

V I R G I N I A:

BEFORE THE GAS AND OIL BOARD

IN RE:

Application of Edwards and Harding Petroleum Company
for Forced Pooling of Interest in a Drilling Unit
Affected by Well Number EH-71, VGOB 1120-50 in the
Garden Magisterial District of Buchanan County, Virginia

This cause came on this 21st day of November, 1990, upon the application of Edwards and Harding Petroleum Company requesting that this Board pool the interests of well operators in the 80-acre (plus a tolerance of 15%) drilling unit established for the Oakwood Coalbed Methane field in the Garden Magisterial District of Buchanan County, Virginia. Notice of the filing of the application herein and of the time, date and place of the hearing thereon was duly and properly given to each well operator of record having an interest in the oil and gas underlying the tracts within the drilling unit covered hereby as required by Section 45.1-361.19, Code of Virginia, 1950 as amended. The Board examined the Notice as given and further conducted inquiry into the sufficiency of Edwards and Harding Petroleum Company's search to determine the name and whereabouts of well operators who may be affected by the pooling of oil and gas interests in the drilling unit involved herein. The Board finds that Edwards and Harding Petroleum has exercised due diligence and has conducted a meaningful search of reasonably available sources at hand. The Board hereby approves the notice given, by publication and otherwise, as meeting the statutory requirements, rules of the Board and minimum standards of state and federal due process, and finds that notice has been

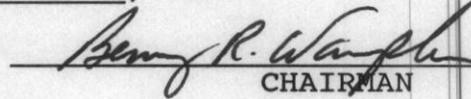
given in all respects as required by law and the rules of this Board.

Based upon the evidence presented, the Board finds that Edwards and Harding Petroleum Company has proposed to stimulate various coal seams below the Tiller seam. Edwards and Harding has failed to demonstrate that they have the consent of the coal operator, Island Creek Coal Company, to stimulate coal seams it intends to produce. This Board has ruled that an applicant for a coalbed methane gas forced pooling order must, as a condition of approval of the order, demonstrate that they have the consent of the coal operator to stimulate. Section 45.1-361.29(f)(2) requires a coalbed methane gas operator to provide proof of consent to stimulate coal seams in order to obtain a permit for well work operations. If an applicant for a forced pooling cannot drill the well in the proposed unit, then the correlative rights of other owners of an interest in the pool will not be protected. This Board is specifically charged with protecting the correlative rights of all coalbed methane gas owners in this unit.

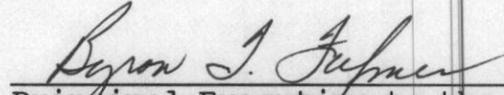
NOW THEREFORE, it is ORDERED that Edwards and Harding Petroleum Company's application for a forced pooling unit for proposed well EH-71, VGOB 1120-50 be and hereby is dismissed without prejudice. Edwards and Harding shall mail copies of this order to all persons required to be notified pursuant to Section 45.1-361.19 of the Code of Virginia.

The Board will receive, consider and respond to petitions of any interested person at any time with respect to reconsideration or revision of this procedural rule. This rule shall become effective 30 days from the date below.

All members present and in agreement done and executed this 5th day of January, 1991.


CHAIRMAN

Done and performed this 5th day of January, 1991, by Order of this Board.


Principal Executive to the Staff
Virginia Gas and Oil Board

Morant Bond