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130000096

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB 10/09/21-2801

ELECTIONS, UNIT: AE-261 (G-95)

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

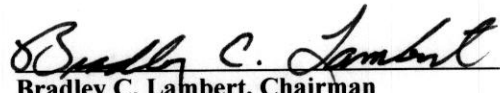
1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas 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 April 2, 2012, and recorded with Instrument # 120000766 at the Office of the Clerk of Circuit Court, Buchanan County, Virginia on April 23, 2012, (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 Appalachian Energy Inc., (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 9, 2012, 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 21, 2012, 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 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 Bank & Trust Company, Trust Division, 38 E Valley Drive, Bristol, VA 24201, (276) 466-9222, Attn: Debbie Davis, 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 Bank & Trust Company, Trust Division, 38 E Valley Drive, Bristol, VA 24201, (276) 466-9222, Attn: Debbie Davis, 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 a true and correct copy of this Order was mailed 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.

Effective Date:

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

DONE AND EXECUTED this 26 day of Nov, 2012, by a majority of the Virginia Gas and Oil Board.

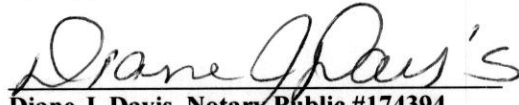

Bradley C. Lambert, Chairman
Virginia Gas and Oil Board

DONE AND PERFORMED this 26th day of NOV, 2012 BY Order of the Virginia Gas and Oil Board.


Rick Cooper, Principal Executive to the Staff
Virginia Gas and Oil Board

**COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL)**

Acknowledged on this 26th day of NOV, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.


Diane J. Davis, Notary Public #174394

My commission expire: 09/30/2013

[Rev. Date 7/14/11]



VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Appalachian Energy, Inc., for Forced Pooling of Interests in Unit Number AE-261 (G-95) VGOB Docket No. VGOB-10/09/21-2801 in the North Grundy Magisterial District of Buchanan 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 April 2, 2012, 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 April 23, 2012.
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:

NONE

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 as either unknown claimants or conflicting claimants 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.

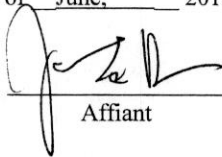
NONE

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.

See Exhibit B-3

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 not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 21st day of June, 2012.



Affiant

State of Tennessee)
County of Sullivan)

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Appalachian Energy Inc., a corporation, on behalf of the corporation, this 21st day of June, 2012.



Susan Peterson, Notary


My commission expires: October 24, 2012.

EXHIBIT "B"
AE-261 (G-95)
Revised 10/18/2010

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
Gas Estate Only				
1	Barbara Oakley 440 Arlington Ave Bristol, VA 24201	Leased	<u>94.22%</u> 47.110000%	<u>55.22</u> 27.61000
	Ruth Kelly Mayo 381 Balls Hill Road Heathsville, VA 22473	Leased	1.744815%	1.02259
	Caroline K. Terry 156 Bayside Court Reedville, VA 22539	Leased	1.744815%	1.02259
	Franklin Wood Kelly 1824 S. Street #102 Washington, D.C. 20009	Leased	1.744815%	1.02259
	Elizabeth K. Whitman PO Box 126 Keene, NY 12942	Leased	1.744815%	1.02259
	James M. Kelly 12 Madrono Court Corte Madera, CA 94925	Leased	1.744815%	1.02259
	Edith K. Bales 1940 Terwood Road Huntington Valley, PA 19006	Leased	1.744815%	1.02259
	Caroline K. Maynard 266 County Road 524 Nacogdoches, TX 75961	Leased	1.308611%	0.76694
	Lowry Stuart Kelly 722 Sinyard Circle Hiram, GA 30141	Leased	1.308611%	0.76694
	Minnie Kelly Hunt 1106 Northshore Drive Sunset Beach, NC 28468	Leased	1.308611%	0.76694
	William C. Kelly 6121 Lane PL Downers Grove, IL 60516-1806	Leased	1.308611%	0.76694
	Daphne M. Lowry 49 Kingsbridge Rd. Bristol, TN 37620	Leased	15.703333%	9.20333
	Estate of Nancy G. Lowry C/O Susan Etta Lowry - Executor 331 White Street Abingdon, VA 24210	Leased	15.703333%	9.20333
			<u>0.22%</u>	<u>0.13</u>
2	Barbara Oakley 440 Arlington Ave Bristol, VA 24201	Leased	0.110000%	0.06500
	Ruth Kelly Mayo 381 Balls Hill Road Heathsville, VA 22473	Leased	0.002037%	0.00120
	Caroline K. Terry 156 Bayside Court Reedville, VA 22539	Leased	0.002037%	0.00120

