

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES) VIRGINIA GAS AND
EXPLORATION , a Division) OIL BOARD
of Equitable Resources)
Energy Company)
RELIEF SOUGHT: VARIANCE TO WELL) DOCKET NO.
LOCATION PROVISIONS) VGOB 94-0920-0470
OF THE NORA COALBED)
GAS FIELD PURSUANT)
TO VIRGINIA CODE ANN.)
§ 45.1-361.20)
LEGAL DESCRIPTION:)
WELL NUMBER VC-3051,)
CLINCHFIELD COAL COMPANY'S)
JESSEE WAMPLER, T-193 TRACT)
NORA QUADRANGLE)
ERVINTON 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 September 20, 1994, Ratliff Hall, Southwest Virginia 4-H Center, Abingdon, Virginia.
2. Appearances: James E. Kaiser of the firm Hunter, Smith and Davis, appeared for the Applicant, 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 a variance to the Order of the Virginia Oil and Gas Conservation Board dated March 26, 1989 which established the Nora Coalbed Gas Field (herein "Nora CBM Field Rules") with respect to EREX Well Number VC-3051 proposed to be located in the drilling unit depicted on Exhibit A hereto (herein "Subject Drilling Unit") lying within the Nora Coalbed Gas Field and subject to the Nora CBM Field Rules. The Applicant requests the Board's consent to drill Well Number VC-3051 in the location depicted on the Plat attached hereto as Exhibit A, a location which is closer than 300 feet from the exterior boundary of Subject Drilling Unit.
5. Amendment: None.
6. Findings:
 - 6.1 The Nora CBM Field Rules provide that a well bore may be located within a 15% tolerance from the exterior boundary of any 60 acre square unit established within the Nora Coalbed Gas Field.

- 6.2 Subject Drilling Unit is located in the Nora Quadrangle, Dickenson County, Virginia, having Virginia State Plane South Zone Coordinates of N 285,854.94 E 891,792.21, and proposed Well VC-3051 is located on a mineral tract consisting of 3,215.00 acres, known as Clinchfield Coal Company's Jessee Wampler, T-193 Tract.
- 6.3 Applicant proposes to drill Well VC-3051 at the location depicted on the Plat attached hereto for the purpose of producing coalbed methane gas from all Pennsylvanian Age coals from the top of the Raven, including all splits to the top of the green and red shales, including, but not limited to, the Raven, Jawbone, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas #8, Pocahontas #4, Pocahontas #3, Pocahontas #1 and any other unnamed coal seams from surface to total depth drilled of 2,170 feet within what is known as the Nora Coalbed Gas Field formations.
- 6.4 That the well location exception, in accordance with the foregoing, is necessary to prevent waste, protect correlative rights, maximize the safe recovery of coalbed methane gas underlying Subject Drilling Unit and to generally effect the purposes of the Virginia Gas and Oil Act.

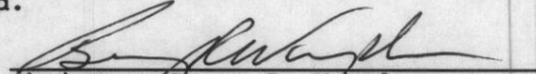
7. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds, that based on the deposition of the common sources of supply anticipated between surface and total depth projected to be drilled, the proposed location exception represents the optimum location to recover commercially productive occluded natural gas produced from coalbeds and rock strata associated therewith underlying the Subject Drilling Unit.

A qualified petroleum geologist and a landsman testified that due to geological constraints, the granting of the location exception was in the best interest of preventing waste, protecting correlative rights and maximizing the safe recovery of the coalbed methane gas underlying the Subject Drilling Unit.

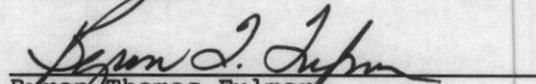
8. Relief Granted: The requested relief in this cause be and hereby is granted allowing the applicant to drill Well Number VC-3051 at the location depicted on the Plat attached hereto as Exhibit A, a location which lies within 3.23 feet from the western exterior boundary of Subject Drilling Unit.

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

DONE AND EXECUTED this 4th day of October, 1994, by a majority of the Virginia Gas and Oil Board.


 Chairman, Benny R. Wampler

DONE AND PERFORMED this 4th day of October, 1994, by Order of this Board.


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

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 4th day of October, 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.

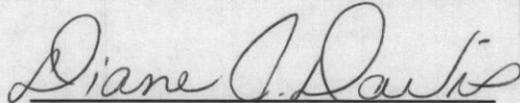


Susan G. Garrett
Notary Public

My commission expires 7/31/98

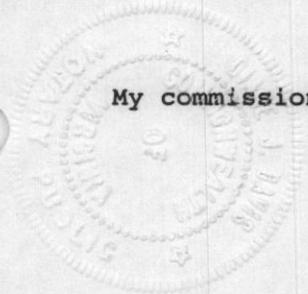
STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 4th day of October, 1994, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron T. Fulmer, being duly sworn did depose and say that he is Principle 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
Notary Public

My commission expires 9/30/97



NOTE: Elevation determined by
Trigometric leveling from
Hatchet Monument.

Latitude 37° 05' 00"

Longitude 82° 17' 30"

Ls. # 166
Freddie Mullins
1423.00 Ac.
COAL, OIL & GAS
COAL LESSEE -
Island Creek Coal Co.

Noah B. Holbrook
- SURFACE -

Sandra L. Cep
- SURFACE -

WELL LOC.
VC-3051

CBM

S 29° 27' 24" W
128.97'

S 12° 27' 26" E
84.21'

Lucille Combow
- SURFACE -

Ls. # PO-148, T-32
N. M. Deel Tr.
184.21 Ac.
Clinchfield Coal Co. /
Pyxis Resources Co. - COAL
Pine Mountain Oil & Gas Co. -
OIL & GAS
GAS - 0.835 Ac., 1.08%

Ls. # PO-148, T-193
Jesse Wampler Tr.
3215.00 Ac.
Clinchfield Coal Co. /
Pyxis Resources Co. - COAL
Pine Mountain Oil & Gas Co. -
OIL & GAS
GAS - 58.135, Ac., 98.92%

Clinchfield Coal Co. Coords.
S - 15,554.90
E - 24,703.23

State Plane Coords.
N - 285,854.94
E - 891,792.21

UNIT = 58.770 ACRES

- LEGEND
- Proposed Well Loc.
 - Offset Well
 - Mineral Line
 - Surface Line

DWG. # 3252

WELL LOCATION PLAT

Company Equitable Resources Exploration Well Name and Number VC-3051

Tract No. T-193 Elevation 2307.54 Quadrangle Nora

County Dickenson District Ervinton Scale: 1" = 400' Date 08-09-94

This plat is a new plat X; 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.


Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

