

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES) DIVISION OF
EXPLORATION) GAS AND OIL
RELIEF SOUGHT: EXCEPTION TO) DOCKET NO.
STATEWIDE SPACING) VGOB-92/06/16-0229
LEGAL DESCRIPTION:)
WELL NUMBER VP-2434)
PVRC TRACT NO. TK-85)
APPALACHIA QUADRANGLE)
RICHMOND MAGISTERIAL DISTRICT)
WISE COUNTY, VIRGINIA)

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This cause came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on June 16, 1992, at the Breaks Interstate Park, Breaks, Virginia.

2. Appearances: Richard A. Counts, Attorney, appeared for the Applicant, and Sandra B. Riggs, Assistant Attorney General, appeared for the Board.

3. Notice and Jurisdiction: The Board finds that it has jurisdiction over the subject matter. The Board also finds that the applicant has exercised due diligence to locate and provide notice to all persons/companies entitled to notice of this proceeding.

4. Relief Requested: Applicant requests an exception to statewide spacing requirements set forth in Section 45.1-361.17 of the Code of Virginia for Well Number VP-2434. The Applicant requests the Board's consent to drill Well Number VP-2434 closer than 2640 feet to Well Number 133598.

5. Amendment: None.

6. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds, that based on the deposition of the common sources of supply anticipated between surface and total depth projected to be drilled, the proposed location exception represents the optimum location to recover commercially productive hydrocarbons underlying the drilling and spacing unit.

A qualified landsman testified that the location exception was necessary to comply with an Environmental Impact Statement and Environmental Assessment conducted upon United States Forest Service lands within the Jefferson National Forest. The landsman also testified that the location exception was necessary due to environmental constraints, accommodation of other mineral interests and effective land management practices.

A qualified petroleum geologist testified that the granting of the location exception was in the best interest of preventing waste, protecting correlative rights and maximizing recovery of hydrocarbons underlying the drilling and spacing unit.

7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the applicant to permit and drill Well Number VP-2434 within

2347.47 feet of Well Number 133598.

8. Findings: That the well location exception, in accordance with the foregoing, is necessary to prevent waste, protect correlative rights and to generally effect the purposes of the Virginia Gas and Oil Act.

9. Effective Date: This Order shall be effective on the date of its execution.

10. Done and executed this 14th day of August, 1992, by a majority of the Virginia Gas and Oil Board.

11. Done and performed this 14th day of August, 1992, by Order of this Board.

VIRGINIA GAS AND OIL BOARD

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED
BY ORDER OF THE BOARD:

Byron T. Fulmer
Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 14th day of August, 1992, personally before me a notary public in and for the Commonwealth 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.

