

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

ELECTIONS, UNIT: EH-84

(herein "Subject Drilling Unit")

DOCKET NO. VGOB-93/01/19-0312

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 February 23, 1993, and recorded at Deed Book 289, Page 775, in the Office of the Clerk of the Circuit Court of Dickenson County, Virginia on March 5, 1993, (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 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 March 19, 1993, 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 dated May 17, 1993. A copy of which is attached hereto.

(e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Premier Trust Company, 29 College Drive, P. O. Box 1199, Bluefield, Virginia 24605, 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.

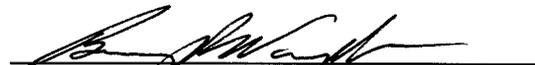
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Premier Trust Company, 29 College Drive, P. O. Box 1199, Bluefield, Virginia 24605, 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 30 day of November 1995, by a majority of the Virginia Gas and Oil Board.

  
 Chairman, Benny R. Wampler

STATE OF VIRGINIA)  
 COUNTY OF WISE )

Acknowledged on this 30<sup>th</sup> day of November, 1995, 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 7/31/98

DONE AND PERFORMED this 30<sup>th</sup> day of November 1995 by Order of this Board.

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

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 30<sup>th</sup> day of November, 1995, 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 Virginia Gas Company for Forced Pooling of Interests in Unit Number EH-84, VGOB Docket No. VGOB-93/0119-00312 in the Sand Lick District of Dickenson County, Virginia

AFFIDAVIT OF 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 February 23, 1993, 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 March 5, 1993.
5. That the Designated Operator, 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:
 

Harold Sykes  
Guy Sutherland
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: See Attached Listing
- 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

LONE  STAR BRANGUS

*Quality Cattle*

10200 North L Street • La Porte, Texas 77571  
Telephone (713) 471-1244

March 18, 1993

Mr Mike Edwards  
Virginia Gas Company  
Box 2407  
Abingdon, Virginia 24210

Dear Mr Edwards

First let me say that I received the information on election options for Well EH-84 on March 18. I am advising you of my election prior to the deadline of March 25. My brother Don will not be so fortunate since he is not living at the address you have. I will forward the information to him and he will reply as soon as he can.

Notwithstanding the above, I select Option 2 and choose to participate as a royalty holder. After all elections have been made, please advise me of my percentage interest in the proceeds from the drilling unit.

Thank You,



Guy Sutherland

March 17, 1993

Harold R. Sylkes  
1637 Wellons Dr  
Fayetteville, N.C.  
28304

Virginia Gas Company  
P.O. BOX 2407  
Abingdon, Va 24210  
Attention: Mike Edwards

Subject: Election of options, Paragraph  
9.2, Submit in writing to the designated  
Operator Well EH-84 Noah B. Sutherland  
(my Great Grandfather) Heirs

Sir,

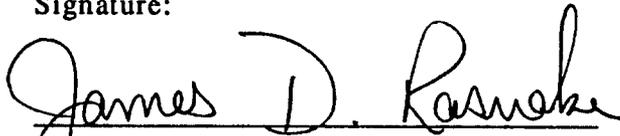
I elect option 9.2 - to receive a  
Cash Bonus Consideration of \$5.00 per net  
mineral acre Plus 12.5% of net Proceeds  
received by the unit operator as set  
forth in Paragraph 9.2, Page 3 of hearing  
before the Virginia Gas and Oil Board at  
9:00 AM on January 19, 1993 Dickenson  
Conference Room, Southwest Virginia  
Education H-H Center, Abingdon  
Virginia.

Harold R. Sylkes

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-84 well unit (Docket No. VGOB 93/01/19-0312), 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.

Dated this 19th day of MARCH, 1993.

Signature:



James D. Rasnake  
Land Manager  
Virginia Gas Company

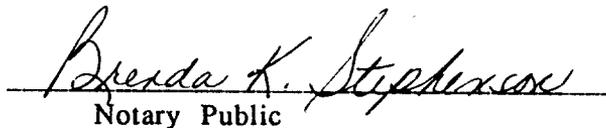
ACKNOWLEDGMENT

COMMONWEALTH OF VIRGINIA )

COUNTY OF WASHINGTON)



SUBSCRIBED AND SWORN to before me this 19th day of March, 1993.



