

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING  
ELECTIONS, UNIT: EH-36  
(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-90/09/06-0011

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 11, 1991, March 27, 1991 and September 30, 1991 and recorded at Deed Books 370, 372 and 381 Pages 279, 22 and 9 in the Office of the Clerk of the Circuit Court, Buchanan County, Virginia on February 11, 1991, April 1, 1991 and October 1, 1991 (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 March 5, 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 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 1998, 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, 1993,  
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 1993 by Order of  
this Board.

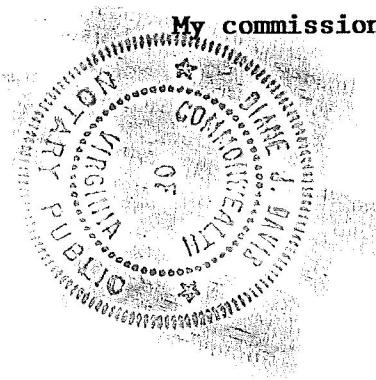
Byron T. Fulmer  
Byron Thomas Fulmer  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 3rd day of January, 1993,  
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



## 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-36, VGOB Docket No. VGOB-90/0906-0011 in the Garden District of Buchanan 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 March 27, 1991 / September 30, 1991, 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 known, 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 April 1, 1991 / October 1, 1991.
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:

OXY USA  
Gladys Cole Kennedy

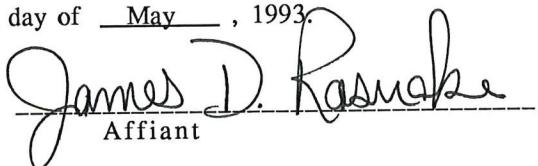
6. That the interests and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated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

## 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-36 well unit (Docket No. VGOB 96-11), 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 5<sup>th</sup> day of MARCH, 1993.

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 5<sup>th</sup> day  
 of March, 1993.



Cheryl Jones  
 Notary Public

My commission expires:

12-31-96



OXY USA INC.

Box 26100, Oklahoma City, OK 73126-0100  
Telephone 405 749-2000

November 8, 1991

Mr. James D. Rasnake  
Edwards & Harding Petroleum Company  
P. O. Box 2404  
Abingdon, VA 24210

RE: Pooling of EH-36 Drilling Unit  
Buchanan County, Virginia

Dear Mr. Rasnake:

OXY USA Inc. elects to share in the operation of the above referenced well on a "carried basis".

Very truly yours,

OXY USA Inc.



Dean Athens  
Landman Consultant  
Mid-Continent Region

DA/lb

cc: Marty Wirth - Richlands, VA

**VIRGINIA GAS COMPANY**  
**ESCROW ACCOUNT LEDGER**

WELL #30  
VGOB-90/0906-0011

VIRGINIA GAS COMPANY ESCROW ACCOUNT LEDGER						
WELL #35 VGOB-90/0906-0011		ELECTIONS				
NAME	Deemed Leased	Leased	Participating	Non-Partic. or Carried	Unknown or Unlocatable	Conflicting Claim
Margeret & Jerry Davis		X				
Mary Francis Selle		X				0.00000000
Karen & Bryan Rowe		X				0.000066953
Lucille & Oral Christian		X				0.000066953
Sharon & William Daniels		X				0.000066953
Therman & Iris Cooper		X				0.00000000
Rebecca Cooper		X				0.000251482
H.A. & Edith Street		X				0.001133302
Mona Cole & Nancy J. Cole		X				0.001133302
James & Daisy Burness		X				0.001133302
Shirley Cole Fuqua		X				0.001133302
Marion Combs		X				0.000066953
Billy Victor Hartman		X				0.002775000
Gladys Cole Kennedy			X			0.003286413
Lena McDonald (Unleased Caroline Cole)			X			0.000000000
Dean & Bridgett Cole			X			0.000000000
Annis Jean Jones			X			0.000000000
Norine Harman			X			0.056525000
Ashland Exploration, Inc.			X			0.005796875
Cabot Oil & Gas Corp.			X			0.071443750
OXY USA, Inc.			X			0.000000000
Lois & James Nicholson		X				

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 11 day of January, 19 94 P 38 P. M. Deed Book No. 417 and Page No. 432. TESTE: James M. Bevins, Jr., Clerk  
Deed Book No. 417 and Page No. 432. TESTE: John B. Bevins, Deputy Clerk  
Returned this date to; Dept of Mineral TESTE: John B. Bevins

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CLERK'S OFFICE CIRCUIT COURT  
BUCHANAN COUNTY, VIRGINIA  
Filed and admitted to record,  
this 12/30 day of Jan 94  
at 12:30 o'clock P.M.  
Recorded Deed Book 1 Page 1  
039 State Tax 1.00  
213 County Tax 1.00  
212 Transfer 17.00  
301 Recording 1.00  
038 State Tax 1.00  
220 Local Tax 1.00  
145 VSLF 1.00  
Total 22.00  
By James M. Bevins, Jr., Clerk JD D.C.

Department of Mines, Minerals and Energy  
DIVISION OF GAS & OIL  
POST OFFICE BOX 1416 • 230 CHARWOOD DRIVE  
ABINGDON, VIRGINIA 24210