

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-11-0614-2961</u> |
| | FOR <u>WELL NO. V-536121</u> |) | |
| | |) | |
| | |) | |
| LEGAL DESCRIPTION: | |) | |
| | |) | |
| | DRILLING UNIT SERVED BY WELL |) | |
| | NUMBERED <u>V-536121</u> |) | |
| | TO BE DRILLED IN THE LOCATION |) | |
| | DEPICTED ON EXHIBIT A HERETO, |) | |
| | <u>Big Sandy Fuel Corporation Tract</u> |) | |
| | 134.58 Acres, more or less |) | |
| | <u>HAYSI QUADRANGLE</u> |) | |
| | <u>WILLIS DISTRICT</u> |) | |
| | <u>DICKENSON 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 **June 14, 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: None.
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. V-536121**.
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-536121** which is **2,259.25 feet from Range Resources-Pine Mountain, Inc. Well No. 809769** 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-536121** as well as the right to participate and develop the reciprocal well, being **Range Resources-Pine Mountain, Inc. Well No. 809769**;
 - 6.4 The proposed Well No. **V-536121** is located on the **Big Sandy Fuel Corporation Tract containing 134.58 acres** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **V-536121** 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 Resources-Pine Mountain, Inc. Well Nos. 809769** 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-536121** 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. **V-536121** to a depth of **5,181** 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, **Ravenc Cliff, Maxon, Big Lime, Weir, Berea** and **Devonian Shale**, from surface to total depth drilled, **5,181** feet ("Subject Formations");
 - 6.8 Applicant proposes to drill Well No. **V-536121** a distance of **240.75** feet closer to Well No. 809769 than the **2500** feet mandated by statewide spacing;

6.9 Applicant proposes to complete and operate Well No. V-536121 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 3 day of August, 2011, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 3rd day of August, 2011, by Order of this Board.

Rick Cooper
David E. Asbury Rick Cooper
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Russell 3rd day of August, 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 David E. Asbury, 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 the same and were authorized to do so.

Diane J. Davis
Diane J. Davis, Notary
174394

My commission expires: September 30, 2013

mword2000\pmog\well.location.exception.v-536121 order June 20, 2011]



TOTAL UNIT AREA
= 112.69 ACRES

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

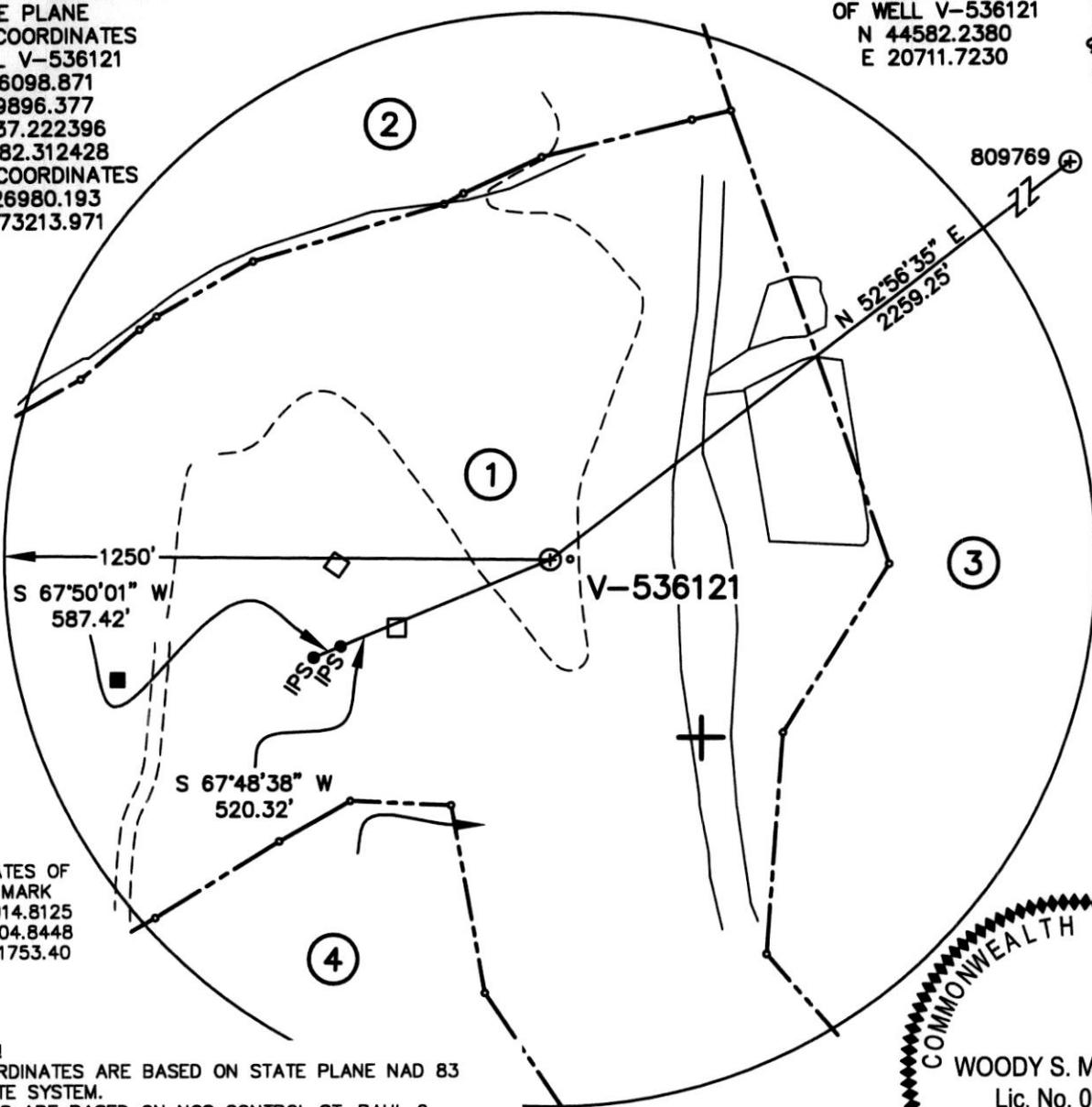
LATITUDE 37°15'00"

