

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	EQUITABLE RESOURCES )	DIVISION OF
	ENERGY COMPANY, A West )	GAS AND OIL
	Virginia Corporation )	
RELIEF SOUGHT:	EXCEPTION TO )	DOCKET NO.
	STATEWIDE SPACING )	VGOB 96-0618-0543
	LIMITATIONS PRESCRIBED )	
	BY VIRGINIA CODE ANN. )	
	§ 45.1-361.17(A)(2) )	
LEGAL DESCRIPTION:	)	
	)	
	WELL NUMBER V-3576, )	
	CLINCHFIELD COAL COMPANY TRACT, )	
	J. H. ADDINGTON, T-935, )	
	FLAT GAP QUADRANGLE )	
	GLADEVILLE MAGISTERIAL DISTRICT )	
	WISE COUNTY, VIRGINIA )	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This cause initially came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on June 17, 1996, Ratliff Hall, Southwest Virginia Education 4-H Center, Abingdon, Virginia.
2. Appearances: James E. Kaiser of Hunter, Smith & Davis and George Mason 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 an exception to statewide spacing requirements set forth in Section 45.1-361.17 of the Code of Virginia for Well Number V-3576 for the development and operation of Non-coalbed Methane Gas (herein "Conventional Gas") from Well V-3576 for from the surface to total depth drilled of 5,395 feet, excluding coalbeds and rock strata associated therewith in the Mississippian and Devonian Age formations including the Base Lee Sands, Ravencliff, Maxon, Big Lime, Borden, Coffee Shale, Berea and Devonian Shale formations ("Subject Formations"). The Applicant requests the Board's consent to drill Well Number V-3576 2,362.86 feet from existing EREX Well Number V-2764 at the location depicted on Exhibit A hereto.
5. Amendment: None.
6. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds, that: (1) the proposed location is on a strip bench west of Rocky Fork approximately 8,000 feet north of Pennacle Gap, Wise County, Virginia; and (2) based on the deposition of the common sources of supply anticipated between surface and total depth projected to be drilled, the proposed location represents the optimum location to recover commercially productive Conventional Gas from Subject Formations underlying the drilling and spacing unit depicted in Exhibit A hereto (herein "Subject Drilling Unit").

An expert witness testified that the location exception was necessary due to topographical and environmental considerations, and that the granting of the location exception was in the best interest of preventing waste, protecting correlative rights and maximizing recovery of Conventional Gas underlying Subject Drilling Unit.

7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the applicant to permit and drill Well Number V-3576 2,362.86 feet from existing EREX Well V-2764, all as depicted on Exhibit A hereto.

8. Findings: That the well location exception is needed in order 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 1<sup>st</sup> day of November, 1996, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 1<sup>st</sup> day of November, 1996, 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 21<sup>st</sup> day of November, 1996, 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 WASHINGTON )

Acknowledged on this 21<sup>st</sup> day of November, 1996, 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

3,210'

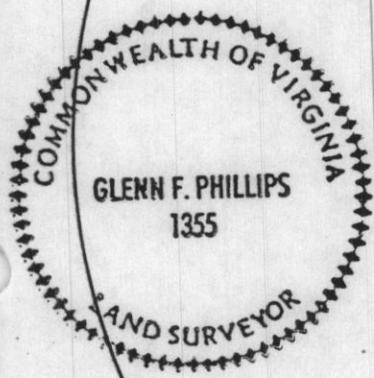
Latitude 37° 05' 00"

82° 37' 30"

Longitude

14,680'

Lease No. PO-148 / T-935  
 J. H. Addington  
 811 Acres  
 Clinchfield Coal Company /  
 Pyxis Resources Company - surface &  
 coal (All Seams Less Kelly, Imboden & Taggart)  
 Virginia Iron, Coal & Coke - coal  
 (Kelly, Imboden & Taggart Seams)  
 Pine Mountain Oil & Gas, Inc. - oil & gas  
 Gas 95.80 Ac. 76.24%



V-3576

S 19° 43' 09" W  
 2362.86'

1320'R

Lease No. PO-148 / T-938  
 Lucinda Horn  
 207.18 Acres  
 Clinchfield Coal Company /  
 Pyxis Resources Company - surface & coal  
 Pine Mountain Oil & Gas, Inc. - oil & gas  
 Gas 29.86 Ac. 23.76%

Well Coordinates: (Va. St. Plane S. Zone)  
 (Calculated from CCC coordinates)  
 N 248,778 E 793,245

Well Coordinates: (Clinchfield Coal Co.)  
 S 20,771.46 W 73,652.46

\* V-2764

Area of Unit = 125.66 Ac.

Well elevation determined by trigonometric leveling from BM Y 308

WELL LOCATION PLAT

COMPANY Equitable Resources Energy Company WELL NAME AND NUMBER V-3576  
 TRACT NO. T-935 ELEVATION 2576.72 QUADRANGLE Flat Gap  
 COUNTY Wise DISTRICT Gladeville SCALE 1" = 400' DATE 5-08-1996

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.

*Glenn F. Phillips*  
 Licensed Professional Engineer or Licensed Land Surveyor

**EXHIBIT B**

**V-3576**

<b><u>TRACTS</u></b>	<b><u>LESSOR</u></b>	<b><u>LEASE STATUS</u></b>	<b><u>INTEREST WITHIN UNIT</u></b>	<b><u>ACREAGE WITHIN UNIT</u></b>
1.	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P.O. Box 4000 Lebanon, VA 24266	Leased-EREC PO-148/T-935	76.24%	95.80
2.	Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P.O. Box 4000 Lebanon, VA 24266	Leased-EREC PO-148/T-938	23.7%	29.86
			<hr/> 100%	<hr/> 125.66