

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Edwards & Harding Petroleum Company
for Forced Pooling of Interests in a Drilling Unit
Affected by Proposed Well Number EH-38, VGOB 1010-18 in the
Garden Magisterial District of Buchanan County, Virginia

This cause came on this 20th day of November, 1990, upon the competing applications of Edwards & Harding Petroleum Company, for Well Number EH-38, VGOB 1010-18 and Oxy Petroleum Company for Well Number C-24, VGOB 95-8. Both applicants requested that this Board pool all the interests of well operators in the same 80-acre coalbed methane unit established in the Oakwood Coalbed Methane Field and Garden Magisterial District of Buchanan County, Virginia. Each applicant requested that the Virginia Gas and Oil Board designate them as well operator. Notice of the filing of the applications herein and of the time, date and place of hearing thereon was duly and properly given to each well operator of record having an interest in the coalbed methane underlying tracts within the proposed unit covered hereby as required by Section 45.1-361.19 of the Code of Virginia, 1950, as amended. The Board has examined the notices as given and further conducted inquiry into the sufficiency of Edwards & Harding Petroleum Company's and Oxy USA, Inc.'s search to determine the names and whereabouts of well operators who may be affected by the pooling occluded coalbed methane gas interest in the 80-acre drilling unit involved herein. The Board finds that both Oxy USA, Inc. and Edwards & Harding Petroleum Company have exercised due diligence and conducted a meaningful search of reasonably available sources at hand to

determine the location and whereabouts of all interested parties. The Board approves the notice as given, by publication and otherwise, as meeting the statutory requirements of the Rules of this Board, minimum standards of state and federal due process, and finds that notice has been given in all respects as required by law and the rules of this Board.

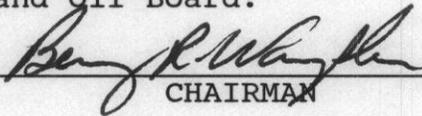
It appearing to this Board that the parties hereto, Edwards & Harding Petroleum Company and Oxy USA, Inc. have filed applications requesting that the Board pool all interests in the proposed unit, Edwards & Harding's designation EH-38 and Oxy designation C-24. The acreage involved in both applications is the same. Both parties request that this Board order the pooling of all interests in the permit and designated them as operator of the unit.

Based upon the evidence presented, the Board finds that Oxy USA is in a better position to drill, develop and produce the coalbed methane gas from this unit. Oxy USA has a working relationship with its sister company, Island Creek Coal Company. Island Creek Coal Company is developing and mining the primary target coal seam, Pocahontas 3. Oxy has provided proof of its ability to stimulate coal seams below the Tiller seam of coal to maximize recovery of coalbed methane and prevent all types of hydrocarbon waste. The Board finds that in order to protect the correlative rights of all parties involved, it is essential that the operator be able to maximize potential recovery of hydrocarbon resources beneath this proposed 80-acre.

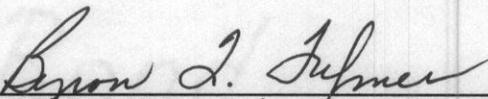
Accordingly, it is the Order of this Board that Oxy USA be and hereby is designated as well operator for this unit and that Edwards & Harding Petroleum's application for proposed unit EH-38 be and hereby is DISMISSED.

Copies of this Order shall be mailed to Edwards & Harding Petroleum Company, P. O. Box 2404, Abingdon, Virginia 24210 and to Oxy USA, Inc., P. O. Drawer Q, Richlands, VA 24641.

Done and executed this 21st day of June, 1991, by a majority of the Virginia Gas and Oil Board.

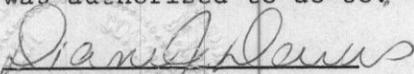

CHAIRMAN

Done and performed this 21st day of June, 1991 by Order of this Board.


Principal Executive to the Staff
Virginia Gas and Oil Board

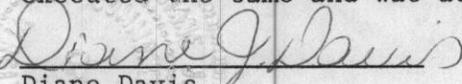
State of Virginia
County of Washington

Acknowledged on this 21st day of June, 1991,
personally before me a notary public in and for the State 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.


Diane Davis
Notary Public
My commission expires 9/23/92

State of Virginia
County of Washington

Acknowledged on this 21st day of June, 1991,
personally before me a notary public in and for the State 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 Davis
Notary Public
My commission expires 9/23/92