

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

Application of ANR Production Company
for Exception to Statewide Spacing on
Well Number U8#19, 10915, VGOB 0326-88 in the
Lipps Magisterial District of
Wise County, Virginia

This cause came on this 21st day of May, 1991, upon application of ANR Production Company requesting a variance from statewide spacing requirements in Section 45.1-361.17 of the Code of Virginia for Well Number U8#19, 10915, VGOB Number 0326-88, located in the Lipps Magisterial District of Wise County, Virginia. ANR Production Company requests this Board's consent to drill Well Number U8#19, 10915, closer than 2,462.60 feet to ANR Production Company Well Number 10914; closer than 2,212.35 feet to ANR Production Company Well Number U8#26, 20007; and closer than 2,213.36 feet to ANR Production Company Well Number 10907. ANR Production Company was represented by Richard Counts, Esquire, 2550 East Stone Drive, Kingsport, TN 37662.

The Board, having heard the testimony and reviewed the exhibits of ANR Production Company, finds as follows:

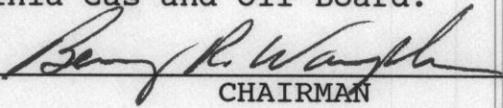
1. ANR Production Company has previously permitted Well Numbers 10914, 10907 and 20007 in the Lipps Magisterial District of Wise County.
2. ANR Production Company proposes to permit Well Number U8#19, 10915, at a location within 2,462.60 feet of the previously permitted ANR Well Number 10914; closer than 2,212.35 feet of the previously permitted ANR Well Number U8#26, 20007, and closer than 2,213.36 feet of the previously permitted ANR Well Number 10907.

ANR Production Company has demonstrated to the satisfaction of the Board that due to topographical considerations and the Environmental Impact Study performed by the U. S. Forest Service, the proposed well location represents an appropriate drill site.

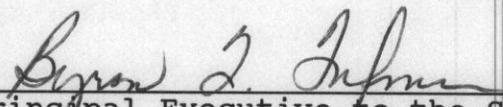
3. Without the exception to statewide spacing, it is unlikely that this well will be drilled. In this case, an exception to statewide spacing is necessary to prevent all forms of hydrocarbon waste.

Accordingly, it is the Order of this Board that ANR Production Company be allowed to permit Well Number U8#19, 10915, within 2,462.60 feet of previously permitted ANR Well Number 10914; within 2,212.35 feet of previously permitted Well Number U8#26, 20007, and within 2,213.36 feet of previously permitted well Number 10907.

Done and executed this 3rd day of June, 1991, by a majority of the Virginia Gas and Oil Board.

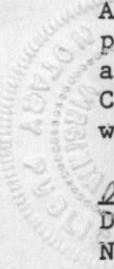

CHAIRMAN

Done and performed this 3rd day of June, 1991.


Principal Executive to the Staff
Virginia Gas and Oil Board

State of Virginia
County of Washington

Acknowledged on this 3rd day of June, 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 J. Davis

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

State of Virginia
County of Washington

Acknowledged on this 3rd day of June, 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 J. Davis

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