

VIRGINIA OIL AND GAS CONSERVATION BOARD HEARING

EXCEL ENERGY, INCORPORATED

WELL LAFORCE #1 E-54, FORCED POOLING APPLICATION

TAZEWELL COUNTY, VIRGINIA

August 15, 1989, 9:30 a.m.

MEMBERS PRESENT

Wampler, Acting Chairman  
Bunn  
t Whisonant  
er Starkey

Lepchitz, Assistant Attorney General  
ulmer, State Oil & Gas Inspector

ROSTER

EXCEL ENERGY'S FORCED POOLING HEARING  
LAFORCE #1 E-54  
AUGUST 15, 1989, TAZEWEEL, VIRGINIA

Mr. Rex Cecil Ray	P. O. Box 909, Poca, WV 24149/Consol Coal/Ray Resources
Mr. Louis A. Ferrari, CPL	P. O. Box 1020, Bridgeport, WV 26330/Excel Energy, Inc.
Mr. Jim Bunn	Board Member
Mr. Chester Starkey	Board Member
Mr. Benny Wampler	Actinging Chairman, Conservation Board
Dr. Robert Whisonant	Board Member
Mr. Tom Fulmer	State Oil & Gas Inspector
Mr. Mike Lepchitz	Assistant Attorney General
Ms. Diane Davis	Secretary, Division of Gas & Oil

Mr. Wampler

Good morning this is a meeting called before the Oil and Gas Conservation Board. We will now convene this hearing. As we begin, I will introduce the people here so you can become more familiar with our Board. To my left is Mr. Jim Bunn, to my right is Mr. Chester Starkey, Robert Whisonant, Ms. Davis, Secretary for our Gas and Oil Office, sitting down to our right is Tom Fulmer, Oil & Gas Inspector and Michael Lepchitz, Assistant Attorney General for our Department. My name is Benny Wampler, I am Assistant Director for the Department of Mines, Minerals and Energy and serving as Acting Chairman of the Oil and Gas Conservation Board. This hearing today is requested by Excel Energy for forced pooling for Laforce #1 E-54 well and Mr. Ferrari I will ask you to introduce yourself and go ahead with your presentation and tell us what you would like for us to do and give the background please.

Mr. Ferrari

It is nice meeting you all. My name is Louis Ferrari. I am a certified petroleum landman and also the land manager for Sprigg Lane Natural Resources, Incorporated who is the designated agent for Excel in the State of Virginia. Sprigg Lane Natural Resources will own the majority of the working interest in our LaForce #1 well. I apologize for the weak showing but we have a couple of rigs running in West Virginia and two other people who are suppose to be here cancelled on me last evening so I am going to try to do this myself. So, I apologize. Never the less, we had acquired a lease from Mr. Vincent LaForce, owner of 70 acres in fee in Maiden Spring District, Tazewell County, on \_\_\_\_\_ Ridge. We proceeded to locate and permit a well on the piece. We went through our permitting process. After we had acquired the permit, we received a notification of a stay on that permit by Mr. Fulmer because of a claim submitted by Cecil Ray individually, Ray Resources, Great Western as a joint venture partner to Consolidation Coal Company who was an adjoining mineral owner. It is very confusing as it was to us initially because there is no lease of record between Consolidation Coal to anyone other than to Conoco Inc. which was notified. So the stay and the claim against our permit came to a complete surprise to us. So we attended a fact finding hearing in Abingdon in front of Mr. Fulmer and at that time myself and Brad Thomas, our geologist, was there and Mr. Ray was there also. At that point we presented a lot of information to Mr.



Fulmer and what we came up with at that meeting is that we both agreed, Excel and Ray to to work out some sort of mutual operating agreement so as to voluntarily come to some sort of split of interest rather than having it come to this point. We have tried a number of different times. Our attempts were not successful so that leads me to being here today. At this point our well is staked and we are poised to drill and complete the LaForce #1 well which we would like to do so and I am hoping that you all will come up with some equitable way in order to divide up the interests as per the laws of the State of Virginia. I think I covered everything. I apologize for my presentation, this is the first time I have been through one of these, please interject where ever.

Mr. Wampler

That is ok. Ms. Davis I would like to clarify for the record, have all the parties been notified and do you have return receipts of those notifications that should have been notified?

Ms. Davis

All the parties that were identified in the well work permit application and in the forced pooling application were sent certified return receipt letters notifying them of the hearing. I can't honestly say which cards I have received back because today is the first day I have been back since the date I mailed these. But I understand the cards have been coming in.

Mr. Fulmer

Yes sir they are all here.

Mr. Wampler

O.k. Was Consol-Ray Resources notified of the hearing?

Mr. Ferrari

No sir. They were not.

Ms. Davis

Conoco was

Mr. Ferrari

If you would like, I can clear up in everyone's mind the exact situation there.

Mr. Wampler

Please

Mr. Ferrari

I Will go ahead and do that. We on our drilling permit we were to notify everyone of record. Of record, Vincent LaForce, fee owner, of the tract we are drilling, Consolidation Coal Company has a fee owner of adjoining tract and the only lessee was Conoco, Incorporated where as Consolidated leased this in an 18,000 acre lease to Conoco. That was



the only owners of record and that is why we used what we did. On our application you will notice that at the bottom of Exhibit B these are the owners of record even though there had been a previous objection filed by Great Western, Inc. and Ray Resources as alleged lessees.

