

BENJAMIN C. CUBBAGE, JR.  
ATTORNEY AT LAW  
P O. BOX 17  
600 BARRET BOULEVARD  
HENDERSON, KENTUCKY 42420  
(270) 827-5635  
FAX (270) 826-3763

RECEIVED

November 15, 2005

NOV 15 2005

PUBLIC SERVICE  
COMMISSION

**VIA FEDERAL EXPRESS**

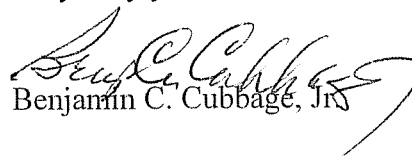
Ms. Beth A. O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

RE: Joint Application of Orbit Gas Company  
and Orbit Gas Transmission, Inc.  
Case No. 2005-00427

Dear Ms. O'Donnell:

Enclosed for filing in the above case is the original and nine copies of Amendment to Application.

Very truly yours,

  
Benjamin C. Cabbage, Jr.

BCC/jh  
Enclosures

cc: Richard H. Straeter  
Marc D. Fine

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

JOINT APPLICATION OF ORBIT GAS )  
COMPANY AND ORBIT GAS TRANSMISSION, )  
INC. FOR AUTHORITY AND PERMISSION TO ) CASE NO. 2005-00427  
SELL AND PURCHASE THE ORBIT GAS )  
COMPANY NATURAL GAS DISTRIBUTION )  
SYSTEM AND ALL RELATED ASSETS )

AMENDMENT TO APPLICATION

Come Now, Orbit Gas Company (Orbit Gas) and Orbit Gas Transmission, Inc. (Orbit Transmission), Co-Applicants in the above case, and file herewith this Amendment to their Application.

Co-Applicants state that on October 27, 2005, Orbit Transmission did purchase from Mr. Howard A. Nevins all of the said Nevins' interest in Orbit Transmission and thus the said Nevins is no longer a proper party to the proposed transaction described in the Application. This change in principals of Orbit Transmission requires that paragraphs 3 and 11 of the original Application be amended, and paragraph 11(a) be added, so as to reflect the current status of Orbit Transmission in light of the circumstances described above.

Paragraph 3 of the original Application should be amended to state as follows:

3. (Amended) - Orbit Gas Transmission, Inc. (Purchaser) is a Kentucky corporation with offices at 830 Illinois Highway 15 East, Mt. Vernon, Illinois 62864, and Kentucky offices at 600 Barrett Boulevard, Henderson, Kentucky 42420. The principal of Orbit Transmission is Mr. Richard H. Straeter of Mt. Vernon, Illinois

and who serves as President of Continental Resources of Illinois, Inc., an independent oil and gas operating company with operations in southern Illinois, southern Indiana, and western Kentucky. Mr. Straeter has extensive experience in the oil and natural gas business and, prior to his becoming President of Continental Resources of Illinois, was a practicing petroleum engineer in Evansville, Indiana serving the tri-state area for many years. A personal summary of his background and experience was attached to the original Application marked Exhibit "A-1".

Paragraph 11 of the original Application should be amended to state as follows:

11. (Amended) - The management of Orbit Transmission will be provided by Mr. Straeter. He will be assisted by Bradley A. Aman, Vice President of Orbit Transmission, a petroleum engineer, and who currently serves as Operations and Engineering Manager for Continental Resources of Illinois, and by Nida E. Woodfall, Secretary of Orbit Transmission, who has served in the oil and gas community for over 30 years, both at Continental Resources of Illinois and its predecessor, Farrar Oil Company. A brief descriptive page for Continental Resources of Illinois is attached marked Exhibit "K". Additionally, the present personnel of Orbit Gas are to be retained in their present positions and, to assist in the transition as well as to provide a continuity of operations, it has been arranged for Mr. Benjamin C. Cabbage, Jr., the President of Orbit Gas to remain on the staff of Orbit Transmission as a consultant to make available his 14 years experience of directing all aspects of the company's operations. It is the intention of Orbit

Transmission to change as little as possible the present operations of the Orbit Gas system. In other respects, however, the purchaser intends to provide new direction to the company in an effort to expand its services and utilize more fully its present assets. It is also its intention to grow the company in the western Kentucky area.

