

ENTERED

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 )	01-0515-0896
PRESCRIBED BY VIRGINIA )	
CODE ANN. § 45.1-361.17(A)(2) )	
)	
LEGAL DESCRIPTION: )	
)	
WELL NUMBER V-4779 )	
PENN VIRGINIA RESOURCES TRACT 680 )	
NORTON QUADRANGLE )	
GLADEVILLE MAGISTERIAL DISTRICT )	
WISE COUNTY, VIRGINIA )	

REPORT OF THE BOARD

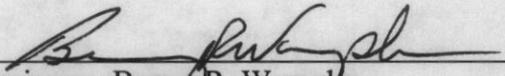
FINDINGS AND ORDER

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 15, 2001, Southwest Virginia Higher Education Center on the 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-4779 for Applicant's development and operation of Conventional Gas from the Mississippian and Devonian Age formations including, but not limited to the Base Lee Sands, Ravencliff, Maxon, Big Lime, Top Weir, Base Weir, Coffee Shale, Berea, Cleveland, Upper Huron, Middle Huron, Lower Huron and Olentangy formations, from

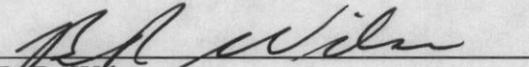
surface to total depth drilled of 5,215 feet, excluding coalbeds and rock strata associated therewith ("Subject Formations"). Applicant requests the Board's consent to drill Well Number V-4779 2,059.00 feet from existing EPC Well Number V-2756 and 2,117 feet from existing EPC Well V-2758, and 2,366 feet from existing EPC Well 10131, all at the locations 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 Well V-4779 is located on a coal, oil and gas tract consisting of 139.74 acres, known as Penn Virginia Tract 680, and the coal, gas and oil owner has consented to the proposed location for Well V-4779 depicted on the Plat attached hereto as Exhibit A.
  - (2) The Applicant represents it has the right to operate and develop the reciprocal Wells V-2756, V-2758 and 10131, and that the granting of the application does not impact the correlative rights of any person.
  - (3) An expert witness testified that the requested location exception is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying the drilling unit, and that granting of the location exception was in the best interest of preventing the waste of 500 mmcf in conventional gas reserves, protecting correlative rights and maximizing recovery of Conventional Gas underlying Subject Drilling Unit to be served by Well V-4779.
7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the Applicant to permit and drill Well Number V-4779 2,059 feet from existing EPC Well V-2756, 2,117 feet from existing EPC Well V-2758, and 2,366 feet from existing EPC Well 10131, all at the locations depicted on Exhibit A hereto.
8. Findings: That the well location exception is needed in order to prevent the waste of 500 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 21<sup>st</sup> day of June, 2001 by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 25<sup>th</sup> day of June, 2001, by order of this Board.

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

STATE OF VIRGINIA        )  
COUNTY OF WISE         )

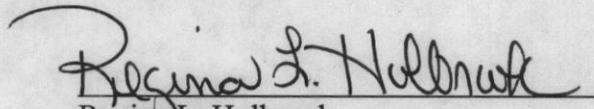
Acknowledged on this 21<sup>st</sup> day of June, 2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn, did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary Public

My commission expires: July 31, 2002

STATE OF VIRGINIA        )  
COUNTY OF WASHINGTON    )

Acknowledged on this 25<sup>th</sup> day of June, 2001, 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.

