

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:  EQUITABLE RESOURCES ENERGY,    )  VIRGINIA GAS  
            COMPANY, a West Virginia         )  AND OIL BOARD  
            Corporation                         )  
  )  DOCKET NO.  
RELIEF SOUGHT:  EXCEPTION TO                 )  98-0915-0685  
                  STATEWIDE SPACING         )  
                  LIMITATIONS PRESCRIBED    )  
                  BY VIRGINIA CODE ANN.       )  
                  § 45.1-361.17(A)(2)        )  
  )  
LEGAL DESCRIPTION:                             )  
  )  
                  WELL NUMBER V-3953         )  
                  CLINCHFIELD COAL COMPANY TRACT    )  
                  NO. T-16                     )  
                  HAYSI QUADRANGLE            )  
                  ERVINTON MAGISTERIAL DISTRICT    )  
                  DICKENSON COUNTY, VIRGINIA        )

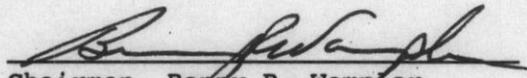
REPORT OF THE BOARD

FINDINGS AND ORDER

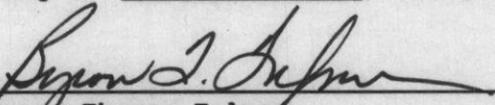
1.   Hearing Date and Place: This cause came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on September 15, 1998, Dickenson Conference Center, Southwest Virginia Education 4-H Center, Abingdon, Virginia.
2.   Appearances: James E. Kaiser of Wilhoit & Kaiser, appeared 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-3953 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 Shales formations, from surface to total depth drilled of 4,950 feet, excluding coalbeds and rock strata associated therewith ("Subject Formations"). Applicant requests the Board's consent to drill Well Number V-3953 2,275.01 feet from existing EREC Well Number P-411 2,331.96 feet from existing EREC Well Number P-338 and 2,443.50 feet from Clinchfield Coal Company Well Number 157 at the location depicted on Exhibit A hereto.

5. Amendments: None
6. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds that:
- (1) Applicant proposes to operate Well V-3953 for the purpose of producing Conventional Gas. The location depicted on Exhibit A for Well A-3953 does not represent a legal location for a Conventional Gas well in that said location does not comply with the statewide spacing limitations established by Va. Code § 45.1-361.17.
  - (2) The proposed Well V-3953 is located on a surface, coal, oil and gas tract consisting of 427.56 acres, known as the Clinchfield Coal Company Tract T-16. The acreage in all the surrounding drilling units are voluntarily leased to the Applicant who operates all reciprocal wells. Thus, the granting of the application herein will not impact on the correlative rights of any person.
  - (3) An expert witness testified that the granting of the location exception is necessary to effectively and efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and is 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-3953 2,275.01 feet from existing EREC Well P-411; 2,331.96 feet from existing EREC Well No. P-338; and 2,443.50 feet from Clinchfield Coal Company Well No. 157 at the location depicted on Exhibit A hereto for the purpose of producing Conventional Gas therefrom.
8. Findings: That the well location exception is needed in order to prevent waste, correlative rights and to general 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 17<sup>th</sup> day of December, 1998, by a majority of the Virginia Gas and Oil Board.

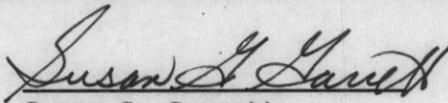
  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 22<sup>nd</sup> day of December, 1998, by Order of this Board.

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

STATE OF VIRGINIA )  
COUNTY OF WISE )

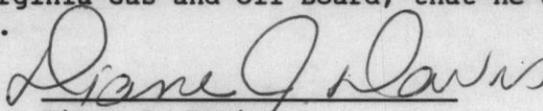
Acknowledged on this 17<sup>th</sup> day of December, 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary Public

