

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	RANGE RESOURCES – PINE MOUNTAIN INC.) VIRGINIA GAS
) AND OIL BOARD
)
)
RELIEF SOUGHT:	ESTABLISHMENT OF A PROVISIONAL DRILLING)
	UNIT CONSISTING OF 320 ACRES DESCRIBED) DOCKET NO.
	AND DEPICTED IN EXHIBIT A (herein "Subject Lands") VGOB 07/10/16-2065
	PURSUANT TO VA CODE § 45.1-361.20;)
	FOR THE DRILLING OF HORIZONTAL)
	CONVENTIONAL GAS WELLS)
)
)
LEGAL DESCRIPTION:)
)
	SUBJECT DRILLING UNIT SERVED BY)
	WELL: Bank of Boston (826642))
	TO BE DRILLED IN THE LOCATION)
	DEPICTED ON "EXHIBIT A" HERETO,)
	HURLEY QUADRANGLE)
	KNOX MAGISTERIAL DISTRICT)
	BUCHANAN COUNTY, VIRGINIA)

REPORT OF THE BOARD

FINDINGS AND ORDER

1. **Hearing Date and Place:** This matter came before the Virginia Gas and Oil Board (hereafter "Board") for final hearing at 9:00 a.m. on December 18, 2007 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.

2. **Appearances:** James E. Kaiser, of Wilhoit and Kaiser, appeared for the Applicant. 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 entitled by the VA. Code and Board Rules to Notice hereof; and (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 the Application filed herein; Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of due process.

4. **Relief Requested:** Applicant request the Board issue an order providing as follows:

An establishment of a provisional unit for the exploration, development and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith and all productive extensions thereof (hereinafter the "Pool"), underlying the area, as depicted in Exhibit "A" and described as follows:

Said boundaries are described using the State Plane Coordinate System as required by 4 VAC 25-160-50.5.c.

Beginning at approximate Virginia State Plane Coordinate (NAD 1927, South Zone): N: 423,151.83; E: 976,820.38, thence East to Virginia State Plane Coordinate (NAD 1927, South Zone): N 423,057.93; E 980,546.50; thence South to Virginia State Plane Coordinate (NAD 1927, South Zone): N 419,325.20; E 980,452.26; thence West to Virginia State Plane Coordinate (NAD 1927, South Zone): N 419,419.12; E 976,726.15; thence North to the point of beginning containing 320.00 acres.

Providing that operations under and in accordance with this order shall be regarded and considered as development, operation and production upon all lands included within the subject provisional drilling unit. Production from any wells drilled on operated, or produced from any part of the provisional drilling unit, no matter where located, shall for all purposes be regarded as production from each separately-owned tract within the subject provisional drilling unit. The portion of production produced from and attributed to the provisional drilling unit and any separately owned tract therein, shall be deemed for all purposes to have been actually produced from such provisional drilling unit and tract, and development, exploration or production operation with respect to any portion of the provisional drilling unit shall be deemed for all purposes to be the conduct of such operation for the production of gas from each separately owned tract in said unit.

5. **Relief Granted:** Granting of such other relief as is merited by the evidence and is just and equitable whether or not such relief has been specifically requested herein shall be and hereby is granted.

6. **Special Findings:** The Board finds:

- (1) To Establish a Provisional Drilling Unit pursuant to Va. Code § 45.1-361.20;
- (2) Allow multiple wells within the provisional drilling unit established hereby as depicted on Exhibit "A"
- (3) Approve that the dimensions of the unit be 3733' by 3733'
- (4) That the Unit be established with a 300' interior window with a 600' standoff from horizontal wellbores in adjacent units;
- (5) That the operator be allowed to drill surface locations (top-hole) outside of the unit so long as all production comes from within the interior window of the unit, and
- (6) That there be a minimum of 600' between any horizontal wellbore and any vertical well producing from that horizon and that
- (7) The Order provides for multiple wells for maximum drainage.

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

8. **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.

9. **Effective Date:** This Order shall be effective as of the date of the Board's approval.

150001586

DONE AND EXECUTED this 2nd day of Sept,
2015, by a majority of the Virginia Gas and Oil Board.

