

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) 00-0718-0817
PRESCRIBED BY VIRGINIA)
CODE ANN. § 45.1-361.17(A)(2))
LEGAL DESCRIPTION:)
WELL NUMBER V-4019)
6,604.27 ACRE TRACT KNOWN AS PENN VIRGINIA)
RESOURCES TRACT 749)
WISE QUADRANGLE)
GLADEVILLE MAGISTERIAL DISTRICT)
WISE COUNTY, VIRGINIA)

REPORT OF THE BOARD

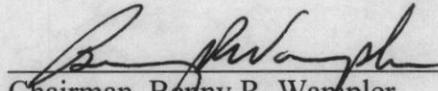
FINDINGS AND ORDER

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 July 18, 2000, Southwest Higher Education Center, Campus of Virginia Highlands Community College, 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-4019 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,

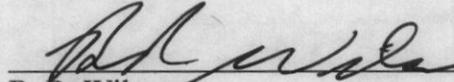
Upper Huron, Lower Huron, an Olenangy formation, from surface to total depth drilled of 4,300 feet, excluding coalbeds and rock strata associated therewith ("Subject Formations"). Applicant requests the Board's consent to drill Well Number V-4019 1,998.7 feet from existing EPC Well Number V-3239, at 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-4019 is located on a coal, oil and gas tract consisting of 6,604.27 acres, known as Penn Virginia Resources Tract 749, and the coal, gas and oil owner has consented to the location depicted on the Plat attached hereto as Exhibit A.
 - (3) The Applicant represents it has the right to operate and develop the reciprocal Well V-3239, 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-4019 1,998.7 feet from existing EPC Well V-3239, 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.
9. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 23rd day of August, 2000, by a majority of the Virginia Gas and Oil Board.

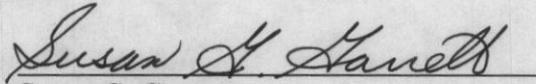

Chairman, Benny R. Wampler

DONE AND PERFORMED this 25th day of August, 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)

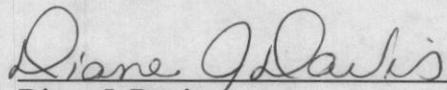
Acknowledged on this 23rd day of August, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn, did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

