

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB-99-0720-0729-01

ELECTIONS: UNIT S-32
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on May 26, 2000 which was recorded at Deed Book 508, Page 181 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on June 2, 2000, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CONSOL Inc. (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

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 an 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 any election(s) made; and (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 Applicant;

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 escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit S-32;

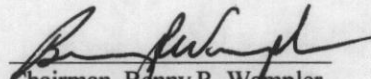
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Telephone: (215) 985-3485 or (800) 664-9359, Attn: Don Ballinghoff, 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 funds and account to the Board therefor.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or 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 to each Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

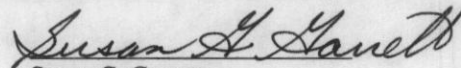
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 14th day of August, 2000, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA
COUNTY OF WISE

Acknowledged on this 14th day of August, 2000, 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
Notary

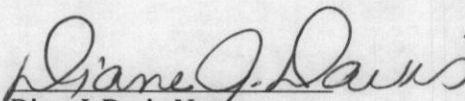
My commission expires: July 31, 2002.

DONE AND PERFORMED THIS 15th day of August, 2000, by Order of the Board.


B. R. Wilson
Director of the Division of Gas & Oil Board
and Principal Executive to the Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 15th day of August, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Acting Principal Executive to the Staff, Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis, Notary

My commission expires: 9/30/2001.

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of BUCHANAN PRODUCTION CO. for Forced Pooling of Interests in CBM Unit S-32 VGOB-99-0720-0729-01 in the Hurricane 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., as a Permit Specialist and is duly authorized to make this affidavit on behalf of the designated operator,

That the Order entered on May 26, 2000, 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 June 2, 2000;

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 June 2, 2000;

See Attached Exhibit B-3

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:

See Attached Exhibit E

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:

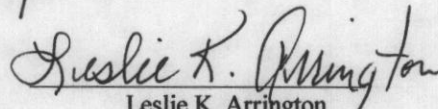
None

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:

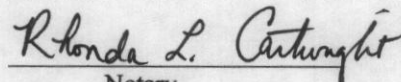
None

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 13th day of July, 2000.


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 13th day of July, 2000.


Notary

My commission expires: 10/31/01.

