

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-11-0419-2939</u>
	FOR <u>WELL NO. 900049</u>)	
)	
)	
LEGAL DESCRIPTION:)	
	DRILLING UNIT SERVED BY WELL)	
	NUMBERED <u>900049</u>)	
	TO BE DRILLED IN THE LOCATION)	
	DEPICTED ON EXHIBIT A HERETO,)	
	<u>Buchanan Realty Corporation Tract</u>)	
	108.01 Acres, more or less)	
	HURLEY QUADRANGLE)	
	<u>KNOX DISTRICT</u>)	
	<u>BUCHANAN COUNTY, VIRGINIA</u>)	
	(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 **April 26, 2011** at the Russell County Conference Center, Highland Drive, Lebanon, Virginia.
2. Appearances: **Timothy E. Scott of McKinnis & Scott**, appeared for the Applicant, Range Resources-Pine Mountain, Inc. ("Range").
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 Exhibit B.
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. 900049**.
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. 900049** which is **2,347.43 feet from existing Range Well No. 824609** 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. **900049** as well as the right to participate and develop the reciprocal well, being **Range Well No. 824609**;
 - 6.4 The proposed Well No. **900049** is located on the **Buchanan Realty Corporation Tract containing 108.01 acres** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **900049** 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 **Range Well No. 824609** 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. **900049** 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 **400** 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. **900049** to a depth of **5,704** 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, **Ravencloff, Maxon, Big Lime, Weir, Berea** and **Devonian Shale**, from surface to total depth drilled, **5,704** feet ("Subject Formations");

- 6.8 **Applicant proposes to drill Well No. 900049 a distance of 152.57 feet closer to existing Range Well No. 824609 than the 2500 feet mandated by statewide spacing;**
- 6.9 Applicant proposes to complete and operate **Well No. 900049** 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 14 day of July, 2011, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 14th day of July, 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 14th day of July, 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



DGO-7 Supplement
WELL UNIT PROPERTY OWNER INDEX
900049

(1)

Drill Tract

Lease No. 1047496 (450270498)
Joe Junior Justus ~ Surface
Buchanan Realty Corporation
(108.01 Acres)
Buchanan Realty Corporation ~ Oil & Gas
Kentucky Berwind ~ Coal
67.63 Ac. ~ 60.01% of 112.69 Ac.

(2)

Lease No. 1241295 (450270934)
Joe Junior Justus
(50 Acres)
Joe Junior Justus ~ Surface, Oil & Gas
Kentucky Berwind ~ Coal
17.12 Ac. ~ 15.19% of 112.69 Ac.

(3)

Lease No.
Clintwood Elkhorn Mining Co.
(57 Acres)
Clintwood Elkhorn Mining Co. ~ Surface, Oil & Gas
Kentucky Berwind ~ Coal
6.67 Ac. ~ 5.92% of 112.69 Ac

(4)

Lease No.
Minnie Hurley, Etal
(111 Acres)
Minnie Hurley, Etal ~ Surface, Oil & Gas
Kentucky Berwind ~ Coal
1.19 Ac. ~ 1.06% of 112.69 Ac

(5)

Lease No. 1223322 (450270765)
Chester Cecil Chambers, et al
(313.33 Acres)
Clintwood Elkhorn Mining Co. ~ Surface
Chester Cecil Chambers, et al ~ Coal, Oil & Gas
1.89 Ac. ~ 1.68% of 112.69 Ac.

(6)

Lease No. 1047496 (450270498)
Buchanan Realty Corporation
(1913.96 Acres)
Clintwood Elkhorn Mining Co. ~ Surface
Buchanan Realty Corporation ~ Coal, Oil & Gas
18.19 Ac. ~ 16.14% of 112.69 Ac.

Exhibit "B"
900049

Clintwood Elkhorn Mining Company
Attention: Dale Dotson
P. O. Box 196
Hurley, VA 24260

Kentucky Berwind Land Company
PO Box 79018
Baltimore, MD 21279

Kentucky Berwind Land Company
300 Summers Street, Suite 1050
Charleston, WV 25301

