

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING  
ELECTIONS, UNIT: EH-65  
(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-92/03/17-0205

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 requirements of § 7.c of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 by supplementing the Order previously issued by the Board for the subject Docket on November 19, 1992 and recorded at Deed Book 287, Page 500 in the Office of the Clerk of the Circuit Court, Dickenson County, Virginia on November 19, 1992 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interests 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 Edwards & Harding Petroleum Company (now Virginia Gas Company) (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;

(b) The Designated Operator filed its affidavit of mailing dated December 7, 1992 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;

(c) The Board Order required each Respondent whose interests, 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 May 17, 1993 in accordance with 7.c of the Virginia Gas and Oil Board Regulations and VR 480-05-22.2 (herein "Affidavit of Election"), wherein it has, for each Respondent whose interests, 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, interests, 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 Interest as part of its Affidavit of Election. A copy of which is attached.

(e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, 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.

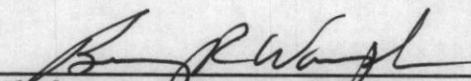
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, 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 within seven (7) days from the date of receipt 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 3<sup>rd</sup> day of January 1994, by a majority of the Virginia Gas and Oil Board.

  
 \_\_\_\_\_  
 Chairman, Benny R. Wampler

STATE OF VIRGINIA )  
 COUNTY OF WISE )

Acknowledged on this 3rd day of January, 199<sup>4</sup>, personally before me a notary public in and for the Commonwealth 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.

Susan G. Garrett

Susan G. Garrett  
Notary Public

My commission expires 7/31/94

DONE AND PERFORMED this 3rd day of January 199<sup>4</sup> by Order of this Board.

Byron Thomas Fulmer

Byron Thomas Fulmer  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 3rd day of January, 199<sup>4</sup>, personally before me a notary public in and for the Commonwealth 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 J. Davis

Diane J. Davis  
Notary Public

My commission expires 9/30/97



VIRGINIA:

## BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Edwards & Harding Petroleum Company (now Virginia Gas Company) for Forced Pooling of Interests in Unit Number EH-65, VGOB Docket No. VGOB-92/0317-0205 in the Willis District of Dickenson County, Virginia

AFFIDAVIT OF Edwards & Harding Petroleum Company (now Virginia Gas Company) (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

James D. Rasnake (herein Affiant), being first duly sworn on oath, deposes and says:

1. That your Affiant is employed by Virginia Gas Company, the Designated Operator, at its office located at 120 South Court Street, Abingdon, Virginia 24210 that your Affiant is the Designated Operator's Land Manager, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on November 19, 1992, by the Virginia Gas and Oil Board regarding the captioned (CBM or 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, 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 know, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that annexed hereto and incorporated herein are copies of the letters of transmittal, receipts for certified mail, and return receipts pertaining to said mailing;
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 November 19, 1992.
5. That the Designated Operator, Edwards & Harding Petroleum Company (now Virginia Gas Company), has established procedures to review all mail received and all written documents received by means 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 Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election period:

NONE

6. That the interests 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; that opposite the name of each person named as a Respondent listed below is set forth:

SEE ATTACHED

- 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 interests and/or claims which are not subject to escrow and should, therefore, be dismissed as Respondents: NONE
- 8. That pursuant to the provisions of VR 480-05-22.27.C and VR 480-05-22.2.8, 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 and identifies the conflicting claims and/or interests which require escrow of funds pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22.A.3 and 4.;

Dated at Abingdon, Virginia, this 17th day of May, 1993.

James D. Rasnake  
Affiant

Taken, subscribed and sworn to before me by James D. Rasnake, the

Land Manager of Virginia Gas Company, a corporation,

on behalf of the corporation, this 17th day of May, 1993.

1993.

My commission expires: 9/30/96  
Brenda K. Stephenson  
Notary

AFFIDAVIT

THIS AFFIDAVIT is to certify that Virginia Gas Company has mailed, within seven (7) days from its receipt of the VGOB Report of the Board, Findings and Order concerning the EH-65 well unit (Docket No. VGOB 92-0317-0205), a true and correct copy of said report to each person pooled by this order whose address is shown on Exhibit B of said report.

Signature:

James D. Rasnake

James D. Rasnake  
Land Manager  
Virginia Gas Company

ACKNOWLEDGMENT

COMMONWEALTH OF VIRGINIA )  
COUNTY OF WASHINGTON)

SUBSCRIBED AND SWORN to before me this 7th day of December, 1992.