PROPERTY LINES SHOWN W. TAKEN FROM MAPS
PROVIDED BY CONSOL Inc. AND WERE NOT SURVEYED

BOOK

511 PAGE 560

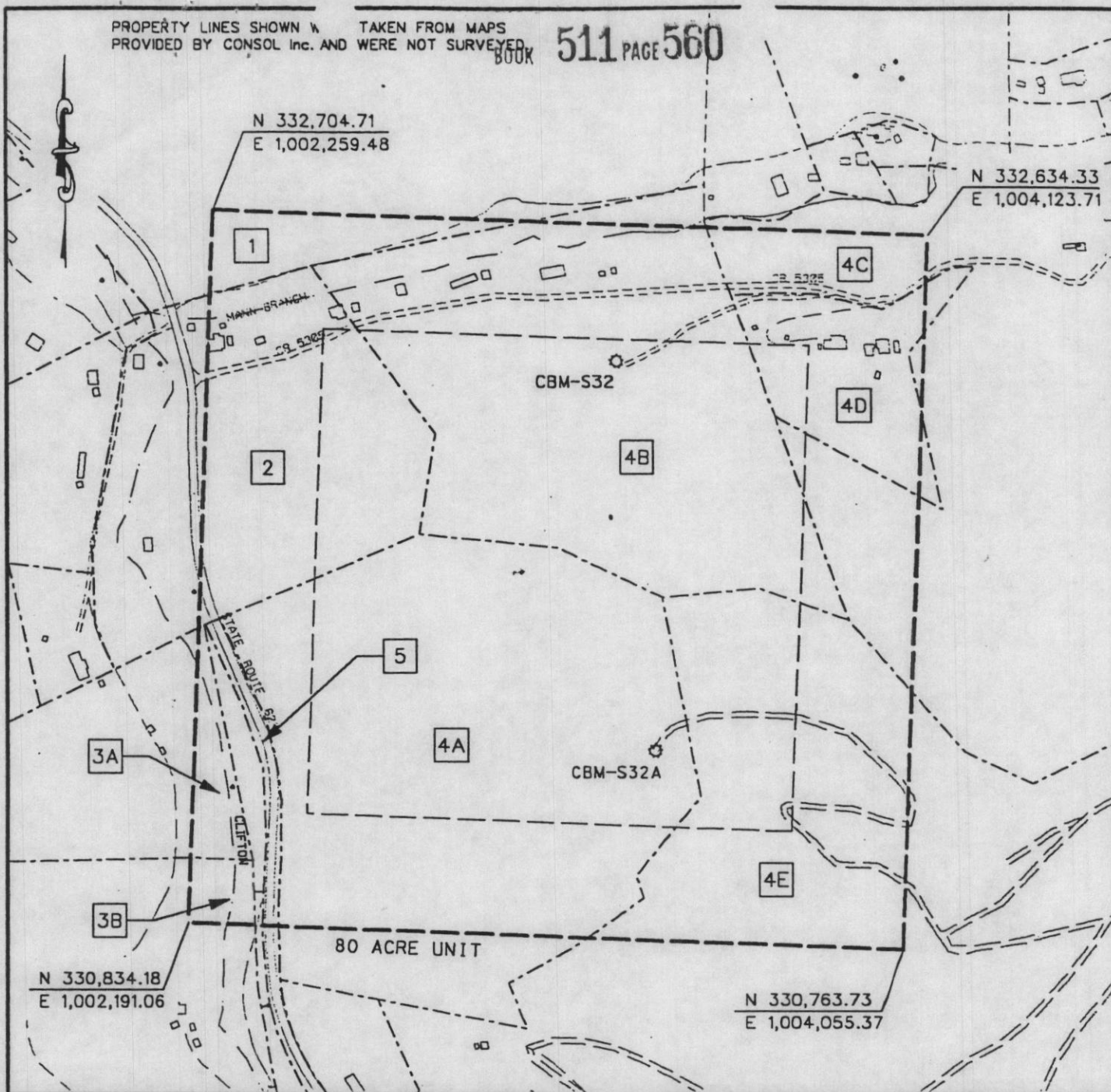


EXHIBIT A
OAKWOOD FIELD UNIT S-32
FORCE POOLING
VGOB-99-0720-0729-01

Company CONSOL Inc. Well Name and Number UNIT S32
Tract No. _____ Elevation _____ Quadrangle Keen Mountain
County Buchanan District Garden Scale: 1" = 400' Date 3/14/00
This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91

Charles O. Noyes
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

CONSOL INC.**Unit S-32****Tract Identifications**

1. Yukon Pocahontas Coal Co, et al - Tr. 102 - Fee
Island Creek Coal Company - Below Drainage Coal Leased
Jewell Smokeless Coal Corp. - Above Drainage Coal Leased
Buchanan Production Co. - CBM Leased
1.94 Acres 2.4250%
2. Yukon Pocahontas Coal Co, et al - Coal, Oil & Gas
Island Creek Coal Company - Below Drainage Coal Leased
Jewell Smokeless Coal Corp. - Above Drainage Coal Leased
Buchanan Production Co. - CBM Leased
S. R. Keen - Surface
9.23 Acres 11.5375%
3. Richard Deskins Heirs, et al - Coal Oil and Gas
Island Creek Coal Company - Coal Below Tiller
Permac Coal Company - Coal above drainage
Buchanan Production Company - CBM Lessee
Buchanan Production Company - CBM, Oil & Gas Lessee
1.89 acres 2.3625%
- 3A. S. R. Keen - Surface
3B. Perry Keen - Surface
4. Alpha Stickley Heirs, et al - Coal, Oil & Gas
Island Creek Coal Company - Below Drainage Coal Leased
Jewell Smokeless Coal Corp. - Above Drainage Coal Leased
Permac Inc. - Above Drainage Coal Leased
Buchanan Production Co. - CBM Leased
66.19 Acres 82.7375%
- 4A. George Cantrell - Surface
4B. Ronnie Keen - Surface
4C. Carrie, Bufford & Roscoe Horn - Surface
4D. William Phillips - Surface
4E. Fred Hurt - Surface
5. Alpha Stickley Heirs, et al - 25% Coal, Oil & Gas
Virginia Department of Transportation - 75% Coal, Oil & Gas
Island Creek Coal Company - 25% Below Drainage Coal Leased
Jewell Smokeless Coal Corp. - Above Drainage Coal Leased
Permac Inc. - Above Drainage Coal Leased
Buchanan Production Co. - 25% CBM Leased
0.75 Acres 0.9275%

Exhibit B-3
UNIT S-32 BOOK 511 PAGE 562
Docket # VGOB-99-0720-0729-01
List of Unleased Owners/Claimants

		Acres in Unit	Percent of Unit	Division of interest in			
				1st Right 1A 17.02212%	2nd Right 2A 2.11965%		
I. <u>COAL FEE OWNERSHIP</u>							
Tract #5, 0.75 acres							
(1)	Virginia Department of Transportation P.O. Box 1768 Bristol, VA 24203	0.5625 acres 3/4 of 0.75 acres	0.70313%	0.11969%	0.01490%		
II. <u>OIL & GAS FEE OWNERSHIP</u>							
Tract #5, 0.75 acres							
(1)	Virginia Department of Transportation P.O. Box 1768 Bristol, VA 24203	0.5625 acres 3/4 of 0.75 acres	0.70313%	0.11969%	0.01490%		