Paragraph 11(a) should be added to the original Application as follows:

11(a). The Board of Directors of Orbit Transmission are the following:

- (1) Harold G. Hamm, Chairman. Mr. Hamm is Chief Executive Officer and Chairman of the Board of Continental Resources, Inc. and Continental Resources of Illinois, Inc.
- (2) Richard H. Straeter, President.
- (3) Bert H. Mackie, Member. Mr. Mackie is President of the Security National Bank of Enid, Oklahoma and also serves as Trustee of the Harold Hamm DST Trust dated 12-10-98 and the Harold Hamm HJ Trust dated 12-10-98.
- (4) Roger Clement, Member. Mr. Clement is Senior Vice President and Chief Financial Officer of Continental Resources, Inc. and Continental Resources of Illinois, Inc. and a Board Member of Continental Resources of Illinois, Inc.
- (5) Jeff Hume, Member. Mr. Hume is Senior Vice President of Resource Development of Continental Resources, Inc. and a Board Member of Continental Resources of Illinois, Inc.

The stockholders of Orbit Transmission are:

- (1) Richard H. Straeter - 8%
- (2) The Harold Hamm HJ Trust dated 12-10-98 - 36.8%
- (3) The Harold Hamm DST Trust dated 12-10-98 - 55.2%.

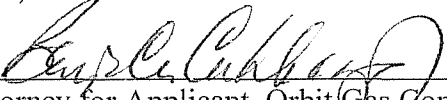
Appended hereto marked Exhibit "L" is a letter from the Trustee of the above two Trusts, together with the front and back pages of said Trusts.

WHEREFORE, Co-Applicants pray that this Amendment to Application be accepted and considered and that the Commission grant its Order authorizing and permitting the sale of all assets of Orbit Gas to Orbit Transmission.

Dated at Henderson, Kentucky, this 15<sup>th</sup> day of November, 2005.

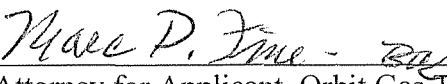
Respectfully submitted,

BENJAMIN C. CUBBAGE, JR.  
600 Barrett Blvd., P.O. Box 17  
Henderson, Kentucky 42420  
(270) 827-5635

  
\_\_\_\_\_  
Attorney for Applicant, Orbit Gas Company

- and -

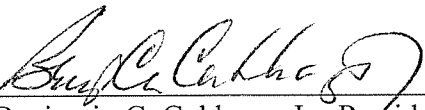
MARC D. FINE  
Rudolph, Fine, Porter & Johnson, LLP  
221 N.W. Fifth Street  
Evansville, Indiana 47708  
(812) 422-9444

  
\_\_\_\_\_  
Attorney for Applicant, Orbit Gas Transmission, Inc.


STATE OF KENTUCKY    )  
  )  
COUNTY OF HENDERSON)

Come now the Co-Applicants, Benjamin C. Cabbage, Jr., President of Orbit Gas Company, and Richard H. Straeter, President of Orbit Gas Transmission, Inc. herein, and upon oath swear that the statements contained in the above Amendment to Application are true as they verily believe.

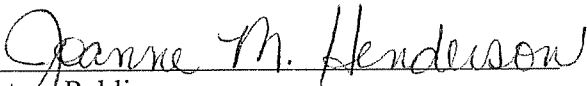
ORBIT GAS COMPANY

By   
Benjamin C. Cabbage, Jr., President

ORBIT GAS TRANSMISSION, INC.

By   
Richard H. Straeter, President

SUBSCRIBED AND SWORN to before me by Benjamin C. Cabbage, Jr., President of Orbit Gas Company, and Richard H. Straeter, President of Orbit Gas Transmission, Inc., this 15<sup>th</sup> day of November, 2005.

