

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: DOMINION APPALACHIAN DEVELOPMENT,) DIVISION OF
INC.) GAS AND OIL
)
RELIEF SOUGHT: EXCEPTION TO STATEWIDE SPACING) DOCKET NO.
LIMITATIONS PRESCRIBED BY) 00-0516-0801
VIRGINIA CODE § 45.1-361.17(A)(2))
)
LEGAL DESCRIPTION:)
)
WELL NUMBER BLACKWOOD #9 (BL-9))
BLACKWOOD LAND COMPANY 1701 ACRE TRACT)
NORTON 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 May 16, 2000, Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Room 240, Abingdon, VA.
2. Appearances: Sandra Fraley of the firm Penn, Stuart & Eskridge 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 Blackwood #9 (BL-9) for Applicant's development and operation of Conventional Gas from the surface down to the base of the Lower Huron Shale formation, including all formation(s) in between except for coalbeds and rock strata associated therewith, with the primary target formations being the Big Lime, Weir, and Devonian Shale. Applicant requests the Board's consent to drill Well Number Blackwood #9 2,287.89' from existing Equitable Production Company (EPC) Well Number 100093. This reciprocal well is producing primarily from the Big Lime, Weir and Devonian Shale formations, and is 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:

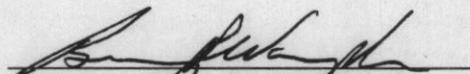
- (1) The proposed Dominion Well No. Blackwood #9 is located on a coal, oil and gas tract consisting of 1,701.00 acres, known as Blackwood Land Company Tract, and the coal, gas and oil owner has consented to the location of the Blackwood #9 Well depicted on the plat.
- (2) The Applicant represents it has the right to operate and develop the reciprocal wells Dominion BL-1, BL-2 and BL-8; Equitable Production Company, the operator of reciprocal Well 10093, has consented to the proposed location for Dominion Well BL-9; 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 to prevent the waste of 300 mmcf of Conventional Gas reserves, and to maximize the recovery of Conventional Gas underlying the 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 Dominion Well #BL-9 at the location depicted on Exhibit A hereto.

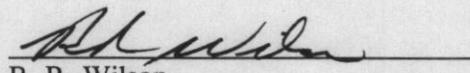
8. Findings: The well location exception is needed in order to prevent the waste of 300 mmcf of Conventional Gas reserves and to generally effect the purpose of the Virginia Gas and Oil Act.

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

DONE AND EXECUTED this 6th day of June, 2000, by a majority of the Virginia Gas and Oil Board.

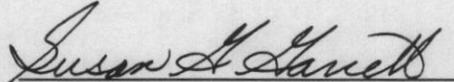

Chairman, Benny R. Wampler

DONE AND PERFORMED this 7th day of June, 2000, by order of this Board.


B. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE:)

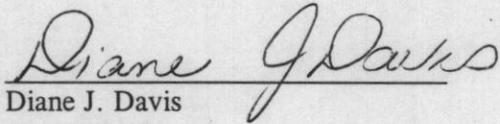
Acknowledged on this 6th day of June, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn, did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires July 31, 2002

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 7th day of June, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, 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