

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Appalachian Energy Inc.

DIVISION OF GAS AND OIL
DOCKET NO. VGOB 89-0126-0009-26

RELIEF SOUGHT: MODIFICATION OF NORA COALBED GAS UNIT NOS.: E-100; F-100;
G-100; H-100; H-101; H-99; & G-101.

AFFECTED UNITS: (See Attached Exhibit A)

APPLICATION

1. **Applicant and its counsel:** Applicant is **Appalachian Energy Inc.** P.O. Box 2406, Abingdon Virginia, 24212-2406, (276) 619-4880. Applicant's Counsel is James E. Kaiser 220 Broad Street, Suite 210, Kingsport, TN 37660 (423) 578-3838.

2. **Relief sought:** (1) Modification of the Nora Coalbed Methane Gas Field Rules, to allow one additional coalbed gas well to be drilled within each of the 58.77 acre Nora Units identified above. (2) For an administrative order providing that additional well permits may be issued in the Nora Field after this application is filed and while it is pending.

3. **Legal authority:** 4 VAC 25-160-50 and § 45.1-361.20 of the Code of Virginia.

4. **Proposed provisions of order sought:** That one additional coalbed methane gas well may be drilled in each of the above referenced Nora Units; that the second well be located at least 600 feet from the nearest coalbed methane well; (and that production/royalties from each coalbed methane well drilled in the said Units shall continue to be allocated solely to the owners and claimants of and to the coalbed methane within the Unit in which the well is located.)

5. **Type of wells and field:** Coalbed methane frac wells within the portion of the Nora Coalbed Gas Field described above, and as depicted in the attached Exhibit A.

6. **Formations subject to application:** All coal beds and coal seams including all Pennsylvania aged coals from the top of the Raven, but not limited to Seaboard, Greasy Creek, Bandy, Horsepen, War Creek,, Poca 9, Poca 8, Poca 6, Poca 5, Poca 4, Poca 3, Poca 2, Poca 1, and any unnamed coal seams and other associated formations known as the Nora Coalbed Gas Field.

7. **Description of interest/claim of persons being notified:** Coalbed methane.

8. **Estimated ultimate recovery in each Nora Unit identified above:** 375 MMCF

9. **Plat:** See Exhibit A annexed hereto.

BEFORE THE VIRGINIA GAS AND OIL BOARD

Applicant: Equitable Production Company)
)
)
Relief Sought: Modification of the Nora Coalbed Methane) Docket No.
Gas Field Rules, to allow more than one coalbed gas well to) VGOB-89-0126-0009-27
be drilled and an order providing additional well permits)
)
)



AFFIDAVIT OF MAILING
(CERTIFICATE OF SERVICE)

STATE OF TENNESSEE)
)
COUNTY OF SULLIVAN)

James E. Kaiser, of lawful age, being duly sworn, upon oath, deposes and says:

- (1) He is a partner with WILHOIT & KAISER, Agent for Equitable Production Company ("EPC") and makes this affidavit on behalf of EPC.
- (2) Based upon information and belief, the names and last-known addresses, where such addresses are known, of the parties owning an interest in the oil and gas in this cause are set forth and attached hereto.
- (3) On the 18th day of April, 2008, true and correct copies of the Application and the Notice of Hearing in this matter were placed in the United States mail in Kingsport, TN, certified mail, return receipt requested, postage prepaid, duly addressed to the unleased parties at their respective addresses as set forth in the attached Exhibit B which is hereby made a part of this Affidavit.
- (4) Notice of this cause has therefore been served by mail pursuant to the applicable statutes and rules of the Board.

[Handwritten Signature]
James E. Kaiser

SUBSCRIBED AND SWORN TO before me this 13th day of May, 2008.



