

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

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** ) **10/09/21-2809**  
V-531579 )  
) )  
LEGAL DESCRIPTION: )  
) )  
DRILLING UNIT SERVED BY WELL NUMBERED )  
V-531579 TO BE DRILLED IN THE LOCATION )  
DEPICTED ON EXHIBIT A HERETO, )  
Charles D. Dale et ux )  
Tract TR-8 )  
Pound QUADRANGLE, )  
Roberson 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 October 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-531579.
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-531579, 1791.75 feet from proposed Well No. V-535943, and 2409.65 feet from proposed Well No. V-3198 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-531579 as well as from reciprocal wells, i.e., Well Nos. V-535943 and V-3198.
  - 6.4 The proposed Well V-531579 is located on a surface, coal, oil and gas tract consisting part of 111.849 acres known as Charles D. Dale etux, Tract TR-8, and the surface, coal, gas and oil owner has consented to the proposed location for Well V-531579 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-535943 and V-3198 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-531579 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 500 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-531579 to a depth of 4987 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/Top Bluestone, Ravencliff, Maxon, Little Lime, Big Lime, Weir, Sunbury, Berea and Cleveland, from surface to a total depth of 4987 feet (Subject Formations”);

6.8 Applicant proposes to drill Well V-531579 a distance of 708.25 feet closer to Gas Well V-535943, and a distance of 90.35 feet closer to Gas Well V-3198 than the 2500 feet mandated by statewide spacing;

6.9 Applicant proposes to complete and operate Well V-531579 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 Boards approval of this application which is set forth in Paragraph 1 above.

DONE AND EXECUTED this 19 day of December, 2011, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 19<sup>th</sup> day of December, 2011, by Order of the Board.

Rick Cooper  
Rick Cooper  
(Acting) Principal Executive to the Staff, Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 19<sup>th</sup> day of December, 2011, 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 Rick Cooper, 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 Davis  
Diane Davis, Notary Public  
174394

My commission expires: September 30, 2013



TOTAL UNIT AREA  
= 112.69 ACRES

CCC COORDINATES  
OF WELL V-531579  
S 23609.85  
W 51756.94

LATITUDE 37°02'30"

LONGITUDE 82°32'30"

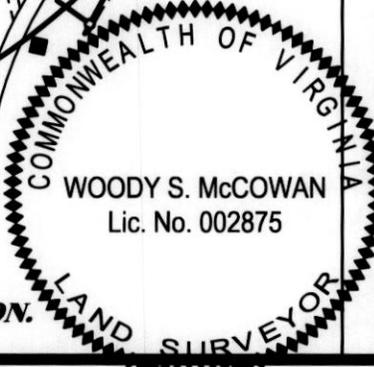
- DENOTES MINERAL LINE
- - - DENOTES SURFACE LINE
- · - · - DENOTES SURFACE & MINERAL LINES
- XXXXX DENOTES DMLR PERMIT 1101894

STATE PLANE  
NAD 27 COORDINATES  
OF WELL V-531579  
N 280991.44  
E 815013.26  
LAT 37.035105  
LON -82.560896  
NAD 83 COORDINATES  
N 3561866.06  
E 10297996.31

COORDINATES OF  
BENCH MARK  
N 3504914.8125  
E 10370404.8448  
ELEV. = 1753.40

NOTE !!!  
WELL COORDINATES ARE BASED ON STATE PLANE NAD 83 COORDINATE SYSTEM.  
ELEVATIONS ARE BASED ON NGS CONTROL ST. PAUL 2.  
PROPERTY INFORMATION PROVIDED BY EQT PRODUCTION COMPANY. THE BOUNDARY LINES SHOWN HEREON ARE BASED ON DEEDS, PLATS AND MAPS OF RECORD AND DO NOT DEPICT A CURRENT BOUNDARY SURVEY.  
THE WELL WILL BE DRILLED WITHIN 10' (TEN FEET) OF THE PERMITTED COORDINATES.

