

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES ENERGY) DIVISION OF
COMPANY, a West Virginia) GAS AND OIL
Corporation)
RELIEF SOUGHT: EXCEPTION TO) DOCKET NO.
STATEWIDE SPACING) VGOB 97-1118-0614
LIMITATIONS PRESCRIBED)
BY VIRGINIA CODE ANN.)
§ 45.1-361.17(A)(2))
LEGAL DESCRIPTION:)
WELL NUMBER V-2352)
HAGAN ESTATES-COAL, OIL AND GAS)
TRACT 53C)
COEBURN QUADRANGLE)
LIPPS 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 November 18, 1997, Appalachian School of Law, Grundy, Virginia.
2. Appearances: James E. Kaiser of Wilhoit & Kaiser, 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 entitled to notice of this proceeding.
4. Relief Requested: Applicant requests an exception to the statewide spacing requirements set forth in Va. Code § 45.1-361.17 for Well Number V-2352 for Applicant's development and operation of Conventional Gas from the Mississippian and Devonian Age formations including the Base Lee Sands, Ravencliff, Maxon, Big Lime, Borden, (Weir) Sunbury Shale, (Coffee) Berea and Devonian Shale formations, from surface to total depth drilled of 4,100 feet, excluding coalbeds and rock strata associated therewith ("Subject Formations") Applicant request the Board's consent to drill Well Number V-2352 2,002.85 feet from existing EREX Well Number V-2344 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:

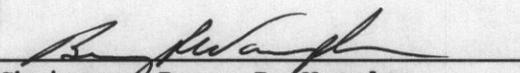
- (1) The surface owner, the U. S. Forest Service, and the Applicant have agreed to the location for the Well depicted on the plat attached hereto as Exhibit A as being a location which will have minimum environmental impacts and will not significantly interfere with said owner's surface uses.
- (2) The proposed Well V-2352 is located on a coal, oil and gas tract consisting of 258.45 acres, known as The Hagan Estates Tract 53C, and the granting of the application does not impact the correlative rights of any person.
- (3) An expert witness testified that the location exception was necessary due to constraints imposed by the surface owner, 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 depicted on the Plat.

7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the applicant to permit and drill Well Number V-2352 2,002.85 feet from existing EREX Well V-2344, at the location depicted on Exhibit A hereto.

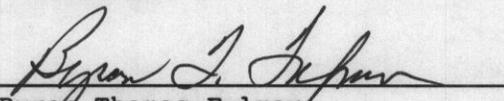
8. Findings: That the well location exception is needed in order to prevent waste, protect correlative rights and to generally effect the purposes of the Virginia Gas and Oil Act.

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

DONE AND EXECUTED this 4th day of December, 1997, by a majority of the Virginia Gas and Oil Board.

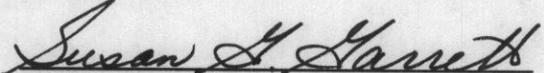

Chairman, Benny R. Wampler

DONE AND PERFORMED this 4th day of December, 1997, by Order of this Board.


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

STATE OF VIRGINIA)
COUNTY OF WISE)

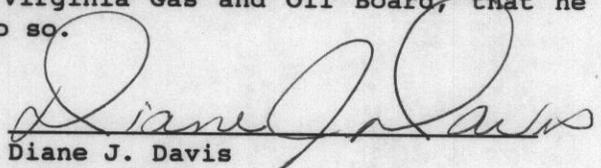
Acknowledged on this 4th day of December, 1997,
personally before me a notary public in and for the Commonwealth of Virginia,
appeared Benny Wampler, being duly sworn did depose and say that he is
Chairman of the Virginia Gas and Oil Board, that he executed the same and was
authorized to do so.


