

THIS DOCUMENT PREPARED BY THE VIRGINIA GAS AND OIL BOARD

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

AMENDED 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.

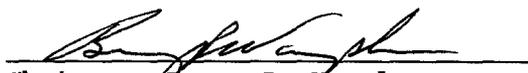
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Premier Trust Company, 29 College Drive, P. O. Box 1199, 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 5th day of Sept. 1995, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 5th day of September, 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 5th day of September 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 5th day of September 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:

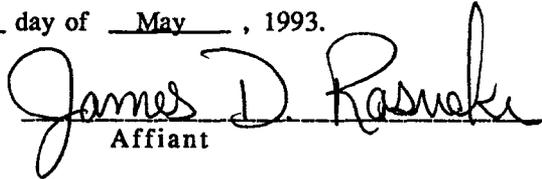
Harold Sykes
Guy Sutherland
6. That the interests and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an 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.

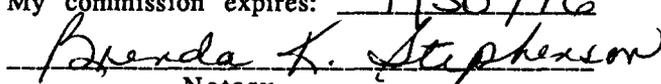


 Affiant

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


 Notary

LONE



STAR BRANGUS

Quality Cattle

BOOK 320 PAGE 178

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,

A handwritten signature in cursive script, appearing to read "Guy Sutherland".

Guy Sutherland

March 17, 1993

Harold R. Sylkes
1637 Wellons Dr
Fayetteville, N.E.
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 E11-84 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 4-H Center, Abingdon
Virginia.

Harold R. Sylkes

AFFIDAVIT

BOOK 320 PAGE 180

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:

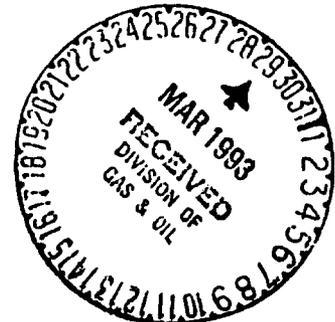
James D. Rasnake

James D. Rasnake
Band Manager
Virginia Gas Company

ACKNOWLEDGMENT

COMMONWEALTH OF VIRGINIA)

COUNTY OF WASHINGTON)



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

Brenda K. Stephenson
Notary Public

My commission expires:

September 30, 1996

WELL #84	VGOB-93-0119-0312	ELECTIONS				Conflicting Claim	% Unit	Division of Interest	ESCROW Amount Due as of 6/95
		Deemed Leased	Leased	Participating	Non-Partic. or Carried				
NAME									
Coosie Counts							0.00025	\$4.55	
Alta Counts							0.00119	\$27.07	
R.S. Sutherland		X					0.0003		
Kilby P. Counts		X					0.00119		
E. Gorman Counts		X					0.00119		
Frederick Counts		X					0.00059		
Jennifer Colley Belcher		X					0.00004		
Vera Barosin					X		0.0002	\$4.55	
William L. Counts, Jr.		X					0.00025		
Janice Webb		X					0.00025		
Beulah Ann Adkins		X					0.00119		
Cornelius Sutherland		X					0.0003		
Effie Kiehler		X					0.00119		
Ernest G. Counts		X					0.00119		
Julian L. Counts		X					0.00059		
Rene Colley		X					0.00004		
Ronald Clayton Colley		X					0.00004		
Hazel Malcolm					X		0.00026	\$5.91	
Milton R. Counts					X		0.00132	\$30.03	
Gaynell Sharon Shifflett					X		0.00008	\$1.82	
Bobby Deel		X					0.00004		
Marie Viers		X					0.00004		
Monte Deel					X		0.00004	\$0.91	
Anna Lee Carter		X					0.00007		
Shirley Counts		X					0.00007		
Edna Marie Renfro		X					0.00007		
Pricy Counts		X					0.00008		
Michael Colley		X					0.00004		
Joseph (Jack) Colley		X					0.00004		
Donnie Curtis Deel		X					0.00008		
Erma Powers		X					0.00024		
Gordon Deel		X					0.00004		
Kizzle Deel		X					0.00004		
Ethel Counts		X					0.00007		
Margaret Childress		X					0.00007		
Betty Jo Clark					X		0.00007	\$1.59	
Sandra Thomas					X		0.00021	\$4.78	
Larry Counts		X					0.00008		
Theda McGraw		X					0.00008		
Clifford M. Taylor		X					0.00056		
Cecil Edwards		X					0.00024		
Emma Smith		X					0.00024		

