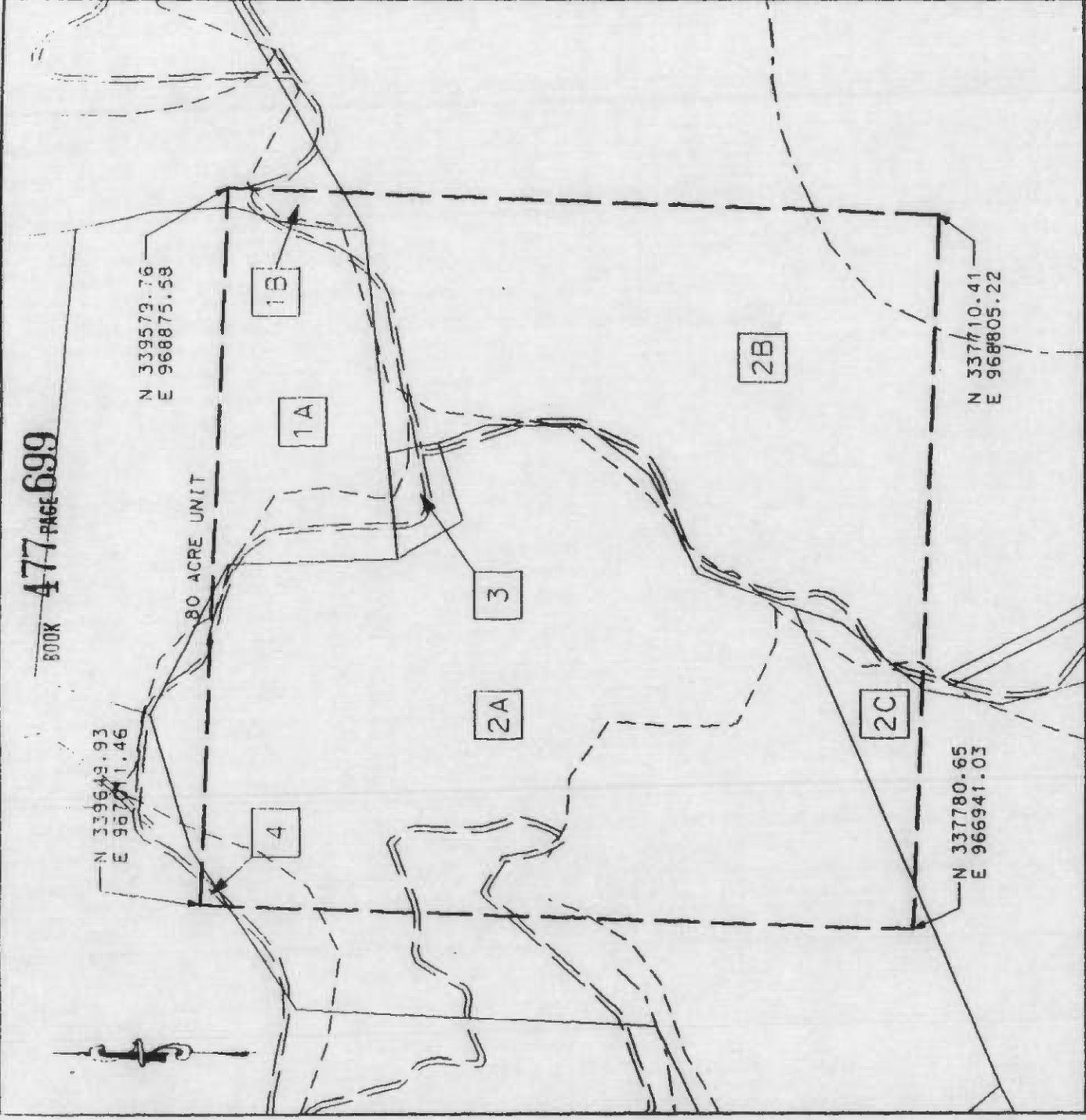
Dated at Tazewell, Virginia, this 8<sup>th</sup> day of May, 1998.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Permit Specialist of CONSOL Inc., on behalf of the corporate Designated Operator, this 8<sup>m</sup> day of May, 1998.