My commission expires: November 12, 2008

EXHIBIT "B"
Increased Density
Middle Fork (BV-41)

Rose Mary McCoy Sturgill
P.O. Box 3092
5258 Clearwater Road
Wise, VA 24293

66503612/4-24-08

James R. McCoy
1262 Tulip Circle
Sevierville, TN 37862

66503605/4-24-08

Dwight D. McCoy &
Bonnetta McCoy
489 Cold Springs Road
Nora, VA 24272

66503629/4-22-08

Norma McCoy McGill
1143 Hunters Lane, Lot 28
Nashville, TN 37207

66503599/4-25-08

Alice Kay McCoy Garrett
100 Kingston Road
Blountville, TN 37617

66503582/4-21-08

Harold G. McCoy &
Barbara A. McCoy
662 Cold Springs Road
Nora, VA 24272

66503575/4-22-08

Joreen Hammons
5707 W. Kesslers Crossing
Fredericksburg, VA 22407

66503636/4-28-08

Charles Kenneth McCoy &
Patricia A. McCoy
847 Cold Springs Road
Nora, VA 24272

66503643/4-22-08

Laura Gerlene McCoy Taylor
21014 Lovers Lane
Bristol, VA 24202-4228

James P. Herring and
Debra A. Herring
1431 E. State St. Lot #6
Bristol, TN 37620

66503557/4-22-08

EXHIBIT "B"
Increased Density
Middle Fork (BV-41)

Danny Kermit McCoy
21014 Lovers Lane
Bristol, VA 24202-4228

Pam Walker Day
1240 Flatwood Road NW *66503537/4-24-08*
Ramsey, IND 47166

Arthur Jerry McCoy *66503650/4-22-08*
847 Cold Springs Road
Nora, VA 24272

Ferrell Doug Reed &
Deirdre Leann Reed *66503520/4-29-08*
P.O. Box 2007
Clintwood, VA 24228

Carlotta Reed Hawkins &
Ross E. Hawkin *66503573/4-22-08*
Holly Brook Trailer # 10
Clintwood, VA 24228

Rita Reed Rose *66503506/4-24-08*
P.O. Box 1631
Clintwood, VA 24228

Gina (Regina) Reed Patterson &
Ralph Patterson *66503490/4-25-08*
P.O. Box 2003
Clintwood, VA 24228

Brownlow Grizzel *66503483/4-22-08*
Rt. 1 Box 194
Nora, VA 24279

Mina Lois Summerton &
Robert Lowell Summerton *66503476/4-28-08*
401 Vine Street
Ashland, OH 44805

Joyce Nell Phillips Cloud *66503469/5-5-08*
989 N Arthur Street
Fresno, CA 93728

Ruth Phillips *66503452/4-28-08*
~~401~~ Vine Street
Ashland, OH 44805

EXHIBIT "B"
Increased Density
Middle Fork (BV-41)

Larry Phillips &
Jeweelen Phillips
P.O. Box 366
Nora, VA 24279

66503445 / 5-6-08 / Unclaimed

Danny E. Lee &
Sandra Lee
594 Highland Road
NORA, VA 24272

66503438 / 4-22-08

Spencer D. Lee
Autumn D. Lee
478 Cold Spring Road
Nora, VA 24272

66503421 / 4-22-08

Standard Banner Coal Corp
c/o Mike Clisso
P.O. Drawer 750
Wise, VA 24293

66503667 / 4-24-08

LEASE NO. 906889L / T-108
 F.H. PARKIS
 81.00 ACRES
 DICKENSON-RUSSELL COAL CO., LLC /
 ALPHA LAND & RESERVES, LLC / ACIN, LLC /
 WBRD, LLC - coal
 RANGE RESOURCES-PINE MOUNTAIN OIL & GAS, INC.-
 oil, gas, & cbm
 GAS 2.90 AC. 4.93 %

UNIT BOUNDARY

LEASE NO. 905075L
 988.22 ACRES
 LAMBERT LAND, LLC-
 surface, coal, oil, gas, & cbm
 GAS 55.87 AC. 95.07 %

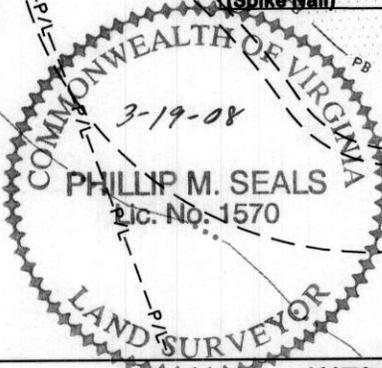
PROPOSED NAD 83
 COORDINATES OF
 WELL VCI-539901
 N 3,566,551.36
 E 10,376,279.04

PROPOSED CCC
 COORDINATES OF
 WELL VCI-539901
 S 25,865.10
 E 26,612.14

PROPOSED LAT. & LONG.
 (NAD 27 DECIMAL DEGREES)
 OF WELL VCI-539901
 37.029458
 82.292198

**TOTAL UNIT AREA
 = 58.77 ACRES**

NOTE:
 PROPERTY INFORMATION PROVIDED BY EQUITABLE
 PRODUCTION COMPANY.
 ELEVATIONS WERE DETERMINED BY GPS & TRIGONOMETRIC
 METHODS BASED ON BENCH MARK P-424.



