

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>)	VIRGINIA GAS
)	AND OIL BOARD
RELIEF SOUGHT	EXCEPTION TO STATEWIDE SPACING)	
	LIMITATIONS PRESCRIBED BY)	DOCKET NO.
	VA. CODE § 45.1-361.17 (a) (2))	<u>VGOB-08-0916-2339</u>
	FOR <u>WELL NO. V-530064</u>)	

LEGAL DESCRIPTION:

DRILLING UNIT SERVED BY WELL
NUMBERED **V-530064**
TO BE DRILLED IN THE LOCATION
DEPICTED ON **EXHIBIT A** HERETO,
Henry Kiser T-463 Tract
1,142.51 Acres, more or less
DUTY QUADRANGLE
CASTLEWOOD DISTRICT
RUSSELL 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 **September 16, 2008**, Southwest Virginia Higher Education Center, Campus of Virginia Highlands Community College, Abingdon, Virginia.
2. Appearances: **Timothy E. Scott of McKinnis & Scott**, appeared for the Applicant.
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; and (2) 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. Further, the Board has caused notice of this

hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for **Well No. V-530064**.
5. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed **Well No. V-530064**, **2,410** feet from existing Range Resources-Pine Mountain, Inc. Well No. **V-537732** at the location depicted on the Plat attached hereto as **Exhibit A**.
6. Special Findings: The Board specifically and specially finds:
 - 6.1 Applicant is **Range Resources-Pine Mountain, Inc.** Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 6.2 Applicant **Range Resources-Pine Mountain, Inc.** is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 6.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. **V-530064**, as well as the right to participate and develop the reciprocal well, being Well No. **V-537732**;
 - 6.4 The proposed Well No. **V-530064** is located on the **Henry Kiser 1,142.51-Acre Tract T-463** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **V-530064** that is depicted on the Plat attached hereto as **Exhibit A**;
 - 6.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal well **V-537732** and that the granting of the application filed herein will not impact the correlative rights of any person;
 - 6.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. **V-530064** is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of **350** million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
 - 6.7 Applicant proposes the drilling of Well No. **V-530064** to a depth of **7,052** feet on the Subject Drilling Unit at the location depicted on Exhibit A to produce all the Mississippian and Devonian Age formations including, but not limited to, **Ravencliff, Maxon, Big Lime, Weir, Berea** and **Devonian Shale**, from surface to total depth drilled, **7,052** feet ("Subject Formations");
 - 6.8 Applicant proposes to drill Well No. **V-530064** a distance of **90** feet closer to existing Range Resources-Pine Mountain, Inc. Well No. **V-537732** than the 2,500 feet mandated by statewide spacing;
 - 6.9 Applicant proposes to complete and operate **Well No. V-530064** for the purpose of producing Conventional Gas;

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. 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.
9. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 31 day of August, 2009, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Bradley Lambert, Chairman

DONE AND EXECUTED this 31st day of August, 2009, by a majority of the Virginia Gas and Oil Board.

David E. Asbury, Jr.
David E. Asbury, Jr.
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF RUSSELL:

Acknowledged this 31st day of August, 2009, 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 David E. Asbury, Jr., 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.

Diane J. Davis
Diane J. Davis

My Commission Expires September 30, 2009



Well Coordinates: (Geographic N27)
37.023529° -82.188879°

Latitude 37° 02' 30"

6,460'

Longitude 82° 10' 00"

6,620'

Lease No. 906889 / T-463
Henry Kiser
1142.51 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - oil & gas
Gas 112.69 Ac. 100.00%

1250'R

Heartwood Forestland Fund IV, L.P. - surface

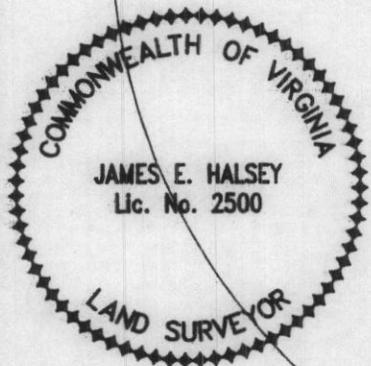
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DMLR Permit
No. 1101840

V-530064

DMLR Permit
No. 1101840

Roll Pine Branch



DMLR Permit
No. 1101840

S 40°44' E
2,410'

V-537732

Well Coordinates: (VA St. Plane S. Zone,
NAD 83)
N 3,553,198.68 E 10,406,332.93

Well Coordinates: (VA St. Plane S. Zone,
NAD 27 Calculated from NAD 83)
N 272,323.85 E 923,347.01

Well Coordinates: (Clinchfield Coal Co.)
S 27,824.18 E 56,746.28

Area of Unit = 112.69 Ac.

Well elevation determined by GPS
survey from HARN Monument P-424

WELL LOCATION PLAT

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER V-530064
TRACT NO. Le. No. 906889/T-463 ELEVATION 2,424.01' QUADRANGLE Duty
COUNTY Russell DISTRICT Castlewood SCALE 1" = 400' DATE 8-14-2008

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.

James E. Halsey
Licensed Professional Engineer or Licensed Land Surveyor

Exhibit A