  
Notary

My commission expires: 11/30/01



**LEGEND**

← TRACT LAND HOOK

□ TRACT LAND ID'S

EXHIBIT A  
 OAKWOOD FIELD UNIT P-13  
 FORCE POOLING  
 VGOB-97-09-16-0603

Company Consol Inc. Well Name and Number UNIT P13  
 Tract No.            Elevation            Question CLAUSE 10958  
 County Buchanan District S. Grundy Scale: 1" = 400' Date 7/28/97  
 This plat is a new plat X : an updated plat            ; or a find No 10958

*David S. May*  
 Licensed Professional Engineer or Licensed Land Surveyor (Seal)

## CONSOL Inc.

## Plat Legend

## Property and Lease Information

## Unit P-13

1. Yukon Pocahontas Coal Co. et al, Tr. 137 - Coal, Oil & Gas  
Coal Lessees  
Island Creek Coal Company - coal below Tiller  
Jewell Smokeless Coal Corporation - Tiller and above  
Buchanan Production Company - CBM Lessee  
9.1457 acres - 11.4322%
- 1A. John Osborne - Surface
- 1B. Columbus White Heirs - Surface
2. Yukon Pocahontas Coal Co. et al, Tr. 57 - Coal, Oil & Gas  
Coal Lessees  
Island Creek Coal Company - coal below Tiller  
Jewell Smokeless Coal Corporation - Tiller and above  
Buchanan Production Company - CBM Lessee  
69.8661 acres - 87.3326%
- 2A. John Osborne - Surface
- 2B. Columbus White Heirs - Surface
3. Buchanan County School Board - Surface, Coal, Oil & Gas  
0.9115 acres - 1.1393%
4. Yukon Pocahontas Coal Co. et al, Tr. 137. - Coal, Oil & Gas  
Coal Lessees  
Island Creek Coal Company - coal below Tiller  
Jewell Smokeless Coal Corporation - Tiller and above  
S. Breeding & L. Cox - Surface  
Buchanan Production Company - CBM Lessee  
0.0767 acres - 0.0959%

BOOK **477** PAGE **701**  
UNIT P-13

Docket # VGOB-97-09/16-0603

Exhibit B-3

List of Unleased Owners/Claimants

	Acres in Unit	Percent of Unit	Election
<b>I. COAL FEE OWNERSHIP</b>			
Tract No. 3, 0.9115 Acres			
(1) Buchanan County School Board P. O. Box 833 Grundy, VA 24614	0.9115 acres	1.13938%	Deemed Leased
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>			
Tract No. 3, 0.9115 Acres			
(1) Buchanan County School Board P. O. Box 833 Grundy, VA 24614	0.9115 acres	1.13938%	Deemed Leased

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office of said and is, together with the certificate of acknowledgment annexed, admitted to record this 16th day of June, 1998.  
Deed Book No. 477 and Page No. 701  
Returned this date to: Deputy Clerk

James M. Bevins, Jr., Clerk  
Deputy Clerk

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB-97-09/16-0603  
ELECTIONS, UNIT: P-13/P-13B  
(herein "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 September 17, 1996, Dickenson Conference Room, Southwest Virginia Education 4-H Center, Abingdon, 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 Section 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 March 15, 1998 and recorded at Deed Book 474, Page 175 in the office of the Clerk of Circuit Court, Buchanan County, Virginia on March 27, 1998 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interests 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, Section 45.1-361.1 et seq., Virginia Code, 1950 as amended.

2. Findings: The Board finds that:

(a). The Board Order directed Consol, Inc. (herein the "Designated Operator"), to mail copies of the Board order to all respondents whose interests, if any, were pooled by said board Order.

(b). The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's order to all respondents whose interests, if any, were pooled by said Board Order.

©. The Board order required each respondent whose interests, 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 affidavit of elections filed herein and annexed hereto as Exhibit A states: (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, interests, estates and claims in Subject Drilling Unit to the Designated Operator.