Mr. Wampler

I believe in your testimony you said there was not record of a lease between Consolidation Coal and Ray Resources, is that correct?

Mr. Ferrari

No, in our fact finding hearing we understood that there was some sort of contractual relation and requested some sort of verification which we never did receive so at this point we are only aware of what is of record which is on our Exhibit B.

Mr. Lepchitz

Mr. Chairman, I have a question or two?

Mr. Wampler

Go ahead Mr. Lepchitz.

Mr. Lepchitz

I apologize, I didn't write your name down, can you tell me?

Mr. Ferrari

Louis Ferrari, F-E-R-R-A-R-I

Mr. Lepchitz

Mr. Ferrari, in looking at the application I gather that Excel Energy will be designated as the operator, is that correct?

Mr. Ferrari

That is correct.

Mr. Lepchitz

And you anticipate drilling to and to produce from the Greasy Creek formation?

Mr. Ferrari

I think that is the Greasy Creek Field, Berea, Lime, Weir, Lower Berea, Maxon, Ravencliff

Mr. Lepchitz

What do you anticipate as being an appropriate unit size?

Mr. Ferrari

Of course we had extensive talks with Consol Coal and Ray to try and come up with something amicable and we feel that where our well is positioned on our acreage that a area of 1250' radius around our well bore, we feel is sufficient drainage and with the lack of geologist and his computations in front of me I think that would leave about 60 percent of the total drained area under our leased premises so I am proposing that 60-40/ 60 being Excel and 40 being drainage under Consol-Ray acreage.

Mr. Lepchitz	What you are basically saying is that any acreage on the Consol tract within the 1250' well bore radius be included in the unit.
Mr. Ferrari	Yes
Mr. Lepchitz	Are you also asking that Excel be designated as operator of the unit?
Mr. Ferrari	Yes sir
Mr. Lepchitz	Are you requesting that Consol tract be given the option of participating as a contributing operator?
Mr. Ferrari	Yes sir
Mr. Lepchitz	If they don't participate as a contributing operator to be compelled to participate in the forced pooling arrangement?
Mr. Ferrari	Yes sir
Mr. Lepchitz	Are you suggesting any penalty or forfeiture clause if they do not participate?
Mr. Ferrari	We had and I may have it here, a written proposal to Ray and of course it wasn't accepted and what I proposed, it seems to me after reviewing the regs that it is pretty well spelled out as far as the options of the operator that we are draining as far as now if they would like to participate or be non-participating I am not well versed at that but we are resigned to the fact that...
Mr. Lepchitz	Are you asking the Board to adopt the minimum expressed in the Code?
Mr. Ferrari	Exactly
Mr. Lepchitz	What do you anticipate as your completion costs?
Mr. Ferrari	Here again, I am at a disadvantage. We also submitted an AFE to Ray that we thought was reasonable.
Mr. Lepchitz	Will you tender one to the Oil and Gas Inspector?
Mr. Ferrari	Will we or did we?
Mr. Lepchitz	Will you?
Mr. Ferrari	Yes sir, no problem.

Mr. Lepchitz	Will you make it show completion costs of a producing well as well as a dry hole?
Mr. Ferrari	Yes sir
Mr. Lepchitz	I believe that is all I have Mr. Chairman.
Mr. Wampler	Any of the Board members have any questions at this time?
Mr. Whisonant	Just by way of background, why are you and Ray/Conoco unable to reach an agreement? What happened at the fact finding?
Mr. Fulmer	At the fact finding hearing we met with Excel and Cecil Ray/Ray Resources. The conclusion of the fact finding hearing or the agreement made at that time was they would work things out. The permit itself under my auspice, I did permit the well but under the condition that they go to the Board and get a unit. They had said that they would try to work things out prior to that without having to go to the Board, thus Excel submitted a new well and cancelled the old well then petitioned for a unit. So obviously they did not come to any type of an agreement during that time period.
Mr. Whisonant	Is it the ownership problem or is it the unit size? I am just fishing for some background.
Mr. Fulmer	This is just conjecture on my part and I think you probably have some witnesses here that can clarify that out. I think Cecil is here so he can answer Ray Resources side of it.
Mr. Wampler	I think what would be good for us to do now is to excuse Mr. Ferrari and to allow Mr. Ray to make a presentation, if you guys will just....
Mr. Ferrari	Give me a second here to get organized.
Mr. Wampler	Bear with us with the setting here, it is a little inconvenient. If you will stay close by I am sure we will have some questions.
Mr. Ferrari	Sure, when you say excuse do you want me to leave?
Mr. Wampler	No
Mr. Ferrari	Thank you



