

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)	DOCKET NO.
	LIMITATIONS PRESCRIBED BY)	<u>VGOB-12-0417-3055</u>
	VA. CODE § 45.1-361.17 (a) (2))	
	FOR <u>WELL NO. V-530111</u>)	
)	
)	
LEGAL DESCRIPTION:)	
)	
	DRILLING UNIT SERVED BY WELL)	
	NUMBERED <u>V-530111</u>)	
	TO BE DRILLED IN THE LOCATION)	
	DEPICTED ON EXHIBIT A HERETO,)	
	<u>Big Sandy Fuel Corporation Tract</u>)	
	2,613.58 Acres, more or less)	
	<u>PRATER QUADRANGLE</u>)	
	<u>SANDLICK 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

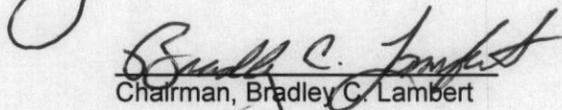
FINDINGS AND ORDER

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 **April 17, 2012** 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.

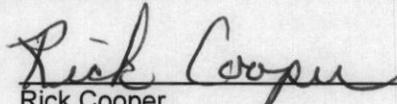
4. Amendments: None.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for **Well No. V-530111**.
7. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed **Well No. V-530111** which is **2,119.03 feet** from existing **Range Well No. 821027** at the location depicted on the Plat attached hereto as **Exhibit A**.
8. Special Findings: The Board specifically and specially finds:
 - 8.1 Applicant is **Range Resources-Pine Mountain, Inc.** Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 8.2 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;
 - 8.3 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-530111** as well as the right to participate and develop the reciprocal wells, being **Range Well No. 821027**;
 - 8.4 The proposed Well No. **V-530111** is located on the **Big Sandy Fuel Corporation Tract containing 2,613.58 acres** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **V-530111** that is depicted on the Plat attached hereto as **Exhibit A**;
 - 8.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal **Range Well No. 821027** and that the granting of the application filed herein will not impact the correlative rights of any person;
 - 8.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. **V-530111** 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;
 - 8.7 Applicant proposes the drilling of Well No. **V-530111** to a depth of **5,803** 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, **5,803** feet ("Subject Formations");
 - 8.8 Applicant proposes to drill Well No. **V-530111** a distance of **380.97** feet closer to existing **Range Well No. 821027** than the 2500 feet mandated by statewide spacing;

- 8.9 Applicant proposes to complete and operate **Well No. V-530111** for the purpose of producing Conventional Gas;
9. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**
10. 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.
11. 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 June, 2012, by a majority of the Virginia Gas and Oil Board.

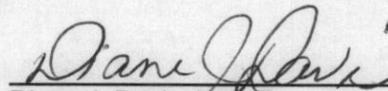

Chairman, Bradley C. Lambert

DONE AND PERFORMED this 14th day of June, 2012, by Order of this Board.


Rick Cooper
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF RUSSELL)

Acknowledged on this 14th day of June, 2012, 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 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
174394

My commission expires: September 30, 2013

mword2000\pmog\well.location.exception.V-530111.order April 23, 2012]



Exhibit "B"
Well Location Exception
Well No. V-530111

DEPTH -

5,803

Dickenson-Russell Coal Company
Maxxim Shared Services, LLC
Attn: Steve Smith
5703 Crutchfield Drive
Norton, VA 24273

ALPHA Land & Reserves, LLC
Attn: Steve Smith
5703 Crutchfield Drive
Norton, VA 24273

WBRD LLC
John Mooney
5260 Irwin Road
Huntington, WV 25705-3247

ACIN LLC
John Mooney
5260 Irwin Road
Huntington, WV 25705-3247

EQT Production Company
Attn: Tracy Coyne and Taylor Vactor
625 Liberty Avenue
Suite 1700
Pittsburgh, PA 15222

