

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)	01-1120-0985
PRESCRIBED BY VIRGINIA)	
CODE ANN. § 45.1-361.17(A)(2))	
)	
LEGAL DESCRIPTION:)	
)	
WELL NUMBER V-502795)	
RED RIVER COAL CO., INC. 50-ACRE SURFACE)	
OIL AND GAS TRACT)	
FLAT GAP QUADRANGLE)	
ROBERSON 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 November 20, 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-502795 for Applicant's development and operation of Conventional Gas from all 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,

ENTERED

Upper Huron, Middle Huron, Lower Huron and Olentangy formations, from surface to total depth drilled of 4,693 feet, excluding coalbeds and rock strata associated therewith ("Subject Formations"). Applicant requests the Board's consent to drill Well Number V-502795 1,929.7 feet from existing EPC Well Number V-3833 and 1,902.50 feet from existing EPC Well V-3831, all at the locations depicted on Exhibit A hereto.

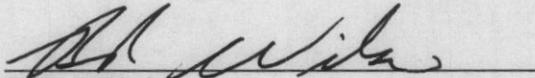
5. Amendment: None
6. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds that:
 - (1) Surface coal mining operations are currently being conducted in the vicinity of the proposed well, and the location of the well depicted on the attached plat is the only location the coal operator would agree to.
 - (2) The proposed Well V-502795 is located on a surface, oil and gas tract consisting of 50 acres, known as the Red River Coal Co., Inc. Tract, and the surface, gas and oil owner has consented to the proposed location for Well V-502795 depicted on the Plat attached hereto as Exhibit A.
 - (3) The Applicant represents it has the right to operate and develop the reciprocal Wells V-3831 and V-3833, and that the granting of the application does not impact the correlative rights of any person.
 - (4) 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 475 million cubic feet in conventional gas reserves, protecting correlative rights and maximizing recovery of Conventional Gas underlying Subject Drilling Unit to be served by Well V-502795.
7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the Applicant to permit and drill Well Number V-502795 1,929.7 feet from existing EPC Well V-3833 and 1,902.50 feet from existing EPC Well V-3831, 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 475 million cubic feet 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 14th day of January, 2002 by a majority of the Virginia Gas and Oil Board.

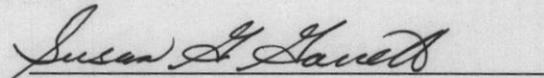

Chairman, Benny R. Wampler

DONE AND PERFORMED this 15th day of January, 2002, by order of this Board.


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

STATE OF VIRGINIA)
COUNTY OF WISE)

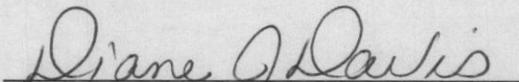
Acknowledged on this 14th day of January, 2002, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn, did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires: July 31, 2002

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 15th day of January, 2002, 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, 2005