Mr. Wampler	If you will for the record state your full name and who you represent.
Mr. Ray	My name is Rex Cecil Ray and I represent Consolidation Coal and Great Western Drilling, Inc., myself individually and Ray Resources.
Mr. Wampler	What is your position with these companies that you represent?
Mr. Ray	I have been designated by Consolidation Coal as a representative here at the hearing. I am Vice President of the other two companies.
Mr. Bunn	When you say the other two companies, which ones?
Mr. Ray	Ray Resources and Great Western?
Mr. Bunn	Vice President of what, operations?
Mr. Ray	Drilling, pipeline and well if all my titles were on one card it would weigh nine pounds I believe. I do a little bit of everything.
Mr. Wampler	If you will please describe to the Board the position of Consol and Ray Resources?
Mr. Ray	Their connection?
Mr. Wampler	Untangle that for us and tell us your view of this well.
Mr. Ray	In the early 60's my father and uncle entered into an agreement with Consolidation Coal and that agreement is a joint operating agreement which is not normally recorded and in that joint operating agreement it gave us exclusive rights to be a partner on the property. In otherwords they had 75% of each well and we have 25%. As the company grew, as the partnership grew, some of the wells were drilled some of the interest owners in the wells went into Ray Resources which later became through a series of buyouts and mergers Great Western. I have a personal interest in some of the wells. Ray Resources does and as Great Western does. Great Western is the operator, the physical operator of the well. That is what is designated on our bond I believe. I can see with the first hearing why were were not, why I didn't get notification of it as not being on record. But after our informal hearing I felt that we should have been notified because they were made aware of

our situation. We did not provide them with a copy of the joint operating agreement and the reason we did not was Consol felt that they should not do that. That was an agreement between ourselves and Consol and it should stay there. Consol and ourselves do not have objections to this well being drilled. We do have objections to the amount of acreage and spacing that would be assigned to the unit. Being a producer and a drilling contractor and a pipeline contractor we like to see people do work. We do not want them to be held up but we do have some definite thoughts on the size of the unit and how much drainage an average well in that area will do. We currently have fourteen wells, well fifteen, one is in the edge of West Virginia, that are in the area with some production figures that date back to 1966. We can show, I have some numbers to present here that the reserves on those wells, an average reserve on those wells are a little over a billion one. As a calculation which you might like to see, I calculated it a little bit conservative also. I calculated the reserves a little bit smaller than what I thought they were. It showing somewhere in the neighborhood of 231 acres in a unit. Which would put us right at 70% of the well. I also have copies of the reserve figures and the initial cumulative production of our group of 15 wells in the area. Their initial rock pressures. What the current line pressure is and what I did was try to calculate just as a quick reserve number being the bottom line being the line pressure and taking the mcf/lbs of rock pressure and how much rock pressure is left and calculate it in that direction. These figures in this calculation was through 1984. That was a good solid rock pressure that I had taken myself. These production figures are a little bit different.

Mr. Wampler

Are you presenting these as exhibits that we may keep?

Mr. Ray

Yes

Mr. Wampler

Thank you

Mr. Ray

It is public record so Consol allowed me to do that. I also have yearly production if it is needed.

Mr. Wampler

Narrow the dispute for me. Is it essentially the difference Excel presenting 60/40 split and you are saying that 60 for Excel 40 for Consol and Consol

Ray and you are saying 70 for Consol Ray and 30 for Excel?

Mr. Ray

That is what the calculations, that is what we believe is the basis for the calculation and as a general rule an individual would not like to be a partner in a well that he has 70% of and not be able to either operate it or have some control over it. Consol at this point also does not have any money budgeted and the availability of funds to be in this well is 0. They have made that very clear and wanted me to pass that to the Board as well there is 75% interest in whatever you would deem reasonable, our 25% interest would also go non-consent. So as jointly on our interest we would go non-consent on it.

Mr. Wampler

Do you have any recent completion costs of the wells to present as a comparison?

Mr. Ray

No sir. Of the wells that are structured as ours is?

Mr. Wampler

Yes

Mr. Ray

No we do not. Nothing recent.

Mr. Wampler

Mr. Lepchitz

Mr. Lepchitz

I want to see those.

Mr. Wampler

Sure. Are there any other objections surrounding the drilling of this well?

Mr. Ray

No

Mr. Wampler

You mentioned that Ray Resources was subsequently bought out by Great Western, is Ray Resources currently a legal entity in the State of Virginia or is it Great Western?

Mr. Ray

Just Great Western, I believe.

Mr. Wampler

When Great Western purchased Ray Resources did that purchase encompass this joint agreement with Consolidation Coal?

Mr. Ray

As far as their interests are to operate in the wells that they have a net revenue or working interest in.



Mr. Wampler

So the State of Virginia recognizes the corporation of Great Western at the present time. Is that correct?

Mr. Ray

Yes sir

Mr. Starkey

Could you go back over that. The answer you gave Mr. Wampler earlier. I mean just before this one about .....

Mr. Bunn

About Consol and your reasoning for not participating.

Mr. Ray

Consolidation Coal, of course, is not in the oil and gas business other than the joint venture that we have with them. They have not designated any money in their budget and I have been told by their representative Mr. Lloyd Price, he is the gentleman I deal with on a regular basis and who appointed me to represent them here, that they had no money and would not be able to obtain any money to be able to put in to the completion of this well.

Mr. Starkey

I am interested in the statement you made about the continuation of the operating agreement that was entered into between your father and your uncle and Consol. I think the question was do you think that is still maintained?

Mr. Ray

Yes

Mr. Starkey

I didn't get that out of your first answer. It is still maintained?

Mr. Ray

Yes sir it is still maintained.

Mr. Bunn

What you are saying is, let me understand it, that if Consol elects not to participate in this do you not still have an interest that you can participate in it as an individual?