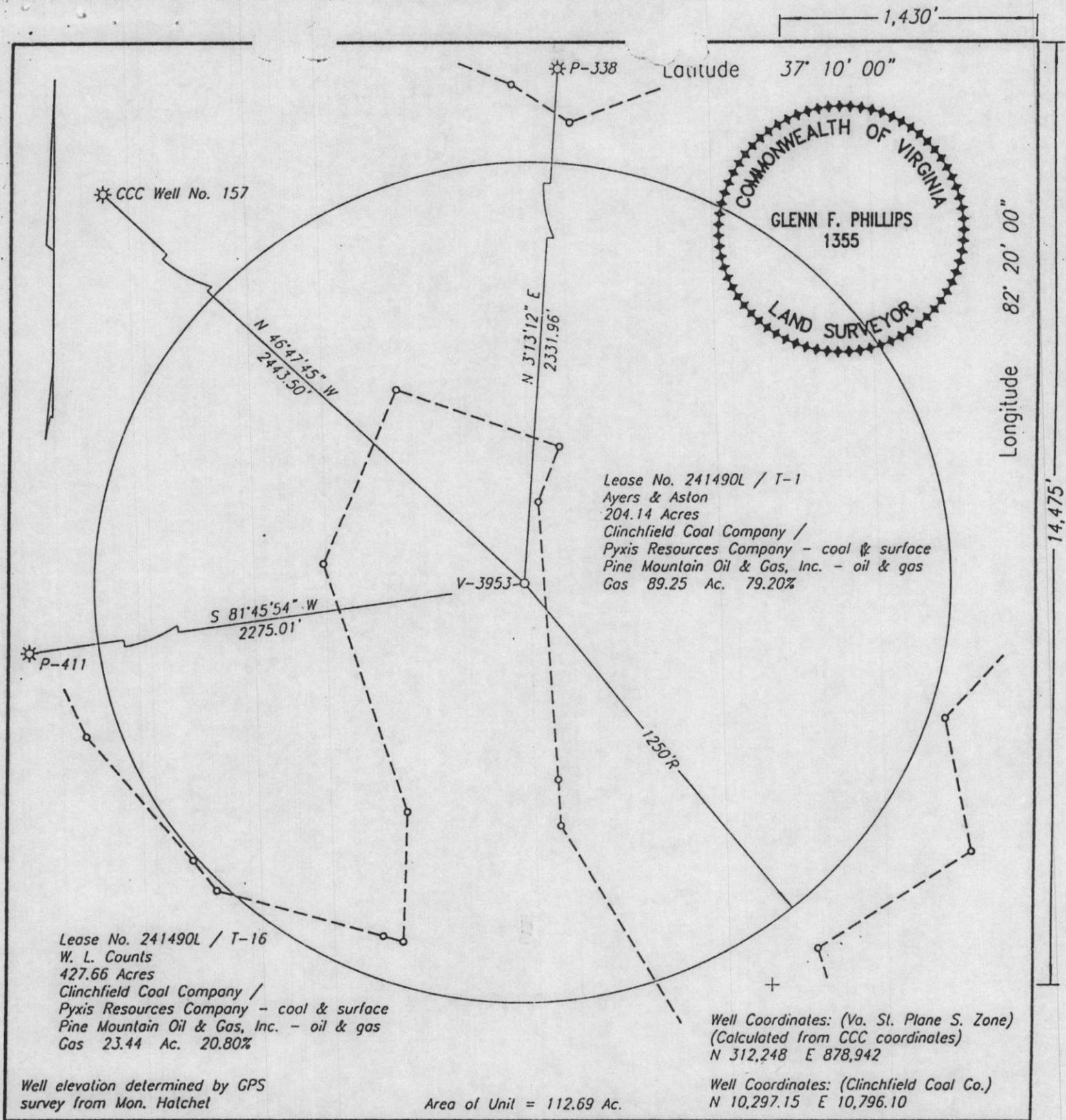
My commission expires July 31, 2002

STATE OF VIRGINIA )  
COUNTY OF WASHINGTON )

Acknowledged on this 22<sup>nd</sup> day of December, 1998, 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



COMPANY Equitable Resources Energy Company WELL NAME AND NUMBER V-3953  
 TRACT NO. T-16 ELEVATION 1774.45 QUADRANGLE Hoyti  
 COUNTY Dickenson DISTRICT Ervinton SCALE 1" = 400' DATE 8-10-1998

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**

The Pittston Company  
C/o Pine Mountain Oil & Gas Co., Inc.  
P.O. Box 5100  
Lebanon, VA 24226  
Attn: Mr. Richard Brillhart

