

**Virginia Department of Mines, Minerals & Energy
Virginia Gas and Oil Board**

Minutes and results of hearing, October 16, 2007

Board members present (Quorum was established): Ms. Barber, Ms. Dye, Mr. Harris, Ms. Quillen, Mr. Ratliff, Mr. Wampler

1. The Board received a quarterly report on the board escrow account as administered by Wachovia Bank, Escrow Agent for the Virginia Gas and Oil Board.

Opening balance for the quarter was \$17,561,515.04. The account received deposits of \$993,526.78 plus interest income (net of expenses) of \$220,786.30, and was debited for \$338,125.29 in disbursements leaving a closing balance of \$18,437,702.29. Annualized interest rate for the quarter was 5.24%.

2. The Board, on its own motion, will reconsider prior approval of disbursement of funds to the Juanita Przybycki Heirs in conventional unit EH-18, Clintwood District, Dickenson County, Virginia. Docket Number VGOB 90-0419-0004-01. Continued from September.

Disbursement of funds to the Przybycki Heirs was approved by the Board on June 20, 2006, but discrepancies between testimony, pooling orders and the application were discovered as the disbursement order was being prepared. The item is being recalled for correction of testimony and recalculation of disbursement percentages. Continued to December.

3. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for re-pooling of coalbed methane unit AX-127, New Garden/Maiden Springs Districts, Russell and Tazewell County, Virginia. Docket Number VGOB-07-0619-1941-01. Continued from September.

In the AX-127 58.74-acre unit, the applicant controls 100% of the coal and 61.5% of the gas interests, and seeks to pool the remaining 38.5% of the gas interests. Unleased gas acreage subject to pooling totals 30.8 net acres in five tracts having five unleased claimants. There are conflicting claimants subject to escrow and conflicting claimants subject to existing royalty split agreements. A permit to drill the unit was issued on 1/9/07. Pooling was approved.

4. The Board will, on its own motion, reconsider prior approval of funds to Samuel J. Breeding, Teresa and Russell Campbell, Cheryl Fields and Dennis Counts, heirs of Inas Counts in coalbed methane unit VC-2832, Castlewood District, Russell County, Virginia. Docket Number VGOB-02-1217-1109-03.

On June 15, 2007, the Board approved disbursement of funds attributable to Tracts 2, 4 and 5 of the AX-127 unit. An order for disbursement was completed and recorded. On September 18, 2007 the unit was re-pooled and the ownership percentages of some owners were changed. The purpose of this hearing is to adjust disbursement percentages and consider re-authorization of disbursement. Disbursement was approved.

5. The Virginia Gas and Oil Board considered a petition from Chesapeake Appalachia, LLC for pooling of conventional gas unit 826109, Prater District, Buchanan, County, Virginia. Docket Number VGOB-07-0918-2026. Continued from September.

In the 826109 112.69-acre conventional gas unit, the applicant controls 99.0% of the oil and gas interests, and seeks to pool the remaining 0.9% of the interests. Unleased acreage subject to pooling totals 1.1 net acres in three tracts having six unleased owners. There are

unlocated owners subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

6. The Virginia Gas and Oil Board considered a petition from Pine Mountain Oil & Gas for a well location exception for proposed well V-537913, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-0821-2002. Continued from August.

The applicant seeks an exception in order to drill a conventional well closer to two existing wells than allowed under statewide spacing. The proposed well is to be 70 feet closer to existing Equitable gas well V-3953, and 487 feet closer to existing Equitable gas well P-247 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resource. No application for permit to drill the unit has been submitted. The location exception was approved.

7. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for re-hearing to correct testimony for disbursement of funds from escrow and authorization for direct payments of royalties on Tracts 1B, 1E a portion of IG and 1H, Unit W-35, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0324-0627-05.

On August 21, 2007 the Board approved disbursement of funds from Unit W-35. Preparation of the order revealed that testimony given at the hearing did not coincide with application materials. The applicant seeks to correct testimony and have disbursement re-authorized. Continued to December.

8. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for creation and pooling of conventional gas well B-24CV, Garden District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2040.

In the B-24CV 112.69-acre conventional gas unit, the applicant controls 99.99% of the oil and gas interests, and seeks to pool the remaining 0.01% of the interests. Unleased acreage subject to pooling totals 0.01 net acres in one tract having six unleased owners. There are no unlocated owners subject to escrow. An permit to drill the unit was issued on 9/28/07. The petition was withdrawn by the applicant.

9. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit C-14, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2041.

In the C-14 80-acre unit, the applicant controls 62.9% of the coal and gas interests, and seeks to pool the remaining 37.1% of the interests. Unleased acreage subject to pooling totals 29.7 net acres in two tracts having five unleased owners. There are no conflicting claimants subject to escrow. A permit to drill the unit was issued on 9/19/07. Pooling was approved.

10. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit AW-132, Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB-07-1016-2042.

In the AW-132 58.74-acre unit, the applicant controls 100% of the coal and 99.9% of the gas interests, and seeks to pool the remaining 0.01% of the gas interests. Unleased gas acreage subject to pooling totals 0.03 net acres in one tract having one unleased claimants. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Continued to December.

11. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit AX-132 Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB-07-1016-2043.

In the AX-132 58.74-acre unit, the applicant controls 100% of the coal and 85.5% of the gas interests, and seeks to pool the remaining 14.5% of the gas interests. Unleased gas acreage subject to pooling totals 8.5 net acres in two tracts having 14 unleased claimants. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Continued to December.

12. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for creation and pooling of conventional gas well unit AX-132CV, Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB-07-1016-2044.

In the AX-132CV 112.69-acre conventional gas unit, the applicant controls 83.7% of the oil and gas interests, and seeks to pool the remaining 16.3% of the interests. Unleased acreage subject to pooling totals 18.3 net acres in 10 tracts having 19 unleased owners. There are no unlocated owners subject to escrow. An application for permit to drill the unit has been submitted. Continued to December.

13. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for re-pooling of coalbed methane unit M-41, Garden District, Buchanan County, Virginia. Docket Number VGOB-95-0620-0507-01.

In the M-41 80-acre unit, the applicant controls 99.9% of the coal and gas interests, and seeks to pool the remaining 0.1% of the interests. Unleased acreage subject to pooling totals 0.8 net acres in two tracts having five unleased owners. There are no conflicting claimants subject to escrow. A permit to drill the unit was issued on 8/2/07. Pooling was approved.

14. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane unit VC-537648. Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-1016-2045.

In the VC-537648 58.77-acre unit, the applicant controls 100% of the coal and 91.0% of the gas interests, and seeks to pool the remaining 9.0% of the gas interests. Unleased gas acreage subject to pooling totals 5.3 net acres in one tract having one unleased claimant. There are conflicting claimants subject to escrow. A permit to drill the unit was issued on 8/2/07. Pooling was approved.

15. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane unit VC-537869, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-07-1016-2046.

In the VC-537869 58.74-acre unit, the applicant controls 100% of the coal and 96.9% of the gas interests, and seeks to pool the remaining 3.1% of the gas interests. Unleased gas acreage subject to pooling totals 1.9 net acres in one tract having one unleased claimant. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

16. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane unit VC-537889, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2047.

In the VC-537889 58.77-acre unit, the applicant controls 100% of the coal and 98.7% of the gas interests, and seeks to pool the remaining 1.3% of the gas interests. Unleased gas acreage subject to pooling totals 0.7 net acres in two tracts having 10 unleased claimants.

There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

17. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane unit VC-537890, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2048.

In the VC-537890 58.77-acre unit, the applicant controls 100% of the coal and 99.99% of the gas interests, and seeks to pool the remaining 0.01% of the gas interests. Unleased gas acreage subject to pooling totals 0.002 net acres in one tract having one unleased claimant. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. The petition was withdrawn by the applicant.

18. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane unit VC-537925, Lipps District, Wise County, Virginia. Docket Number VGOB-07-1016-2049.

In the VC-537925 58.77-acre unit, the applicant controls 100% of the coal and 97.0% of the gas interests, and seeks to pool the remaining 3.0% of the gas interests. Unleased gas acreage subject to pooling totals 1.7 net acres in two tracts having two unleased claimants. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

19. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of Nora coalbed unit BU-42, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-1016-2050.

In the BU-42 58.77-acre unit, the applicant controls 100% of the coal and 94.5% of the gas interests, and seeks to pool the remaining 5.5% of the gas interests. Unleased gas acreage subject to pooling totals 3.2 net acres in two tracts having 25 unleased claimants. There are conflicting claimants and unlocated owners subject to escrow. Two applications for permit to drill the unit have been submitted. Pooling was approved.

20. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane unit VC-537970, New Garden District, Russell County, Virginia. Docket Number VGOB-07-1016-2051.

In the VC-537889 58.77-acre unit, the applicant controls 100% of the gas and 94.4% of the coal interests, and seeks to pool the remaining 5.6% of the coal interests. Unleased coal acreage subject to pooling totals 3.3 net acres in two tracts having 44 unleased claimants. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

21. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for modification of Nora Coalbed Gas Field Rules to allow for drilling of an additional well in unit BU42, Kenady District, Dickenson County, Virginia. Docket Number VGOB-89-0216-0009-17.

The applicant seeks to modify a unit of the Nora Coalbed Field rules to allow for drilling of multiple wells. The original field rule allows for one well per 60-acre unit. Several areas of the Nora Field have previously been approved for multiple wells. Continued to November.

22. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for modification of Nora Coalbed Gas Field Rules to allow for drilling of an additional well in units BI52, BJ52 and BK51, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-89-0216-0009-18.

The applicant seeks to modify a portion of the Nora Coalbed Field rules to allow for drilling of multiple wells in each 60-acre unit. The original field rule allows for one well per 60-acre unit. Several areas of the Nora Field have previously been approved for multiple wells. The field rule modification was approved.

23. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for establishment of 320-acre conventional until for drilling of horizontal wells, Gladeville and Lipps Districts, Wise County, Virginia. Docket Number VGOB-07-1016-2053.

The applicant is seeking to establish a provisional 320-acre square unit for the drilling of a horizontal well or wells to deep (non-coal) horizons. Requested relief would include provisions for drilling of horizontal wells into any of several conventional horizons, and the payment of royalties to all owners within the unit according to their percentage ownership in the unit. The provisional unit was approved.

24. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payments of royalties on Tract 5, Unit VC-504509, Kenady District, Dickenson County, Virginia. Docket Number VGOB-01-1120-0986-02.

Owners with conflicting claims to escrowed royalty funds have reached an agreement under Section 45.1-361.22.A(ii) allowing for distribution of funds attributable to their interests. Disbursement was approved.

25. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payments of royalties on Tract 8, VC-503042, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-04-1214-1373-01.

Owners with conflicting claims to escrowed royalty funds have reached an agreement under Section 45.1-361.22.A(ii) allowing for distribution of funds attributable to their interests. Disbursement was approved.

26. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payments of royalties on Tract 1, Unit VC-2846, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-93-0316-0343-01.

Owners with conflicting claims to escrowed royalty funds have reached an agreement under Section 45.1-361.22.A(ii) allowing for distribution of funds attributable to their interests. Disbursement was approved.

27. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payments of royalties on Tract 2, Unit VC-504484, Kenady District, Dickenson County, Virginia. Docket Number VGOB-01-0821-0919-01.

Owners with conflicting claims to escrowed royalty funds have reached an agreement under Section 45.1-361.22.A(ii) allowing for distribution of funds attributable to their interests. Pooling was approved.

28. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payments of royalties on Tract 3, Unit VC-504248, Kenady District, Dickenson County, Virginia. Docket Number VGOB-04-1116-1363-01.

Owners with conflicting claims to escrowed royalty funds have reached an agreement under Section 45.1-361.22.A(ii) allowing for distribution of funds attributable to their interests. Disbursement was approved.

29. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payments of royalties on Tract 3, Unit VC-505241, Kenady District, Dickenson County, Virginia. Docket Number VGOB-04-0817-1325-01.

Owners with conflicting claims to escrowed royalty funds have reached an agreement under Section 45.1-361.22.A(ii) allowing for distribution of funds attributable to their interests. Disbursement was approved.

30. The Virginia Gas and Oil Board considered a petition from Daugherty Petroleum, Inc. for creation and pooling of conventional gas unit DPI-1795, Rocky Station District, Lee County, Virginia. Docket Number VGOB-07-1016-2054.

In the DPI-1795 112.69-acre conventional gas unit, the applicant controls 95.8% of the oil and gas interests, and seeks to pool the remaining 4.2% of the interests. Unleased acreage subject to pooling totals 8.1 net acres in one tract having one unleased owner. There are unlocated owners subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

31. The Virginia Gas and Oil Board considered a petition from Appalachian Energy, Inc. for pooling of coalbed methane unit E-100, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2055.