Mr. Ray

Yes sir we would be able to. We would be able to take either through the joint operating agreement we would be able to take 100% of the well if we so choose or 100% of what ever is designated. We have declined to do that because of other interests and financially we need our cash somewhere else right now. We have come to a conclusion that we would be better off not to participate in this well. We have other things that we are committed to and our dollars are committed to.

	<i>I think Consol is who we would look to as an owner of record.</i>
<i>Mr. Wampler</i>	<i>That was my concern, thank you.</i>
<i>Mr. Bunn</i>	<i>At this time you do have these operating wells on the Consol property?</i>
<i>Mr. Ray</i>	<i>Yes sir</i>
<i>Mr. Bunn</i>	<i>Do you have plans of drilling other wells at this time?</i>
<i>Mr. Ray</i>	<i>Yes sir we do.</i>
<i>Mr. Wampler</i>	<i>Are those wells that you currently have permitted, are they permitted under Ray Resources or Great Western?</i>
<i>Mr. Ray</i>	<i>There are no wells currently permitted. We have not permitted a well probably 12 or 13 years but we have some drilling programs going together trying to promote the property.</i>
<i>Mr. Wampler</i>	<i>Of these wells you mentioned then, how are they permitted?</i>
<i>Mr. Ray</i>	<i>The wells currently on the property?</i>
<i>Mr. Wampler</i>	<i>Yes</i>
<i>Mr. Ray</i>	<i>Probably under Consolidation Coal or Consol-Ray. I am not sure, I don't have a copy of the permits with me.</i>
<i>Mr. Wampler</i>	<i>Are they in Virginia?</i>
<i>Mr. Ray</i>	<i>YES</i>
<i>Mr. Wampler</i>	<i>Do you know how they are permitted Mr. Fulmer?</i>
<i>Mr. Fulmer</i>	<i>Consolidated Ray, Consol-Ray</i>
<i>Mr. Wampler</i>	<i>O.k. Mr. Fulmer, under those wells who is the permittee?</i>
<i>Mr. Fulmer</i>	<i>Consol-Ray</i>
<i>Mr. Wampler</i>	<i>Who is the designated representative?</i>

Mr. Starkey                    Are you in a position to comment on Consols reluctance to present the operating agreement?

Mr. Ray                        No sir, not really. We generally don't. We have an operating agreement and I can again request them to do so. They are very large and very slow to process as I am sure you are familiar with and we have always been able to go through the channels with them and been able to work with them pretty well.

Mr. Bunn                      Is there a letter that you bring here today that they have authorized them to represent them in this?

Mr. Ray                        No sir. Just was verbal in a phone conversation. Mr. Price is in the hospital. Their legal counsel is out of state and there was only one gentleman left to hold the fort and they are not as familiar with the oil and gas situation in Virginia as we are as operators. And we hope we are familiar enough.

Mr. Wampler                  When you had the fact finding hearing, were you present at that fact finding hearing?

Mr. Ray                        Yes sir

Mr. Wampler                  At that fact finding hearing did you present, in your opinion, a representation that you are in fact designated representative for Consol as well as Ray Resources/Great Western.

Mr. Ray                        For the hearings, yes.

Mr. Wampler                  Mr. Fulmer is there some reason that Consol/Ray Resources was not notified?

Mr. Fulmer                    Again, it was according to law. All that is required in the law for them to notify is those of record.

Mr. Wampler                  O.k. if they are not of record I guess the question then is do they have standing before the Board for the appeal?

Mr. Lepchitz                 The standing would go to owners of record. Those are the parties who only have a legitimate interest that can be traced or tracked. Without some power of attorney or some authority from Consol I have some concerns. I can understand the objection, but



Mr. Fulmer

At that time it was James Ray and then it became Great Western doing business as Ray Resources and that is who the current bond is under.

Mr. Wampler

Under Great Western?

Mr. Fulmer

Yes

Mr. Wampler

Well I guess the big concern whether or not you have standing under the law and I guess that is one we will have to at this point in time ask our attorney to look into. The other is, of course, our concern is if Consolidation is an owner of record, and you not having with you a legal document designating you as a representative with the presentation of this Board, puts us a little bit out of the place we need to be.

Mr. Ray

I understand

Mr. Wampler

It is not that we doubt you but we need something.

Mr. Ray

I understand your concern but the fact that the amount of reserves to be calculated is really what it is. The amount of reserves, how much drainage and that is the whole basis of what is going on. Those are taken from...information is taken from direct production reports and those facts are in the public record. I have just collected them. Those are accurate, my father and uncle collected those. They were on the wells and that is just a general representation of what averaging the 15 wells in the area to what an average well would do and you can calculate for yourself what you think the drainage area is.

Mr. Wampler

How did you do that average.?

Mr. Ray

I took the production from the well, it is a kind of quick rule of thumb, we have no reserve reports on the wells, done by somebody like Huddleson and Huddleson or I. P. Davis and Associates. I took the production, the beginning rock pressure, the existing rock pressure and what had been produced and divided the rock pressure that had been lost got a pounds per mcf figure and then the difference between the existing line pressure we will say it will produce down to the existing line pressure and will not produce any more, not down to zero rock pounds but down to the existing line pressure, and the difference between existing and the line pressure and multiplied that by the pounds per mcf

figure. Came up with a remaining reserves for each well and added it back to what had been produced for ultimate reserve. As you can see 15 wells has produced about 14 billion. That is really the information that I would have that we would want to leave it with the Commission for it to make their own decision.