The Pittston Company  
C/o Clinchfield Coal Company.  
P.O. Box 7  
Dante, VA 24237  
Attn: Steve Smith



EXHIBIT "A"  
V-3953  
Scale: 1" = 1000'

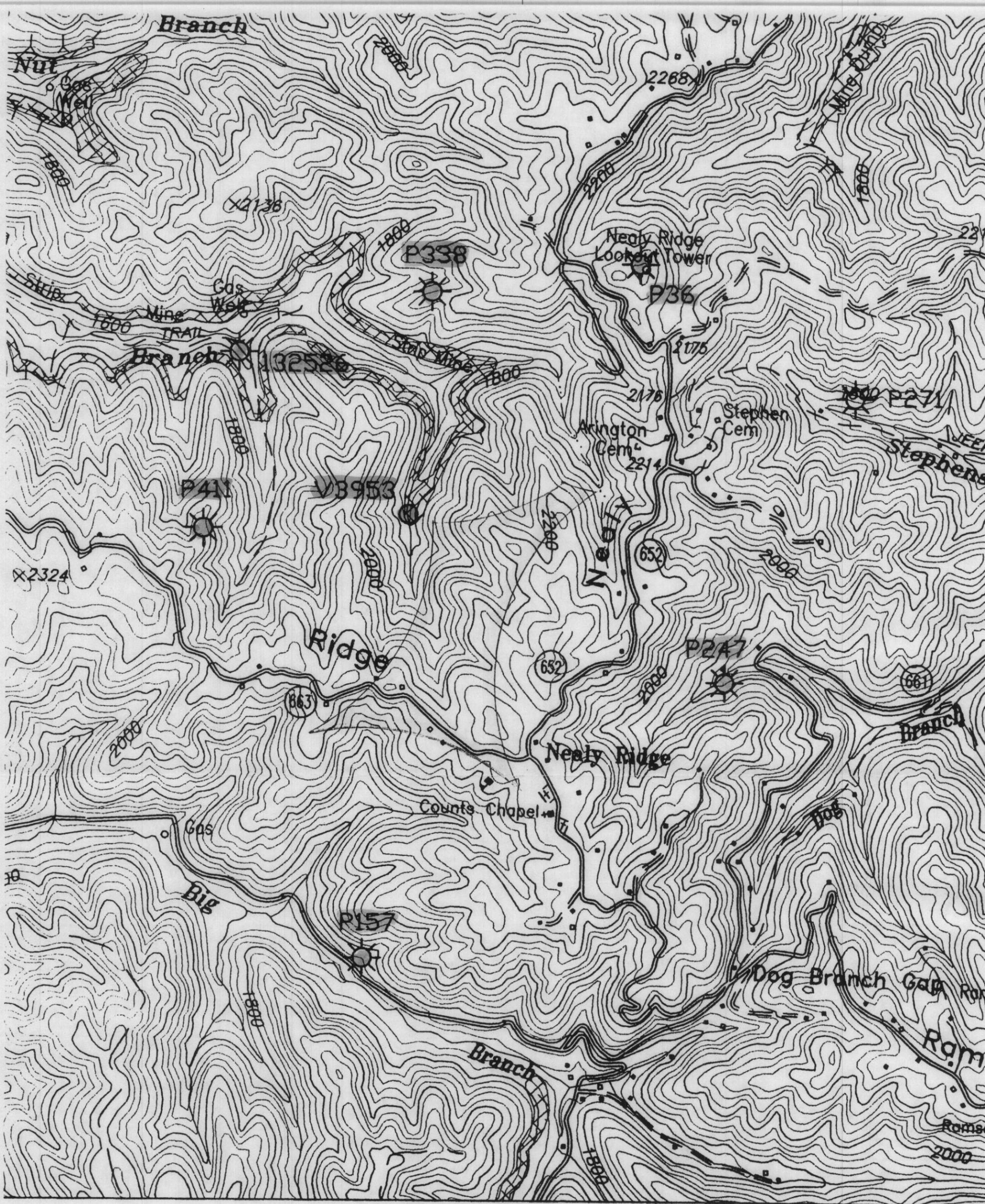


EXHIBIT "A"  
V-3953  
Scale: 1" = 1000'