(d). That the affidavit of elections annexed hereto with the exhibits submitted therewith identifies the respondent(s) making a timely election, if any; identifies the respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrowing under Virginia Code Section 45.1-361.21.D.; and identifies the respondent(s), if any, who may be dismissed by reason of having been released or entered into a voluntary agreement with the Designated Operator. The affidavit of elections indicates that the escrow of funds is required with regard to unit P-13/P-13-B.

(e). Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Virginia Bank - Mountain Empire, c/o Trust Department, P. O. Box 1038, Abingdon, Virginia 24212 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.

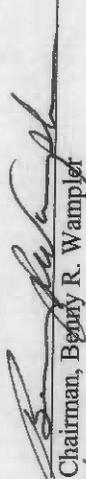
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2, above and the annexed affidavit of elections with exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Virginia Bank - Mountain Empire, c/o Trust Department, P. O. Box 1038, Abingdon, Virginia 24212, 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 the affidavit of elections with exhibits thereto, to receive such funds and account to the Board therefore.

4. Mailing of the 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 a true and correct copy of this Order was mailed within seven (7) days from the date of receipt 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 10<sup>th</sup> day of June, 1998, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 11<sup>th</sup> day of June, 1998, 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 10<sup>th</sup> day of June, 1998, 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 WASHINGTON)

Acknowledged on this 11<sup>th</sup> day of June, 1998, personally before me a notary public in and for the commonwealth of Virginia, appeared Byron Thomas Fulmer being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary Public

My commission expires 9/30/2001

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Buchanan Production Company for Forced Pooling of Interests in CBM Unit P-13/P13B  
VGOB-97-0916-0603 in the South Grundy District of Buchanan County, Virginia

AFFIDAVIT OF CONSOL, INC. (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND  
SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CONSOL Inc., the designated operator, as a Permit Specialist and is duly authorized to make this affidavit on its behalf;

That the Order entered on March 15, 1997, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused 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 were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the 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 the Order was recorded in the county identified above; that said Order was recorded on March 27, 1997;

That the designated operator CONSOL Inc. has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests 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 the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None.

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of March 15, 1998.

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

None.

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:

None.