  
Regina L. Holbrook  
Notary Public

My commission expires: July 31, 2002

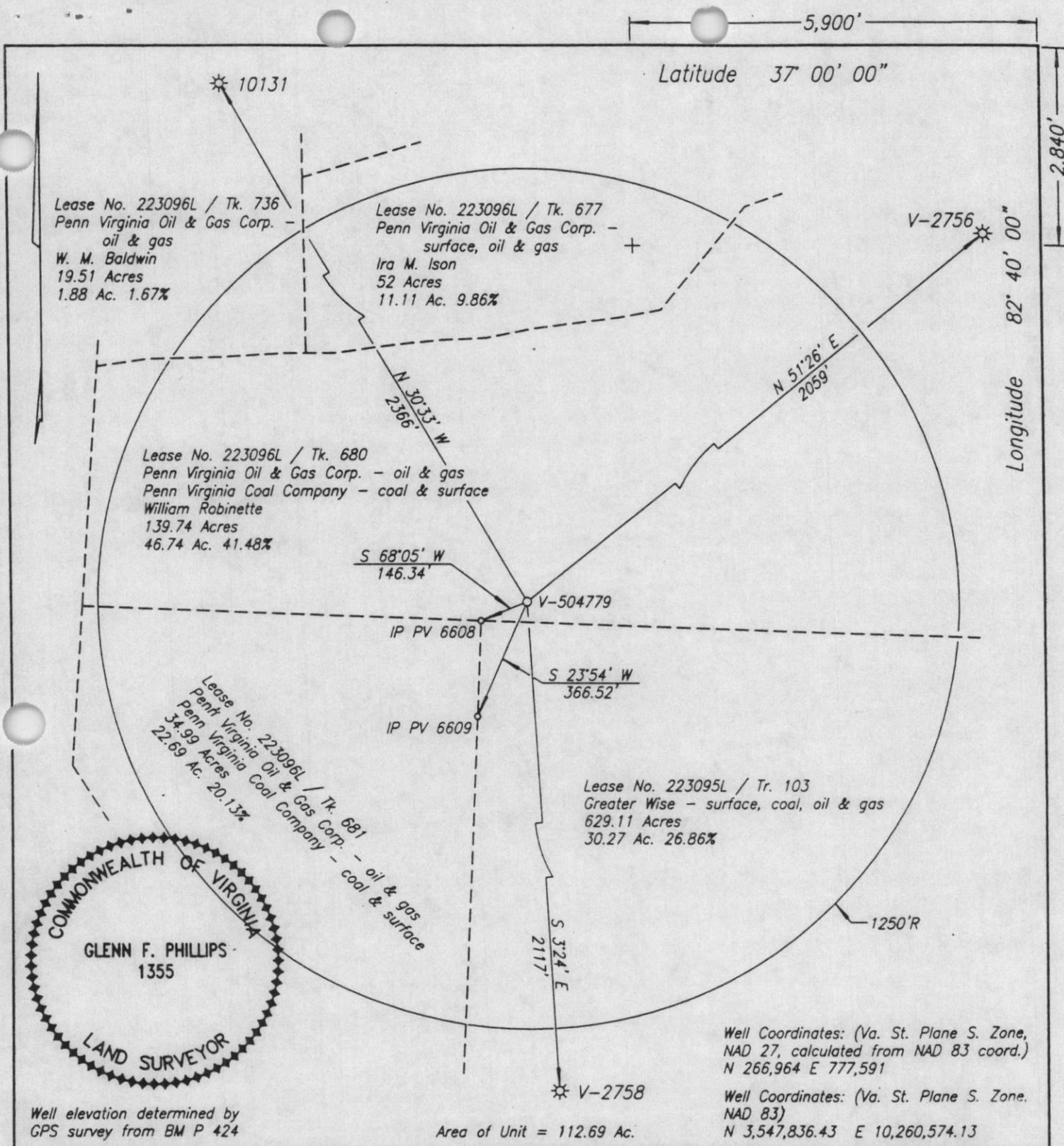
**EXHIBIT B**

**V-4779**

Penn Virginia Coal Company  
P.O. Box 386  
Duffield, VA 24244  
Attn: Keith Horton

Penn Virginia Oil & Gas Company  
P.O. Box 386  
Duffield, VA 24244  
Attn: Jim Harsha