  
Notary Public

My Commission Expires: 3-22-06



## Measuring New Depths in the Eastern United States

Continental Resources of Illinois, Inc. (CRII) of Mt. Vernon, Illinois is engaged in the exploration, development, acquisition and operation of oil and gas properties. CRII was established in July of 2001 through the acquisition of the assets of Mt. Vernon based Farrar Oil Company. CRII is a wholly owned subsidiary of Continental Resources, Inc., a privately owned mid-sized independent oil and gas company based in Enid, Oklahoma.

CRII is the fourth largest oil and gas producer in the Illinois basin currently operating over 850 wells. By utilizing the latest technological advances, CRII is committed to the development of additional oil and gas reserves to support the continued growth of the United States.

Continental's staff of highly qualified professionals is dedicated to the quest for oil and gas in all areas east of the Mississippi River and providing energy to support the growth of our great country.



### Continental Resources of Illinois, Inc.

830 IL. Highway 15 East, P.O. Box 749  
Mt. Vernon, IL 62864  
Phone: 618-242-1717

#### **PRESIDENT**

**Richard H. Straeter**  
618-242-2816 ext. 110  
fax: 618-242-9345  
richard.straeter@cree.us

#### **EXPLORATION**

**Rich Snyder**  
Exploration and Land Manager  
618-242-2816 ext. 106  
fax: 618-242-7056  
rich.snyder@cree.us

#### **OFFICE**

**Nida Woodfall**  
Human Resource/Finance Manager  
618-242-2816 ext. 123  
fax: 618-242-9345  
nida.woodfall@cree.us

#### **LAND**

**H. Wayne Presson**  
Senior Landman  
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fax: 618-242-9345  
wayne.presson@cree.us

#### **OPERATIONS**

**Bradley Aman, PE**  
Operations and Engineering Manager  
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fax: 815-846-8630  
brad.aman@cree.us

**SECURITY  
NATIONAL BANK**

Box 1272, Enid, OK 73702

(580) 234-5151

SNBee-Line (580) 237-6233

[www.snbenid.com](http://www.snbenid.com)

November 10, 2005

Mr. Richard Straeter, President  
Orbit Gas Transmission Inc  
P. O. Box 749  
Mt. Vernon, Illinois 62864

Dear Mr. Straeter:

Per your request in connection with the Kentucky Public Service Commission, I am providing the following information.

I am the trustee of the Harold Hamm DST Trust and the Harold Hamm HJ Trust. The Harold Hamm DST Trust has approximately \$12,000,000 in cash and investments and the Harold Hamm HJ Trust has approximately \$8,000,000 in cash and investments. As trustee, I have the authority to make cash disbursements as needed.

I understand this will be presented to the Kentucky Public Service Commission.

Sincerely yours,



Bert H. Mackie  
Trustee



**Trust Agreement Establishing  
Harold Hamm HJ Trust**

THIS AGREEMENT, made this 10<sup>th</sup> day of December, 1998, by and between Len Cason, as the holder of the limited power of appointment described below, and Bert Harold Mackie, as the Trustee of the Harold Hamm HJ Trust (hereinafter referred to as the "Trustee");

**WITNESSETH:**

WHEREAS, pursuant to the provisions of a certain Trust Agreement, dated December 31, 1996, by and between Harold Hamm, as Grantor (hereinafter referred to as the "Grantor"), and William G. Gamble, as Trustee, a certain trust, commonly known and referred to as the Harold Hamm Delta Trust (the "Delta Trust"), was created; and

WHEREAS, Bert Harold Mackie is currently serving as Trustee of the Delta Trust; and

WHEREAS, Len Cason is currently serving as Appointing Person of the Delta Trust; and

