

EARLY HISTORY

8/30/1893 – H.W. Hutchinson, et. al. conveys to J. W. Drain all that part of Muskingum or Hutchinson's Island lying westerly of a certain line marked by a fence and trees containing 35 acres more or less. It is the intent of Hutchinson to convey the real estate and interest and all the privileges and appurtenances belonging thereto and the issues and profits. [DB 74 Pg 213]

5/10/1894 – H.W. Hutchinson conveys to J.W. Drain (in consideration of payment scheduled through 1895) his undivided ½ of the upper part of the island in the Ohio River known as Kellars Island, Muskingum Island and Hutchinson Island lying above the upper line of the tract previously conveyed by Hutchinson to Drain (in 1893). It is the intent to convey all the right, title, and interest of Hutchinson in any part of the island to Drain inclusive of real estate and premises. The acreage is not specified [DB 76 Pg 265]

Note: H.W. Hutchinson was a joint tenant of the upper half of the island with T.W. Moore. As such, In 1894, J.W. Drain is the owner of a lower portion of the island and is an owner (jointly) of an upper portion along with T.W. Moore.

6/11/1894 – T. W. Moore (and wife) and J.W Drain (and wife Romaine) who are joint tenants in the upper portion of the island agree to a partition of their co-owned property on Kellar's or Hutchinson's Island. They arrange for a partition of their joint property into two pieces by a survey arranged by J. Rhemer. Moore conveys to Drain that portion between Drain's existing property (of about 35 acres) and the new partition line. This adds about 27 and 85/100 acres to Drains existing acreage. Drain conveys to Moore that portion that lies above the partition line containing about 27 and 85/100 acres. [DB 77; P. 74]

Note: After June 1894, Muskingum Island is separated into a lower (westerly) part which is owned by J.W. Drain and an upper (easterly) part which is owned by T.W. Moore. This basic separation of the island into 2 property pieces exists today. Deeds suggest that the lower part is about 62 and 85/100 acres (this acreage has also been described as 65 and 66 acres in subsequent deeds and lease documents). Deeds suggest that the upper part is about 27 and 85/100 acres (this acreage has also been described as 30 acres in deed and lease documents). However, there are other deeds and agreements that cover the banks of the island, gravel bars, rights-of-way, etc. which were not completely evaluated for the purpose of evaluating deeds and leases to determine probable ownership of the oil facility(ies) (i.e., Responsible Party) upon the island.

UPPER PART OF ISLAND

By 1894, T.W. Moore, and heirs own the surface real estate and oil, gas, and mineral (OGM) rights of the upper part of the island.

6/3/1896 – T.W. Moore executes a lease with I.M. Latchaw. The two (2) year lease covers 30 acres more or less comprising the upper part of the island. A well must be drilled within 2 months or the lease is null and void without monthly payments to the lessee. Latchaw must pay 1/8th royalty to Moore. [DB86; P. 258]

1/21/1898 – T.W. Moore executes a lease with W.M. Kingsley. The one (1) year lease covers 30 acres more or less comprising the upper part of the island. Moore reserves 1/8th of the oil and \$100/year/well for gas. Moore is also entitled to free gas for one existing dwelling. A well shall be commenced within 30 days or the lease is in default unless monthly payments are made to Moore. [DB 98; P. 201]

Note: since the Kingsley lease is executed before the expiration of the primary term of the 1896 Latchaw lease, it is presumed that Latchaw may not have drilled a well within the required time period of 2 months. There is no further mention of the Moore/Latchaw lease in the record.

6/20/1898 - The 1898 Kingsley lease was assigned by Kingsley to A. Lutz (1/4) and Geo. R. Waters (1/8). [DB 98; P. 203]

9/12/1898 – T.W. Moore executes a lease with H.R. Decker. The one (1) year lease covers 30 acres more or less comprising the upper part of the island. Moore reserves 1/8th of the oil and gas. If a well is not commenced within 20 days then the lease is voided. [DB 98; P. 521]

Note: There are 2 lease documents in 1898 relating to Moore's upper portion of the island – Kingsley and Decker. It is probable that Moore believed the Kingsley lease to be in default. A newspaper article from October 1898 indicates that Kingsley brought suit against Moore and Decker and won an injunction. Decker reportedly violated a court order in drilling a well on the Kingsley lease area and Kingsley "took charge of it". Kingsley apparently argued that water would get into the Decker well and ruin the oil field.

Note: However, Decker did drill a well and the Decker lease (as well as the Kingsley lease) continues to be mentioned and conveyed in lease conveyance documentation into the 1980s thus implying that the Decker lease remained active. The lease may relate to a separate facility (e.g., the Decker well) or may relate to a specified area around the head of the island since information suggests that the Decker well may be located in a sandbar/low area at the head of the island based upon newspaper information. This can't be discerned by the OSC.

Note: Newspaper articles from 1898 discuss the drilling of wells both on the head and "towhead back" of Hutchinson Island. A well described as the "sandbar well" on the head of Hutchinson Island is said to flow 30 to 40 BBLs per day and to be located at one point under 8 feet of water resulting in a temporary suspension of operations. The OSC believes the sandbar well is the Decker well.

1/27/1899 – An Agreement is made between T.W. Moore (owner of the surface land and OGM) and I.M. Latchaw, James Amm, G.L. Craig, M.A. Nelson, and W.M. Kingsley. The agreement relates to the 1/21/1898 lease between Moore and Kingsley (which Moore believed was no longer in force and for which Kingsley successfully sued). The agreement indicates that Latchaw, et. al. are negotiating with Kingsley for the purchase of a 5/8th interest in the lease. Moore agrees that the subject Kingsley lease will be considered to be in full force if Latchaw, et. al. purchase the interest and receive an assignment from Kingsley. Moore adds the requirement that 2 wells shall be drilled within 3 months to the Cow Run Sand. [DB 119; P. 552]

Note: Based upon an 1899 document published by the WV Geological Survey, G.L. Craig (an individual mentioned in the 1/27/1899 agreement relating to an oil and gas lease on the 30 acres) is a superintendent of the Henderson Oil Company. As such, persons associated with the Henderson Oil Company are involved with initial oil exploration activity on Muskingum Island.