Marlene R. Stephenson  
Notary Public

My commission expires:

September 30, 1996

|                   |                             | ELECTIONS     |        | Non-Partic. or Carried |  | Unknown or Unlocatable |   | Conflicting Claim |  | % Unit      |  | Division of Interest |  | ESCROW Amount Due |  |
|-------------------|-----------------------------|---------------|--------|------------------------|--|------------------------|---|-------------------|--|-------------|--|----------------------|--|-------------------|--|
| WELL #85          | NAME                        | Deemed Leased | Leased | Participating          |  |                        |   |                   |  |             |  |                      |  |                   |  |
| VG08-92-0317-0205 |                             |               |        |                        |  |                        |   |                   |  |             |  |                      |  |                   |  |
|                   | DAMRON HEIRS                | X             |        |                        |  |                        |   |                   |  |             |  |                      |  |                   |  |
|                   | Paul Damron                 | X             |        |                        |  |                        |   |                   |  | 0.006566670 |  | 0.000820833          |  |                   |  |
|                   | Elmer Damron                | X             |        |                        |  |                        |   |                   |  | 0.006566670 |  | 0.000820833          |  |                   |  |
|                   | Benny Damron                | X             |        |                        |  |                        |   |                   |  | 0.006566670 |  | 0.000820833          |  |                   |  |
|                   | Harold Warren Damron        | X             |        |                        |  |                        |   |                   |  | 0.006566670 |  | 0.000820833          |  |                   |  |
|                   | Harry Damron                | X             |        |                        |  |                        |   |                   |  | 0.006566670 |  | 0.000820833          |  |                   |  |
|                   | Fred Lee Damron             | X             |        |                        |  |                        |   |                   |  | 0.006566670 |  | 0.000820833          |  |                   |  |
|                   | Unknown Heirs of Nancy Hill |               |        |                        |  |                        | X |                   |  | 0.118100000 |  | 0.014762500          |  | \$248.91          |  |

VIRGINIA GAS COMPANY  
ESCROW ACCOUNT LEDGER

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Jan. 6, 1994. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 1:02 o'clock P. M., after payment of \$ \_\_\_\_\_ tax imposed by Sec. 58.1-802.

*Diane Davis*

TESTE JOE TATE, CLERK  
BY: *Lula Sarge* D. CLERK

Original returned this date to: \_\_\_\_\_

## ALLOCATION REPORT FOR 7/1/99 TO 7/31/99

## VGO VIRGINIA GAS &amp; OIL BOARD

|   | BEGINNING<br>BALANCE          | RECEIPTS | INTEREST | DISBURSE-<br>MENT | TRANSFER<br>OF FUNDS | FEE<br>EXPENSE | GAIN/LOSS | BALANCE |
|---|-------------------------------|----------|----------|-------------------|----------------------|----------------|-----------|---------|
| VGC UNIT EH-65 92-0317-0205 ACTIVE<br>VIRGINIA GAS COMPANY  |                               |          |          |                   |                      |                |           |         |
| DOP 09/19/1994 DOS 01/03/1994 DOW 00/00/0000 DOT 00/00/0000 |                               |          |          |                   |                      |                |           |         |
| DOB 00/00/0000 DOR 00/00/0000 NRD 00/00/0000 ERD 00/00/0000 |                               |          |          |                   |                      |                |           |         |
| ROYALTY BONUS   |                               |          |          |                   |                      |                |           |         |
| TRUST FUND  | 46.20                         | 0.00     | 0.24     | 0.00              | 0.00                 | -0.04          | -0.02     | 46.38   |
| TOTAL   | 46.20                         | 0.00     | 0.24     | 0.00              | 0.00                 | -0.04          | -0.02     | 46.38   |
|   | [ VESTED PERCENT 100.0 AMOUNT |          |          | 46.38 ]           |                      |                |           |         |
| ROYALTY INCOME  |                               |          |          |                   |                      |                |           |         |
| TRUST FUND  | 3608.34                       | 33.14    | 18.49    | 0.00              | 0.00                 | -13.01         | -1.32     | 3645.64 |
| TOTAL   | 3608.34                       | 33.14    | 18.49    | 0.00              | 0.00                 | -13.01         | -1.32     | 3645.64 |
|   | [ VESTED PERCENT 100.0 AMOUNT |          |          | 3645.64 ]         |                      |                |           |         |
| ACCOUNT   | 3654.54                       | 33.14    | 18.73    | 0.00              | 0.00                 | -13.05         | -1.84     | 3692.02 |
|   | [ TOTAL VESTED AMOUNT         |          |          | 3692.02 ]         |                      |                |           |         |