

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Equitable Production Company )  
 ) VIRGINIA GAS  
 ) AND OIL BOARD  
RELIEF SOUGHT: **EXCEPTION TO STATEWIDE SPACING** )  
 ) LIMITATIONS PRESCRIBED BY VA. CODE ) DOCKET NO.  
 ) \$ 45.1-361.17(a) (2) FOR WELL ) 03/03/18-1123  
 ) V-535463 )  
 )  
LEGAL DESCRIPTION: )  
 )  
 ) DRILLING UNIT SERVED BY WELL NUMBERED )  
 ) V-535463 TO BE DRILLED IN THE LOCATION )  
 ) DEPICTED ON EXHIBIT A HERETO, )  
 ) Pine Mountain Oil and Gas Corporation )  
 ) Tract T-9 )  
 ) Nora QUADRANGLE, )  
 ) Ervinton MAGISTERIAL DISTRICT, )  
 ) Dickenson COUNTY, VIRGINIA )  
 ) (the "Subject Lands" are more particularly )  
 ) described on Exhibit "A" attached hereto )  
 ) and made a part hereof) )

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on March 18, 2003, Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, Virginia.
2. Appearances: James E. Kaiser appeared for the Applicant and Sharon M.B. Pigeon, Assistant Attorney General, was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to Va. Code § 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of this application; and (3) that the persons set forth in Exhibit B hereto have been identified by Applicant as owners of

ENTERED

of preventing the waste of 400 million cubic feet of Conventional Gas underlying Subject Drilling Unit, and to generally effect the purposes of the Virginia Gas and Oil Act;

8.7 Applicant proposes the drilling of Well No. V-535463 to a depth of 5,820 feet on the Subject Drilling Unit at the location depicted in Exhibit A to produce all the Mississippian and Devonian age formations including, but not limited to, Base Lee Sand, Ravencliff, Maxon, Little Lime, Big Lime, Top Weir, Base Weir, Sunbury, Coffee Shale, Berea, and Cleveland;

from surface to a total depth of 5,820 feet (Subject Formations");

8.8 Applicant proposes to drill Well V-535463 a distance of 458 feet closer to Gas Well P-190, and 635 feet closer to Gas Well P-34 than the 2500 feet mandated by statewide spacing;

8.9 Applicant proposes to complete and operate Well V-535463 for the purpose of producing Conventional Gas;

9 Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.

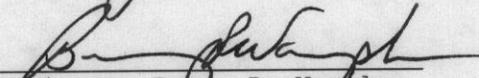
10. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

11. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

12. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 et seq. and Rule 2A of the Rules of the Virginia Supreme Court.

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

DONE AND EXECUTED this 3<sup>rd</sup> day of June, by a majority of the Virginia Gas and Oil Board.

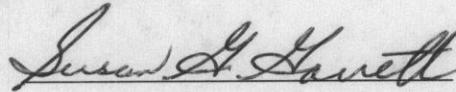
  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 9<sup>th</sup> day of June 2003 by Order of this Board.

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

STATE OF VIRGINIA            )  
COUNTY OF WISE            )

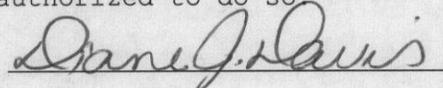
Acknowledged on this 3<sup>rd</sup> day of June, 2003, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Notary Public

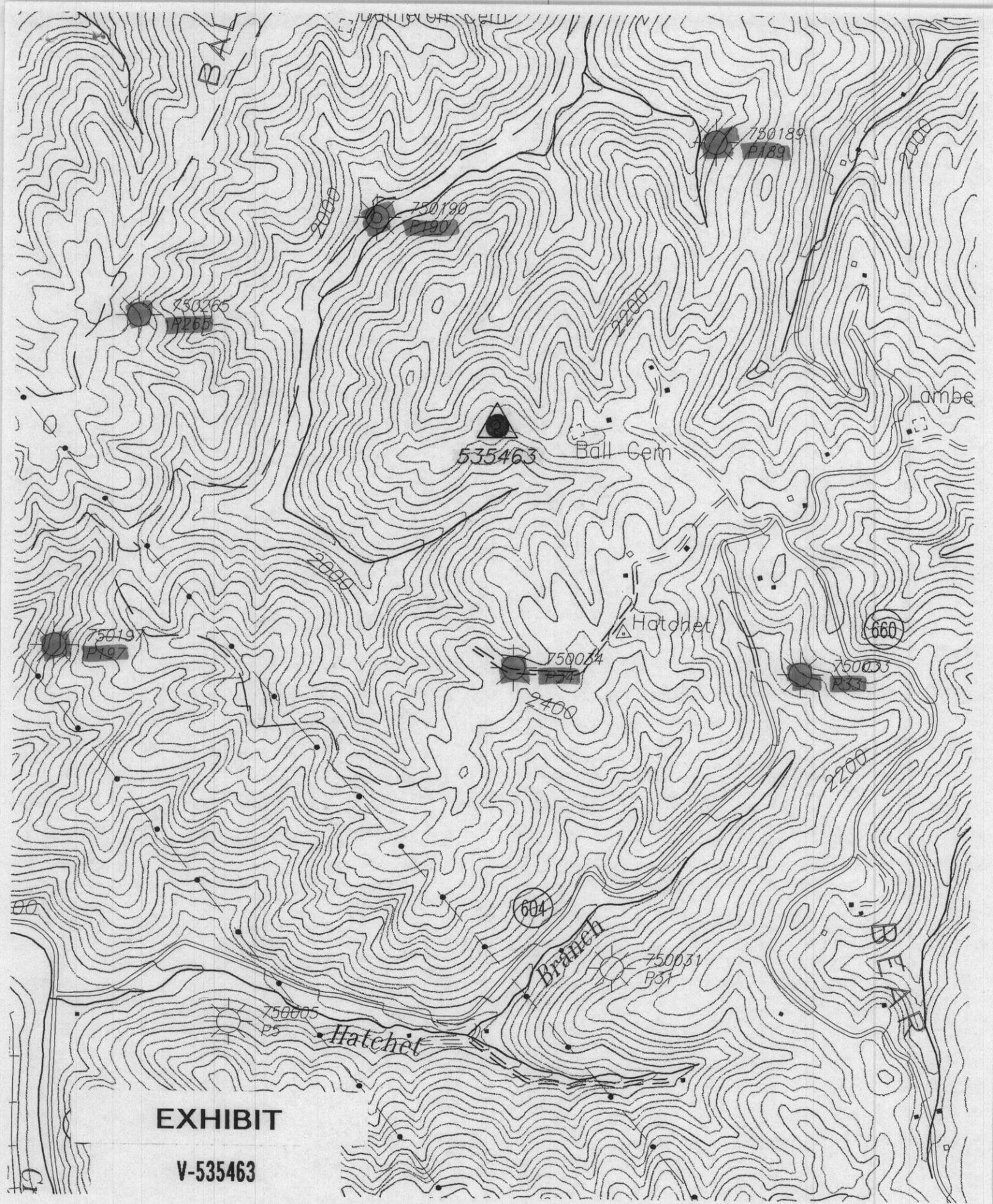
My commission expires: 7/31/06

STATE OF VIRGINIA            )  
COUNTY OF WASHINGTON    )

Acknowledged on this 9<sup>th</sup> day of June 2003, 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.

  
Notary Public

My commission expires: 9/30/05



EXHIBIT

V-535463

1"=1000'