10/12/1899 – W.M. Kingsley conveys to I.M. Latchaw and M.A. Nelson all his interest (described as a 3/8th interest) in several leases. Among the leases is the 1/21/1898 lease from T.W. Moore covering 30 acres. (also conveyed by Kingsley to Latchaw and Nelson is a lease from the owner (Drain) relating to the lower part of the island indicating that the entire island is now assigned to I.M. Latchaw and M.A. Nelson for oil and gas production) The subject agreement indicates the presence of 4 producing wells on the “Moore Island Lease”. The location of the wells is not specifically known. [DB 119; P. 553]

Note: At this time (1899), there are at least 4 producing wells (an oil production facility) documented to be operating on the island. The assignees include individuals operating as Henderson Oil Company.

Note: I.M. Latchaw died sometime in 1901. On March 6, 1901, D.B. Torpy was appointed as administrator of the I.M. Latchaw estate.

1/2/1911 – The 27.85 acres of T.W. Moore’ real estate along with its premises and appurtenances (e.g., dwelling mentioned in the 1898 lease) was sold by the sheriff for non-payment of taxes for the year 1908. The property was purchased by O.W.O. Hardman. The sale is recorded 2/8/1912. [DB 157; P. 630]

Note: Later documentation indicates that the real estate is sold along with the OGM. As such, Hardman now owns the land and the OGM.

4/13/1912 – O.W.O. Hardman conveys the 27.85 acres of real estate (and that which was conveyed to Hardman in 1911) to J. Reed, R. Holdren, and F. Scott. [DB 158; P. 230]

Note: these individuals are heirs of T.W. Moore.

Note: According to the Ohio Department of State, the Henderson Oil Company is incorporated in 1915 in Marietta Ohio. However, earlier documentation indicate that this company was already in existence as early as 1899.

1/7/1916 –D.B. Torpy (as administrator for Latchaw, a partner dba Henderson Oil Company, conveys her oil and gas interest in the leasehold (referenced at item #13) to Henderson Oil Company. [DB 166; P. 231]

1/12/1916 – J. Amm and G.L. Craig, partners dba Henderson Oil Company, convey their interest in the leasehold (referenced as #13) to Henderson Oil Company. Amm and Craig convey their undivided 20/64 working interest. [DB 166; P. 226]

1/12/1916 – M. Nelson conveys her interest in the leasehold (referenced as #13) to Henderson Oil Company. [DB 166; P. 235]

Note: At this time, the lease interests relating to the 1898 Moore/Kingsley lease (relating to the property now owned by Scott (30 acres or upper portion of the Island)) is consolidated and owned by the Henderson Oil Company and not by the individual partners dba Henderson Oil Company.

Note: A 1924 map produced by the USGS (ref. Marietta Ohio), which only depicts an upper portion of the island depicts 6 oil wells located on "Kellars" Island. This map indicates that by 1924, oil wells were located on the island as indicated in earlier deed/lease records from 1899.

6/18/1937 – R. Holdren, F. Scott, and the heirs of J. Reed (heirs of T.W. Moore) convey the 27.85 acres to J. Scott (husband of F. Scott). The surface land sale is subject to an oil and gas lease now operating thereon. [DB 217; P. 299]

Note: J. Scott died 9/1/1940 and devised the 27.85 acres to his wife F. Scott. [WB 17; P. 1]

Note: F. Scott died 12/15/1949 and devised the 27.85 acres to F.M. Reed (1/4); A.N. Masse, A.N. Masse Jr., F. Masse, R.A. Masse, F.A. Masse, and L. Masse (1/4); and the remaining 1/2 divided equally among J.W. Holdren, R.W. Holdren, and F. Holdren. [WB 36; P. 276]

Note: Subsequent information indicates that the OGM is still being passed with the land to the heirs of T.W. Moore. Subsequent information also confirms that the oil production facility constructed on the land is owned by Henderson Oil Company.

10/1/1964 - Henderson Oil Company executes a lease with N.P. Johnston. The lease has a primary term of one (1) year for the exclusive right to operate and drill for and produce oil and gas and for as long as oil or gas are produced in paying quantities.

Relating to the upper portion of the island, the Lessor (Henderson Oil) conveys certain leasehold estates and appurtenances owned by Lessor to Lessee (Johnston). Lessee is to pay 1/32nd of 7/8th of the oil and gas to the Henderson Oil Company. The entire working interest of the relating leases are defined in Exhibit C as:

Group 4, #20 - 1/21/1898 lease from T.W. Moore to W.M. Kingsley relating to 30 acres on the upper part of the Island. [DB98; P. 201]

Reference is made to separate assignments to the Henderson Oil Company identified as lease #13 made by M. Nelson (1/12/16)[DB 166; P.235], Latchaw (1/7/1916)[DB166; P. 231], and J.Amm and G. Craig (1/12/1916)[DB166; P.226]

Group 4, #21 - 9/12/1898 lease from T.W. Moore to H.R. Decker relating to 30 acres on the upper part of the Island. [DB98; P. 521]

Johnston may use any of the Henderson Oil Company's existing wells and may drill new ones. Johnston may also pull casing and plug wells. All salvage from existing wells shall remain the property of Henderson Oil Company and subject to disposition by Henderson Oil Company (confirming ownership by Henderson Oil Company). Johnston may remove any property, fixtures, or improvements placed upon the premises by Johnston. The provisions of the conveyance shall be binding upon the heirs, administrators, executors, successors or assigns of the parties [DB496; P. 147]

Note: This lease document indicates that Henderson Oil Company is the owner of the facility located upon the upper portion of the island.