In the E-100 58.77-acre unit, the applicant controls 43.0% of the coal interests and 44.0% the gas interests, and seeks to pool the remaining 57.0% of the coal interests and 59.1% of the gas interests. Unleased coal acreage subject to pooling totals 33.4 net acres in two tracts with seven unleased owner. Unleased gas acreage totals 34.7 net acres in two tracts having eight unleased owners. There are conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

32. The Virginia Gas and Oil Board considered a petition from Appalachian Energy, Inc. for pooling of coalbed methane unit F-100, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2056.

In the F-100 61.43-acre unit, the applicant controls 51.4% of the coal interests and 53.7% the gas interests, and seeks to pool the remaining 46.3% of the coal interests and 48.6% of the gas interests. Unleased coal acreage subject to pooling totals 32.2 net acres in three tracts with nine unleased owner. Unleased gas acreage totals 33.7 net acres in three tracts having 10 unleased owners. There are conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

33. The Virginia Gas and Oil Board considered a petition from Appalachian Energy, Inc. for pooling of coalbed methane unit G-100, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2057.

In the G-100 61.43-acre unit, the applicant controls 89.5% of the coal interests and 88.6% the gas interests, and seeks to pool the remaining 10.5% of the coal interests and 11.4% of the gas interests. Unleased coal acreage subject to pooling totals 6.45 net acres in two tracts with eight unleased owner. Unleased gas acreage totals 11.4 net acres in two tracts having nine unleased owners. There are conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

34. The Virginia Gas and Oil Board considered a petition from Appalachian Energy, Inc. for pooling of coalbed methane unit G-101, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2058.

In the G-101 58.77-acre unit, the applicant controls 68.1% of the coal interests and 66.8% the gas interests, and seeks to pool the remaining 33.2% of the coal interests and 31.9% of the gas interests. Unleased coal acreage subject to pooling totals 18.7 net acres in two tracts with eight unleased owner. Unleased gas acreage totals 18.4 net acres in two tracts having nine unleased owners. There are conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

35. The Virginia Gas and Oil Board considered a petition from Chesapeake Appalachia, LLC for creation and pooling of conventional gas unit 825737, Knox District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2059.

In the 825737 112.69-acre conventional gas unit, the applicant controls 70.4% of the oil and gas interests, and seeks to pool the remaining 29.6% of the interests. Unleased acreage subject to pooling totals 33.4 net acres in two tracts having 13 unleased owners. There are unlocated owners subject to escrow. No application for permit to drill the unit has been submitted. The petition was withdrawn by the applicant.

36. The Virginia Gas and Oil Board considered a petition from Chesapeake Appalachia, LLC for creation and pooling of conventional gas unit 826497, Knox District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2060.

In the 826497 112.69-acre conventional gas unit, the applicant controls 90.2% of the oil and gas interests, and seeks to pool the remaining 9.8% of the interests. Unleased acreage subject to pooling totals 11.0 net acres in one tract having one unleased owner. There are no unlocated owners subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

37. The Virginia Gas and Oil Board considered a petition from Chesapeake Appalachia, LLC for a well location exception for proposed well 826497, Knox District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2061.

The applicant seeks an exception in order to drill a conventional well closer to an existing well than allowed under statewide spacing. The proposed well is to be 457 feet closer to existing Chesapeake gas well 9046 than the 2500 feet mandated by spacing. The exception is needed to accommodate a coal mine plan. An application for permit to drill the unit has been submitted. The location exception was approved.

38. The Virginia Gas and Oil Board considered a petition from Chesapeake Appalachia, LLC for a well location exception for proposed well 826458, Knox District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2062.

The applicant seeks an exception in order to drill a conventional well closer to two existing or proposed wells than allowed under statewide spacing. The proposed well is to be 213 feet closer to proposed Chesapeake gas well 826457, and 72 feet closer to existing Chesapeake gas well 9046 than the 2500 feet mandated by spacing. The exception is needed to accommodate surface problems and stay clear of coal operations. An application for permit to drill the unit has been submitted. The location exception was approved.

