

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: VIRGINIA GAS COMPANY) DIVISION OF
) GAS AND OIL
) DOCKET NO.
RELIEF SOUGHT: EXCEPTION TO) VGOB-94-0816-0463
STATEWIDE SPACING)
LIMITATIONS PRESCRIBED)
BY VIRGINIA CODE ANN.)
§ 45.1-361.17(A)(2))
LEGAL DESCRIPTION:)
)
WELL NUMBER EH-129)
HAYSI QUADRANGLE)
SAND LICK MAGISTERIAL DISTRICT)
DICKENSON 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 August 18, 1994, at the Southwest Virginia 4-H Center, Abingdon, Virginia.

2. Appearances: Stanford T. Mullins, Street, Street, Street, Scott and Bowman, appeared for the Applicant; James A. Kaiser of Hunter, Smith & Davis, appeared for Equitable Resources Exploration; and Sandra B. Riggs, Assistant Attorney General, was present to advise 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 EH-129 for the development and operation of conventional gas from the Maxon, Big Lime, Weir, Berea and Devonian Shale formations ("Subject Formations"). The Applicant requests the Board's consent to drill Well Number EH-129 2,496 feet from Well Number EH-120.

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 mine engineer testified that the location exception was necessary due to surface owner consents and preference that Well EH-129 be located in close proximity to twinned Well EH-118, costs, safety, topographical constraints, environmental constraints, and effective land management practices; and 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 EH-129 2,495 feet from Well EH-120 as depicted on Exhibit A hereto.

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.

DONE AND EXECUTED this 25th day of August, 1994, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED this 25th day of August, 1994, by Order of this Board.

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

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 25th day of August, 1994, 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 7/31/98

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 25th day of August, 1994, personally before me a notary public in and for the Commonwealth 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 J. Davis
Notary Public

My commission expires 9/30/97



3563'

EH - 120

LATITUDE 37° 12' 30"

EXHIBIT "A"

VGOB-94/08/16-0463

TOTAL UNIT AREA = 125.66 ACRES

STATE PLANE COORDINATES
N - 332273.08
E - 904420.47

NOTE:
STATE PLANE COORDINATES
BASED ON MATHEMATICAL
CONVERSION FROM
CCC COORDINATES

PINE MOUNTAIN OIL & GAS
oil & gas
17.86 AC. - 14.21%

PAUL OWENS
surface, oil & gas
7.94 AC. - 6.32%

BILLY OWENS
surface, oil & gas
24.84 AC. - 19.77%

COORDINATES OF WELL
N 31333.65
E 35466.80

EH - 129

N 74°14'30" E
162.59'

S 07°48'28" E
100.57'

S 13°28'30" W
157.99'

PINE MOUNTAIN OIL & GAS
oil & gas
40.55 AC. - 32.28%

ALLEN WALTER DEEL
surface, oil & gas
16.17 AC. - 12.87%

CHRISTOPHER DAVIS
surface, oil & gas
8.10 AC. - 6.44%

DEMPSEY STANLEY
surface, oil & gas
8.27 AC. - 6.58%

ROBY OWENS
surface, oil & gas
1.32 AC. - 1.05%

JIMMY DEEL
surface, oil & gas
0.61 AC. - 0.48%

B.M. USED U.S.G.S.
N 29191.17
E 31652.32

NOTE: WELL COORDINATE SYSTEM
IS BASED ON CLINCHFIELD COAL
COMPANY MINE COORDINATE SYSTEM

NOTE: COAL OWNERSHIP
FOR ALL TRACTS IS
CLINCHFIELD COAL COMPANY

— DENOTES MINERAL
- - - DENOTES SURFACE
— DENOTES SURFACE & MINERAL

WELL LOCATION PLAT

COMPANY Virginia Gas Company WELL NAME AND NUMBER EH 129

TRACT No. _____ ELEVATION 1546.13 (Trig) QUADRANGLE Hayal

COUNTY Dickenson DISTRICT Sandlick SCALE: 1" = 400'

THIS PLAT IS A NEW PLAT X; AN UPDATED PLAT _____; OR A FINAL LOCATION PLAT _____
PROPOSED TOTAL DEPTH OF WELL = 4700 feet

+ 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.

LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