Note: In November 1964, the Henderson Oil Company files to amend its articles of incorporation with the Ohio Department of State. On the documentation, N. P. Johnston is identified as the president of the Henderson Oil Company.

8/8/1967 - Partial Assignment from N. P. Johnston to Wiser Oil Company (Oklahoma). Johnston, for and in consideration of a letter agreement between Johnston and Wiser Oil Company, assigns 75% of the working interest and all the rights granted to N.P. Johnston in 2 leases:

1. Drain Lease containing 65 acres.
2. Formerly known as the Moore Lease containing 27.85 acres.

These leases comprise the 10/1/1964 lease from Henderson Oil Company to N.P. Johnston. The partial assignment to Wiser Oil Company specifically excepts producing wells reserved by Johnston as his wholly owned property. These wholly owned wells were drilled prior to the commencement of Muskingum Drilling Company #1 well in July 1967. The production from these wholly owned wells shall at all times be kept separate and never comingled with the production from wells in which Wiser Oil Company has an interest, except with the consent of Johnston. [DB 538; P. 176]

Note: This Partial Assignment document indicates that the producing facility owned by Henderson Oil Company and put under lease to Johnston in 1964 is excepted from the 1967 Partial Assignment. Subsequent information indicates that the Wiser Oil Company conducted activity on the lower portion of the island.

7/29/1968 - N.P. Johnston assignment to Peoples Savings Bank. N.P. Johnston, in return for a loan, grants his 25% working interest in two (2) leases; the Drain lease (lower portion of about 65 acres) and former Moore lease (upper portion of about 27.85 acres). The grant includes Johnston's rights within the 10/1/1964 lease between Henderson Oil Company and N.P. Johnston. The assignment excepts Johnston's wholly owned wells (i.e., the Henderson Oil Company facility) drilled prior to the commencement of Muskingum Drilling Company #1 well in July 1967. The production from these wholly owned wells shall at all times be kept separate and never comingled with the production from wells in which Wiser Oil Company has an interest, except with the consent of Johnston. [DB 551; P. 220]

Note: N.P. Johnston Died 8/19/1972. Johnston died in possession of the ownership of the Henderson Oil Company (and its personal property).

4/12/1975 – probate court-appointed administrators (Paul Bertram and Richard Hausser) of the will of N.P. Johnston convey the entire ownership of the Henderson Oil Company to an individual: A. Fecht of Arizona by approval of probate court. The Henderson Oil Company owns the oil production facility located upon the upper portion of the island.

6/29/1975 - Fecht resells the entire ownership of the Henderson Oil Company to the Henderson Oil Company (he subsequently identifies himself as the president of the Henderson Oil Company).

10/16/1975 – Henderson Oil Company files with the Ohio Department of State to appoint a new agent. Richard Tabor (likely the son of former Agent N.R. Tabor) is identified as the previous Agent. L. Miles signs as VP of Henderson Oil Company. The identity of the new Agent is not legible on the form. However, the Ohio Department of State indicates that Paul Bertram (appointed administrator of the will of N.P. Johnston) is the Agent.

Note: The filing of the form with the Department of State indicates some level of “activity” by the Company which would still own its corporate personal property – the facility. There is no documentation to indicate actual production activity relating to Muskingum Island.

October 1975, administrators of the estate of N.P. Johnston request and receive court approval to sell the 25% partial interest of N.P. Johnston in the 1964 lease (partially assigned to Wisner in 1967). The sale is described as being necessary due to non-payment of royalty interests and the fact that the administrators do not have the authority to operate the wells.

October 1975 – Wisner Oil Company indicates, in a record filed in probate court, that it is the owner of 75% working interest in the 1964 lease, but that it intends to plug and abandon its wells. A reason provided is that pipelines under the Ohio River make it economically unjustifiable to market oil and gas from the lease.

3/15/1976 - the administrators of the estate of N.P. Johnston, with the authority of probate court, sell to J. Burgin the 25% share of N.P. Johnston in an oil and gas lease. This sale document indicates that N.P. Johnston has a 25% share of the 10/1/1964 lease between Henderson Oil Company and N.P. Johnston. The sale document further suggests that Wisner Oil Company was assigned a 75% interest in this 10/1/1964 lease with partial assignment 8/8/1967. [DB 666; P. 316]

Note: This document does not mention that the partial assignment specifically excepts certain wells and that the 1964 lease specifically identified the Henderson Oil Company as the owner of wells.

10/11/1976 - Wisner Oil Company had plugged its wells and removed equipment. Wisner quitclaims and releases its lease arrangements back to lessor and heirs. The release specifically

mentions the 10/1/1964 lease from Henderson Oil Company to N.P. Johnston and partial assignment from N.P. Johnston to Wiser Oil Company of 8/8/1967. [DB 677; P. 303]

Note: The OSC identified documents indicating operation by the Henderson Oil Company and its president Allen Fecht in 1977 and 1980 in the Washington County, Ohio courthouse indicating operation by the Company as a lessee/assignee. The OSC also found documentation indicating that the Company filed for bankruptcy protection in 1979 and a trustee was selling Company assets in 1983. The OSC found no documentation to indicate operational activity relating to Henderson Oil Company assets located on Muskingum Island.

Note: According to the Ohio Department of State, the Henderson Oil Company was identified as cancelled by July 30, 1979.