that to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

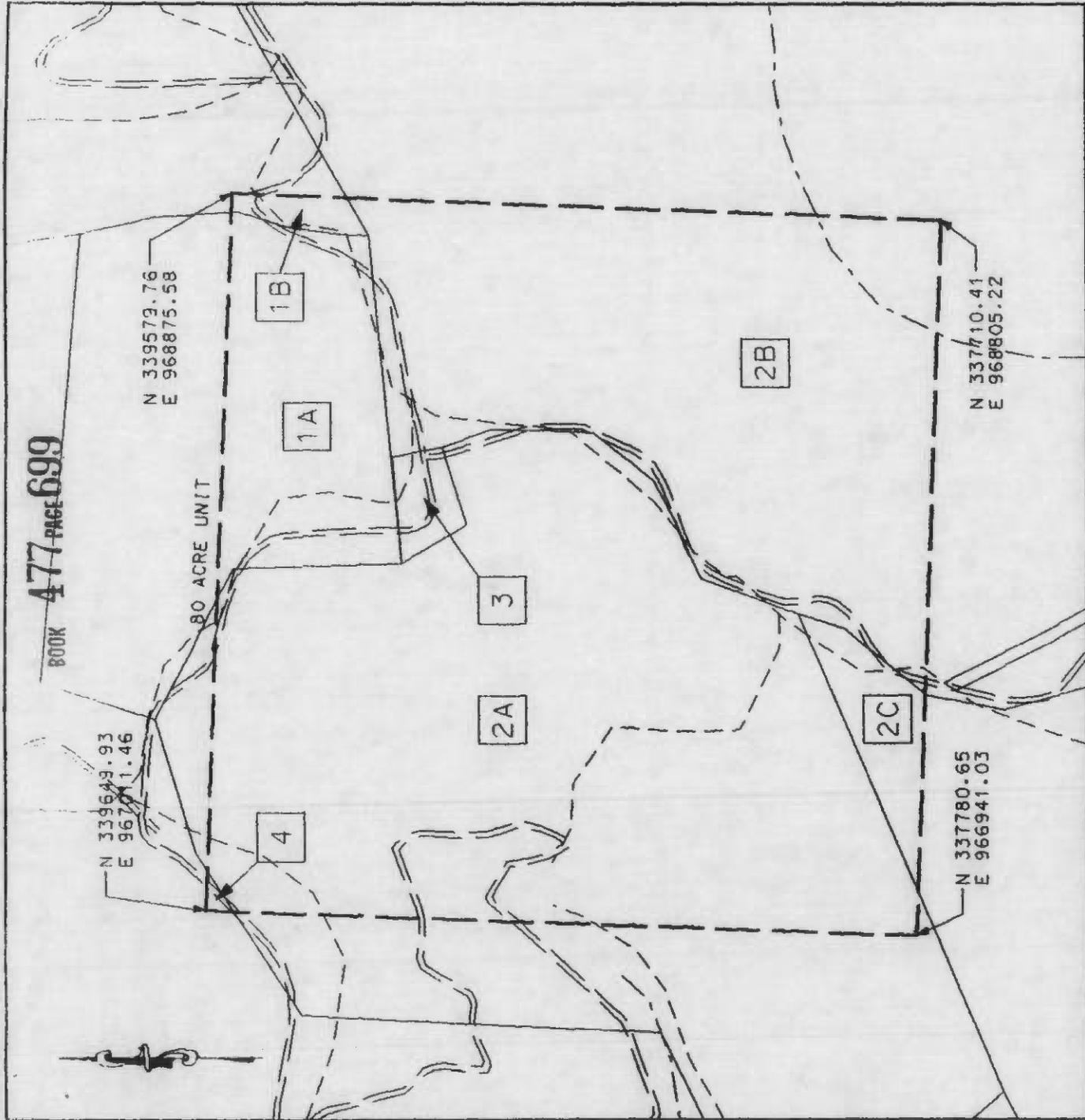
Dated at Tazewell, Virginia, this 8<sup>th</sup> day of MAY, 1998.

  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Permit Specialist of CONSOL Inc., on behalf of the corporate Designated Operator, this 8<sup>m</sup> day of May, 1998.

  
Notary

My commission expires: 11/30/01.

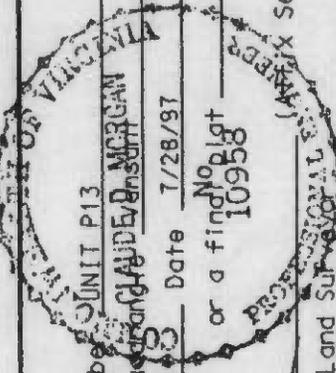


**LEGEND**

↖ TRACT LAND HOOK

[2] TRACT LAND ID'S

EXHIBIT A  
 OAKWOOD FIELD UNIT P-13  
 FORCE POOLING  
 VGDB-97-09-16-0603



Company Consol Inc. Well Name and Number UNIT P13  
 Tract No.                      Elevation                      Question CLAUDE B. MORGAN  
 County Buchanan District S. Grundy Scale: 1" = 400' Date 7/28/97  
 This plat is a new plat X; an updated plat                     ; or a find Plot  
10958  
 Form 060-60-7 Charles D. May (Professional Engineer Seal)  
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

## CONSOL Inc.

Plat Legend  
Property and Lease Information  
Unit P-13

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List of Unleased Owners/Claimants

	Acres in Unit	Percent of Unit	Election
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<b>Tract No. 3, 0.9115 Acres</b>			
(1) Buchanan County School Board P. O. Box 833 Grundy, VA 24614	0.9115 acres	1.13938%	Deemed Leased

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office of the undersigned and is, together with the certificate of acknowledgment annexed, admitted to record this 14th day of February, 1998. *James M. Bevens, Jr.* M. Deed Book No. 477 and Page No. 701 TESTE: *James M. Bevens, Jr.* Deputy Clerk Returned this date to; *Deputy Clerk Grundy 3/1/98* TESTE: *James M. Bevens, Jr.* Deputy Clerk