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#06-0000169

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

**REVISED** SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB 05-0315-1424

ELECTIONS: UNIT PK K-25  
(hereinafter "Subject Drilling Unit")

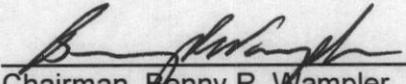
REPORT OF BOARD

FINDINGS AND ORDER

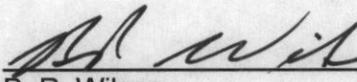
1. This Revised Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia 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 Revised Supplemental Order is being recorded for the purpose of complying with the requirements of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on March 15, 2005, and recorded at Deed Book 617, Page 61, in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on April 27, 2005, and the Order previously issued by the Board for subject Docket on October 13, 2005, and recorded at Land Records Instrument No. 050003105, in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on October 14, 2005 (herein "Board Order") and 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 affidavit 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 EOG Resources, Inc., (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 May 12, 2005, disclosing that it had mailed a 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 Revised Affidavit dated November 17, 2005, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.7C (herein "Revised Affidavit of Elections"), 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 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, interest, 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 Interests as part of its Revised Affidavit of Elections. A copy of which is attached hereto as Exhibit B;
  - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Wachovia Bank, Corporate Trust PA1328, 123 South Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty, 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 Affidavit, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust PA1328, 123 South Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty, 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 therefor.
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 has been mailed 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 10<sup>th</sup> day of January, 2006, by a majority of the Virginia Gas and Oil Board.

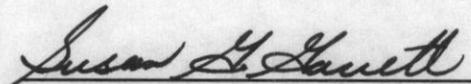
  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 11<sup>th</sup> day of January, 2006 by the Order of this Board.

  
B. R. Wilson  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA     )  
COUNTY OF Wise     )

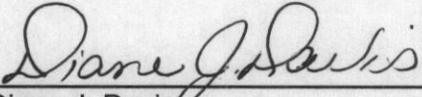
Acknowledged on this 10<sup>th</sup> day of January, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Notary Public

My commission expires: 7/31/06

STATE OF VIRGINIA )  
COUNTY OF WASHINGTON)

Acknowledged on this 11<sup>th</sup> day of January, 2008, personally before me a notary public in and forth the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff, Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
\_\_\_\_\_  
Diane J. Davis  
Notary Public

My commission expires: 9/30/09

**VIRGINIA:**

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

IN RE: Application of EOG Resources, Inc., for Forced Pooling of Interests in Unit Number PK K-25 VGOB Docket No. VGOB-05-0315-1424 in the Garden District, Keen Mountain Quadrangle, Buchanan County, Virginia.

**REVISED AFFIDAVIT OF MCKINNIS & SCOTT, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER**

Timothy E. Scott (herein Affiant), being duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of MCKINNIS & SCOTT, the Agent for the Designated Operator, with offices located at 135 W. Main Street, Suite 200, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on April 15, 2005, by the Virginia Gas and Oil Board regarding the captioned Conventional Gas 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, the Affiant was directed to cause 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 known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
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 April 27, 2005.
5. That the Designated Operator, by and through their agent, McKinnis & Scott, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest 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 or entities delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods; and that the Supplemental Order recorded at Land Records Instrument No. 050003105 did not reflect the following elections:

Tr. 2  
C. L.  
Ritter  
Lumber  
Company,  
Inc. Tr. 36

Hard Rock Exploration, Inc.  
P. O. Box 13059  
Charleston, WV 25360  
and  
Carter Oil & Gas, Inc.  
901 East Byrd St., Suite 110  
Richmond, Virginia 23219

Elected to Participate  
As a 28.01% Working Interest Owner

6. That the interest and/or claims of the following persons or entities (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, as unknown or unlocatable:

NONE

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 interest and/or claims:

NONE

8. That the following persons or entities have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with Paragraph 10 of the Order. See Exhibit B.

NONE

That pursuant to the provisions of 4VAC 25-160.70C 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 that the services of the Escrow Agent are not required in this matter pursuant to the terms of § 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 17th day of November, 2005.

Timothy E. Scott  
Affiant

Taken, subscribed and sworn to before me by Timothy E. Scott, The Agent of EOG Resources, Inc., a corporation, on behalf of the corporation, this 17th day of NOVEMBER, 2005.

Donna M. Kimbler  
Notary Public

My commission expires:



**CORRECTED  
EXHIBIT B  
11/17/2005  
UNIT PK K-25  
Docket No. VGOB-05-0315-1424  
List of Elections**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
Tr. 2 C.L. Ritter Lumber Company, Inc. Tr. 36	Hard Rock Exploration, Inc. P. O. Box 13059 Charleston, WV 25302 Oil & Gas Lessee and Carter Oil & Gas, Inc. 901 East Byrd St., Suite 110 Richmond, Virginia 23219	Elected to Participate	28.005556%	50.410000
	Total Tr. 2		<u>28.005556%</u>	<u>50.410000</u>
	<b>TOTAL</b>		28.005556%	50.410000

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 10th day of January, 2006 2:11P. M.  
Deed Book No. \_\_\_\_\_ and Page No. \_\_\_\_\_.  
Returned to: Omme TESTE: James M. Bevens, Jr., Clerk  
TESTE: Deputy S. Allen Deputy Clerk

RECORDED  
NOV 21 2005  
CLERK'S OFFICE OF  
BUCHANAN COUNTY  
WV