1/23/1980 - Heirs of Flora Scott, and the above-mentioned Reed, Masse, and Holdren heirs convey the 27.85 acres and a right-of-way to McDonough Co. inclusive of all the oil, gas and minerals within and underlying. The conveyance is made subject to any and all leases of record. [DB 734; P. 687]

12/23/1980 - McDonough Co. conveys the 27.85 acres and a right of way to Tri-State Asphalt Products, Inc. inclusive of all the oil, gas and minerals within and underlying. [DB 749; P. 340]

1/5/1981 - Tri-State Asphalt Products, Inc. conveys the 27.85 acres and a right of way to Dravo Corporation inclusive of all the oil, gas and minerals within and underlying. [DB 749; P. 353]

6/13/1983 – **A trustee for the Henderson Oil Company (bankrupt) assigns several leases to E. Biehl. Among the leases conveyed are the Moore (1898) and Decker (1898) leases relating to the upper portion of the island. These leases are the same as identified in the 1964 lease agreement between Henderson Oil Company and N.P. Johnston in which Henderson Oil Company identifies the facility as the property of the Henderson Oil Company. The conveyance states that Henderson Oil Company conveys all of their right, title and interest in the lease, leasehold estates, and the entire working interests therein. [Washington County, OH LB 250; PG. 768]**

9/15/1988 - Dravo Corporation conveys the 27.85 acres and a right of way to Dravo Basic Materials Company, Inc. inclusive of all the oil, gas and minerals within and underlying. [DB 865; P. 738]

9/27/1988 - Dravo Basic Materials Company, Inc. conveys the 27.85 acres and a right of way to The Nature Conservancy inclusive of all the oil, gas and minerals within and underlying. The Nature Conservancy is a non-profit charitable corporation [DB 878; P. 306]

Note: In 1993, The Nature Conservancy identifies itself as the operator of 3 wells and conducts well plugging operations. The wells are all less than 1000 feet in depth (e.g., Cow Run or Macksburg Formations). It is not known the reason for TNC opting or agreeing to plug the wells.

8/30/1994 - The Nature Conservancy conveys the 27.85 acres and a right of way to the U.S. Government for administration by the Secretary of the Interior through the U.S. Fish and Wildlife Service. The conveyance is inclusive of all the oil, gas and minerals within and underlying. [DB 936; P. 48]

Note: The 1994 document states that it is expressly understood and agreed between the parties that the Nature Conservancy intends to convey all of its right, title, and interest in and to any and all of the oil, gas and minerals in and under the tracts of real estate herein conveyed. Additionally, the conveyance is expressly made subject to any and all exceptions, reservations, leases or leasehold estates created thereby which are of record affecting the legal title of real estate herein conveyed.

LOWER PORTION OF ISLAND

By 1894, J.W. Drain, wife (R. Drain), and heirs own upwards of 66 acres with mineral rights representing the lower (westerly) portion of Muskingum Island.

3/17/1898 – R. Drain and heirs (V. Drain, L. Drain, and D. Drain) execute an oil and gas lease with W.M. Kingsley. The five (5) year lease (and as much longer thereafter as oil and gas is produced in paying quantities) covers 66 acres more or less comprising the lower part of the island. Drain reserves 1/8th of the oil and \$100/year/well for gas. Also, free gas for one existing dwelling. The agreement states that a well shall be commenced within 30 days or the lease is in default unless monthly payments are made to Drain. [DB 98; P. 197]

Note: - Kingsley is a lessee also relating to the upper portion of the island.

6/20/1898 – W.M. Kingsley conveys and assigns the lease to A Lutz (1/4) and G. Waters (1/8).

10/12/1899 – W.M. Kingsley conveys and assigns to I.M. Latchaw and M.A. Nelson an undivided 3/8th part of the interest in several leases. Among the leases is the 3/17/1898 lease from R. Drain and heirs covering 66 acres. Latchaw receives 7/8th of the 3/8th and Nelson receives 1/8th of the 3/8th interest. (Kingsley also conveys to Latchaw and Nelson a lease relating to the upper part of the island (Moore) indicating that the entire island is now assigned to I.M. Latchaw and M.A. Nelson for oil and gas production) The subject agreement indicates the presence of 4 producing wells on the “Moore Island Lease” (upper part of the island), but no mention of wells on the lower portion of the island. [DB 119; P. 553]

3/17/1903 – the lease between Drain (and heirs) and Kingsley is extended for 2 years under the same terms. The primary term of the lease would be set to expire 3/17/1905. [DB 132 Pg. 311]

11/30/1904 – R. Drain (and heirs) convey to J. Amm, G.L. Craig, M.A. Nelson, and D.B. Torpy (Administrator of the estate of I.M. Latchaw, deceased), partners doing business as Henderson Oil Company, their oil and the gas interests belonging to the 66 acres comprising the lower part of the island. The conveyance is made pursuant to a court decree. As part of the decree,

Henderson Oil Company must commence a well within 30 days or pay a monthly fee. [DB 133; P. 133]

Note: G.L. Craig is referenced as a Superintendent of Henderson Oil Company in an 1899 document of the WV Geological Survey.

Note: According to the Ohio Department of State, the Henderson Oil Company is incorporated in 1915 in Marietta Ohio although individuals identifying themselves as being associated with the Henderson Oil Company are already associated with oil activity on the island.

1/7/1916 – Latchaw, a partner dba Henderson Oil Company, conveys (through Torpy) Latchaw's oil and gas interest in the leasehold (referenced at item #14) to Henderson Oil Company. [DB 166; P. 231]

1/12/1916 – J. Amm and G.L. Craig, partners dba Henderson Oil Company, convey their $\frac{1}{2}$ interest ($\frac{1}{4}$ each) in the leasehold (referenced at item #14) to Henderson Oil Company. [DB 166; P. 226]

1/12/1916 – M. Nelson, a partner dba Henderson Oil Company, conveys her interest in the leasehold (referenced at item #14) to Henderson Oil Company. [DB 166; P. 235]

Note: At this time and in 1916, and part of the Facility relating to the Drain property (66 acres or lower portion of the Island) is likely owned by the Henderson Oil Company and not by the individual partners dba Henderson Oil Company.

