

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE PRODUCTION COMPANY)	DIVISION OF
)	GAS AND OIL
)	
RELIEF SOUGHT: EXCEPTION TO STATEWIDE)	DOCKET NO.
SPACING LIMITATIONS)	99-1214-0767
PRESCRIBED BY VIRGINIA)	
CODE ANN. § 45.1-361.17(A)(2))	
)	
LEGAL DESCRIPTION:)	
)	
WELL NUMBER V-2729)	
6,604.27 ACRE TRACT KNOWN AS PENN VIRGINIA)	
TRACT 749)	
WISE QUADRANGLE)	
GLADEVILLE 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 December 14, 1999, Southwest Virginia 4-H Center, Hillman Highway, 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-2729 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, Devonian Shale, Cleveland,

Upper Huron and Lower Huron formations, from surface to total depth drilled of 4,250 feet, excluding coalbeds and rock strata associated therewith ("Subject Formations"). Applicant requests the Board's consent to drill Well Number V-2729 2,478.35 feet from existing EPC Well Number V-2687 and 2,370.16 feet from existing EPC Well V-2688, at the location depicted on Exhibit A hereto.

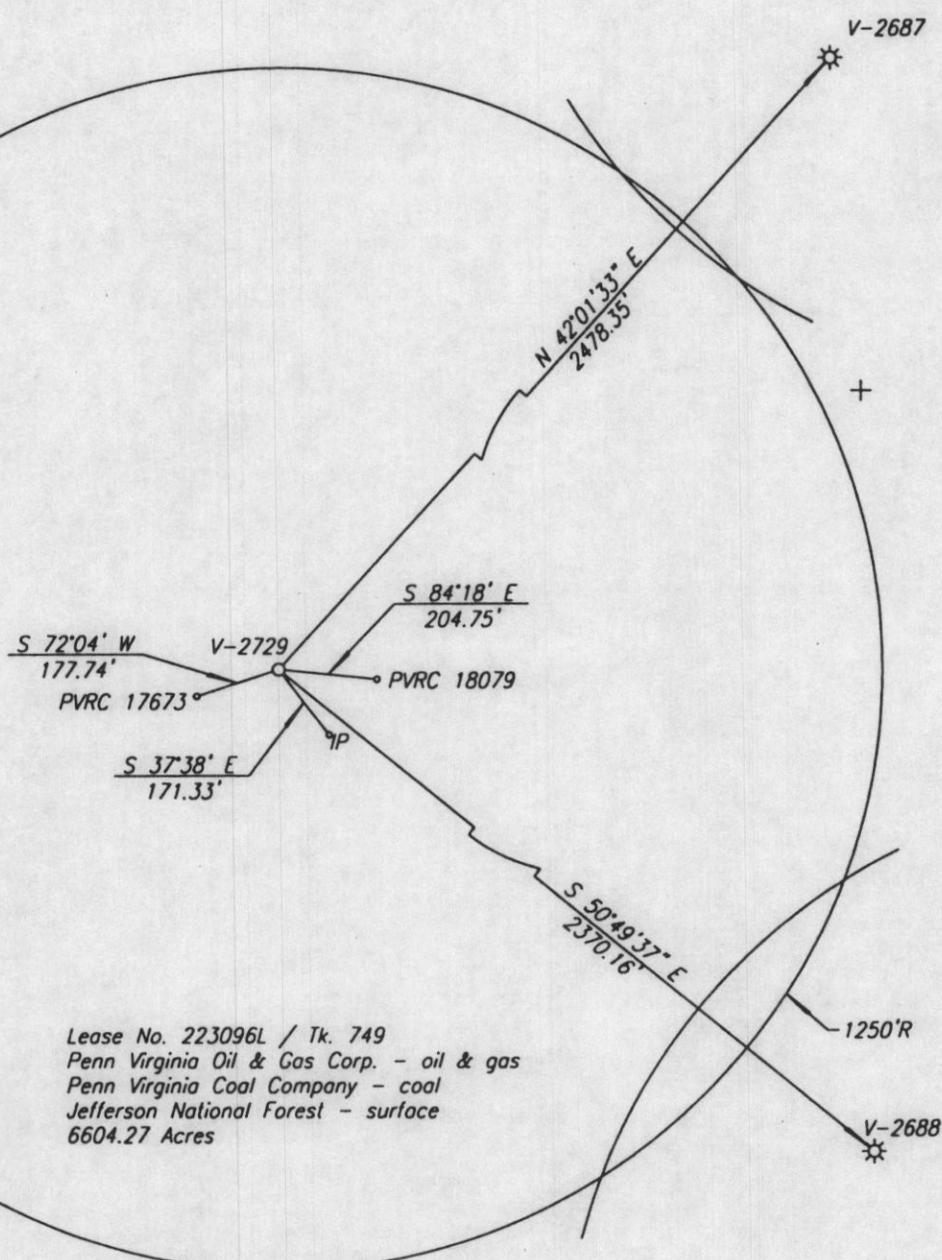
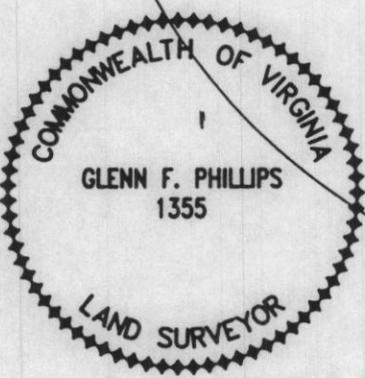
5. Amendment: None
6. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds that:
 - (1) The surface owner, the U. S. Forest Service, and the Applicant have agreed to the location for the Well depicted on the plat attached hereto as Exhibit A as being a location that will have minimum environmental impacts as revealed through an environmental assessment done by said surface owner, and that will not significantly interfere with said owner's surface uses within the Jefferson National Forest.
 - (2) The proposed Well V-2729 is located on a coal, oil and gas tract consisting of 6,604.27 acres, known as Penn Virginia Tract 749, and the coal, gas and oil owner has consented to the location depicted on the Plat.
 - (3) The Applicant represents it has the right to operate and develop the reciprocal Wells V2687 and V-2688, and that the granting of the application does not impact the correlative rights of any person.
 - (4) 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 the waste of 450 mmcf in conventional gas reserves, 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-2729 2,478.35 feet from existing EPC Well V-2687, and 2,370.16 feet from existing EPC Well V-2688, at the location depicted on Exhibit A hereto.
8. Findings: That the well location exception is needed in order to prevent the waste of 450 mmcf of Conventional Gas reserves, protect correlative rights and to generally effect the purposes of the Virginia Gas and Oil Act.

1,450'

Latitude 36° 55' 00"

Longitude 82° 32' 30"

5,090'



Lease No. 223096L / Tk. 749
 Penn Virginia Oil & Gas Corp. - oil & gas
 Penn Virginia Coal Company - coal
 Jefferson National Forest - surface
 6604.27 Acres

Well elevation determined by trigonometric leveling from PVRC sta. 18079

Area of Unit = 112.69 Ac.

Well Coordinates: (Va. St. Plane S. Zone, NAD 27, calculated from PVRC coord.)
 N 232,666 E 817,102
 Well Coordinates: (PVRC)
 N 26,666.36 E 124,270.18

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER V-2729
 TRACT NO. Tk. 749 ELEVATION 3127.55 QUADRANGLE Wise
 COUNTY Wise DISTRICT Gladeville SCALE 1" = 400' DATE 11-02-1999

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