Notary Public

My commission expires:

September 30, 1996

WELL #84		ELECTIONS											
VGOB-93-0119-0312													
NAME	Deemed Leased	Leased	Participating	Non-Partic. or Carried	Unknown or Unlocatable	Conflicting Claim	% Unit	Division of Interest	ESCROW Amount Due as of 6/95				
Coosie Counts					X		0.0002	0.000025	\$3.41				
Alta Counts					X		0.00119	0.00014875	\$20.27				
R.S. Sutherland	X						0.0003	0.0000375					
Kilby P. Counts	X						0.00119	0.00014875					
E. Gorman Counts	X						0.00119	0.00014875					
Frederick Counts	X						0.00059	0.00007375					
Jennifer Colley Belcher	X						0.00004	0.000005					
Vera Barosin					X		0.0002	0.000025	\$3.41				
William L. Counts, Jr.	X						0.0002	0.000025					
Janice Webb	X						0.0002	0.000025					
Beulah Ann Adkins	X						0.00119	0.00014875					
Cornelius Sutherland	X						0.0003	0.0000375					
Effie Kiehler	X						0.00119	0.00014875					
Ernest G. Counts	X						0.00119	0.00014875					
Julian L. Counts	X						0.00059	0.00007375					
Rene Colley	X						0.00004	0.000005					
Ronald Clayton Colley	X						0.00004	0.000005					
Hazel Malcolm					X		0.00026	0.0000325	\$4.43				
Milton R. Counts					X		0.00132	0.000165	\$22.49				
Gaynell Sharon Shifflett					X		0.00008	0.00001	\$1.36				
Bobby Deel	X						0.00004	0.000005					
Marie Viers	X						0.00004	0.000005					
Monte Deel					X		0.00004	0.000005	\$0.68				
Anna Lee Carter	X						0.00007	0.00000875					
Shirley Counts	X						0.00007	0.00000875					
Edna Marie Renfro	X						0.00007	0.00000875					
Priley Counts	X						0.00008	0.00001					
Michael Colley	X						0.00004	0.000005					
Joseph (Jack) Colley	X						0.00004	0.000005					
Donnie Curtis Deel	X						0.00008	0.00001					
Erma Powers	X						0.00024	0.00003					
Gordon Deel	X						0.00004	0.000005					
Kizzie Deel	X						0.00004	0.000005					
Ethel Counts	X						0.00007	0.00000875					
Margaret Childress	X						0.00007	0.00000875					
Betty Jo Clark					X		0.00007	0.00000875	\$1.19				
Sandra Thomas					X		0.00021	0.00002625	\$3.58				
Larry Counts	X						0.00008	0.00001					
Theoda McGraw	X						0.00008	0.00001					
Clifford M. Taylor	X						0.00056	0.00007					
Cecil Edwards	X						0.00024	0.00003					
Erma Smith	X						0.00024	0.00003					

WELL #84	ELECTIONS							ESCROW	
VGOB-93-0119-0312	Deemed Leased	Leased	Participating	Non-Partic. or Carried	Unknown or Unlocatable	Conflicting Claim	% Unit	Division of Interest	Amount Due as of 6/95
Sena Smith	X						0.00024	0.00003	
James E. Sutherland					X		0.00398	0.0004975	\$67.80
Eura Blankenship	X						0.00026	0.0000325	
Robert Ann Looney					X		0.00015	0.00001875	\$2.56
Marcella Gibson Morrow	X						0.00079	0.00009875	
Goldia Sutherland					X		0.00108	0.000135	\$18.40
JoAnne S. Butler					X		0.00054	0.0000675	\$9.20
Hazel Sutherland					X		0.00027	0.00003375	\$4.60
Goldie Ball Bailey	X						0.00042	0.0000525	
Alma Bowman	X						0.00024	0.00003	
Sally Grizzle	X						0.00024	0.00003	
Ethel Marie Music					X		0.00079	0.00009875	\$13.46
Everette Raines	X						0.00079	0.00009875	
Paul V. Sutherland, Jr.	X						0.00054	0.0000675	
Robert Lamar Sutherland	X						0.00027	0.00003375	
Gene Sutherland					X		0.00107	0.00013375	\$18.23
D.C. Sutherland	X						0.00015	0.00001875	
Lima Fowler	X						0.0017	0.0002125	
David Neaville	X						0.00056	0.00007	
Maxine Sutherland	X						0.0017	0.0002125	\$28.96
Shirley Sutherland					X		0.00085	0.00010625	\$14.48
Harold Sykes	X						0.00066	0.0000825	
Hazel Rasnake	X						0.00015	0.00001875	
Mrs. Ulin Harvey	X						0.0017	0.0002125	
Charles Neaville					X		0.00056	0.00007	\$9.54
Diane Neaville	X						0.00056	0.00007	
Ruth Fuller					X		0.0017	0.0002125	
Madeline Counts	X						0.00066	0.0000825	
Archie Deel	X						0.00002	0.0000025	
Carter Deel	X						0.00002	0.0000025	
Debbie Deel	X						0.00002	0.0000025	
Vina Deel Reilly	X						0.00002	0.0000025	
David Deel	X						0.00002	0.0000025	
M.D. Deel	X						0.00002	0.0000025	
Hubert Deel	X						0.00002	0.0000025	
Jack Counts	X						0.00026	0.0000325	
Billy J. Blankenship	X						0.00016	0.00002	
Betty Blankenship Moorefield	X						0.00016	0.00002	
Lillian Blankenship	X						0.00039	0.00004875	
Rodger W. Blankenship	X				X		0.00026	0.0000325	\$4.43
A. Garner Deel	X						0.00002	0.0000025	
Sharon Deel Patton	X						0.00002	0.0000025	