Mr. Wampler

This information was presented by you to support the 70% of the well.

Mr. Ray

And to show that in the 70% I believe we used something like 990,000 in reserves instead of a billion one. We tried to be a little bit conservative on it and lesson our numbers a little bit.

Mr. Whisonant

How did you convert the reserve figures to the drainage? Is that a standard calculation?

Mr. Ray

It is a standard calculation. It is basically the same calculation as a gentleman had used with Ashland Oil. To get the amount they used the porosity and the thickness of the sand and came up with a calculation which is shown on that. The engineer that calculated that is not here with me. That is my cousin, a registered petroleum engineer.

Mr. Whisonant

So, let me get this straight, in you view the unit really should be 231 acres? So you object to the size of the unit?

Mr. Ray

Right

Mr. Whisonant

O.k.

Mr. Ray

Again, in any event we would not be a participating party just for financial reasons.

Mr. Wampler

Any other questions?

Mr. Lepchitz

Yes sir I have a question or two. Mr. Ray you were basically opposed to the Ashland calculation weren't you? You opposed that in a prior hearing?

Mr. Ray

No sir I was not present at any prior hearing.

Mr. Lepchitz

You were not present?

Mr. Ray

No

Mr. Lepchitz

How did you rely on the Ashland calculation?

Mr. Ray

The basis of the calculation, the calculation itself, there is nothing wrong with the calculation. The calculation happened to fit exactly, when we went back over it, exactly fit our area. Really probably better than it did the one area that they used it in.

Mr. Lepchitz

This Ashland calculation was done in conjunction with the Buchanan County well?

Mr. Ray

Yes sir

Mr. Lepchitz

You keep referring to line pressure, L I M E?

Mr. Ray

Line

Mr. Lepchitz

Line pressure, I misunderstood you. These noted down here (referring to map) are they Consol-Ray wells?

Mr. Ray

Yes sir

Mr. Lepchitz

We have done a rough calculation here. The scale on this map is 1"-2000'. Your approximate distance between wells CR-8 and CR-12 is 3000'.

Mr. Ray

Right

Mr. Lepchitz

You are not adhering to your own proposal under those terms are you?

Mr. Ray

Not the way you have asked it, no.

Mr. Lepchitz

231 acres is not applicable to these wells over here?

Mr. Ray

We feel that it is now.

Mr. Lepchitz

Now, but you didn't drill based on that at all did you?

Mr. Ray

Not in a wildcat field, no.

Mr. Lepchitz

You drilled on a about 1500' spacing?

Mr. Ray

1500'?

Mr. Lepchitz

1500' representing the outer boundary.

Mr. Ray

O.k.



Mr. Lepchitz

These production figures are 1984, do you have any updates to those figures?

Mr. Ray

Through 1988 by well.

Mr. Lepchitz

By well, that needs to be tendered also.

Mr. Ray

Yes sir

Mr. Lepchitz

I noticed #12 has had a fairly substantial decline producing less than 10,000 per year, #10 in fact in looking at them, all of them have had a rather substantial decline.

Mr. Ray

What is your point.

Mr. Lepchitz

I am just pointing out that the wells are declining in production and they were all based upon about a 1500' spacing.

Mr. Ray

I don't understand your point.

Mr. Lepchitz

There doesn't seem to have been any adverse drainage on any of these as a result of the 1500' spacing. That is my point.

Mr. Ray

Do you have calculations to show that or prove it?

Mr. Lepchitz

Do you have calculations to show it is not correct, sir?

Mr. Ray

I didn't know I needed to.

Mr. Lepchitz

Your only objection is to the size of the unit then?

Mr. Ray

Yes

Mr. Lepchitz

Not to the operator?

Mr. Ray

No, we as a general rule and I am sure they would feel the same way if they had more than a 50% interest in a well they would like to have some control over it. That is normally the way it works, but we have no objection to them.

Mr. Lepchitz

And you propose 231 acre unit would include a radius of 2500' across?

Mr. Ray

Yes

Mr. Lepchitz Are you aware of any wells drilled on that in Tazewell County?

Mr. Ray No sir, not myself no.

Mr. Lepchitz All of the wells you have drilled are spaced approximately on a 1500' radius spacing.

Mr. Ray Yes sir, some are some are not. As you have not pointed out, the age of the wells when they were drilled were drilled in a really relatively unexplored field. It was an extension of United Fuels Field at War and it was quite a long step out. As you can still see there is not that many wells down in that country other than ours as a majority of the wells. At that time they had no idea what the drainage was and we felt with the production history we feel that our radius when we plan to go in and drill we will try to as a company stay at a 3,000' we will go even more than what they are doing. So we feel the drainage is a little bit more. Anybody can have their own opinion of it but that is ours.

Mr. Lepchitz All of your wells drilled to the same producing formation?

Mr. Ray Yes sir

Mr. Lepchitz All into the Berea?

Mr. Ray Yes sir

Mr. Wampler Excel has represented your share as 40%. Is the basis of your support of the 70% purely in the unit size?

Mr. Ray Unit size alone.