4/7/1919 – R. Drain and heirs convey their land to J.B. Kellar and Henderson Oil Company. The deed conveys 65 acres (being all of Kellar's or Hutchinson's Island excepting the 27.85 acres comprising the upper part). The deed does not specifically separate or reserve a royalty previously specified in the sale of the facility from Drain to partners dba Henderson Oil Company in 1904. [DB 172; P. 86]

1/22/1921 – J.B. Kellar ($\frac{1}{2}$) and Henderson Oil Company ($\frac{1}{2}$) lease the 65 acres to G. Shears and E. Chalfont for farming purposes only. The agreement indicates that wells are now located on said premises. [DB 176; P. 387]

Note: As such, by 1921, there are oil wells specifically identified as being located on both the upper and the lower portions of Muskingum Island. The specific locations of these wells are uncertain.

2/20/1928 – J.B. Kellar quitclaims his $\frac{1}{2}$ interest in the 65 acres to J.B. Kellar Company. [DB 195; P. 644]

12/28/48 – J.B. Kellar Company quitclaims its $\frac{1}{2}$ interest in the 65 acres to Henderson Oil Company [DB 319; P. 72]

Note: By 1949 the Henderson Oil Company is the sole owner of the land and likely the mineral rights and Facility relating to the lower portion of Muskingum Island.

10/1/1964 - Henderson Oil Company executes a lease with N.P. Johnston. The lease has a primary term of one (1) year for the exclusive right to operate and drill for and produce oil and gas and for as long as oil or gas are produced in paying quantities.

Relating to the lower portion of the island, the Lessor (Henderson Oil) conveys certain premises owned by Lessor to Lessee (Johnston) defined in Exhibit B of the lease. Lessee is to pay 1/8th of the oil to the Henderson Oil Company (OGM owner). The premises are:

Parcel 1, Tract 1 - the lower part of the Island consisting of 65 acres

Parcel 1, Tract 2 - approximately 18 acres of land between the low water line and the top of the bank along the lower part of the Island.

Reference is made to:

Deed 1 - 4/7/1919 Drain to J.B. Kellar and Henderson Oil [DB 172; P. 86]

Deed 2 - 2/20/1928 J.B. Kellar to J.B. Kellar Company [DB 195; P. 644]

Deed 3 - 12/28/1948 J.B. Kellar to Henderson Oil Company [DB 319; P. 72]

Deed 4 - 11/24/1937 Muskingum River Gravel Company to J.B. Kellar and Henderson Oil Company [DB 219; P. 228, likely relating to a an 18 acre tract under water (Tract 2)]

As specified in the lease, Johnston may use Henderson Oil Company's existing wells and he may drill new ones. Johnston may also pull casing and plug wells. The lease also specifies that all salvage from existing wells shall remain the property of Henderson Oil Company and be subject to disposition by Henderson Oil Company (confirming facility ownership by Henderson Oil Company). Johnston may remove any property, fixtures, or improvements placed upon the premises by Johnston. The provisions of the conveyance shall be binding upon the heirs, administrators, executors, successors or assigns of the parties [DB496; P. 147]

Note: This lease document indicates that Henderson Oil Company is the owner of the facility constructed at the Site before 1964 since Henderson Oil Company maintains salvage rights while allowing Johnston to use the wells. Johnston is the likely operator of the Henderson Oil Company facility and may be the owner of wells and relating facility components constructed after 1964.

11/25/1964 - On November 25, 1964, Henderson Oil Company amends its articles of incorporation naming N.P. Johnston as president and N.R. Tabor as Secretary. N.R. Tabor is also Agent.

Note: Examination of documents relating to the probate of Johnston's will indicates that Johnston became the owner of the Henderson Oil Company (and the personal property of the Henderson Oil Company).

8/8/1967 – The 1964 lease arrangement between Henderson Oil Company and N.P. Johnston (its President) is subject to a Partial Assignment from N.P. Johnston to Wiser Oil Company (Oklahoma). Johnston, for and in consideration of a letter agreement between Johnston and

Wiser Oil Company, assigns to the Wiser Oil Company 75% of the working interest and all the rights granted to N.P. Johnston in 2 leases:

1. Drain Lease containing 65 acres (lower portion).
2. Formerly known as the Moore Lease containing 27.85 acres (upper portion).

These leases comprise the 10/1/1964 lease from Henderson Oil Company to N.P. Johnston. The partial assignment to Wiser Oil Company specifically excepts certain producing wells, as well as the production therefrom, which are reserved by Johnston as his wholly-owned property. These wholly-owned wells were identified as those drilled prior to the commencement of the “Muskingum Drilling Company” #1 well in July 1967. The production from these wholly-owned wells shall at all times be kept separate and never comingled with the production from wells in which Wiser Oil Company has an interest, except with the consent of Johnston. Johnston keeps 25% of the interest. [DB 538; P. 176]

Note: This partial assignment indicates that Johnston maintains separation between the existing (i.e., Henderson Oil Company) facility and any new operations which may be conducted by Johnston and/or Wiser Oil Company.

Note: The partial assignment language does not specifically designate the rationale for such designation of “partial”, but it would appear that the Wiser Oil Company is able to conduct drilling or production activity on the entirety of the 1964 lease area, but is not able to produce from the existing (i.e., Henderson Oil Company) facility (this would suggest that Wiser Oil Company did not operate the Henderson Oil Company facility, but instead created their own facility within the same lease area). Examination of available well records suggests that the Henderson Oil Company facility is primarily drilled to shallow oil formations while the Wiser Oil Company was producing oil and gas from deeper formations (Berea and Gordon Sands). As such, two separate facilities are likely located on the island beginning in/about 1967.

Note: The partial assignment is dated August 8, 1967 and excepts wells drilled prior to July 1967. As such, the Muskingum Drilling Company wells are not excepted from the assignment to Wiser Oil Company. The owners or entities comprising the Muskingum Drilling Company is not known.