WELL LOCATION PLAT (Nora Grid BQ 54)

COMPANY EQUITABLE PRODUCTION CO. WELL NAME OR NUMBER VCI-539901
 TRACT NO. Lease No. 905075L QUADRANGLE Nora
 DISTRICT Ervinton
 WELL COORDINATES (VIRGINIA STATE PLANE 27) N 275,675.55 E 893,294.34
 ELEVATION 2,085.36 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.
 COUNTY Dickenson SCALE: 1" = 400' DATE 3-19-08
 THIS PLAT IS A NEW PLAT AN UPDATED PLAT ; OR A FINAL LOCATION PLAT

✚ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000,
 LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

Phillip M. Seals
 LICENSED LAND SURVEYOR

(AFFIX SEAL)

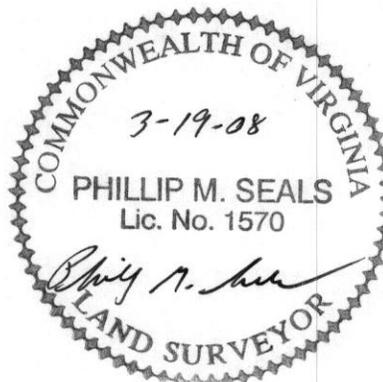
(33) 5/20/08
 E v h e t 19

EXHIBIT PL-2

**Coal Ownership Supplement Sheet For EPCO Well # VCI-539901 Showing Coal
Ownership of the Unit Boundary and Within a 750 Ft. Radius of the Well Location**

Ⓐ

LEASE NO. 906889L / T2-127
G.B. LAMBERT
613.00 ACRES
DICKENSON-RUSSELL COAL CO., LLC /
ALPHA LAND & RESERVES, LLC / ACIN, LLC /
WBRD, LLC - coal