Mr. Bunn They are representing 1250 I believe, is that right and you are wanting 2500.

Mr. Ray We felt that was that we would try and be conservative on it. We would like to do our own depending on topography to shoot but until you go out there and lay it on the ground you don't know what you are going to get into but we would like to shoot on our own for 3000' spacing. Just to be conservative and be sure of our drainage. We thought 2500' wasn't, it was below what we wanted to do for ourselves. It was a shorter distance we felt maybe that wasn't that far out of line.

Mr. Wampler

These 1988 production figures in this Exhibit that you presented us represent the entire year?

Mr. Ray

Yes those production figures as I am sure you all are aware do include some shut-in figures which our gas purchaser had us shut-in at different times during the year.

Mr. Wampler

Any other questions of the Board members. Mr. Ray we will allow you an opportunity to present to the Oil and Gas Inspector that you are legally representing, that you have in fact legally represented Consol here today.

Mr. Ray

You need a letter?

Mr. Lepchitz

A power of attorney or something that would hold up legally.

Mr. Wampler

I would like that a week from today.

Mr. Lepchitz

Mr. Chairman may I also suggest that since we have these production figures or estimates from Great Western that Excel be allowed to tender their support for 1250 based on their anticipated production.

Mr. Ferrari

Excuse me, am I going to have the floor again?

Mr. Wampler

Yes sir you may speak again.

Mr. Ferrari

Am I in a position where I can ask a couple of questions because of my ignorance of some of the procedures.

Mr. Wampler

Sure

Mr. Ferrari

One of the questions I have, since we, Excel the applicant, as far as the drilling permit is concerned are not the ones objecting, why should we be the ones to request a pooling hearing? I don't know who can answer me.

Mr. Lepchitz

The law conditions at times the issuance of a permit upon the creation of units when there is the likelihood that a tract is going to be drained. The preference in the law is to voluntarily agree. But if there is no voluntary agreement, that is what this procedure is set for.

Mr. Ferrari

Yes, but should not the objecting party who is being depleted request the hearing?



Mr. Lepchitz

Not necessarily.

Mr. Ferrari

Not necessarily. O.k., what I am basing it on is my question is as far as standing is concerned. I don't know, you may have resolved that or not.

Mr. Wampler

We have not resolved that.

Mr. Ferrari

Say that standing was a question. Here it is I am requesting to pool our interest because of an objection, someone who didn't have standing, can I amend or withdraw my request for pooling? The reason why we called the hearing, there was a stay on our permit. In order to remove the stay I requested the hearing. But if in fact that stay was improper or whatever, this is a question my management is going to ask me. I don't mean to cause any problems or whatever and that is a legal question that you all might have to settle.

Mr. Wampler

I don't think it is. I think it could possibly go to the heart of standing. But if you have and I will ask Mr. Fulmer to clarify this, Mr. Fulmer I assume that the stay was issued based on at the informal fact finding hearing your identification of another party, another owner of interest if you will.

Mr. Fulmer

The stay was originally placed on the well due to the fact that I was informed by a letter of objection that a person may or may not have legal standing to object. So the stay was put on it and an informal hearing was called. I held the informal hearing and at that time Excel and Ray Resources or Great Western would work things out. The permit was issued under the auspice that since there was no agreement indicated by either party, then that matter would have to be heard in front of the Board. It is automatic. I can not hear those matter.

Mr. Ferrari

As far as notification was concerned. I think you will see in our Exhibit B that notation was made of the claim of Great Western so as far as notification we didn't know if Ray Resources would be notified or not in our defense there. We were just trying to abide by the statutes which we did in our permitting process also.

Mr. Wampler

You represented to this Board that you in fact notified all owners of record. Is that correct?

Mr. Ferrari

Yes we certainly did.

Mr. Wampler

I think we have that information sufficient for us to make a decision on and as Mr. Lepchitz said, subject to the will of the Board, to certainly grant you an opportunity to present your figures supporting your claim.

Mr. Ferrari

We did submit figures, geological figures based on reserves and an outside engineering study of the properties at the fact finding hearing. They may be in Mr. Fulmer's office but I will gladly resurrect that specifically for the Board.

Mr. Wampler

Do you think you had everything Mr. Fulmer supporting the 1250'? He said he presented it to you at the fact finding hearing.

Mr. Ferrari

We had them up there. I don't know they were submitted.

Mr. Fulmer

I don't believe I do because the results of that hearing was that they would further discuss it.

Mr. Wampler

We will give you the same time frame, a week from today to support your spacing request.

Mr. Ferrari

That will be fine.

Mr. Lepchitz

Mr. Chairman will you note on the record that the record will stay open for that week period of time.

Mr. Wampler

Yes the record will stay open until close of business a week from today, August 22, 1989.