WELL #84	ELECTIONS									
VGOB-93-0119-0312	NAME	Deemed Leased	Leased	Participating	Non-Partic. or Carried	Unknown or Unlocatable	Conflicting Claim	% Unit	Division of Interest	ESCROW Amount Due as of 6/95
	Elsie Deel Edwards	X						0.00002	0.0000025	
	Cornell Deel Michael	X						0.00002	0.0000025	
	Ellen Deel	X						0.00002	0.0000025	
	Dwight Deel	X						0.00002	0.0000025	
	Sammy J. Blankenship	X						0.00016	0.00002	
	Gary B. Blankenship	X						0.00026	0.0000325	
	Unknown or Unlocatable					X		0.018936	0.002367	\$322.60
	Donald E. Courts	X						0.00132	0.000165	
	James R. Blankenship							0	0	
	Greg Mullins							0	0	
	Mrs. Madge Maxfield		X					0.00020	0.000025	
	Mrs. Faye Strickland		X					0.00020	0.000025	
	Gary L. Colley		X					0.00004	0.0000055	
	Violet Tarwater		EREXIS					0.00132	0.000165	
	E. Grayson Deel		X					0.00024	0.00003	
	Emma Arrington		EREXIS					0.00132	0.000165	
	Bonnie T. Lee		X					0.00057	0.00007125	
	Clyne Blankenship		X					0.00079	0.00009875	
	Eula King		X					0.00057	0.00007125	
	Delores Blankenship Dury		X					0.00016	0.00002	
	Claude Sutherland		EREXIS					0.00108	0.000135	
	Jimmy N. Sutherland		EREXIS					0.00119	0.00014875	
	Virginia Adkins		EREXIS					0.00108	0.000135	
	Eriene Turner		EREXIS					0.00107	0.00013375	
	Ray Sutherland		X					0.00015	0.00001875	
	Hunter Sutherland		EREXIS					0.00108	0.000135	
	Ella Holyfield		EREXIS					0.00108	0.000135	
	Frank Lowell Sutherland		EREXIS					0.00107	0.00013375	
	K.R. Sutherland		EREXIS					0.00107	0.00013375	
	June Owens		EREXIS					0.00291	0.00036375	
	Kenneth Holyfield		EREXIS					0.00291	0.00036375	
	Kit Sykes		EREXIS					0.00066	0.0000825	
	June Taylor		EREXIS					0.01288	0.00161	
	Constance Addington		EREXIS					0.00291	0.00036375	
	Audrey Anderson		EREXIS					0.00291	0.00036375	
	Edgar Sutherland		EREXIS					0.00262	0.0003275	
	Emma Sutherland		EREXIS					0.00091	0.00011375	
								unknown or unlocatable totals:	0.033756000	0.004219500
									\$136,291.02* 0.042195=	\$575.08
										\$575.08

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Dec 14 1995. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 2:30 o'clock P.M. after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to: *Diane Davis*

TESTE: JOE TATE, CLERK  
BY: *Lula Large* CLERK