

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Edwards & Harding Petroleum Company
for Establishment of Field Rules and Drilling Unit
in the Flatwoods Gas Field, Wise County, Virginia,
VGOB No. 0326-97

This cause came on this 26th day of March, 1991, upon the application of Edwards & Harding Petroleum Company for establishment of field rules and creation of drilling unit in the Flatwoods Gas Field of Wise County, Virginia. Notice of the filing of the application herein and of the time, date and place of the hearing thereon was duly and properly given pursuant to the provisions of Section 45.1-361.19 of the Code of Virginia, 1950 as amended. The Board has examined the notice as given and further conducted inquiry into the sufficiency of Edwards & Harding Petroleum Company, Inc.'s search to determine names and whereabouts of well operators who may be affected by their application for establishment of field rules and creation of drilling units in the Flatwoods Gas Field of Wise County, Virginia.

The Board finds that Edwards & Harding Petroleum Company, Inc. has exercised due diligence and conducted a meaningful search of reasonably available sources at hand. The Board hereby approves the notice as given, by publication and otherwise, as meeting the statutory requirements, rules of the Board and minimum standards of state and federal due process, and finds that notice has been given in all respects as required by law and the rules of the Board.

FINDINGS

The Virginia Gas and Oil Board finds as follows:

(1) Applicant, Edwards & Harding Petroleum Company, requests creation of field rules and drilling units in an area that they label the Flatwoods Gas Field in Wise County, Virginia.

(2) They propose to include a portion of acreage currently being developed by ANR Resources. Attached hereto and made a part hereof is Edwards & Harding's proposed area for creation of field rules and drilling units.

(3) The primary producing formation in this vicinity is the Berea. The proposed area in question has not been developed by any operator. There are no wells and no data has been collected with respect to this or any other potentially productive formation in the proposed area.

(4) Edwards & Harding proposes only to include a portion of acreage which ANR is developing. ANR is developing the same formation as Edwards & Harding proposes to develop.

CONCLUSION

(1) It appears to the Board that Edwards & Harding's Petition is premature. Development in this area is just beginning and no hard geologic data with respect to formations has been gathered. No wells have been drilled and all activity in the proposed area is exploratory.

(2) Edwards & Harding's petition seeks to exclude acreage that is projected to be developed to the same producing formations. No geologic data or other hard scientific information was

introduced showing that there is a division between the productive capabilities on the inside of Edwards & Harding's proposed field and on the outside of Edwards & Harding's proposed field properties. The formations that are to be produced appear to be uniform throughout the area. Accordingly, this Board finds that Edwards & Harding Petroleum Company, Inc. has introduced insufficient evidence to justify creation of field rules and drilling units in the Flatwoods Gas Field of Wise County, Virginia, and therefore dismisses this Petition.

All members present in and agreement done and executed this
30th day of April, 1991.

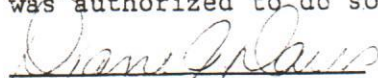
Benny R. Wapsh
CHAIRMAN

Done and performed this 30th day of April,
1991, by Order of this Board.

Raymond L. Johnson
Principal Executive to the Staff,
Virginia Gas and Oil Board

State of Virginia
County of Washington

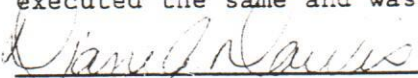
Acknowledged on this 30th day of April, 1991,
personally before me a notary public in and for the State of Virginia
appeared Benny Wampler, being duly sworn did depose and say that he is
Chairman of the Virginia Gas and Oil Board, that he executed the same and
was authorized to do so.



Diane Davis
Notary Public
My commission expires 9/23/92

State of Virginia
County of Washington

Acknowledged on this 30th day of April, 1991,
personally before me a notary public in and for the State 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 Davis
Notary Public
My commission expires 9/23/92

Petition

Dismissed

- Not Established -