

**B. & S. OIL & GAS COMPANY
P.O. BOX 155
HAROLD, KY 41635**

AGREEMENT

THIS AGREEMENT, Made and entered into this 1st, day of October, 2005 by and between B. & S. Oil & Gas Company of Harold, Kentucky, and B. & H. Gas Company, a Kentucky Corporation of Stanville, Kentucky.

WHEREAS, B. & S. Oil & Gas Company is the owner of producing gas wells,
and

WHEREAS, the B. & H. Gas Company is desirous of purchasing gas for resale in the Floyd and Pike county areas.


IT IS NOW, THEREFORE AGREED, by and between the parties that in consideration of the sum of eight dollars (\$8.00) per MCF, B. & S. Oil & Gas Company will sell to B. & H. Gas Company, a Kentucky Corporation, such amount of natural gas as the B. & H. Gas Company may desire; provided the said B. & S. Oil & Gas Company have such amount of natural gas available.

B. & H. Gas Company is to accept delivery of said gas at the metering point of each of the producing wells which B. & S. Oil & Gas Company own and said B. & H. Gas Company shall be responsible for maintaining the lines from the metering point.


It is understood that B. & S. Oil & Gas Company agree to furnish gas up to the extent of the production available at such wells, which are or may hereafter be connected to the lines of B. & H. Gas Company.

Payments shall be made no later than the 20th of each month following the month in which the gas is delivered.

The terms of this agreement shall be for one (1) year from the date of execution of this agreement. At the expiration of one (1) year, October 1st 2006, the parties hereto may negotiate another sales agreement.



Bud Rife
President
B. & S. Oil & Gas Company



Bud Rife
President
B. & H. Gas Company

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
9/30/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By 

Executive Director

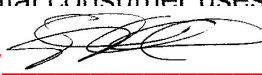
COMPARISON CHART OF MARKETER OFFERS			
SUPPLIER	PRICE OPTIONS*	GAS SUPPLY COSTS** as of March 2005	ESTIMATED ANNUAL TOTAL GAS COST****
Columbia Gas of Kentucky (CKY) 800-866-4GAS http://www.columbiagasky.com	Current Gas Cost Recovery Rate** plus applicable taxes, exclusive of actual cost adjustment	GCR \$9.1189	\$1,094.27
Community Action Council Buyers Club, Inc. 800-244-2275	Out of Business as of June 30, 2004		
Energy.com 877-289-7401 http://www.energy.com	Not currently marketing in Kentucky		
Interstate Gas Supply (IGS) 877-444-7427 http://www.IGSenergy.com	Fixed Price of \$9.59/Mcf through March 2005	\$9.59	\$1,150.80
MXEnergy.com 800-785-4373 http://www.mxenergy.com	Variable Rate	\$12.30	\$1,476.00
Stand Energy (Stand) 800-598-2046 http://www.standenergy.com	Not currently marketing in Kentucky		

* The rates disclosed are those most recently provided to the Ky. PSC. As market conditions change, a marketer may change the rates it offers without notice.

** The Gas Cost Recovery Rate or "GCR" is the cost of gas per Mcf currently being charged by Columbia Gas. This rate typically changes on a quarterly basis as Columbia files with the Commission to collect from customers its true cost of gas.

***This rate does not include Columbia's transportation charges or Columbia's minimum monthly charge of \$6.95 for residential customers.

**** For purposes of this chart, we have calculated estimated annual total gas costs using 120 Mcf as the average annual residential usage. A typical residential consumer uses 14 to 17 Mcf

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 DISCLOSED
 9/30/2005
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 SECTION 9(1)
 By 
 Executive Director