22

Franklin Wood Kelly 1824 S. Street #102 Washington, D.C. 20009	Leased	0.002037%	0.00120
Elizabeth K. Whitman PO Box 126 Keene, NY 12942	Leased	0.004074%	0.00241
James M. Kelly 12 Madrono Court Corte Madera, CA 94925	Leased	0.004074%	0.00241
Edith K. Bales 1940 Terwood Road Huntington Valley, PA 19006	Leased	0.004074%	0.00241
Caroline K. Maynard 266 County Road 524 Nacogdoches, TX 75961	Leased	0.003056%	0.00181
Lowry Stuart Kelly 722 Sinyard Circle Hiram, GA 30141	Leased	0.003056%	0.00181
Minnie Kelly Hunt 1106 Northshore Drive Sunset Beach, NC 28468	Leased	0.003056%	0.00181
William C. Kelly 6121 Lane PL Downers Grove, IL 60516-1806	Leased	0.003056%	0.00181
Daphne M. Lowry 49 Kingsbridge Rd. Bristol, TN 37620	Leased	0.036667%	0.02167
Estate of Nancy G. Lowry C/O Susan Etta Lowry - Executor 331 White Street Abingdon, VA 24210	Leased	0.036667%	0.02167
3 Patricia Musick Hatfield 608 Sherwood Dr Marion, VA 24354	Leased	<u>5.56%</u> 1.390000%	<u>3.2600</u> 0.81500
Calvin Leslie Musick 100 Amy St. Apt. #1 Bristol, VA 24201	Leased	0.926667%	0.54333
Wanda Kay Brown PO Box 607 Greeneville, TN 37744	Leased	0.926667%	0.54333
Markus J. Brown PO Box 607 Greeneville, TN 37744	Leased	0.463333%	0.27167
*Eagle Coal Corporation c/o Hess, Stewart & Campbell PO Box 1060 Huntington, WV 25727	*Leased	1.853333%	1.08667
*Range Resources Pint Mountain Attn: Mr. Phil Horn 406 West Main St Abingdon, VA 24210			

Totals

Total Percentage Leased to AEI
Total Percentage Unleased

98.14%
1.86%
100%

Total Acreage Leased AEI
Total Acreage Unleased

57.52
1.09
58.61

Handwritten signature

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AE-261 (G-95)
Revised 10/18/2010

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88

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	Elizabeth K. Whitman PO Box 126 Keene, NY 12942	Leased	0.0040741%	0.00241
	James M. Kelly 12 Madrono Court Corte Madera, CA 94925	Leased	0.0040741%	0.00241
	Edith K. Bales 1940 Terwood Road Huntington Valley, PA 19006	Leased	0.0040741%	0.00241
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9 H

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Gas Estate Only

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Total Acreage Unleased

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Coal Estate Only

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Total Percentage Unleased

1.86%

Total Acreage Unleased

1.09

INSTRUMENT #130000096
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JANUARY 14, 2013 AT 02:33PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB

10

Hagy, Sharon (DMME)

From: VITASHARE System [vitashare@vita.virginia.gov]
Sent: Monday, January 28, 2013 3:21 PM
To: Hagy, Sharon (DMME)
Subject: New Transaction 2A69L2UZ7OQVO454-0002

Transaction details for Sharon Hagy(user shagy_1) _____

Job Id: 2A69L2UZ7OQVO454-0002

Date: Mon, Jan 28, at 15:20

Transaction Details:

Acknowledge Security Policy: I understand that this system is not intended for sensitive data.

Recipient's Email example- user1@virginia.gov, user2@virginia.gov:

gloria.clark@dmme.virginia.gov, MDempsey@aps-energy.com, sep@wilhoitandkaiser.com

Message - Describe file attachment: Please disregard if you already have the recorded order. I have been off and could not find a confirmation sheet stating order 2801 had been sent out. Let me know if you are unable to download the file. Thank you, Sharon

Notify me when the file is downloaded?: Yes

Pin: 247800

Files:

2801_Supplemental-Original.tif

View details here

<<http://vitashare.vita.virginia.gov/fcweb/viewJobLink.do?JOBIDX=2A69L2UZ7OQVO454>>

Total Estimated File Size: 181 KB

Total Number of Files: 1

Estimated Upload Time: 00:00:32