Mr. Ferrari

One other note. On the drainage and ultimate size of the unit. Realistically of course you all are going to have the mathematical data to support any allegation but realistically what we have here is we went out and staked a well to drill a well on a lease owned in fee by Mr. LaForce seventy acres. Here we have an objection from an adjoining lease hold owner we will call it of 18,000 acres to object to our well being drilled on this 70 which would in fact dilute Mr. LaForce's interest as a royalty owner from 100% to 30%. Now realistically speaking the way we are drilling the well, the spacing as far as we are from existing wells we feel that it is a prudent way to drill the well. We don't think it is fair to our investors, to us as working interest owners and to invest the money

in the project knowing that after we do get our money back because we did make the risk in the investment or whatever that 70% of it would go back to someone who wasn't even willing to put the money up to risk the venture anyway. I know that is abstract but realistically that is what we have here. Mr. LaForce is very disturbed about. If our lease expires, he will never lease his property for oil and gas again. So there is a rational side to this also. We consider ourselves a prudent operator in good standing in the State of West Virginia. It just so happens this is our first well down here. We would like to continue to drill down here also. I just wanted to make those items known to you also.

Mr. Wampler

I think once this Board renders a decision on this matter you will have some of these discrepancies you have identified resolved up front so far as this Board's jurisdiction goes. Any further grievance beyond this Board's jurisdiction can be taken on to appropriate court. Get those resolved up front before you make the risk.

Mr. Lepchitz

I have one follow up question. Mr. Ferrari in looking at your survey map I show a route 627 that runs through the proposed drilling area. Do you know whether that road is owned in fee by the Virginia State Department of Highways or the County?

Mr. Ferrari

I don't know if it is in fee or right of way or whatever.

Mr. Lepchitz

Has notice been sent to that entity?

Mr. Ferrari

No, it certainly hasn't.

Mr. Lepchitz

If they owned it in fee they would likewise own the minerals underneath.

Mr. Ferrari

Yes they certainly would. I don't know what the procedure had been in the past. I don't even know where we would send it.

Mr. Lepchitz

In the interval of this week will you have someone verify the roadway. We will get you an address in terms of where to send it in Richmond. That is no problem.

Mr. Ferrari

That is no problem. We can follow up on that with no problem.



*Mr. Wampler*

*O.k. Any other questions?*

*Mr. Lepchitz*

*While you submitting that, what we would like for our records when you are submitting your evidence in support of the 1250' radius is a revised survey map that will show the breakdown of acreage.*

*Mr. Ferrari*

*You mean the amount of our acreage as per the whole to calculate the percentage.*

*Mr. Lepchitz*

*Right*

*Mr. Ferrari*

*O.K. a week from today?*

*Mr. Wampler*

*Yes sir. This hearing is closed.*

VIRGINIA OIL AND GAS CONSERVATION BOARD HEARING

AUGUST 15, 1989

EQUITABLE RESOURCES, P-475, P-479

FORCED POOLING HEARINGS "REQUEST FOR EXTENSION OF TIME"

PUBLIC LIBRARY, CLINTWOOD, VIRGINIA

2:00 P.M.

BOARD MEMBERS PRESENT

Mr. Benny Wampler, Acting Chairman  
Mr. James Bunn  
Dr. Robert Whisonant  
Mr. Chester Starkey

Mr. Mike Lepchitz, Assistant Attorney General  
Mr. Tom Fulmer, State Oil & Gas Inspector

August 15, 1989 Forced Pooling Hearings, EREX

ATTENDEES

Mr. Dorothy Lee Newberry  
Mr. Evans Turner  
Ms. Vernie Turner  
Ms. Barbara Fletcher  
Mr. Rand Sterling  
Mr. Lee Talbert  
Mr. Brint Camp  
Mr. Don Hall  
Mr. Rick Counts  
Mr. Tom Fulmer  
Mr. Mike Lepchitz  
Mr. Chester Starkey  
Dr. Robert Whisonant  
Mr. James Bunn



Mr. Wampler

Good afternoon we will now commence the hearing that has been requested by EREX. This is requested by Richard Counts on behalf of EREX. It is a petition for extension of time for commencement of drilling wells P-475 and P-479. Before we call on Mr. Counts to make his presentation I would like to introduce the Oil and Gas Conservation Board members to you. To my right is Mr. Robert Whisonant, Mr. Jim Bunn, Ms. Diane Davis of our Oil and Gas Office, Mr. Chester Starkey, he is our new Board member, Michael Lepchitz is the Assistant Attorney General and Tom Fulmer is the Oil and Gas Inspector. Mr. Counts we will ask you to make a presentation to the Board supporting the petition.

Mr. Counts

Thank you Mr. Chairman. This motion or application is made on behalf of Equitable Resources Exploration, Inc. with regard to the extension for forced pooling of wells P-475 and P-479. For purposes of this hearing Mr. Chairman I would like to consolidate these matters, however, were pertinent I will attempt to refer to these wells separately and if the Board has any questions with regard to a particular well we will certainly address those questions as we go through the hearing.

Mr. Wampler

O.k, very well.

Mr. Counts

The Virginia Oil and Gas Conservation Board heard the original application for pooling on January 26, 1989, and subsequently issued an order pooling the interest underlying wells P-475 and P-479. This order provided for a period of 180 days within which time Equitable Resources could commence operations. As will be explained during the course of testimony of this hearing, Equitable Resources has not as of yet obtained sufficient data to commence operations on these wells and therefore request an extension of one year from this Board in order to be able to have sufficient time to gather information to be able to justify the drilling of these wells. If it pleases the the Board, I would like to call my first witness, Mr. Don Hall.

Mr. Don Hall was sworn in

Mr. Counts

Mr. Hall would you state your full name please?

Mr. Hall

Don C. Hall

Mr. Counts

And who are you employed by Mr. Hall?