**NOTE !!**  
**SEE WELL PLAT SUPPLEMENT SHEET 2 FOR TRACT INFORMATION.**



**WELL LOCATION PLAT**

COMPANY EQT Production Company WELL NAME AND NUMBER V-531579

TRACT No. LEASE NO. 244764 / TR-8 ELEVATION 2178.03 (GPS) QUADRANGLE POUND

COUNTY WISE DISTRICT ROBERSON SCALE: 1" = 400' DATE AUGUST 2, 2010

THIS PLAT IS A NEW PLAT x ; AN UPDATED PLAT     ; OR A FINAL LOCATION PLAT    

PROPOSED TOTAL DEPTH OF WELL =                     

+ 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.

*Woody S. McCowan* 8-2-10 (AFFIX SEAL)

T&L LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

11060PLAT.DWG

①

Lease No. 244764 / TR-8  
CHARLES D. DALE, et ux  
33.23 ACRES P/O 111.849 ACRES  
CHARLES D. DALE, et ux - Surface, Gas, Oil  
Lease No. 906889 / TC-32  
W. W. FREEMAN  
154.00 ACRES  
ACIN, LLC - Coal  
GAS 30.85 AC. - 27.37%

⑥

Lease No. 244764  
CHARLES D. DALE, et ux  
2.00 ACRES  
CHARLES D. DALE, et ux - Surface, Gas  
Lease No. 904576 / WI-64  
JOHN W. JOHNSON  
280.319 P/O 464.319 ACRES  
ACIN, LLC - Coal, Oil  
GAS 1.56 AC. - 1.38%

②

Lease No. 906889 / T2-89  
E. M. FULTON  
345.76 ACRES  
RANGE RESOURCES-PINE MOUNTAIN, INC. - Oil & Gas  
Lease No. 904576 / WI-267  
ACIN, LLC - Coal  
GAS 5.77 AC. - 5.12%

⑦

Lease No. 244779 Partially  
Leased  
ETHEL V. STANLEY HEIRS -  
Surface, Gas  
28.00 ACRES  
Lease No. 904576 / WI-64  
ACIN, LLC - Coal, Oil  
GAS 5.18 AC. - 4.60%

③

Lease No. 244764  
CHARLES D. DALE, et ux  
20.00 ACRES  
CHARLES D. DALE, et ux - Surface, Gas, Oil  
Lease No. 906889 / TC-32  
W. W. FREEMAN  
154.00 ACRES  
ACIN, LLC - Coal  
GAS 27.72 AC. - 24.6%

⑧

Lease No. 244764  
CHARLES D. DALE, et ux  
17.74 ACRES  
CHARLES D. DALE, et ux - Surface, Gas, Oil  
Lease No. 906889 / TC-32  
W. W. FREEMAN  
154.00 ACRES  
ACIN, LLC - Coal  
GAS 14.34 AC. - 12.73%

④

Lease No. 904576 / WI-64  
JOHN D. MULLINS  
P/O 55.10 ACRES  
ACIN, LLC - Gas, Oil, Coal  
GAS 0.11 AC. - 0.10%

⑨

Lease No. 904576 / WI-304  
W. W. FREEMAN  
63.97 ACRES  
ACIN, LLC - Gas, Oil  
Lease No. 906889 / TC-32  
W. W. FREEMAN  
154.00 ACRES  
ACIN, LLC - Coal  
GAS 21.24 AC. - 18.85%

⑤

Lease No. 244764  
CHARLES D. DALE, et ux  
16.375 ACRES  
CHARLES D. DALE, et ux - Surface, Gas  
Lease No. 904576 / WI-64  
JOHN W. JOHNSON  
280.319 P/O 464.319 ACRES  
ACIN, LLC - Coal, Oil  
GAS 5.91 AC. - 5.24%

⑩

Lease No. 904576 / WI-76  
J. C. RICHMOND  
224.704 ACRES  
HEARTWOOD FORESTLAND FUND V, LP - Surface  
ACIN, LLC - Coal, Gas, Oil  
GAS 0.01 AC. - 0.01%



THOMPSON & LITTON

312 Clintwood Main Street  
Suite 201  
P.O. Box 1869  
Clintwood, Virginia 24228

**EQT PRODUCTION COMPANY**  
**WELL No. V-531579**  
**WELL PLAT SUPPLEMENT**  
**SHEET 2**

PROJECT No.:  
11060 PLAT

SCALE: 1" = 400'

DATE: AUGUST 2, 2010