Note: According to available records, Muskingum Drilling Company drills 4 wells on the lower portion of the island in 1967. Wells #1, #2, and #3 are drilled for the Wiser Oil Company to deeper formations (e.g., Berea / Gordon). Well #4 is drilled to the shallower Cow Run Formation and is identified as a “Gas Input” well. This indicates that Muskingum Drilling Company is installing wells for Wiser Oil Company (#1, #2, and #3) and also drilling a well likely to become a component to a Gas Injection Program (#4) with which Wiser assisted (likely pursuant to the letter agreement mentioned in the 1967 Partial Assignment). A 1968 document signed by N.P. Johnston indicates that Wiser Oil Company provided assistance in putting in the Gas Injection Program. It would appear that Wiser may have participated/assisted by providing gas from its deeper wells to increase the production of the shallower Cow Run wells owned/operated by Henderson Oil Company / N.P. Johnston.

The 4 wells drilled by Muskingum Drilling Company in 1967 are:

Wood 561, drilled June/July 1967 to a depth of 2358 feet. (plugged in 1976)

Wood 568, drilled August 1967 to a depth of 3250 feet. (plugged in 1976)

Wood 575, information unknown. (plugged in 1976)

Wood 578, drilled November 1967 to a depth of 641 feet.

Note: the terms of the letter agreement between Wiser Oil Company and N.P. Johnston are unknown.

Note: The 1967 Partial Assignment document indicates that the producing facility owned by Henderson Oil Company and put under lease to Johnston in 1964 is excepted from the 1967 Partial Assignment. WVDEP did not find records of other wells drilled by Johnston between 1964 and 1967.

Note: In 1967, the U.S. Government takes land for a flowage easement relating to the Ohio River.

7/29/1968 - N.P. Johnston, in return for a loan, grants 25% working interest in two (2) leases; the Drain lease (lower portion of about 65 acres) and former Moore lease (upper portion of about 27.85 acres) to Peoples Savings Bank. The grant includes Johnston's rights within the 10/1/1964 lease between Henderson Oil Company and N.P. Johnston. The assignment excepts Johnston's wholly owned wells drilled prior to the commencement of Muskingum Drilling Company #1 well in July 1967. The production from these wholly owned wells shall at all times be kept separate and never comingled with the production from wells in which Wiser Oil Company has an interest, except with the consent of Johnston. Once the loan is paid, the bank will assign back to Johnston. [DB 551; P. 220]

Note: The Henderson Oil Company facility is again excepted in the 1968 loan agreement. The Muskingum wells are not excepted. As such, Johnston is securing the loan with his 25% interest in the post-1967 production activities of Muskingum and/or Wiser Oil Company.

2/17/1969 - N.P. Johnston assignment to Peoples Savings Bank. [DB 559; P. 497] N.P. Johnston, in return for a loan, grants:

1. the 4/4th working interest in one (1) lease; the Drain lease (lower portion of about 65 acres) specifically excepting any oil production exceeding two barrels per day. The following note occurs: "(The Drain now is under gas injection drive. Johnston assigns 4/4 of the working interest up until such point as the production from the Drain exceeds two barrels per day. From that point, Johnston assigns two barrels per day, plus 1/4 of any additional oil produced from the wells that were specifically excepted from the Assignment of July, 1968. This is due to an agreement with the Wiser Oil Company because of their assistance in putting in the gas injection program.)"
2. the 1/4th working interest in the gas produced from the Drain which is owned 1/4 by Johnston and 3/4 by the Wiser Oil Company, known as Muskingum Drilling Company lease.

The following note occurs: "(Johnston is the payee under the gas contract with the River Gas Company; and no mention was made of its inclusion in the July 1968 Assignment.)"

When the promissory note is paid in full, the bank will then assign back to N.P. Johnston.

Note: The language of the agreement suggest that Wiser Oil Company assisted with the installation of a Gas Injection Program which increased the yield from the wells component to the Henderson Oil Company facility. Some oil production from the previously excepted wells is now part of the basis for the loan agreement.

Note: The language of the agreement suggests that Wiser Oil Company (75%) and N.P. Johnston (25%) had an arrangement for the production of gas. The Johnston share forms part of the basis for the loan.

1/10/1970 - Deed of Trust between Henderson Oil Company and trustees for Citizens National Bank. Henderson Oil Company conveys 65 acres to G.W. Hill and H.W. Wilson, Trustees for Citizens National Bank, in return for a loan. The real estate conveyance is made subject to:

(1) a Declaration of Taking for a flowage easement over 5.73 acres by the US Government on 11/6/1967 and recorded at DB 538; Pg. 323.

(2) a grant to Kanawha Sand Company to remove sand and gravel from both sides of the Island which is dated 12/28/1951 and recorded at DB 350; Pg. 331.

(3) a lease for oil and gas from Henderson Oil Company to N.P. Johnston, dated 10/1/1964 and recorded at DB 496; P. 147 and re-recorded in DB 536; Pg. 457.

The loan is secured by the real estate and is payable in 10 years time with specific terms. The conveyance is signed by N.P. Johnston as an individual and as the President of Henderson Oil Company. [TB 1; P. 402]

Note: N.P. Johnston Died 8/19/1972. A 1972 inventory of the assets of the estate lists, among other things, the following:

Schedule A – Real Estate: undivided 1/3 interest in real estate – 66 acres on Muskingum Island
Schedule B – Stocks, Bonds, Securities: entire ownership of Henderson Oil Company including royalty and working interests

Schedule C – Personal Goods, Chattels, & Misc.: miscellaneous royalty and working interests

Note: The 1973 real estate taxes on the Henderson Oil Company property (lower portion of the island) were not paid.

4/19/1974 – Wiser Oil Company notifies WV that the 4 wells it operates are presently shut-in. This likely indicates that their facility (3 deep wells) was no longer producing oil. Additionally, any gas intended for the “gas drive” system was not flowing.

