

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

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

DOCKET NO. VGOB-92/0317-0205REPORT OF BOARDFINDINGS 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 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 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 [filed said Statement of Interest dated May 17, 1993] or [furnished said Statement of Interests as part of its Affidavit of Election.] A copy of which is attached hereto as Exhibit [A] or [B].

(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, VA 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. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated October 20, 1992.

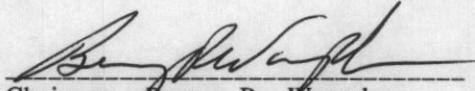
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P.O. Box 909, Tazewell, VA 24651, 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 know.

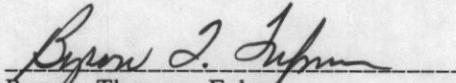
5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 29th day of December, 199⁴, by a majority of the Virginia Gas and Oil Board.

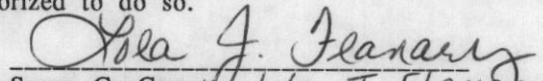

Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 29th day of December, 199⁴, by Order of this Board.


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

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 29th day of December, 199⁴, 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~~ LOLA J. FLANAGY
Notary Public

My commission expires ~~7/31/94~~
3/31/96

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 29th day of December, 1997,
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.

Diane J. Davis
~~Susan G. Garrett~~ Diane Davis
Notary Public

My commission expires ~~7/31/94~~ 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 19th day of September, 1994.

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 19th day of September, 1994.

My commission expires: Sept. 30, 1996
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 November, 1992.

Alexis A. Stephenson
Notary Public

My commission expires:

September 30, 1996

		VIRGINIA GAS COMPANY ESCROW ACCOUNT LEDGER							
WELL #65 VGOB-92-0317-0205				ELECTIONS					
NAME	Deemed Leased	Leased	Participating	Non-Partic. or Carried	Unknown or Unlocatable	Conflicting Claim	% Unit	Division of Interest	ESCROW Amount Due
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	
Margene Yaney		X					0.001875104	0.000234388	\$19.64
Jannie Newell		X					0.001875104	0.000234388	\$19.64
Trula Brady		X					0.001875104	0.000234388	\$19.64
Edgar Hill		X					0.001875104	0.000234388	\$19.64
Ida Hill Mullins		X					0.001875104	0.000234388	\$19.64
Arlen Keen		X					0.001875104	0.000234388	\$19.64
Lillie Mae Stone		X					0.006556400	0.000819550	\$68.66
Robert Hill		X					0.001453040	0.000181630	\$15.22
Unknown Heirs of Nancy Hill		X			X		0.001875104	0.000234388	\$19.64
							0.098839936	0.012354992	\$1,035.05

LEASED HEIRS OF NANCY HILL						
Social Security #	Lessor	Street	City, State	Zip	Division of Interest	Amount Due
226-40-2932	Imogene Yaney	Route 1, Box 88	Haysi, VA	24256	0.000234388	\$19.64
230-58-4268	Jannie Newell	649 South Harvard Drive	Addison, IL	60101	0.000234388	\$19.64
231-52-4299	Trulia Brady	5201 W. 83rd Place	Crown Point, Ind	46307	0.000234388	\$19.64
225-44-7098	Edgar Hill	P.O. Box 322	Haysi, VA	24256	0.000234388	\$19.64
229-92-2093	Ida Hill Mullins	Route 1	Haysi, VA	24256	0.000234388	\$19.64
266-50-2850	Arlen Keen	Route 4, Box 283	Palatka, FL	32077	0.000819550	\$68.66
226-50-2680	Lillie Mae Stone	1656 N. 4th Street	Stone Park, IL	60165	0.000181630	\$15.22
360-30-4757	Robert Hill	17756 Wentworth Ave	Lansing, MI	60438	0.000234388	\$19.64
						\$201.72

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Fayette, 1995. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:00 o'clock A.M. after payment of \$ tax imposed by Sec. 58-1-902.

Original returned this date to: Leanne Davis

TESTE: JOE TATE, CLERK
BY: Leanne Davis CLERK