WHEREAS, pursuant to the provisions of Section 4 of Article IV of the Trust Agreement which created the Delta Trust, the Appointing Person is empowered to direct the Trustee of the Delta Trust to distribute such amount or amounts from the trust estate of the Delta Trust to or in trust for the benefit of any one (1) or more of the Grantor's descendants and/or their respective spouses or surviving spouses, as the Appointing Person may designate by an instrument in writing signed by the Appointing Person and delivered to the Trustee prior to the death of the Grantor, (such written designation to be effective upon receipt by the Trustee unless such designation specifically states that it is to be effective upon the death of the Grantor); and

WHEREAS, contemporaneous with the execution of this Trust Agreement, Len Cason, as Appointing Person of the Delta Trust, has executed a certain document entitled "Exercise of Limited Power of Appointment Over the Harold Hamm Delta Trust U/A/D 12/31/96," pursuant to which he has directed the Trustee of the Delta Trust, to distribute forty percent (40%) of the principal and current and accumulated net income of the Delta Trust to the Trustee of the Harold Hamm HJ Trust (hereinafter sometimes referred to as the "HJ Trust" or the "trust"), which property shall constitute the initial principal of such trust which will be held for the benefit of the descendants of the marriage of the Grantor and the Grantor's spouse, Sue Ann Hamm (the "Grantor's spouse").

NOW THEREFORE, in consideration of the premises, pursuant to the direction of Len Cason, as Appointing Person of the Delta Trust, the Trustee of the Delta Trust hereby assigns,

IN WITNESS WHEREOF, the parties have hereunto set their hands all on the date first above written.

Len Cason  
Len Cason, Appointing Person

Bert Harold Mackie  
Bert Harold Mackie, Trustee

We hereby certify that the foregoing instrument was in the presence of us on the date last above written, signed, sealed, published and declared by Len Cason, and Bert Harold Mackie to be a Trust Agreement Establishing the Harold Hamm HJ Trust, and they requested us to act as witnesses thereto, and we, in their presence, and in the presence of each other, believing them then to be of sound mind and memory, acting voluntarily and not under duress or constraint of any kind, saw them sign the same instrument as aforesaid, and thereupon hereunto subscribed our names as attesting witnesses to said Trust Agreement.

Shanda Mack residing at 619 E. Euclid  
Waukomis, Ok. 73773

Jon D. Klugh residing at Rt 2, Box 32C  
Pond Creek, Ok 73766

Roger Clement residing at 3009 Kildred Dr  
Waukomis, Ok 73766

STATE OF OKLAHOMA )  
COUNTY OF Oklahoma ) SS

On the 10<sup>th</sup> day of December, 1998, before me personally came **Len Cason**, to me known and known to me to be the individual described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same as Grantor as aforesaid.

Margaret London  
Notary Public

My commission expires:  
My Commission Expires February 15, 2002

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STATE OF OKLAHOMA )  
COUNTY OF Garfield ) SS

On the 10<sup>th</sup> day of December, 1998, before me personally came **Bert Harold Mackie**, to me known and known to me to be the individual described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same as Trustee as aforesaid.

Kendra Williams  
Notary Public

My commission expires:

MY COMMISSION EXPIRES 1-16-2000

**Trust Agreement Establishing  
Harold Hamm DST Trust**

THIS AGREEMENT, made this 10<sup>th</sup> day of December, 1998, by and between Len Cason, as the holder of the limited power of appointment described below, and Bert Harold Mackie, as the Trustee of the Harold Hamm DST Trust (hereinafter referred to as the "Trustee");

**WITNESSETH:**

WHEREAS, pursuant to the provisions of a certain Trust Agreement, dated December 31, 1996, by and between Harold Hamm, as Grantor (hereinafter referred to as the "Grantor"), and William G. Gamble, as Trustee, a certain trust, commonly known and referred to as the Harold Hamm Delta Trust (the "Delta Trust"), was created; and

WHEREAS, Bert Harold Mackie is currently serving as Trustee of the Delta Trust; and

WHEREAS, Len Cason is currently serving as Appointing Person of the Delta Trust; and

