

623
VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB-02/05/21-1030

ELECTIONS, UNIT: VC-504659

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

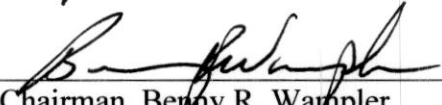
1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas 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 requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on June 14, 2002, and recorded at Deed Book 376, Page 550 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on June 24, 2002 (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 Production 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 July 1, 2002, 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 July 31, 2002, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether

ENTERED

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, First Union National Bank, Corporate Trust, PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Don Ballinghoff, 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, First Union National Bank, Corporate Trust, PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, 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 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 6th day of September, 2002 by a majority of the Virginia Gas and Oil Board.

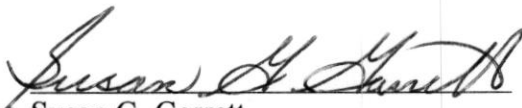

Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 20th day of September, 2002 by Order of this Board.


B. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 6th day of September, 2002, 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 Public

My commission expires: 7/31/06

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 20th day of September, 2002, 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 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 Public

My commission expires: 9/30/05

Order Recorded Under Code of
Virginia Section 45.1-361.23

VIRGINIA:***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number VC-504659, VGOB Docket No. VGOB-02/05/21-1030 in the Kenady Magisterial District of Dickenson County, Virginia.

AFFIDAVIT OF WILHOIT & 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 & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on June 14, 2002, 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 June 24, 2002.
5. That the Designated Operator, by and through their agent, Wilhoit & 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:

Donald Martin and
Betty Martin, H/W

Cash Consideration

\$1.00

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 due to conflicting claims as between the gas owner and the coal owner.

TRACT	LESSOR	NET REVENUE INTEREST
2-7 Gas or 2-7 Coal	Pittston Company	0.03598750
	Lambert Land LLC	0.03598750
9 Gas or 9 Coal	N. K. Rasnik Heirs (collectively)	0.00002500
	Lambert Land LLC	0.00002500
10 Gas or 10 Coal	Charles W. Grizzle, et al	0.01465000
	Lambert Land LLC	0.01465000

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.

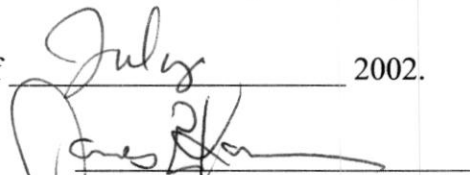
TRACT	LESSOR	CASH CONSIDERATION
9	Helen Bailey & Carl Bailey, W/H Address Unknown	\$1.00 Escrow at Bank
	June Humphrey, Widow Address Unknown	\$1.00 Escrow at Bank

Vivian Rasnick & Dennis Rasnick, W/H Address Unknown	\$1.00 Escrow at Bank
Lester Martin Heirs Address Unknown	\$1.00 Escrow at Bank
Darrell Martin Heirs Address Unknown	\$1.00 Escrow at Bank
Sid Rasnick, Widow Address Unknown	\$1.00 Escrow at Bank
Ralph Martin Heirs Address Unknown	\$1.00 Escrow at Bank
Billie Martin Smith, Widow Address Unknown	\$1.00 Escrow at Bank
Janet Benton & Eddie Benton, W/H Address Unknown	\$1.00 Escrow at Bank
Mike Smith & Brenda Smith, H/W Address Unknown	\$1.00 Escrow at Bank
Jeannie Hubbard & Jackie Hubbard, W/H Address Unknown	\$1.00 Escrow at Bank
Harold Rasnick Heirs Address Unknown	\$1.00 Escrow at Bank
Bazil Rasnick & Mae Rasnick, H/W Route 1 Box 740 Dante, VA 24237	\$1.00
Floyd Jesse Sutherland & Noelle Sutherland, H/W P O Box 2434 Abingdon, VA 24210	\$1.00
William Reed Sutherland & Ann Dale Sutherland, H/W P O Box 245 Surry, VA 23883	\$1.00
Stewart Sutherland & Jennie Sutherland, H/W Route 1 Box 405 Wytheville, VA 24382	\$1.00

Hagen Cox, Widower 2700 Blithe Drive Chester, VA 23831	\$1.00
Mary Ann Roach & Jeff Roach, W/H 2217 Hunter's Glen Wichita Falls, TX 76306	\$1.00
Lee Ann Murray & Woodie Murray, W/H 4416 Walkers Landing Drive Petersburgh, VA 23803	\$1.00
Gaines Reed Cox 507 Brookhaven Court Jefferson City, TN 37760	\$1.00
Berry Cox, Single 2217 Hunter's Glen Wichita Falls, TX 76306	\$1.00
R. W. Rasnick Heirs Address Unknown	\$1.00 Escrow at Bank
Tilden Rasnick Heirs Address Unknown	\$1.00 Escrow at Bank
Charles W. Grizzle et al Address Unknown	\$1.00 Escrow at Bank

That pursuant to the provision of 4VAC 25-160.70C 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 required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 31st day of July 2002.


Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Production Company, a corporation, on behalf of the corporation, this 31st day of July 2002.

My commission expires: August 18, 2003

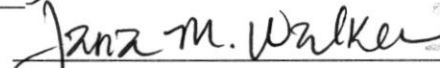

Notary



EXHIBIT "B" 379PG 262
V-504659
VGOB 02-0521-1030

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Lambert Land LLC PO Box 490 Nora, VA 24272	Leased-EPC 244728L	50.79000000%	29.8500	0.06348750	RI
	Equitable Production Company				0.44441250	WI
Tract 1 Totals			50.79000000%	29.8500	0.50790000	
2 - 7	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart PO Box 5100 Lebanon VA 24226	Leased-EPC 241640L T2-128	28.79000000%	16.9200	0.03598750	RI
	Equitable Production Company				0.25191250	WI
Tract 2-7 Totals			28.79000000%	16.9200	0.28790000	
8	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart PO Box 5100 Lebanon VA 24226	Leased-EPC 241490L T-11	8.68000000%	5.1000	0.01085000	RI
	Equitable Production Company				0.07595000	WI
Tract 8 Totals			8.68000000%	5.1000	0.08680000	
9	N. K. RASNICK HEIRS	Collectively	0.02000000%	0.0100	0.00002500	RI
	Mary R. Phillips Heirs					
	Clayton Phillips Heirs					
	Helen Bailey & Carl Bailey, W/H Address Unknown	Unleased				
	Pearl Phillips Martin Heirs					
	June Humphrey, Widow Address Unknown	Unleased				

EXHIBIT "B" 263
 V-504659
 VGOB 02-0521-1030

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>
	Vivian Rasnick & Dennis Rasnick, W/H Address Unknown	Unleased			
	Lester Martin Heirs Address Unknown	Unleased			
	Darrell Martin Heirs Address Unknown	Unleased			
	Sid Rasnick, Widow Address Unknown	Unleased			
	Ralph Martin Heirs Address Unknown	Unleased			
	Lou Martin Heirs				
	Donald Martin & Betty Martin, H/W Route 1 Box 643 Dante, VA 24237	Unleased			
	Billie Martin Smith, Widow Address Unknown	Unleased Life Estate			
	Janet Benton & Eddie Benton, W/H Address Unknown	Unleased Remainderman			
	Mike Smith & Brenda Smith, H/W Address Unknown	Unleased Remainderman			
	Jeannie Hubbard & Jackie Hubbard, W/H Address Unknown	Unleased Remainderman			
	Harold Rasnick Heirs Address Unknown	Unleased			
	L. K. Rasnick & Amelia Rasnick Heirs				

PV 379PG 264
EXHIBIT "B"
V-504659
VGOB 02-0521-1030

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>
	Bazil Rasnick & Mae Rasnick, H/W Route 1 Box 740 Dante, VA 24237	Leased-EREC 245424L01			
	Lydia Rasnick Sutherland & J. C. Sutherland Heirs				
	Agnes Gilliam, Widow P. O. Box 296 Clintwood, VA 24228	Leased-EREC 245424L03			
	Margaret Porter, Widow P. O. Box 296 Clintwood, VA 24228	Leased-EREC 245424L02			
	Reed Sutherland Heirs				
	Floyd Jesse Sutherland & Noelle Sutherland, H/W P. O. Box 2434 Abingdon, VA 24210	Unleased			
	William Reed Sutherland & Ann Dale Sutherland, H/W P. O. Box 245 Surry, VA 23883	Unleased			
	Stewart Sutherland & Jennie Sutherland, H/W Route 1 Box 405 Wytheville, VA 24382	Unleased			
	Patricia Cox Heirs				
	Hagen Cox, Widower 2700 Blithe Drive Chester, VA 23831	Unleased Life Estate			
	Mary Ann Roach & Jeff Roach, W/H 2217 Hunter's Glen Wichita Fall, TX 76306	Unleased Remainderman			