Bertha Oquinn
PO Box 695
Haysi, VA 24256

Melster Reece Tracey
112 Reece Dr.
Haysi, Virginia 24256

Kathy Deel
5649 Cranesnest Road
Vansant, VA 24656

Roger Owens
1774 Old Greenbriar Rd
Haysi, Virginia 24256

Jackie Owens
183 Vacey Mountain Road
Haysi, VA 24256

Danny Owens
Unknown

Oma Owens Deel
Unknown

WW Ownes Jr
1075 Finis Rd
Grundy, VA 24614

Amy Owens
PO Box 273
Hollister, FL 32047

Kristen L Owens
Unknown

Barbara Floyd
117 Benham St
Palatka, FL 32177

Carolyn Mullins
Unknown

Rodney Owens
568 Owens Br
Haysi, Virginia 24256

Becky Viers
PO Box 486
Haysi, Virginia 24256

Frenchmon Owens
18102 BlackHollow Rd
Abingdon, VA 24210

Ruth Adkins Owens
1009 Rockwell Cr
Vansant, VA 24656

Flora Owens Deel
1416 Owens Branch Rd
Vansant, VA 24656

Carolyn Mullins
528 Owens Branch
Haysi, VA 24256

Katherine Coleman
1065 Old Greenbriar Rd
Haysi, Virginia 24256

William Ellis Owens, Jr
135 Wrenwood Rd
Haysi, VA 24256

Jackie D & Deborah Branham
339 Sanctuary Farm Rd
Haysi, VA 24256

Joseph Smith Reese III
Unknown

Johnny Reese
Unknown

Ralph Reese
Unknown

James Reese
Unknown

Joann Larson
Unknown

Patricia Vanderford
Unknown

Deborah Green
P.O. Box 221
Birchleaf, VA 24220

Sheila & John P. Mueller
PO. Box 493
Hartland, MI. 48353

Timothy & Lynn Reece
2027 Walnut Rd.
Auburn Hills, MI. 48326

Michael Reece
8311 Shari Dr.
Westland, MI. 48185

Shirley & John P. Davidson
15284 Piedmont Circle
Bristol, VA 24202

Kate C. & James Kegley
12653 Chesterfield Lane
Bristol, Va 24202

Mildred Smith
361 Baugh Lane #1 (PO Box 64)
Abingdon, Va 24210

Linda & James Puckett
278 Powell Valley Shores Circle
Speedwell, TN 37870

Kathy A. & Ronald C. Erickson
172 Powell Valley Shores Circle
Speedwell, TN 37870