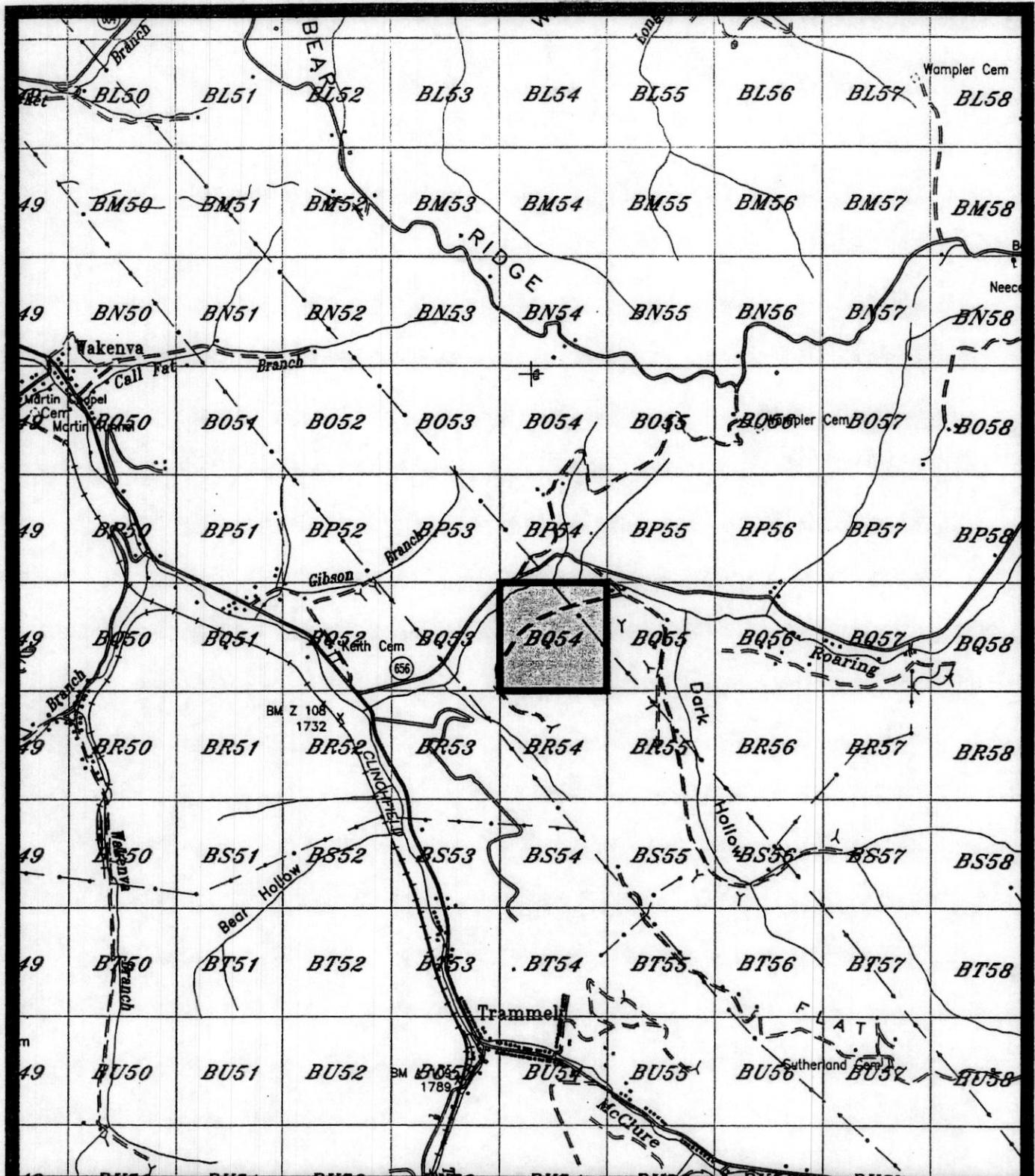
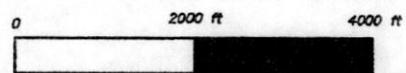


EXHIBIT A
NORA FIELD BQ-54
LAMBERT LAND INCREASED DENSITY DRILLING



BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Appalachian Energy Inc.

**DIVISION OF GAS AND OIL
DOCKET NO. 89-0126-0009-26**

RELIEF SOUGHT: MODIFICATION OF THE NORA COALBED GAS FIELD

AFFECTED UNITS: Multiple (See Attached Exhibit A)

NOTICE OF HEARING

HEARING DATE: April 15, 2008

**PLACE: Southwest Virginia Higher Education Center
Campus of Virginia Highlands Community College
Abingdon, Virginia**

TIME: 9:00 a.m.

COMMONWEALTH OF VIRGINIA:

To: See Exhibit "B" attached hereto:

1. **Applicant and its counsel:** Applicant is Appalachian Energy Inc., P.O. Box 2406, Abingdon Virginia, 24212-2406, (276) 619-4880. Applicant's Counsel is James E. Kaiser, 220 Broad Street, Suite 210, Kingsport, TN 37660, (423) 578-3838.

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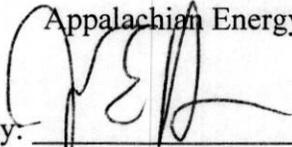
9. **Plat:** See Exhibit A annexed hereto.

10. **The boundaries and acreage affected:** See Exhibit A annexed hereto.

11. **Attestation:** The foregoing notice to the best of my knowledge, information and belief is true and correct.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence at the time and place first stated above and that notice will be published as required by law and the Rules of the Virginia Gas and Oil Board.

NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. For further information or a copy of the application and any exhibits thereto, you may contact the Virginia Gas and Oil Board, State Oil and Gas Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P.O. Box 1416, Abingdon, Virginia 24410, (276) 676-5423 or the Applicant at the address shown below.

Appalachian Energy Inc.
By: 
James E. Kaiser
220 Broad Street, Suite 210
Kingsport, TN 37660
(423) 578-3838