Buchanan Realty Corp.
c/o John Irvin
4710 Hunterwood Circle
Richmond, TX 77469

Sandra Faye Ison Elgin
PO Box 987
Grundy, VA 24614

Mack & Evelyn Chambers Creasy
84 Buxton Drive
Lynchburg, VA 24502

Sidney Rose & Penelope Chambers Rose
PO Box 7613
Wesley Chapel, FL 33544

Carmaletta Chambers
106 Garrison St.
Stanley, NC 28164

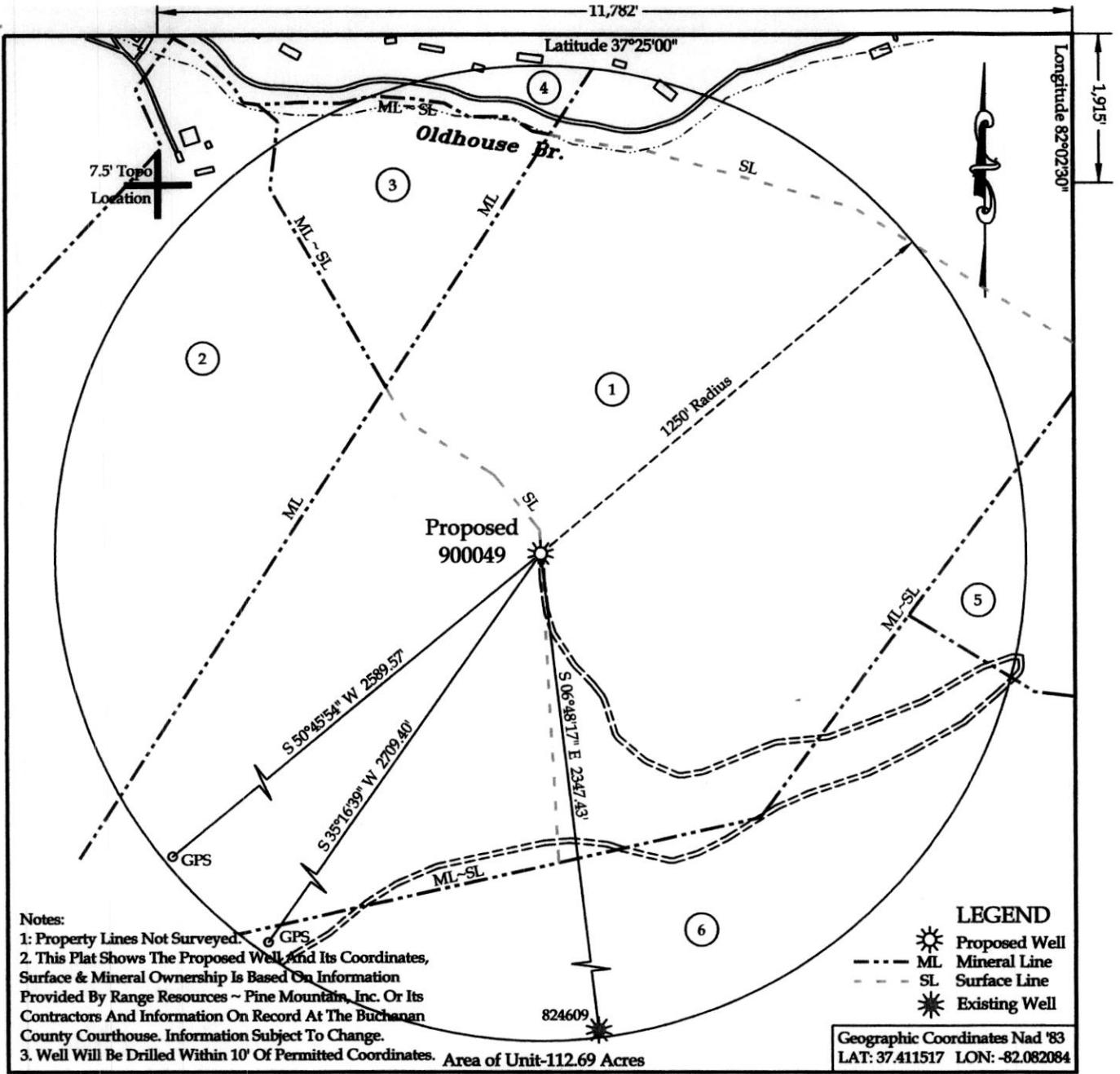
Derek Chambers & Elizabeth Chambers
33 Cherry St.
Mt. Holly, NJ 08060

Dale Chambers & Norma Chambers
12609 Wilde Lake Court
Richmond, VA 23233

Robert E. Lee
22365 Enterprise St. Apt. 127
Sterling, VA 20164

Janice Coleman
650 Old 11 West Highway No. 5
Moorsburg, TN 37811

Minnie Hurley, et al
Unknown



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 Range Resources ~ Pine Mountain, Inc. Or Its Contractors And Information On Record At The Buchanan County Courthouse. Information Subject To Change.
 3. Well Will Be Drilled Within 10' Of Permitted Coordinates.
- Area of Unit-112.69 Acres

LEGEND

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

Geographic Coordinates Nad '83
LAT: 37.411517 LON: -82.082084

EXHIBIT A

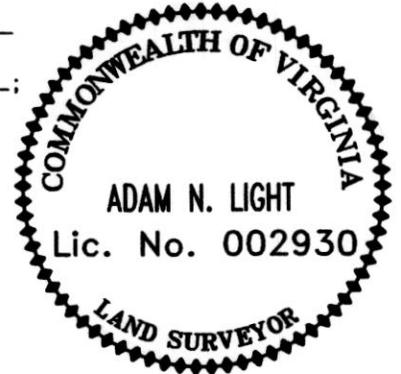
Company Range Resources ~ Pine Mountain, Inc. Well Name or Number 900049
 Tract No. Arthur May Quadrangle Hurley
 District Knox
 Well Coordinates (Virginia State Plane) N: 3,693,125.23 E: 10,442,802.55
 Elevation: 1843.25 Method Used to Determine Elevation: Trig. Levels from GPS derived elevation.
 County Buchanan Scale: 1" = 400' Date 3-17-11

This Plat is a new plat ; 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.

_____ 17-MAR-11
 Licensed Professional Engineer or Licensed Land Surveyor

Form DGO-GO-7

Exhibit A



DGO-7 Supplement
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