Susan G. Garrett
Notary Public

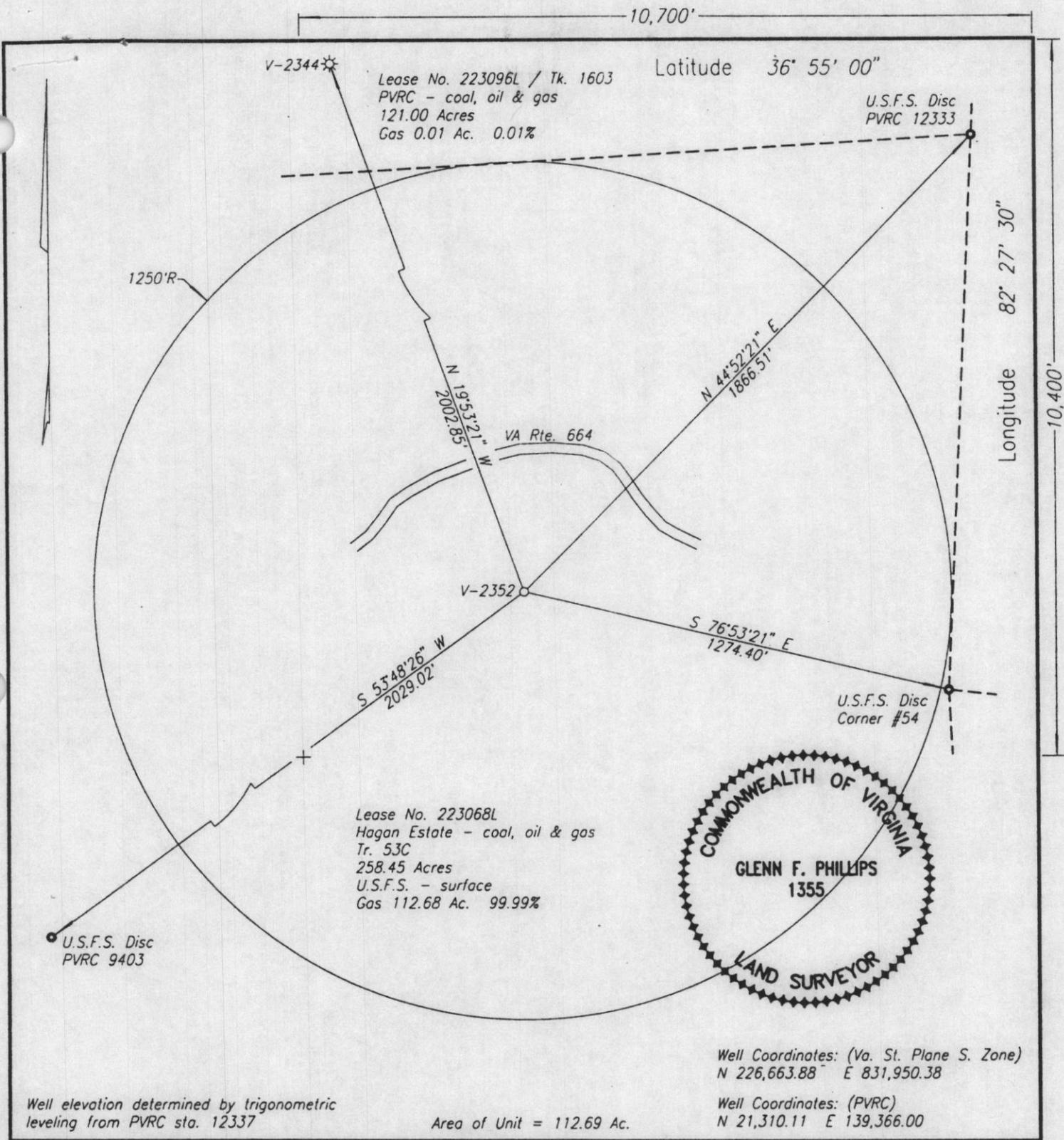
My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 4th day of December, 1997,
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
Notary Public

My commission expires September 30, 2001



WELL LOCATION PLAT

COMPANY Equitable Resources Energy Company WELL NAME AND NUMBER V-2352
 TRACT NO. 53C ELEVATION 2520.00 QUADRANGLE Coeburn
 COUNTY Wise DISTRICT Lipps SCALE 1" = 400' DATE 10-15-1997

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