Bradley C Lambert
Bradley Lambert, Chairman

DONE AND EXECUTED this 2nd day of Sept.,
2015, by a majority of the Virginia Gas and Oil Board.

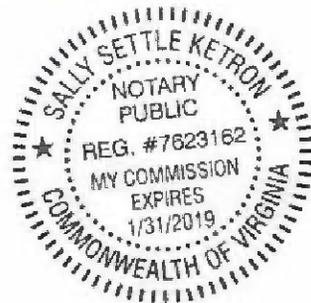
Rick Cooper
Rick Cooper
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF RUSSELL:

Acknowledged this 2nd day of September, 2015,
personally before me a notary public in and for the Commonwealth of Virginia, appeared
Bradley Lambert, being duly sworn did depose and say that he is Chairman of the
Virginia Gas and Oil Board and Rick Cooper being duly sworn did depose and say that
he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they
executed same and were authorized to do so.

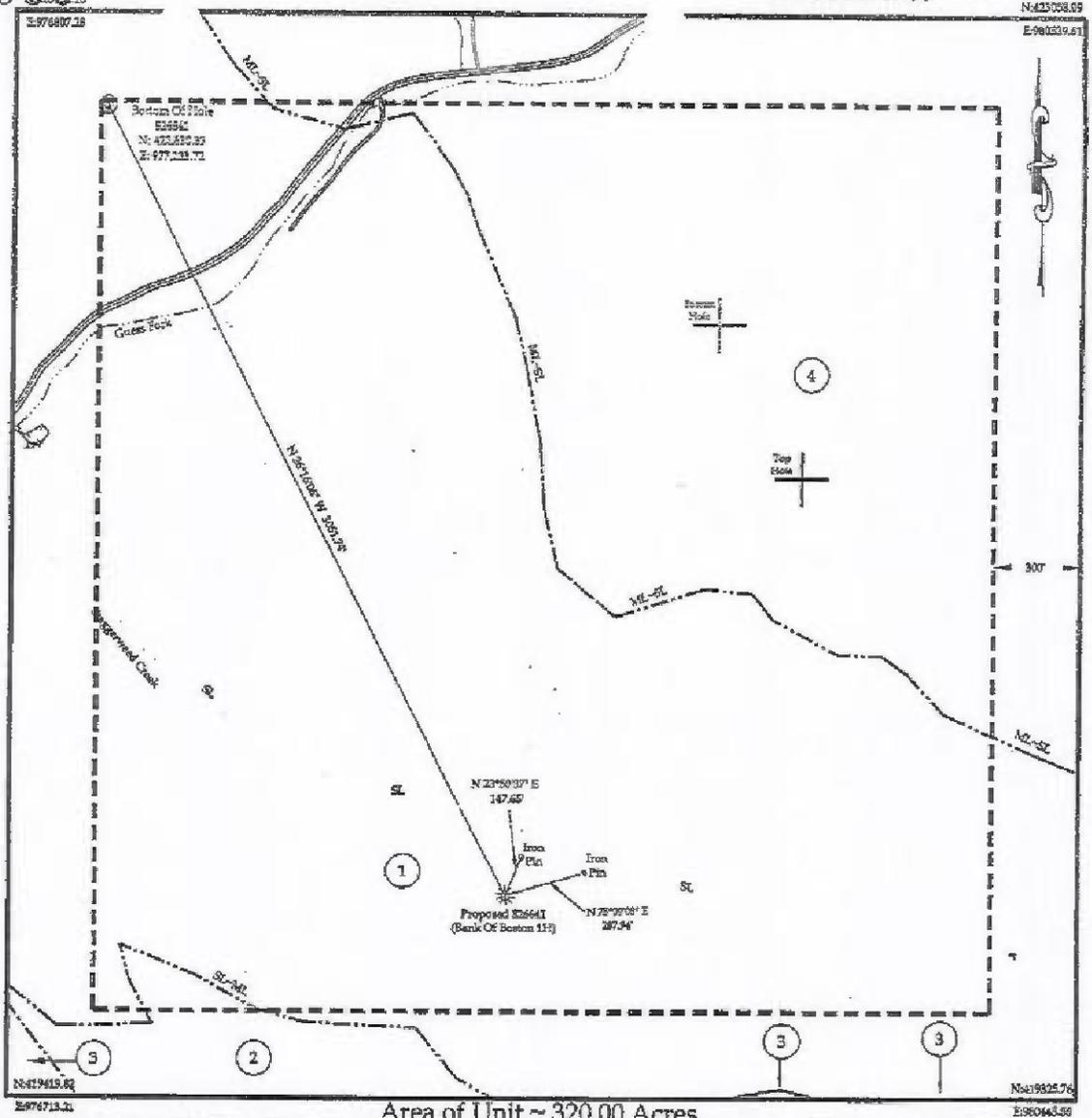
Sally Settle Keron
Sally Settle Keron

My Commission Expires January 31, 2019



150001586

Latitude 37°27'30"



Area of Unit ~ 320.00 Acres



J. L. L. ASSOCIATES, P.C.
SURVEYORS - ENGINEERS
 BOUNDARY - CONSTRUCTION - DESIGN - ENVIRONMENTAL - MINING
 430 Virginia Avenue, Richlands, VA 24361
 278-898-9545 (FAX: 278-596-5735)

Owner Index

- (1) Drill Street
 Surface Knox Creek Coal Corporation, et al
 Mineral: Buchanan Energy Co. LLC
 (534.95 Acres Tract)
 232.72 Ac. - 63.20% of 320.00 Ac.
- (2) Buchanan Gas Co. (11/12 Int)
 Buchanan Energy Co. (1/12 Int)
 9.94 Ac. - 3.11% of 320.00 Ac.
- (3) Buchanan Energy Co., LLC
 1.05 Ac. - 0.33% of 320.00 Ac.
- (4) Buchanan Energy Co., LLC
 106.25 Ac. - 33.20% of 320.00 Ac.

NOTES:

1. Property Lines Not Surveyed.
2. This Plat Shows The Proposed Well And Its Coordinates, Surface & Mineral Ownership Is Based On Information Provided By Chesapeake Appalachia, L.L.C. Or Its Contractors And Information On Record At The Buchanan County Courthouse. Information Subject To Change.