WHEREAS, pursuant to the provisions of Section 4 of Article IV of the Trust Agreement which created the Delta Trust, the Appointing Person is empowered to direct the Trustee of the Delta Trust to distribute such amount or amounts from the trust estate of the Delta Trust to or in trust for the benefit of any one (1) or more of the Grantor's descendants and/or their respective spouses or surviving spouses, as the Appointing Person may designate by an instrument in writing signed by the Appointing Person and delivered to the Trustee prior to the death of the Grantor, (such written designation to be effective upon receipt by the Trustee unless such designation specifically states that it is to be effective upon the death of the Grantor); and

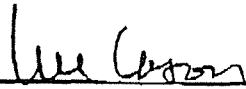
WHEREAS, contemporaneous with the execution of this Trust Agreement, Len Cason, as Appointing Person of the Delta Trust, has executed a certain document entitled "Exercise of Limited Power of Appointment Over the Harold Hamm Delta Trust U/A/D 12/31/96," pursuant to which he has directed the Trustee of the Delta Trust, to distribute sixty percent (60%) of the principal and current and accumulated net income of the Delta Trust to the Trustee of the Harold Hamm DST Trust (hereinafter sometimes referred to as the "DST Trust" or the "trust"), which property shall constitute the initial principal of such trust which will be held for the benefit of the descendants of the prior marriage of the Grantor and his former spouse, Judith Toney ("Judith").


Section 7. Descendants. As used herein, the term "descendants" shall mean a descendant in the first, second or any other degree of the designated ancestor; for example, a child is a descendant in the first degree of the designated parent, and a grandchild is a descendant in the second degree of the designated grandparent; provided, however, that adopted children [but only those adopted children who shall not have attained the age of twenty-one (21) years prior to adoption] and the descendants of any said adopted child shall be regarded as descendants of the adopting parent or parents and of anyone who is by blood or adoption an ancestor of the adopting parent or parents for all purposes herein.

Section 8. Definition of Code. As used herein, the term "Code" shall mean the United States Internal Revenue Code of 1986, or the corresponding provision of any subsequent federal tax law,

Section 9. S Corporation and S Corporation Stock. As used herein, the term "S Corporation" shall mean any corporation described in Section 1361 of the Code, and the term "S Corporation Stock" shall mean the stock of an S Corporation.

IN WITNESS WHEREOF, the parties have hereunto set their hands all on the date first above written.

  
\_\_\_\_\_  
Len Cason, Appointing Person

  
\_\_\_\_\_  
Bert Harold Mackie, Trustee

We hereby certify that the foregoing instrument was in the presence of us on the date last above written, signed, sealed, published and declared by Len Cason and Bert Harold Mackie to be a Trust Agreement Establishing the Harold Hamm DST Trust, and they requested us to act as witnesses thereto, and we, in their presence, and in the presence of each other, believing them then to be of sound mind and memory, acting voluntarily and not under duress or constraint of any kind, saw them sign the same instrument as aforesaid, and thereupon hereunto subscribed our names as attesting witnesses to said Trust Agreement.

Shada Mack residing at 617 E. Euclid  
Waukegan, Ok. 73773

Jon D. Klugh residing at Rt 2, Box 32C  
Pond Creek, Ok 73766

Wagner Clement residing at 3007 Hillcrest Dr  
Enid, Ok 73701

STATE OF OKLAHOMA            )  
  ) SS  
COUNTY OF Oklahoma        )

On the 10<sup>th</sup> day of December, 1998, before me personally came **Len Cason**, to me known and known to me to be the individual described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same as Appointing Person as aforesaid.

Margaret Landon  
Notary Public

My commission expires:  
My Commission Expires February 15, 2002.

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STATE OF OKLAHOMA            )  
  ) SS  
COUNTY OF Garfield        )

On the 10<sup>th</sup> day of December, 1998, before me personally came **Bert Harold Mackie**, to me known and known to me to be the individual described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same as Trustee as aforesaid.

Kendra Williams  
Notary Public

My commission expires:  
**MY COMMISSION EXPIRES 1-18-2000**

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