

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>	)	VIRGINIA GAS
		)	AND OIL BOARD
RELIEF SOUGHT	<b>EXCEPTION TO STATEWIDE SPACING</b>	)	
	LIMITATIONS PRESCRIBED BY	)	DOCKET NO.
	VA. CODE § 45.1-361.17 (a) (2)	)	<u>VGOB-13-0716-4018</u>
	FOR <u>WELL NO. 900140</u>	)	
		)	
		)	
LEGAL DESCRIPTION:		)	
	DRILLING UNIT SERVED BY WELL	)	
	NUMBERED <u>900140</u>	)	
	TO BE DRILLED IN THE LOCATION	)	
	DEPICTED ON <b>EXHIBIT A</b> HERETO,	)	
	<u>Big Sandy Fuel Corporation Tract</u>	)	
	4,141.88 acres, more or less	)	
	<u>HAYSI QUADRANGLE</u>	)	
	<u>SANDLICK DISTRICT</u>	)	
	<u>DICKENSON COUNTY, VIRGINIA</u>	)	
	(the "Subject Lands" are more particularly described	)	
	on <b>Exhibit "A"</b> , 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 **July 16, 2013** at the Russell County Conference Center, 139 Highland Drive, Lebanon, Virginia.
2. Appearances: Timothy E. Scott of McKinnis & Scott, appeared for the Applicant. Denver Bailey appeared *pro se*.
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. 900140.
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. 900140 which is 1,458.58 feet from EPC Well No. V-530038; and, 1,620.07 feet from proposed Range Well No. VH-530183 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. **900140** as well as the right to participate and develop the reciprocal wells, being **EPC Well No. V-530038** and **Range proposed Well No. VH-530183**.
  - 8.4 The proposed Well No. **900140** is located on the Big Sandy Fuel Corporation Tract 4,114.88 acre Tract and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **900140** 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 proposed Well No. VH-530183** and **EPC Well No. V-530038** 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. **900140** 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 450 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. **900140** to a depth of **5,489** 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, **5,489** feet ("Subject Formations");

- 8.8 Applicant proposes to drill Well No. 900140 a distance of 1,041.42 feet closer to EPC proposed Well No. V-530038; 879.93 feet closer to Range proposed Well No. VH-530183 than the 2500 feet mandated by statewide spacing;
- 8.9 Applicant proposes to complete and operate Well No. 900140 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 5 day of August, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 5 day of August, 2013 by Order of the Virginia Gas and Oil Board.



Rick Cooper  
Principal Executive to the  
staff, Virginia Gas and Oil Board

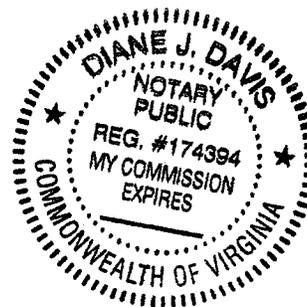
COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 5<sup>th</sup> day of August, 2013, 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 the 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 was authorized to do so.