Susan G. Garrett
Susan G. Garrett
Notary Public
My commission expires 7/31/94

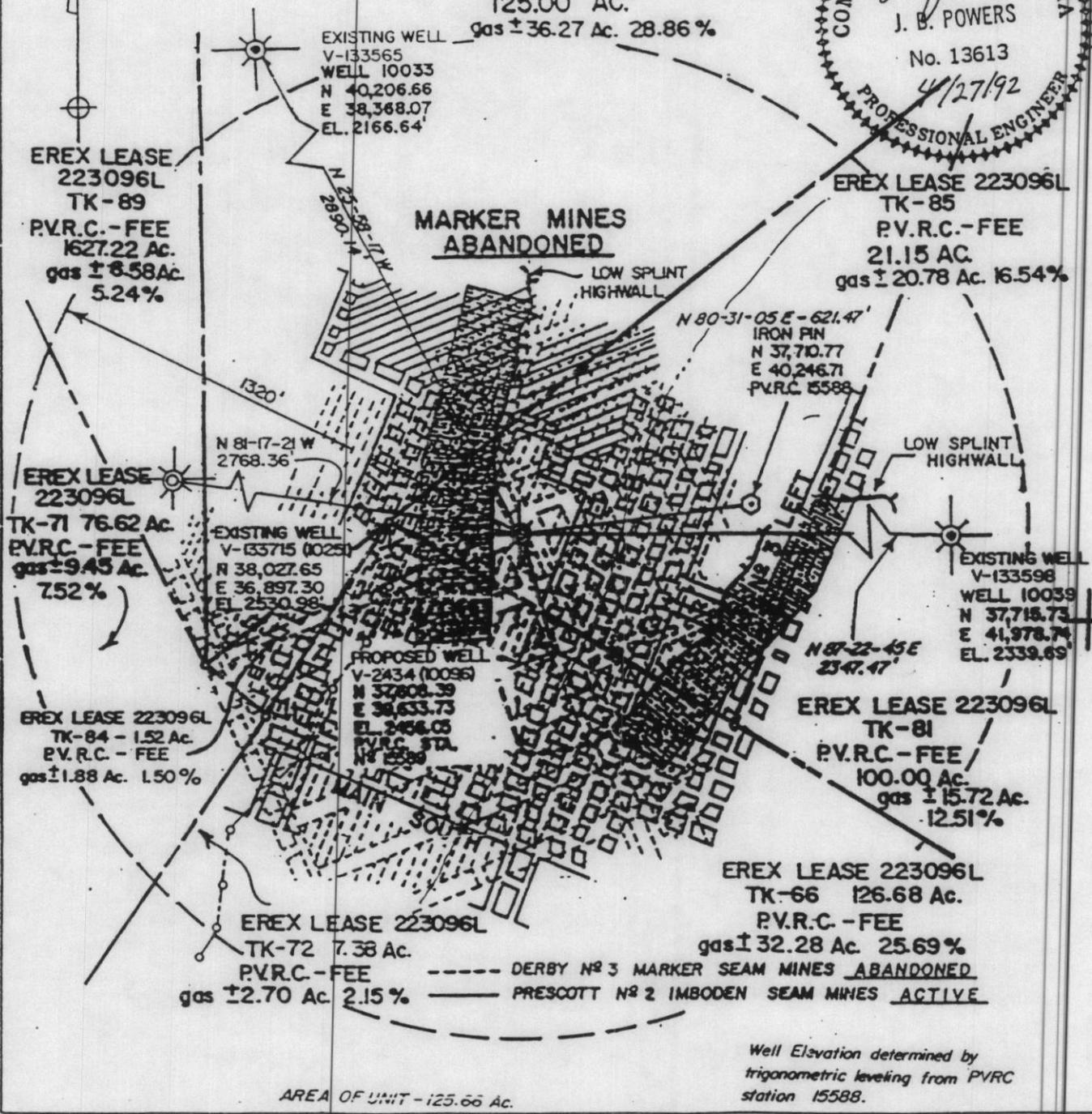
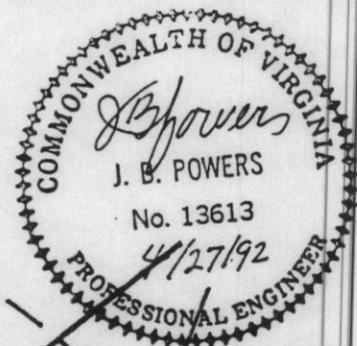
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Diane J. Davis
Diane Davis
Notary Public
My commission expires 9/23/92

900'

Latitude 36° 57' 30"
EREX LEASE 223096L
TK - 70
P.V.R.C. - FEE
125.00 AC.
gas ± 36.27 Ac. 28.86 %



Longitude 82° 50' 00"

9500'

AREA OF UNIT - 125.66 Ac.

Well Elevation determined by
trigonometric leveling from PVRC
station 15588.

WELL LOCATION PLAT

Company EQUITABLE RESOURCES EXPLORATION Well Name and Number V-2434 (10096)
Tract No. _____ Elevation 2456.05' Quadrangle APPALACHIA
County WISE District RICHMOND Scale: 1" = 400' Date 4-23-92

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.

J.B. POWERS

(Affix Seal)

Licensed Professional Engineer or Licensed Land Surveyor