Greater Wise, Inc.  
P.O. Box 668  
Norton, VA 24273  
Attn: James M. Thomas

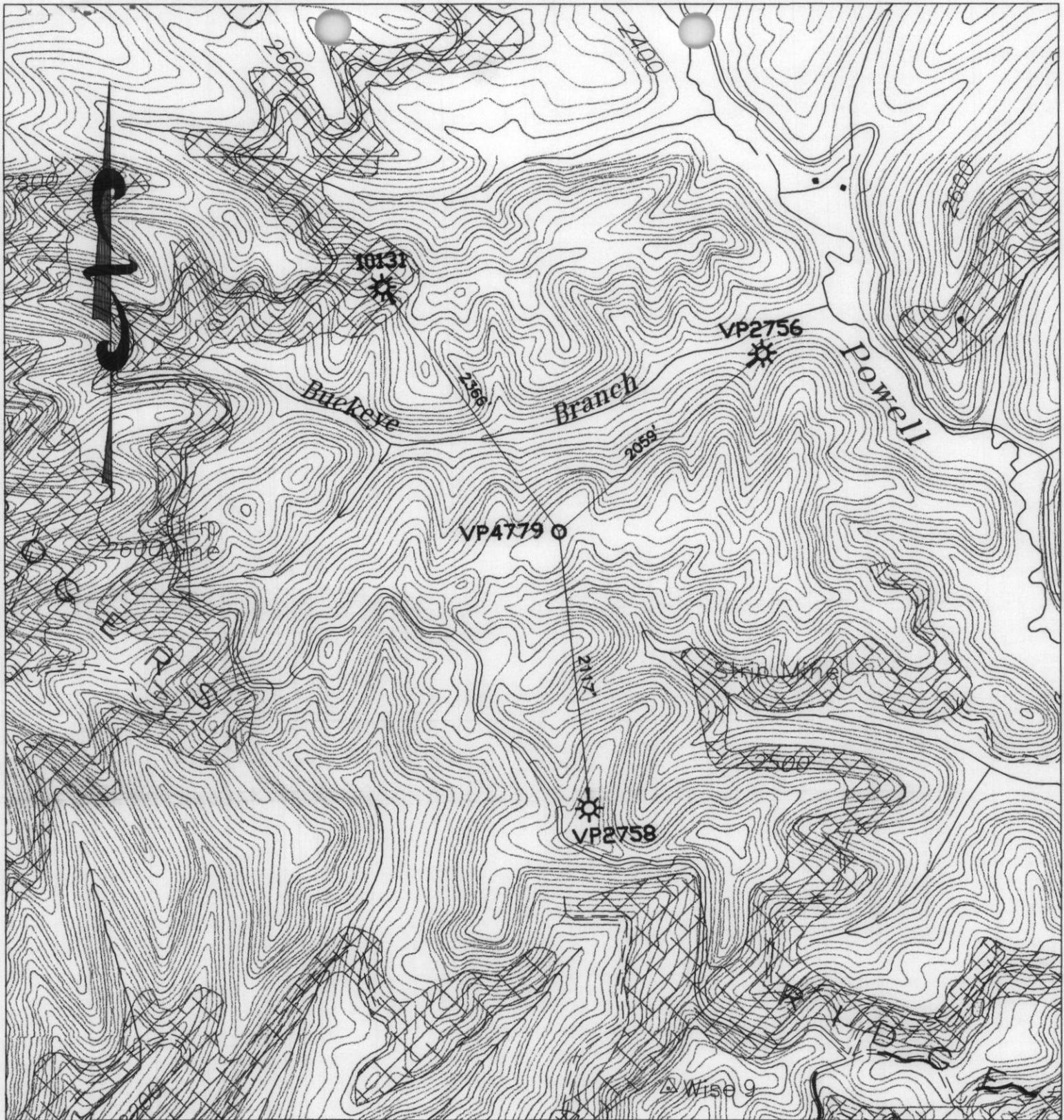


WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER V-504779  
 TRACT NO. Tk. 680 ELEVATION 2623.85' QUADRANGLE Norton  
 COUNTY Wise DISTRICT Gladeville SCALE 1" = 400' DATE 3-21-2001

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



# EQUITABLE PRODUCTION Company

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

## EXHIBIT

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

SURVEYED BY: G. PHILLIPS

COMPILED BY: G. MOODY

DATE: 5/09/2001

DRAWING: V4779EX