November 1974 – probate court approves appointment of P. Bertram and J. Hausser as co-administrators of the estate of N.P. Johnston. The court also discharged the wife of N.P. Johnston as administratrix.

11/5/1974 - Trustees Deed made between G.W. Will (trustee for Citizens National Bank) and both R.A. Johnson and E.F. Johnson. The 1970 Deed of Trust between Henderson Oil Company and Citizens National Bank was defaulted. The 65 acres of real estate, now bank property, was sold at public auction to the Johnsons on 10/31/1974 subject to payment of 1973 real estate taxes. The conveyance is subject to the same flowage easement, grant to remove sand and gravel and oil lease mentioned in the 1970 Deed of Trust. [DB645; P. 412]

Note: This sale is for the real property (land). It is not specifically mentioned if the OGM was conveyed (but it was not reserved and likely passed to Johnson). The personal property of Johnston (and/or Henderson Oil Company) (e.g., Facility) likely remain in the estate and agreements of Johnston. The ownership of the facility is by Henderson Oil Company.

4/12/1975 – probate court-appointed administrators (Paul Bertram and Richard Hausser) of the will of N.P. Johnston convey the entire ownership of the Henderson Oil Company to an individual: A. Fecht of Arizona by approval of probate court. Fecht resells the ownership to Henderson Oil Company in June 1975.

6/29/1975 - Fecht resells the entire ownership of the Henderson Oil Company to the Henderson Oil Company (he subsequently identifies himself as the president of the Henderson Oil Company).

9/23/1975 – Wiser Oil Company, as 75% owner and operator of the working interest in 3 wells on Muskingum Island, informs the administrators of the estate of N.P. Johnston of its election to plug and abandon its 3 wells.

10/16/1975 – Henderson Oil Company files with the Ohio Department of State to appoint a new agent. Richard Tabor (likely the son of former Agent N.R. Tabor) is identified as the previous Agent. L. Miles signs as VP of Henderson Oil Company. The identity of the new Agent is not legible on the form. However, the Ohio Department of State indicates that Paul Bertram (appointed administrator of the will of N.P. Johnston) is the Agent. This indicates some level of “activity” by the Company which would still own its corporate personal property – the facility.

Note: The filing of the form with the Department of State indicates some level of “activity” by the Company which would still own its corporate personal property – the facility. There is no documentation to indicate actual production activity relating to Muskingum Island.

October 1975, administrators of the estate of N.P. Johnston request and receive court approval to sell the 25% partial interest of N.P. Johnston in the 1964 lease (partially assigned to Wiser in 1967). The sale is described as being necessary due to non-payment of royalty interests and the fact that the administrators do not have the authority to operate the wells.

October 1975 – Wiser Oil Company indicates, in a record filed in probate court, that it is the owner of 75% working interest in the 1964 lease, but that it intends to plug and abandon the wells. A reason provided is that pipelines under the Ohio River make it economically unjustifiable to market oil and gas from the lease.

3/15/1976 - the administrators of the estate of N.P. Johnston, with the authority of probate court, sell to J. Burgin the 25% share of N.P. Johnston in an oil and gas lease. This sale document indicates that N.P. Johnston has a 25% share of the 10/1/1964 lease between Henderson Oil Company and N.P. Johnston. The sale document further suggests that Wiser Oil Company was assigned a 75% interest in this 10/1/1964 lease with partial assignment 8/8/1967. [DB 666; P. 316]

Note: This document does not mention that the partial assignment specifically excepts certain wells and that the 1964 lease specifically identified the Henderson Oil Company as the owner of wells.

Note: this document indicates that R. Johnson is the fee simple owner of the real estate and the royalty.

10/11/1976 - Wiser Oil Company had plugged its wells and removed equipment. Wiser quitclaims and releases its lease arrangements back to lessor and heirs. The release specifically mentions the 10/1/1964 lease from Henderson Oil Company to N.P. Johnston and partial assignment from N.P. Johnston to Wiser Oil Company of 8/8/1967. [DB 677; P. 303]

Note: In 1974, the Wiser Oil Company notified West Virginia that it operated 4 wells on Muskingum Island (Wood 561, 568, 575, and 578). Wiser indicated the wells are shut in and not temporarily abandoned. However, in 1976, Wiser applied to plug and abandon 3 wells that were drilled under the arrangement of the 1967 Partial Assignment. Wiser indicated that it became the operator of the 3 wells upon the death of Johnston in 1972. The 3 wells were plugged by Wiser in 1976. The well identified as Muskingum #4 (the "Gas Input" well or Wood 578) was not plugged. It is most likely that this subject well was used by N.P. Johnston to increase the production from his "wholly-owned" property specifically excepted from the 1967 partial assignment to Wiser Oil Company.

Note: The OSC identified documents indicating operation by the Henderson Oil Company and its president Allen Fecht in 1977 and 1980 in the Washington County, Ohio courthouse indicating operation by the Company. The OSC also found documentation indicating that the Company filed for bankruptcy protection in 1979 and a trustee was selling Company assets in 1983. The OSC found no documentation to indicate operational activity relating to Henderson Oil Company assets located on Muskingum Island. The OSC has not reviewed all documentation relating to the bankruptcy of the Company which might list its assets.

Note: According to the Ohio Department of State, the Henderson Oil Company was identified as cancelled by July 30, 1979.

2/13/1978 - R.A. Johnson and E.F. Johnson convey the 65 acres of land (with OGM) to M.E. Gawthrop. The conveyance is subject to oil and gas leases of record. [DB 700; P. 195]

12/14/1978 - M.E. Gawthrop conveys the 65 acres of land (with OGM) to Seminole Oil and Gas Corporation. The conveyance is subject to oil and gas leases of record. [DB 714; P. 719]

Note: Seminole Oil and Gas Corporation ("Seminole") was formed in the 1940's as an oil and gas concern operating primarily in southwestern United States. In 1973, Milton Shuck became the chief operating officer and principal shareholder of Seminole and led the company to acquire interests in various oil and gas ventures in West Virginia. Business soured and, in 1979, Seminole filed a petition for bankruptcy relief under Chapter 11 in the Southern District of New York. The bankruptcy case was subsequently transferred to the Northern District of West Virginia.

