

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQT 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**) 09/12/15-2656
) V-502747)
)
LEGAL DESCRIPTION:)
)
) DRILLING UNIT SERVED BY WELL NUMBERED)
) V-502747 TO BE DRILLED IN THE LOCATION)
) DEPICTED ON EXHIBIT A HERETO,)
) Greater Wise Inc.)
) Tract 120)
) Norton QUADRANGLE,)
) Gladeville MAGISTERIAL DISTRICT,)
) Wise 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 January 19, 2010, Conference Center at the Russell County Office Facility, Lebanon, Virginia.
2. Appearances: James E. Kaiser appeared for the Applicant; and Sharon 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. 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 (1) an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. V-502747.
5. Relief Granted: The requested relief in this cause be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed Well No. V-502747, 2396.92 feet from proposed Well No. V-2749, at the location depicted on the Plat attached hereto.
6. Special Findings: The Board specifically and specially finds:
 - 6.1 Applicant is EQT Production Company a West Virginia Corporation. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 6.2 Applicant EQT Production Company 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 100% percent of Subject Drilling Unit and the right to explore for, develop and produce Gas from same, i.e., Well No. V-502747 as well as from reciprocal well, i.e., Well No. V-2749.
 - 6.4 The proposed Well V-502747 is located on a surface, coal, oil and gas tract consisting of 65.49 acres known as Greater Wise Inc., Tract 120, and the surface, coal, gas and oil owner has consented to the proposed location for Well V-502747 that is depicted on the Plat attached hereto as Exhibit A;
 - 6.5 The Applicant testified it has the right to operate and develop the reciprocal Wells V-2749 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 V-502747 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 300 million cubic feet of Conventional Gas underlying Subject Drilling Unit, and to generally effect the purposes of the Virginia Gas and Oil Act;

6.7 Applicant proposes the drilling of Well No. V-502747 to a depth of 5245 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, Bluestone, Ravencliff, Maxon, Little Lime, Big Lime, Weir, Sunbury, Berea, and Cleveland, from surface to a total depth of 5245 feet (Subject Formations");

6.8 Applicant proposes to drill Well V-502747 a distance of 103.08 feet closer to Gas Well V-2749, than the 2500 feet mandated by statewide spacing;

6.9 Applicant proposes to complete and operate Well V-502747 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: Effective Date: This Order shall be effective as of the date of the Boards approval of this application which is set forth in Paragraph 1 above.

DONE AND EXECUTED this 8 day of April, 2010, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 8 day of April, 2010, by Order of the 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 on this 8th day of April, 2010, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared David E. Asbury, Jr., being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

Diane J. Davis
Notary Public

Registration No. 174394

My commission expires 09/30/2013



4,520'

Well Coordinates: (Geographic N27)
37.082413° -82.182178°

Latitude 37° 07' 30"

Lease No. 906889 / T-389
G.D. Sutherland
76.3 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 & CBM
Gas 8.14 Ac. 13.85%

Heartwood Forestland Fund IV, L.P. - surface

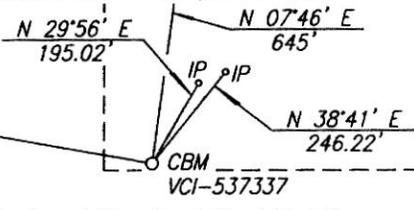
Lease No. / T2-241
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - (CBM)
Lease No. 244312L (Partially leased)
Henry Sutherland Heirs - oil & gas (CBM)
8.55 Acres
Gas 8.55 Ac. 14.55%

Longitude 82° 10' 00"

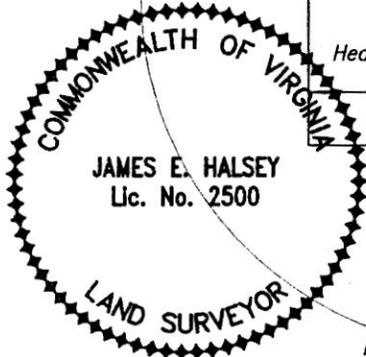
Lease No. 906889 / T-409
J.N.R. Sutherland
430.65 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Range Resources-Pine Mountain, Inc. - oil, gas & CBM
Gas 42.08 Ac. 71.60%

CBM
VC-535651

VC-2277



Heartwood Forestland Fund IV, L.P. - surface



Note: The boundary lines shown hereon are based on deeds, plats and maps of record and do not depict a current boundary survey. The property ownership information was provided by Equitable Production Company.

Well Coordinates: (VA St. Plane S. Zone, NAD 83)
N 3,574,544.36 E 10,409,123.59

Well Coordinates: (VA St. Plane NAD27, S. Zone, Calculated from CCC coordinates)
N 293,670 E 926,138

Well Coordinates: (Clinchfield Coal Co.)
S 6,385.26 E 58,700.66

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

Area of Unit = 58.77 Ac.

+

WELL LOCATION PLAT (Nora Grid BE-74)

COMPANY Equitable Production Company WELL NAME AND NUMBER VCI-537337
TRACT NO. Lease No. 906889 / T-409 ELEVATION 2,207.82' QUADRANGLE Duty
COUNTY Dickenson DISTRICT Ervington SCALE 1" = 400' DATE 9-23-2009

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

