

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING
ELECTIONS, UNIT: EH-10
(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-89/09/07-0022

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 October 24, 1989 and recorded at Deed Book 353, Page 668 in the Office of the Clerk of the Circuit Court, Buchanan County, Virginia on October 27, 1989 (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 8, 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.

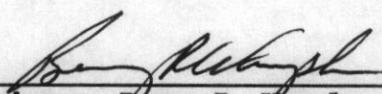
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 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 3rd 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, 199⁴~~3~~, 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 199⁴~~3~~ by Order of this Board.

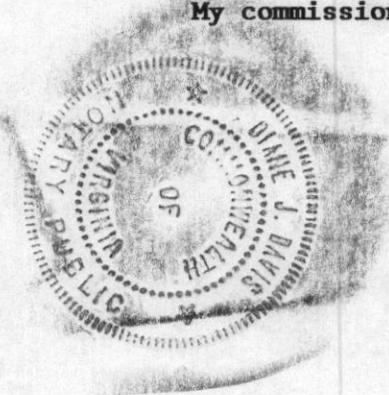
Byron T. Fulmer
Byron Thomas Fulmer
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 3rd day of January, 199⁴~~3~~, 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 Edwards & Harding Petroleum Company (now Virginia Gas Company) for Forced Pooling of Interests in Unit Number EH-10, VGOB Docket No. VGOB-89/0907-0022 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 October 24, 1989, 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 October 27, 1989.
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:

Ashland Exploration, Inc.
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 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

**Ashland Exploration, Inc.**

SUBSIDIARY OF ASHLAND OIL, INC.

P. O. BOX 391 • ASHLAND, KENTUCKY 41114 • (606) 329-3333

LAND DEPARTMENT

November 27, 1989

Michael L. Edwards
Edwards & Harding Petroleum Company
P. O. Box 2404
Abingdon, VA 24210

RE: Forced Pooling Elections
EH-10 & EH-15 Wells
Buchanan County, VA

Gentlemen:

This is to confirm our telephone conversation of today where we advised you that Ashland Exploration, Inc. has, pursuant to the forced pooling orders of the Virginia Oil & Gas Conservation Board, elected not to participate in your EH-10 & EH-15 Wells, but rather to go out on a carried basis. Please forward all information, including equipment inventories and itemized cost statements to the attention of Bernard J. Ulincy at the address given above.

If you have any questions or if we can help you in any way, please contact Mr. Ulincy.

Very truly yours,

Charles R. Sandel

CRS/jkm

cc: B. J. Ulincy

Exhibit A

		ELECTIONS											
		Deemed Leased	Leased	Participating	Non-Partic. or Carried	Unknown or Unlocatable	Conflicting Claim	% Unit	Division of Interest	ESCROW Amount D			
WELL #10													
VGOB-89/0907-													
NAME													
Ashland Exploration, Inc.					X			0.187500000	0.164062500				\$0.

VIRGINIA GAS COMPANY
ESCROW ACCOUNT LEDGER

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 7th day of January, 1994 12:38 P. M. Deed Book No. 417 and Page No. 440 TESTE: [Signature] James M. Bevins, Jr., Clerk
 Returned this date to: Sept. 27 Money etc TESTE: [Signature] Deputy Clerk
Alumoxa, VA 24210

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CLERK'S OFFICE CIRCUIT COURT
BUCHANAN COUNTY, VIRGINIA

Filed and admitted to record.

This 27th day of Jan 1994
at 12:38 o'clock PM M.

Recorded Dated Book _____ Page _____

- 039 State Tax _____
- 213 County Tax _____
- 212 Transfer _____
- 301 Recording 16.00
- 038 State Tax _____
- 220 Local Tax _____
- 145 VSLF _____

Total 16.00

Teste James M. Bevins, Jr., Clerk
By [Signature] D.C.

Department of Mines, Minerals and Energy
POST OFFICE BOX 1416 • 230 CHARWOOD DRIVE
ABINGDON, VIRGINIA 24210