Note: Andrew J. Arkin (and Hohman and Piedmont Resources, inc) are part of an agreement in 1982 with Seminole Oil and Gas Corporation. As part of the Company's reorganization plan, Arkin is part of the board of directors for Seminole.

Note: the OSC found documentation to indicate that the Henderson Oil Company filed for bankruptcy in 1979. In June 1983, a trustee for the Henderson Oil Company (bankrupt) assigns leases and leasehold estates relating to the upper portion of the island. In December 1983, the OSC found documentation indicating that all right and title to certain leases, working interests, wells, etc. which are specified in Henderson Oil Company bankruptcy documents (not obtained by the OSC) were sold to an individual (D. Mustico). Mustico further sold certain Henderson Oil Company assets in 1988, but any asset relating to the lower portion of Muskingum Island was not listed. [Washington County, OH LB 272; PG. 989 and 991]

9/10/1984 – A deed of trust is executed between Seminole Oil and Gas Corporation and R.P. Fitzsimmons, trustee. The deed conveys the properties of the Seminole Oil and Gas Corporation in return for payment of promissory note of \$100,000 with beneficiaries Piedmont Resources and Alan Arkin. An extensive list of the assets is provided including the real property description of the lower portion of Muskingum Island. Although, numerous leases, leasehold estates, equipment, and other properties are specifically listed, the Henderson Oil Company or N.P. Johnston lease or Facility are not identified.

Note: In 1984, the bankruptcy court grants a motion to reconstitute the board as Arkin, Varah, Shaw, Shuck. Afterwards, Arkin and others began to sell assets of Seminole. In 1986, Seminole filed another petition to liquidate its assets including the sale of some of its assets to Montark, Inc (formed by Alan Arkin and Piedmonts Resources). The bankruptcy court affirmed the plan. The selloff will include Seminole's assets relating to Muskingum Island.

1/26/1987 - Seminole Oil and Gas Corporation conveys the 65 acres of land to Montark Inc. (New York). The conveyance is subject to 5 listed liens/deeds of trust and pursuant to orders of the United States Bankruptcy Court in the matter of Seminole Oil and Gas Corporation. [DB 845; P. 3]

The 5 deeds of trust identified in the 1987 conveyance from Seminole to Montark are:

1. Deed of Trust from Seminole Oil and Gas Corporation to Joseph McFarland, trustee, dated 3/9/79 securing Rodney Campbell. Wood County General Lien Book No. 203, Page 306.

2. Deed of Trust from Seminole Oil and Gas Corporation to Joseph McFarland and Roger Redmond, trustees, dated 5/3/79 securing First Bank of Marietta. Wood County General Lien Book No. 211, Page 536.
3. Deed of Trust from Seminole Oil and Gas Corporation to Joseph McFarland, trustee, dated 12/7/78 securing M. Gawthrop. Wood County General Lien Book No. 203, Page 555.
4. Deed of Trust from Seminole Oil and Gas Corporation to Joseph McFarland and Roger Redmond, trustees, dated 4/28/79 securing Mary Gawthrop. Wood County General Lien Book No. 211, Page 536.
5. Deeds of Trust in favor of Andrew Arkin and Piedmont Resources, Inc. (see above example from 9/10/1984)

5/15/1995 - Montark, Inc. (New York) grants the 65 acres of land to A. Arkin. The deed reserves all the oil, gas and minerals to Montark, Inc. The conveyance is also subject to all covenants, restrictions, easements, rights-of-way, agreements, exceptions, reservations and oil and gas leases of record. Arkin signs the document as the president of Montark, Inc. [DB 945; P. 909]

5/31/1995 - A. Arkin grants the land to the U.S. Government as a gift for administration by the Secretary of the Interior through the U.S. Fish and Wildlife Service. All of the oil, gas and minerals as well as all rights necessary or convenient to the search for, or production of, such oil, gas, and minerals is excepted and reserved. The land is conveyed with the appurtenances thereof. [DB 945; P. 911]

12/16/1997 - Montark, Inc. (Delaware) grants all of the oil, gas and minerals which were excepted and reserved by Montark, Inc. (New York) in 1995 (in conveyance to A. Arkin) to the U.S Government. The grant is considered a gift for administration by the Secretary of the Interior. The grant is subject to the condition that the exploration or extraction of said oil, gas and minerals is prohibited without the written consent of Montark, Inc. or its successors or assigns and that said consent is at the full discretion of Montark, its successors or assigns. The conveyance states that the OGM is conveyed with the appurtenances thereof. [DB and Page Unknown; received directly from USFWS]

Note: on 12/6/1997 the board of Montark, inc. (Delaware) resolved that the Corporation should maintain a right to control the exercise of oil, gas and mineral rights provided to the U.S. Fish and Wildlife Service. The officers of Montark Inc. identified in the conveyance are identified in IRS Forms as employees of The Nature Conservancy. Montark is also identified as 100% owned by The Nature Conservancy in IRS tax forms.

OTHER INFORMATION

11/30/1967 – Taking by the Army of certain lands for a flow easement. Property described as a part of Muskingum (or Kellars or Hutchinson) Island. Oil and Gas excluded from the taking. Taking is to flood below elevation 582 and occasionally flood above elevation 582. Current owner stated as Henderson Oil Company. [DB 538; P. 323]

Note: Some of the wells component to the Henderson Oil Company facility are now positioned within the waters of the Ohio River. These wells were once upon the island and are now located in the water most probably due to erosion of the bank of the western shoreline of the island.