BK 379PG 265
EXHIBIT "B"
V-504659
VGOB 02-0521-1030

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
	Lee Ann Murray & Woodie Murray, W/H 4416 Walkers Landing Drive Petersburgh, VA 23803	Unleased Remainderman				
	Gaines Reed Cox 507 Brookhaven Court Jefferson City, TN 37760	Unleased Remainderman				
	Berry Cox, Single 2217 Hunter's Glen Wichita Falls, TX 76306	Unleased Remainderman				
	R. W. Rasnick Heirs Address Unknown	Unleased				
	Tilden Rasnick Heirs Address Unknown	Unleased				
	Equitable Production Company				0.00017500	WI
Tract 9 Totals			0.02000000%	0.0100	0.00020000	
10	Charles W. Grizzle, et al Unknown	Unleased	11.72000000%	6.8900	0.01465000	RI
	Equitable Production Company				0.10255000	WI
Tract 10 Totals			11.72000000%	6.8900	0.11720000	
TOTAL GAS ESTATE			100.00000000%	58.7700	1.00000000	

EXHIBIT "B" PG 266
V-504659
VG0B 02-0521-1030

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>COAL ESTATE ONLY</u>						
1	Lambert Land LLC PO Box 490 Nora, VA 24272	Leased-EPC 244728L	50.79000000%	29.8500	0.06348750	RI
	Equitable Production Company				0.44441250	WI
Tract 1 Totals			50.79000000%	29.8500	0.50790000	
2 - 7	Lambert Land LLC PO Box 490 Nora, VA 24272	Leased-EPC 244728L	28.79000000%	16.9200	0.03598750	RI
	Equitable Production Company				0.25191250	WI
Tract 2-7 Totals			28.79000000%	16.9200	0.28790000	
8	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart PO Box 5100 Lebanon VA 24226	Leased-EPC 241490L T-11	8.68000000%	5.1000	0.01085000	RI
	Equitable Production Company				0.07595000	WI
Tract 8 Totals			8.68000000%	5.1000	0.08680000	
9	Lambert Land LLC PO Box 490 Nora, VA 24272	Leased-EPC 244728L	0.02000000%	0.0100	0.00002500	RI
	Equitable Production Company				0.00017500	WI
Tract 9 Totals			0.02000000%	0.0100	0.00020000	
10	Lambert Land LLC PO Box 490 Nora, VA 24272	Leased-EPC 244728L	11.72000000%	6.8900	0.01465000	RI
	Equitable Production Company				0.10255000	WI
Tract 10 Totals			11.72000000%	6.8900	0.11720000	
TOTAL COAL ESTATE			100.00000000%	58.7700	1.00000000	

INSTRUMENT NO. 020001789
 Recorded in the Clerk's Office
 of Dickenson County

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Sept 20, 2002. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:03 o'clock AM, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: JOE TATE, CLERK
 BY: Tracy Baker D. CLERK

COMMONWEALTH OF VIRGINIA

OFFICIAL RECEIPT
DICKENSON CIRCUIT COURT
DEED RECEIPT

DATE: 09/20/02 TIME: 11:04:31 ACCOUNT: 051CLR020001789 RECEIPT: 02000005515
CASHIER: TJB REG: DK21 TYPE: ODU PAYMENT: FULL PAYMENT
INSTRUMENT : 020001789 BOOK: 379 PAGE: RECORDED: 09/20/02 AT 11:03
GRANTOR NAME : VIRGINIA GAS & OIL BOARD EX: N LOCALITY: CO
GRANTEE NAME : EQUITABLE PRODUCTION COMPANY EX: N PERCENT: 100%
AND ADDRESS :
RECEIVED OF : DEPT MINES MINERALS ENERGY DATE OF DEED: 09/20/02
CHECK : \$22.00
DESCRIPTION 1: REPORT OF BOARD FINDINGS & ORDER PAGES: 12
2: WELL #VC504659 NAMES: 0
CONSIDERATION: .00 ASSUME/VAL: .00 MAP: 255
CODE DESCRIPTION PAID CODE DESCRIPTION PAID
301 DEEDS 22.00
TENDERED : 22.00
AMOUNT PAID: 22.00
CHANGE AMT : .00

CLERK OF COURT: JOE TATE