Kirk Ranta
103 Powell Valley Shores Circle
Speedwell, TN 37870

Sandy & Jerry Thomas
306 Thomas Mtn. Rd.
Haysi, Virginia 24256

Diana & James D. Worley
8324 Fieldstream Dr.
Meadowview, Virginia 24361

Debbie & David Dearman
PO drawer "A"
Haysi, Virginia 24256

Ralph Reese Heirs
Unknown

Eloisa Mullins
933 E. Rowland
Madison Heights, Michigan 48071

Ralph Compton
4982 US 42
Mt Gilead, Ohio 43338

Luther Lee Sutherland
134 Reece Dr.
Haysi, Virginia 24256

Bruce Sutherland
Po Box 294
Haysi, Va. 24256

Keaton Sutherland
Po Box 294
Haysi, Va. 24256

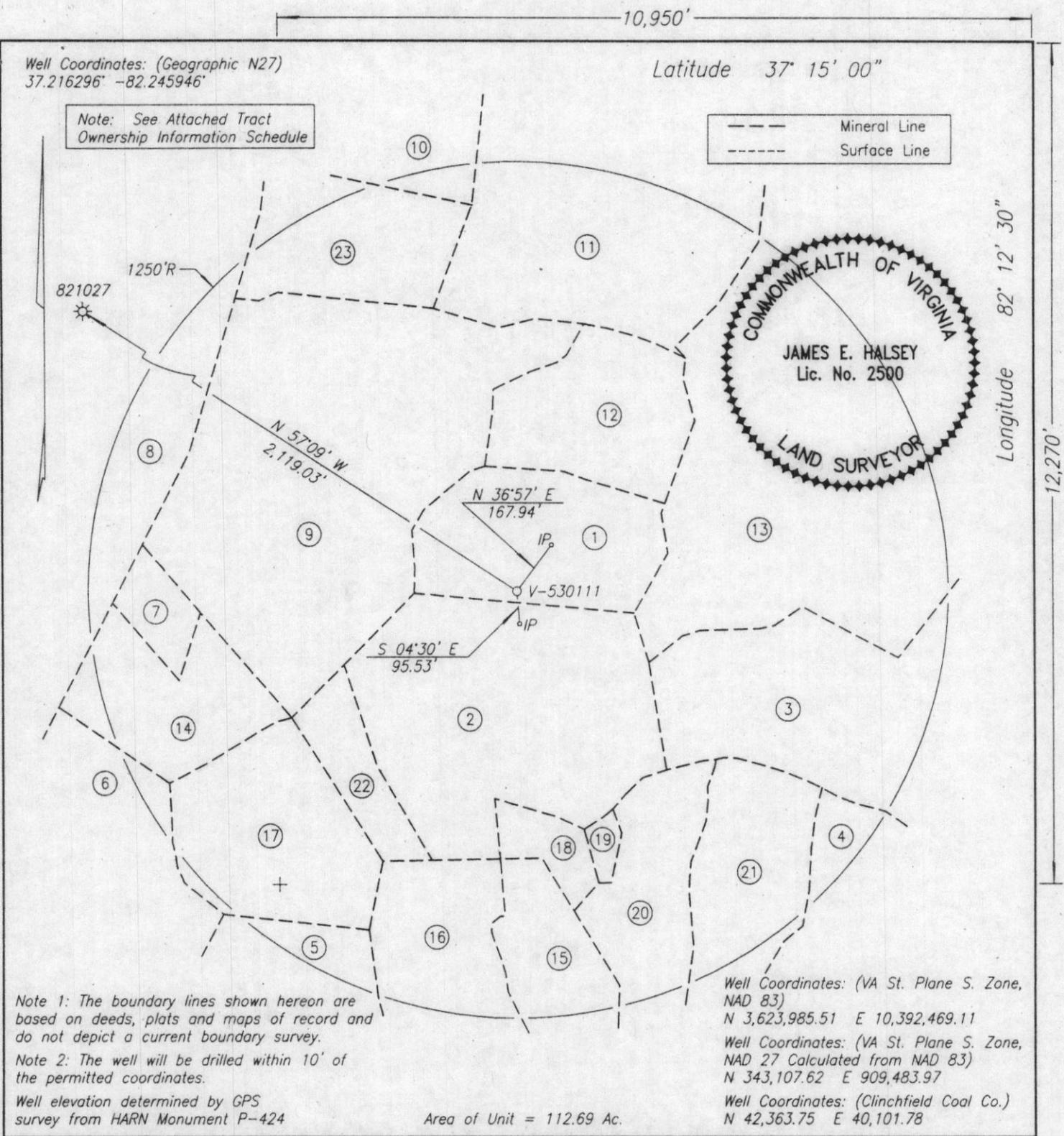
Larry & Barbara Owens
PO Box 87
Haysi, VA 24256

Hayes Oquinn
PO Box 22
Haysi, VA 24256

Robert & Adrienne Kendall
524 Wilderness Ln
Clintwood, VA 24228

Terry Epling
134 Beach Lovers Ln
Haysi, VA 24256

Donald Gene & Jackie Lynn Mullins
C/O Crystal Swinney
430 Owens Br.
Haysi, VA 24256



WELL LOCATION PLAT NORA GRID AA-62

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER V-530111
 TRACT NO. Big Sandy Fuel Corp. ELEVATION 1,761.49' QUADRANGLE Prater
 COUNTY Dickenson DISTRICT Sandlick SCALE 1" = 400' DATE 3-14-2012