WELL #84	VGOB-93-0119-0312	ELECTIONS				Conflicting Claim	% Unit	Division of Interest	ESCROW Amount Due as of 6/95
		Deemed Leased	Leased	Participating	Non-Partic. or Carried				
Sena Smith	X						0.00024	0.00003	
James E. Sutherland						X	0.00398	0.0004975	\$90.54
Eura Blankenship	X						0.00026	0.0000325	
Roberta Ann Looney						X	0.00015	0.00001875	\$3.41
Marcella Gibson Morrow	X					X	0.00079	0.00009875	
Goldia Sutherland						X	0.00108	0.000135	\$24.57
JoAnne S. Butler						X	0.00054	0.0000675	\$12.28
Hazel Sutherland	X					X	0.00027	0.0000375	\$6.14
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	\$17.97
Everette Raines	X						0.00079	0.00009875	
Paul V. Sutherland, Jr.						X	0.00054	0.0000675	\$12.28
Robert Lamar Sutherland	X					X	0.00027	0.0000375	
Gene Sutherland							0.00107	0.00013375	\$24.34
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	
Shirley Sutherland						X	0.00085	0.00010625	\$19.34
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	\$12.74
Diane Neaville	X						0.00056	0.00007	
Ruth Fuller						X	0.0017	0.0002125	\$38.67
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	\$0.45
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	0.00026	0.0000325	\$5.91
A. Garner Deel	X						0.00002	0.0000025	
Sharon Deel Patton	X						0.00002	0.0000025	

WELL #84 YGOB-93-0119-0312	ELECTIONS				Non-Partic. or Carried	Unknown or Unlocatable	Conflicting Claim	% Unit	Division of Interest	ESCROW Amount Due as of 6/95
	Deemed Leased	Leased	Participating							
Elsie Deel Edwards	X						0.00002	0.000025		
Corneal Deel Michael	X						0.00002	0.000025		
Ellen Deel	X						0.00002	0.000025		
Dwight Deel	X						0.00002	0.000025		
Sammy J. Blankenship	X						0.00016	0.00002		
Gary B. Blankenship	X						0.00026	0.0000325		
Unknown or Unlocatable					X		0.018936	0.002367	\$430.77	
Donald E. Counts	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		EREXLS					0.00132	0.000165		
E. Grayson Deel		X					0.00024	0.00003		
Emma Arrington		EREXLS					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 Duty		X					0.00016	0.00002		
Claude Sutherland		EREXLS					0.00108	0.000135		
Jimmy N. Sutherland		EREXLS					0.00119	0.00014875		
Virginia Adkins		EREXLS					0.00108	0.000135		
Erlene Turner		EREXLS					0.00107	0.00013375		
Ray Sutherland		X					0.00015	0.00001875		
Hunter Sutherland		EREXLS					0.00108	0.000135		
Ella Holyfield		EREXLS					0.00108	0.000135		
Frank Lowell Sutherland		EREXLS					0.00107	0.00013375		
K.R. Sutherland		EREXLS					0.00107	0.00013375		
June Owens		EREXLS					0.00291	0.00036375		
Kenneth Holyfield		EREXLS					0.00291	0.00036375		
Kit Sykes		EREXLS					0.00066	0.0000825		
June Taylor		EREXLS					0.01288	0.00161		
Constance Addington		EREXLS					0.00291	0.00036375		
Audrey Anderson		EREXLS					0.00291	0.00036375		
Edgar Sutherland		EREXLS					0.00262	0.0003275		
Emma Sutherland		EREXLS					0.00091	0.00011375		
							unknown or unlocatable totals: 0.034316000		0.004289500	\$780.62

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Sept. 17, 1996. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 12:48 o'clock PM, after payment of \$ _____ tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis BY TESTE: JOE TATE, CLERK D. CLERK