3. Well Will Be Drilled Within 10' Of Proposed Coordinates.

LEGEND

- ★ Proposed Well
- ML Mineral Line
- SL Surface Line
- ★ Existing Well

Top Hole

Geographic Coordinates Nad 27
 LAT: 37.464877 LON: -82.019042

Bottom Hole

Geographic Coordinates Nad 27
 LAT: 37.462749 LON: -82.024042

WELL LOCATION PLAT

Company CHESAPEAKE APPALACHIA, L.L.C. Well Name or Number 825641 (Bank Of Boston 1H)
 Tract No. Buchanan Energy Co., LLC Quadrangle Hurley
 District Knox
 Well Coordinates (Virginia State Plane) N: 420,095.74 E 978,474.35
 Elevation: 1367.20 Method Used to Determine Elevation: Trig. Levels from GPS derived elevation.
 County Buchanan Scale: 1" = 400' Date 11-09-07

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.

Form DGO-GO-7
 Rev. 1-98

Douglas R. Light

 Licensed Professional Engineer or Licensed Land Surveyor



150001586

EXHIBIT "B"
VGOB 07/10/16-2065
Bank of Boston
Revised 11/14/07

Knox Creek Coal Corporation
C/O Lauren Land Company
P.O. Box 830
Belfry, KY 41564

Buchanan Realty Company LLC
C/O John Irvin
4710 Hunterwood Circle
Richmond, TX 77469

Buchanan Realty Company, LLC
P.O. Box 1756
Grundy, VA 24614

Buchanan Energy Company, LLC
c/o Alpha Natural Resources, LLC
P.O. Box 2345
Abingdon, VA 24212

Buchanan Energy Co., LLC
c/o Alpha Natural Resources, LLC
P.O. Box 858
Vinton, VA 24179

Buchanan Energy Co., LLC
c/o Mate Creek Engineering Office
Attn: Frank Pinter
P.O. Box 40
Wharncliffe, WV 25651

Buchanan Gas Company, LLC
c/o John Matney
2700 Lee Highway
Bristol, VA 24202

INSTRUMENT #150001586
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
SEPTEMBER 28, 2015 AT 04:13PM

BEVERLY S. TILLER, CLERK
RECORDED BY: GGB