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

Exhibit A

V-530111 Plat
TRACT OWNERSHIP INFORMATION SCHEDULE
2/15/2012

- 1 . Big Sandy Fuel Corporation
2,613.58 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Lease No. 450513457
Bertha O'Quinn - surface, oil & gas
5 Acres
Gas 5.77 Ac. 5.12%
- 2 . Big Sandy Fuel Corporation
2,613.58 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Lease No. 450513457
Bertha O'Quinn - surface, oil & gas
15 Acres
Gas 12.11 Ac. 10.75%
- 3 . Big Sandy Fuel Corporation
2,613.58 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Lease No. 450513457
Bertha O'Quinn - surface, oil & gas
47 Acres
Gas 7.93 Ac. 7.04%
- 4 . Lease No. 4505118071
Lena Owens - oil & gas
8 Acres
Gas 0.88 Ac. 0.78%
- 5 . Lease No.
Vickey Reece Heirs - oil & gas
3 Acres
Gas 0.97 Ac. 0.86%
- 6 . Lease No.
Melster Reece Tracey - oil & gas (Life Estate)
Kathy Deel - oil & gas (Remainder)
9 Acres
Gas 0.34 Ac. 0.30%
- 7 . Lease No.
W.W. Owens Heirs - oil & gas
1 Acre
Gas 1.13 Ac. 1.00%
- 8 . Big Sandy Fuel Corporation
4,141.88 Acres
Range Resources-Pine Mountain, Inc. - oil & gas
Gas 3.76 Ac. 3.34%
- 9 . Big Sandy Fuel Corporation
2,613.58 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Lease No.
W.W. Owens Heirs - oil & gas
30 Acres
Gas 19.09 Ac. 16.94%
- 10 . Lease No. 1063809
Carolyn Sue Mullins - oil & gas
5.52 Acres
Gas 0.44 Ac. 0.39%
- 11 . Lease No. 1174756
W.W. Owens Heirs - oil & gas
22 Acres
Gas 8.08 Ac. 7.17%
- 12 . Big Sandy Fuel Corporation
2,613.58 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Lease No.
W.W. Owens Heirs - oil & gas
5 Acres
Gas 4.88 Ac. 4.33%
- 13 . Big Sandy Fuel Corporation / Ls. No. 450511911
2,613.58 Acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson-Russell Coal Company LLC - coal lessee
Lease No. 4505119111
Katherine Coleman - oil & gas
41 Acres
Gas 16.29 Ac. 14.46%
- 14 . Lease No.
William Ellis Owens, Jr. - oil & gas
3 Acres
Gas 3.79 Ac. 3.36%
- 15 . Lease No. 450511815
Jackie D. & Deborah Branham - oil & gas
3 Acres
Gas 2.59 Ac. 2.30%
- 16 . Lease No. 450511855 A-J (partially leased)
Vickey Reese Heirs - oil & gas
6 Acres
Gas 3.76 Ac. 3.34%

- 17 . Lease No.
Vickey Reece - oil & gas
6 Acres
Gas 5.87 Ac. 5.21%
- 18 . Lease No. 450513456
Hayes O'Quinn - oil & gas
1.13 Acres
Gas 1.12 Ac. 0.99%
- 19 . Lease No. 450513456
Hayes O'Quinn - oil & gas
0.38 Acres
Gas 0.33 Ac. 0.29%
- 20 . Lease No. 450511814
Robert Kendall - oil & gas
2.62 Acres
Gas 3.85 Ac. 3.42%
- 21 . Lease No.
Terry Epling - oil & gas
3 Acres
Gas 4.02 Ac. 3.57%
- 22 . Lease No. 450270008
Larry & Barbara Owens - oil & gas
1.9 Acres
Gas 1.91 Ac. 1.69%
- 23 . Lease No. 1063809
Donald Gene & Jackie Lynn Mullins - oil & gas
5.48 Acres
Gas 3.78 Ac. 3.35%