--- DENOTES MINERAL LINE
- - - DENOTES SURFACE LINE
- - - DENOTES SURFACE & MINERAL LINES

STATE PLANE
NAD 27 COORDINATES
OF WELL V-536121
N 346098.871
E 889896.377
LAT 37.222396
LON -82.312428
NAD 83 COORDINATES
N 3626980.193
E 10373213.971

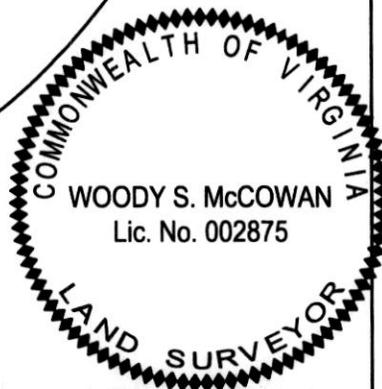
CCC COORDINATES
OF WELL V-536121
N 44582.2380
E 20711.7230

LONGITUDE 82°17'30"



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 RANGE RESOURCES. 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.



WELL LOCATION PLAT

COMPANY Range Resources WELL NAME AND NUMBER V-536121()

TRACT No. Big Sandy Fuel Corp. ELEVATION 1376.186 (GPS) QUADRANGLE HAYSI

COUNTY DICKENSON DISTRICT WILLIS SCALE: 1" = 400' DATE MAY 6, 2011

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.

Handwritten signature and date: 5-6-11

(AFFIX SEAL)

T&L

LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

①

Lease No.
BIG SANDY FUEL CORPORATION
134.58 ACRES
HEARTWOOD FORESTLAND FUND IV, LLC - Surface
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC- Coal
YELLOW POPLAR LUMBER COMPANY - Gas
RANGE RESOURCES-PINE MOUNTAIN, INC.-Oil
GAS 68.08 AC. - 60.41%

②

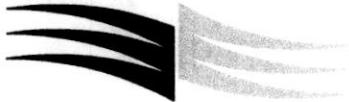
Lease No. 906889 / T-805
DREWRY BARTLEY
32.93 ACRES
HEARTWOOD FORESTLAND FUND IV, LLC - Surface
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &
RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal
RANGE RESOURCES-PINE MOUNTAIN, INC. - Oil, Gas
GAS 11.70 AC. - 10.38%

③

Lease No.
J. W. PUCKETT
56.97 ACRES
HEARTWOOD FORESTLAND FUND IV, LLC - Surface
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &
RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal
RANGE RESOURCES-PINE MOUNTAIN, INC. - Oil, Gas
GAS 24.53 AC. - 21.77%

④

Lease No. 244769
FON HILL
26.00 ACRES
ROCKY L. & DEBRA BAKER - Surface
DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA
LAND & RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal
FON HILL, ET AL - Oil, Gas
GAS 8.38 AC. - 7.44%



THOMPSON & LITTON

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

**RANGE RESOURCES
WELL No. V-536121
WELL PLAT SUPPLEMENT
SHEET 2**

PROJECT No.:
9731 PLAT

SCALE: 1" = 400'

DATE:
MAY 6, 2011