UNIT S-32

Docket # VGOB-99-0720-0729-01

List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit	Division of interest in 1st Right 1A 17.02212%	2nd Right 2A 2.11965%
<u>Tract #3, 1.89 acres</u>				
<u>COAL FEE OWNERSHIP</u>				
(1) Richard Deskins Heirs, etal.	1.89 acres	2.36250%	0.40215%	0.05008%
(a) Lida G. Vandyke 193 South Lane Hightstown, NJ 08502	0.038571 acres 1/49 of 1.89 acres	0.04821%	0.00821%	0.00102%
(b) Edith McGlothlin 2619 Derubertis North Madison, OH 44057	0.038571 acres 1/49 of 1.89 acres	0.04821%	0.00821%	0.00102%
(c) Daris Deskins 3746 Grove Ave., Apt. 204 Willoughby, OH 44094	0.038571 acres 1/49 of 1.89 acres	0.04821%	0.00821%	0.00102%
(d) Island Creek Coal Company Virginia Division Drawer L Oakwood, VA 24631	0.154286 acres 4/49 of 1.89 acres	0.19286%	0.03283%	0.00409%
<u>OIL & GAS FEE OWNERSHIP</u>				
(1) Richard Deskins Heirs	1.89 acres	2.36250%	0.40215%	0.05008%
(a) Delles G. Deskins 5046 Columbus Court Auburn, GA 30203	0.0338 acres 1/56 of 1.89 acres	0.04219%	0.00718%	0.00089%
(b) Billy J. Deskins Rt. 2, Box 542 Honaker, VA 24260	0.0338 acres 1/56 of 1.89 acres	0.04219%	0.00718%	0.00089%
(c) Charles P. Deskins Rt. 2 Honaker, VA 24260	0.0338 acres 1/56 of 1.89 acres	0.04219%	0.00718%	0.00089%
(d) Winfred L. Deskins Rt. 2, Box 78 Honaker, VA 24260	0.0338 acres 1/56 of 1.89 acres	0.04219%	0.00718%	0.00089%
(e) Arnold R. Langley 118 Laguna Springs Dr. Woodstock, GA 30188	0.0338 acres 1/56 of 1.89 acres	0.04219%	0.00718%	0.00089%
(f) Billanora C. Deskins P. O. Box 347 Rosedale, VA 24280	0.0338 acres 1/56 of 1.89 acres	0.04219%	0.00718%	0.00089%
(g) Frieda V. Deskins Rt. 3, Box 74 Hillsville, VA 24343	0.0338 acres 1/56 of 1.89 acres	0.04219%	0.00718%	0.00089%
(h) Norma Gay Deskins Rt. 2, Box 64 Honaker, VA 24260	0.0048 acres 1/392 of 1.89 acres	0.00603%	0.00103%	0.00013%

Docket # VGOB-99-0720-0729-01

List of Conflicting Owners/Claimants that require escrow

		Acres in Unit	Percent of Unit	Division of interest in	
				1st Right 1A 17.02212%	2nd Right 2A 2.11965%
(i)	Jerry F. Deskins P. O. Box 34 North Robinson, OH 44856	0.0048 acres 1/392 of 1.89 acres	0.00603%	0.00103%	0.00013%
(j)	John P. Deskins Rt. 2, Box 603-A Honaker, VA 24260	0.0048 acres 1/392 of 1.89 acres	0.00603%	0.00103%	0.00013%
(k)	Donald W. Deskins P. O. Box 1184 Honaker, VA 24260	0.0048 acres 1/392 of 1.89 acres	0.00603%	0.00103%	0.00013%
(l)	Leonard R. Deskins, Jr. Rt. 2, Box 603 Honaker, VA 24260	0.0048 acres 1/392 of 1.89 acres	0.00603%	0.00103%	0.00013%
(m)	Norma R. Hale Rt. 2, Box 64 Honaker, VA 24260	0.0048 acres 1/392 of 1.89 acres	0.00603%	0.00103%	0.00013%
(n)	Barbara L. Deskins P. O. Box 33 Brahamsville, VA 23011	0.0010 acres 1/1960 of 1.89 acres	0.00121%	0.00021%	0.00003%
(o)	David L. Deskins P. O. Box 108 Barhamsville, VA 23011	0.0010 acres 1/1960 of 1.89 acres	0.00121%	0.00021%	0.00003%
(p)	Gregory N. Deskins P. O. Box 189 Barhamsville, VA 23011	0.0010 acres 1/1960 of 1.89 acres	0.00121%	0.00021%	0.00003%
(q)	Matthew Deskins % Barbara Deskins P. O. Box 33 Barhamsville, VA 23011	0.0010 acres 1/1960 of 1.89 acres	0.00121%	0.00021%	0.00003%
(r)	Carole L. Liggan 1201 North Bury Road Rich, VA 23231	0.0010 acres 1/1960 of 1.89 acres	0.00121%	0.00021%	0.00003%

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 17th day of August, 2000 at 3:15 P M.
Deed Book No. 571 and Page No. 552 TESTE: James M. Bevins, Jr., Clerk
Returned this date to; Dhane TESTE: Shirley S. Miller Deputy Clerk