39. The Virginia Gas and Oil Board considered a petition from Chesapeake Appalachia, LLC for a well location exception for proposed well 826621, Knox District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2063.

The applicant seeks an exception in order to drill a conventional well closer to a proposed well than allowed under statewide spacing. The proposed well is to be 669 feet closer to proposed Chesapeake gas well 826620 than the 2500 feet mandated by spacing. The exception is needed to accommodate a coal mine plan. An application for permit to drill the unit has been submitted. The location exception was approved.

40. The Virginia Gas and Oil Board considered a petition from Chesapeake Appalachia, LLC for establishment of 320-acre conventional units for drilling of horizontal wells, Knox District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2064.

The applicant is seeking to establish a provisional 320-acre square unit for the drilling of a horizontal well or wells to deep (non-coal) horizons. Requested relief would include provisions for drilling of horizontal wells into any of several conventional horizons, and the payment of royalties to all owners within the unit according to their percentage ownership in the unit. The provisional drilling unit was approved.

41. The Virginia Gas and Oil Board considered a petition from Chesapeake Appalachia, LLC for establishment of 320-acre conventional units for drilling of horizontal wells, Knox District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2065.

The applicant is seeking to establish a provisional 320-acre square unit for the drilling of a horizontal well or wells to deep (non-coal) horizons. Requested relief would include provisions for drilling of horizontal wells into any of several conventional horizons, and the payment of royalties to all owners within the unit according to their percentage ownership in the unit. The provisional drilling unit was approved.

42. The Virginia Gas and Oil Board considered a petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit RRR-36, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2066.

In the RRR-36 44.7-acre unit, the applicant controls 100% of the coal and 76.7% of the gas interests, and seeks to pool the remaining 23.3% of the gas interests. Unleased gas acreage subject to pooling totals 10.4 net acres in two tracts having seven unleased claimants. There are conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

43. The Virginia Gas and Oil Board considered a petition from Pine Mountain Oil & Gas for a well location exception for proposed well V-530011, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-1016-2067.

The applicant seeks an exception in order to drill a conventional well closer to four existing wells than allowed under statewide spacing. The proposed well is to be 500 feet closer to existing Equitable gas well P-69, 70 feet closer to existing Equitable gas well P-207, 800 feet closer to existing Equitable gas well P-72, and 20 feet closer to existing Equitable gas well P-70 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resource. No application for permit to drill the unit has been submitted. The petition was withdrawn by the applicant.

44. The Virginia Gas and Oil Board considered a petition from Pine Mountain Oil & Gas for a well location exception for proposed well V-530020, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-07-1016-2068.

The applicant seeks an exception in order to drill a conventional well closer to three existing wells than allowed under statewide spacing. The proposed well is to be 147 feet closer to existing Equitable gas well V-2016, 591 feet closer to existing Equitable gas well VAD-3685,

and 488 feet closer to existing Equitable gas well P-208 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resource. No application for permit to drill the unit has been submitted. The location exception was approved.

45. The Virginia Gas and Oil Board considered a petition from Pine Mountain Oil & Gas for a well location exception for proposed well V-530016, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-1016-2069.

The applicant seeks an exception in order to drill a conventional well closer to three existing wells than allowed under statewide spacing. The proposed well is to be 52 feet closer to existing Equitable gas well P-435, 854 feet closer to existing Equitable gas well P-391, and 312 feet closer to existing Equitable gas well P-550450 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resource. No application for permit to drill the unit has been submitted. The location exception was approved.

46. The Virginia Gas and Oil Board, on its own motion, will consider a proposal to define the boundary and unit configurations at the juncture of the Oakwood and Nora Coalbed Methane Fields and to modify Field Rules under Docket numbers 89-0126-0009 and 93-0216-0325, as previously modified, to include that boundary definition.

The boundary of the Oakwood Coalbed Methane Field has been modified several times so as to overlap or adjoin the Nora Coalbed Methane Field. Neither the exact boundary between the two fields nor the size and shape of units at the boundary has been defined. Carried forward indefinitely pending resolution of boundary discrepancies.

The Virginia Gas and Oil Board called for public comments regarding Board matters immediately following the final Docket item. No comments were heard.

The deadline for filing of petitions to the Board for the November 2007 hearing is 5 p.m., Friday, October 12, 2007 with the hearing scheduled for 9 a.m. on Tuesday, November 13, 2007 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.