

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-11-0419-2932</u>
	FOR <u>WELL NO. 900042</u>)	

LEGAL DESCRIPTION:

DRILLING UNIT SERVED BY WELL
 NUMBERED **900042**
 TO BE DRILLED IN THE LOCATION
 DEPICTED ON **EXHIBIT A** HERETO,
Big Sandy Fuel Corporation Tract
 12,627.34 Acres, more or less
ELKHORN CITY QUADRANGLE
ROCK LICK DISTRICT
BUCHANAN 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 **June 14, 2011**, having been continued from April 19, 2011, April 26, 2011 and May 17, 2011, at the Russell County Conference Center, Highland Drive, Lebanon, 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. Amendments: Revised Application and Revised Exhibit A, Second Revised Application and Second Revised Exhibit A.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for **Well No. 900042**.
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. 900042** which is **2,065 feet from existing Range Resources-Pine Mountain, Inc. Well No. 820469** and **2,428 feet from existing Range Resources-Pine Mountain, Inc. Well No. 824647** at the location depicted on the Plat attached hereto as **Second Revised 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. **900042** as well as the right to participate and develop the reciprocal wells, being **Range Resources-Pine Mountain, Inc Well Nos. 820469 and 824647**;
 - 6.4 The proposed Well No. **900042** is located on the **Big Sandy Fuel Corporation Tract containing 12,627.34 acres** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **900042** that is depicted on the Plat attached hereto as **Second Revised Exhibit A**;
 - 6.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal **Range Resources-Pine Mountain, Inc. Well Nos. 820469 and 824647** 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. **900042** 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. **900042** to a depth of **5,350** 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, **5,350** feet ("Subject Formations");

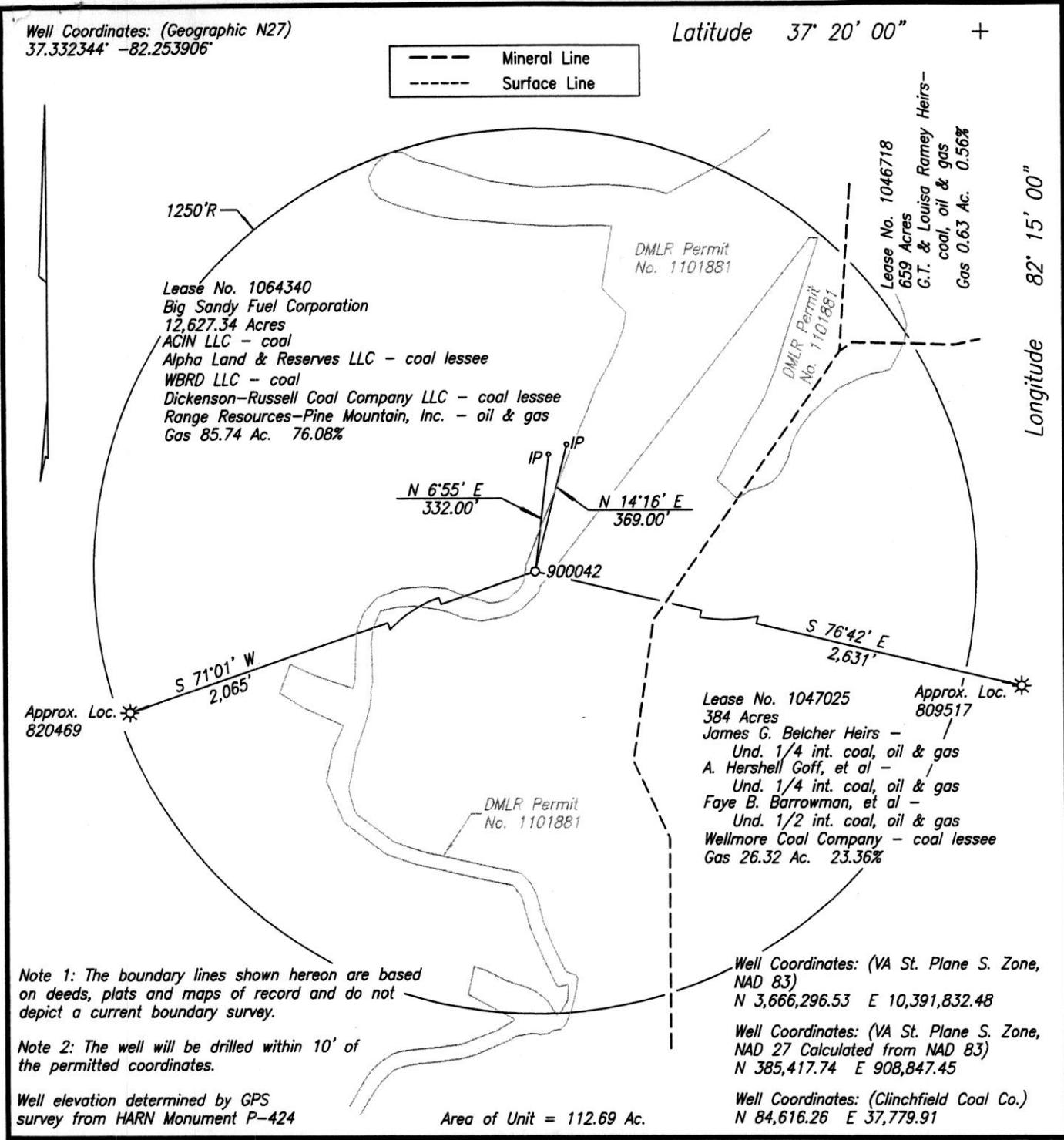
1,140'
390'

Well Coordinates: (Geographic N27)
37.332344' -82.253906'

Latitude 37° 20' 00" +

--- Mineral Line
- - - Surface Line

Longitude 82° 15' 00"



WELL LOCATION PLAT

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER 900042
 TRACT NO. Big Sandy Fuel Corp. ELEVATION 1,743.70' QUADRANGLE Elkhorn City
 COUNTY Buchanan DISTRICT Rock Lick SCALE 1" = 400' DATE 5-03-2011

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.

PRELIMINARY PLAT

~~Licensed Professional Engineer or Licensed Land Surveyor~~

Form DGO-G0-7

REVISED EXHIBIT A