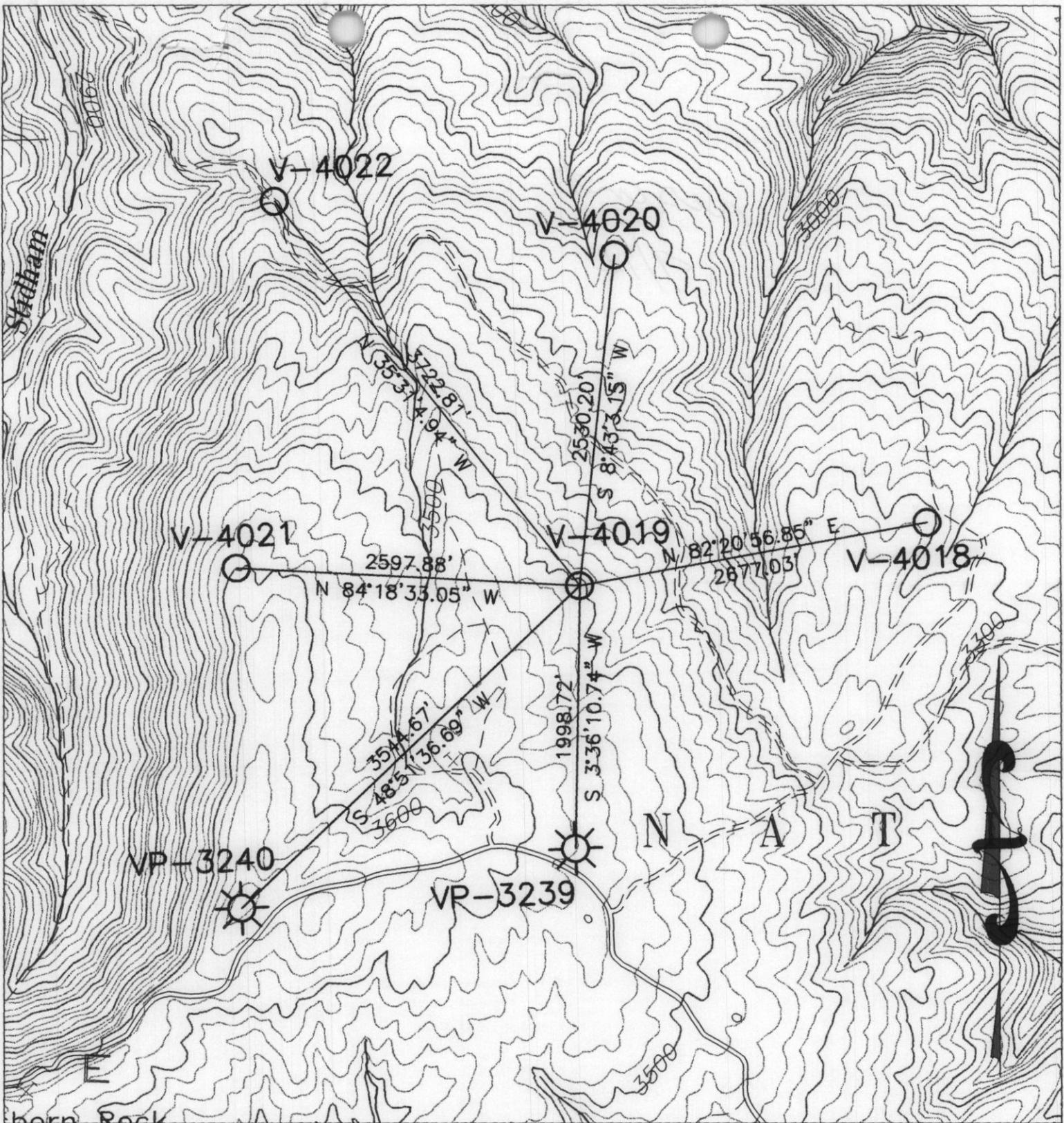
My commission expires: July 31, 2002

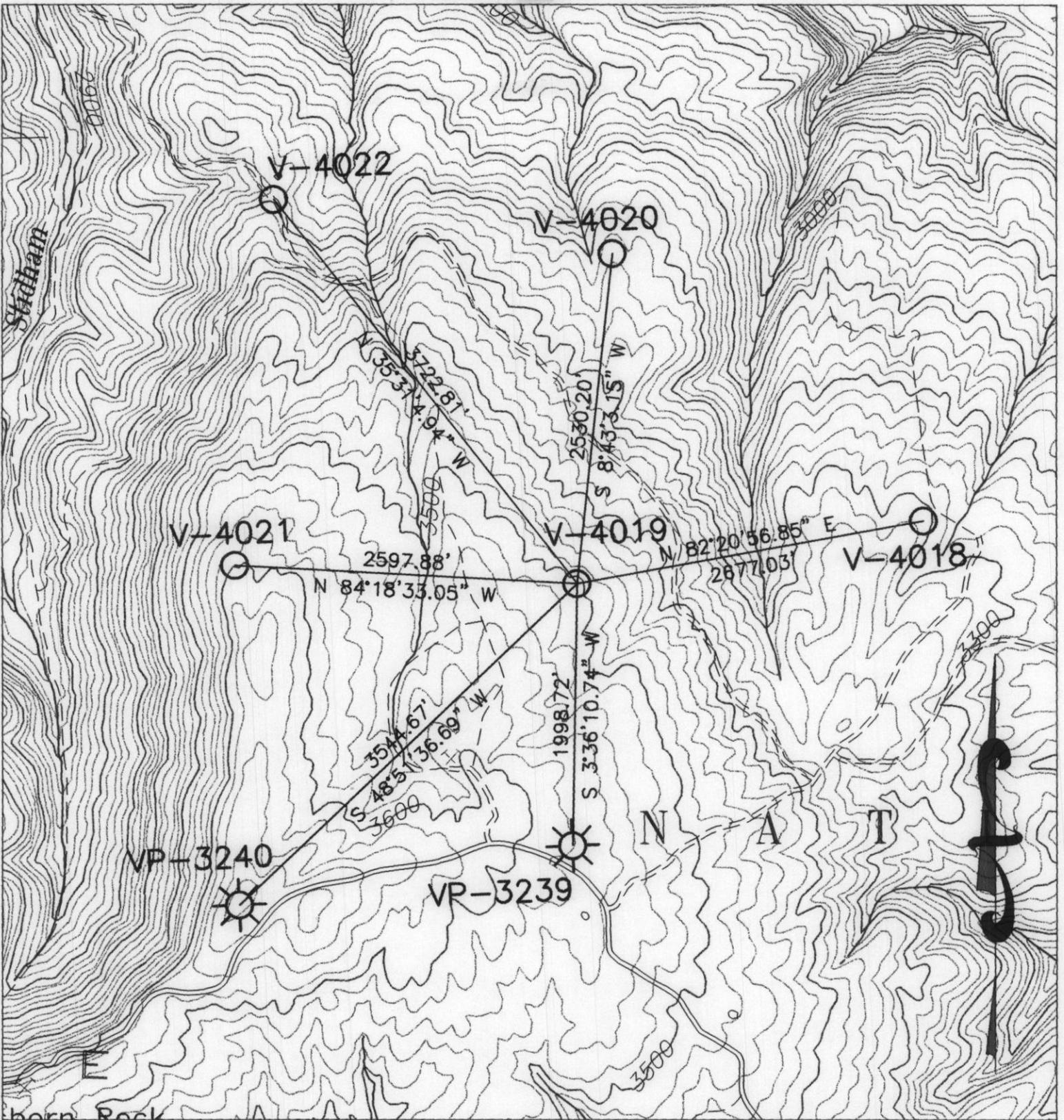
STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 25th day of August, 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





**EQUITABLE
PRODUCTION
Company**

Cloverleaf Square
Building G
Big Stone Gap, Va 24219
(540) 523-5003

**EXHIBIT
V-4019**

WISE VA 7.5' QUADRANGLE
GLADEVILLE DISTRICT
WISE COUNTY, VA
SCALE: 1" = 1000'

MAPPED BY: D. HALL

DRAFTED BY: G. MOODY

DATE: 7/13/2000

DRAWING V-4019