Diane J. Davis, Notary Public  
174394

My Commission expires: September 30, 2013





900140 PLAT  
TRACT OWNERSHIP INFORMATION SCHEDULE  
4/5/2013

- |  |   |
|--|---|
| <p>1 . Big Sandy Fuel Corp.<br/>4,141.88 Acres<br/>ACIN LLC - coal<br/>Alpha Land &amp; Reserves LLC - coal lessee<br/>WBRD LLC - coal<br/>Dickenson - Russell Coal Company LLC - coal lessee<br/>Mullins Land and Mineral - coal<br/>Range Resources - Pine Mountain, Inc. - oil &amp; gas<br/>Gas 52.93 Ac. 46.97%</p> | <p>8 . Lease No.<br/>Lorene Stanicy - oil &amp; gas<br/>p/o 5 Acres<br/>Gas 3.55 Ac. 3.15%</p>            |
| <p>2 . A.F. Deel<br/>121.40 Acres<br/>ACIN LLC - coal<br/>Alpha Land &amp; Reserves LLC - coal lessee<br/>WBRD LLC - coal<br/>Dickenson - Russell Coal Company LLC - coal lessee<br/>Range Resources - Pine Mountain, Inc. - oil &amp; gas<br/>Gas 15.22 Ac. 13.52%</p>  | <p>9 . Lease No.<br/>Lorene Stanley - oil &amp; gas<br/>0.88 Acres<br/>Gas 0.21 Ac. 0.18%</p>             |
| <p>3 . Goolsby Counts<br/>163.09 Acres<br/>ACIN LLC - coal<br/>Alpha Land &amp; Reserves LLC - coal lessee<br/>WBRD LLC - coal<br/>Dickenson - Russell Coal Company LLC - coal lessee<br/>Range Resources - Pine Mountain, Inc. - oil &amp; gas<br/>Gas 7.52 Ac. 6.67%</p>   | <p>10 . Lease No.<br/>CSX Transportation, Inc. - oil &amp; gas<br/>Parcel<br/>Gas 0.21 Ac. 0.19%</p>      |
| <p>4 . T.K. Colley<br/>106.42 Acres<br/>ACIN LLC - coal<br/>Alpha Land &amp; Reserves LLC - coal lessee<br/>WBRD LLC - coal<br/>Dickenson - Russell Coal Company LLC - coal lessee<br/>Lease No. 450511805<br/>Lorene S. Stanley - oil &amp; gas<br/>20.73 Acres<br/>Gas 14.82 Ac. 13.15%</p>                            | <p>11 . Lease No.<br/>CSX Transportation, Inc. - oil &amp; gas<br/>Parcel<br/>Gas 0.84 Ac. 0.74%</p>      |
| <p>5 . Unleased<br/>Earl Boyd &amp; Hilda Owens Boyd - oil &amp; gas<br/>1 Acre<br/>Gas 2.15 Ac. 1.91%</p>   | <p>12 . Lease No.<br/>Jerry Deel - oil &amp; gas<br/>0.213 Acres<br/>Gas 0.22 Ac. 0.20%</p>               |
| <p>6 . Lease No. 450513404 (1219497)<br/>Vonda Hill Owens Shortridge - oil &amp; gas (1/2 int.)<br/>Burfin &amp; Sandra Owens - oil &amp; gas (1/2 int.)<br/>45.72 Acres<br/>Gas 5.92 Ac. 5.25%</p>  | <p>13 . Lease No.<br/>Lorene Stanley - oil &amp; gas<br/>0.910 Acres<br/>Gas 0.89 Ac. 0.79%</p>           |
| <p>7 . Lease No.<br/>Jerry Deel - oil &amp; gas<br/>4.20 Acres<br/>Gas 0.71 Ac. 0.63%</p>  | <p>14 . Lease No.<br/>Lorene Stanley - oil &amp; gas<br/>1.927 Acres<br/>Gas 2.06 Ac. 1.83%</p>           |
|  | <p>15 . Lease No.<br/>Lorene Stanley - oil &amp; gas<br/>p/o 2 Acres<br/>Gas 3.42 Ac. 3.03%</p>           |
|  | <p>16 . Lease No.<br/>Denver &amp; Bonnie Bailey - oil &amp; gas<br/>54 Acres<br/>Gas 2.00 Ac. 1.77%</p>  |
|  | <p>17 . Lease No.<br/>CSX Transportation, Inc. - oil &amp; gas<br/>0.757 Acres<br/>Gas 0.02 Ac. 0.02%</p> |

**Exhibit "B"**  
**Well Location Exception**  
**Well No. 900140**

**DEPTH - 5,489'**

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

Mullins Land and Mineral  
PO Box 951  
Clintwood, VA 24228

Lorene S Stanley  
PO Box 531  
Haysi, VA 24256

Earl & Hilda Boyd  
PO Box 82  
Birchleaf, VA 24220

Vonda Hill Owens Shortridge  
428 Henry Harrison Dr  
Birchleaf, VA 24220

Burlin Owens  
137 Burlin Dr  
Birchleaf, VA 24220

Jerry Deel  
26270 Dickenson Hwy  
Haysi, VA 24256

CSX Transportation, Inc  
Attn: Denise Arvanitas  
500 Water Street, J180  
Jacksonville, FL 32202

Denver & Bonnie Bailey  
PO Box 440  
Elkhorn City, KY 41522