Mr. Hall

Equitable Resources Exploration

Mr. Counts And in what capacity?

Mr. Hall Landman in Virginia

Mr. Counts Mr. Hall have you ever testified before the Virginia Oil and Gas Conservation Board and have your qualifications as an expert witness previously been accepted by the Board?

Mr. Hall Yes sir

Mr. Counts Do your responsibilities include wells P-475 and P-479 and the surrounding area?

Mr. Hall Yes

Mr. Counts Are you familiar with Equitable's application to pool the lands underlying wells P-475 and P-479?

Mr. Hall Yes sir

Mr. Counts Mr. Hall was the hearing on the proposed pooling scheduled, was it scheduled with regard to the forced pooling application on these wells?

Mr. Hall Yes

Mr. Counts Would you state for the record the date of the hearing?

Mr. Hall It was January 26, 1989 for both wells.

Mr. Counts Were any orders issued as a result of the January 26, 1989 hearing?

Mr. Hall Yes orders were issued for both wells and interest underlying both wells at that time. Not at that time but subsequent to the hearing.

Mr. Counts Mr. Hall, did the orders specify a time frame within which operations were to be commenced.

Mr. Hall It specified that the operations would beginning within 180 days from the date of the order.

Mr. Counts What was the date of the order for well P-475?

Mr. Hall March 16, 1989

Mr. Counts And what was the date of the order for well P-479?

Mr. Hall March 20, 1989

Mr. Counts Mr. Chairman, I have previously indicated that the hearing was held on January 26, 1989 regarding the pooling of P-475 and P-479. I would like to request that this proceeding incorporate that transcript for purposes of this hearing.

Mr. Wampler O.k. it will be done

Mr. Counts Also, I would like to let the record show that the orders for well P-475 and P-479 are current and existing orders and which orders will expire on or about September 16, 1979 and September 20, 1989, respectively. Mr. Hall does Equitable Resources Exploration seek to extend these orders as promulgated by the Board and, if so, for what period of time?

Mr. Hall Yes, Equitable seeks to extend them for one year.

Mr. Counts Who is designated as well operator by the order?

Mr. Hall Equitable Resources Exploration

Mr. Counts Have any of the forced pooling respondents indicated that they will join in the drilling of wells P-475 or P-479?

Mr. Hall No

Mr. Counts Are any of the leases held by third parties scheduled to terminate during the one year extension proposed?

Mr. Hall No

Mr. Counts Mr. Hall, what is the status of the lease hold ownership in the unit underlying well P-475?

Mr. Hall 82.33 percent is leased. There is 0 percent leased by other parties and 17.67 percent is unleased.

Mr. Counts So the 82.33 percent is leased by Equitable?

Mr. Hall By Equitable

Mr. Counts There are no leases by other parties and 17.67 percent of the acreage is unleased at this time?

Mr. Hall That is correct.

Mr. Counts Mr. Hall what is the status of the leasehold ownership in the unit underlying well P-479?



Mr. Hall 98.77 percent is leased to EREX, 0 percent to others and 1.33 percent is unleased.

Mr. Counts In your opinion will any ownership interest underlying well P-475 or P-479 be prejudiced as a result of the Board granting the requested relief?

Mr. Hall No

Mr. Counts Mr. Hall, in your opinion will granting of the extension of time be in the best interest of conservation, prevention of waste and protection of correlative rights?

Mr. Hall Yes sir

Mr. Counts I have no further questions of Mr. Hall.

Mr. Bunn Is that one year from March 16 and March 29 or is that one year from the date that we grant you?

Mr. Counts It will be an extension of, Mr. Hall correct me if I am wrong, I believe that was suppose to be a one year extension from the date of the exploration of the order.

Mr. Hall That is correct

Mr. Counts Effectively it would be 18 months from the date of the order..

Mr. Wampler Any other questions of Mr. Hall?

Mr. Lepchitz I have one. Your petition alleges a lack of production data on offsetting wells. What type of production data are you looking for?

Mr. Counts Mr. Lepchitz, if I could Mr. Brint Camp, geologist with Equitable will be testifying. I believe he will give some information as to those figures.

Mr. Lepchitz O.k.

Mr. Counts Mr. Chairman, I would now like to call Mr. Brint Camp.

Mr. Camp was sworn in

Mr. Counts Mr. Camp would you state your complete name for the record please?

Mr. Camp George Brinton Camp

Mr. Count                    Who are you employed by and in what capacity?

Mr. Camp                    Employed by Equitable Resources Exploration as a  
production geologist.

Mr. Counts                   Mr. Camp have you ever testified before the Virginia  
Oil and Gas Conservation Board and have your  
qualifications as an expert witness previously been  
accepted by the Board?

Mr. Camp                    Yes

Mr. Counts                   Mr. Camp do your responsibilities include wells P-475  
and P-479 as well as the surrounding areas?

Mr. Camp                    Yes they do.

Mr. Counts                   Mr. Camp has sufficient geological and engineering  
data been gathered to allow you to evaluate the  
feasibility of drilling and completing well P-475?

Mr. Camp                    No not at this time.

Mr. Counts                   Specifically what additional data is required in order  
for you to complete your evaluation?

Mr. Camp                    In this case we need some more well production data  
from an offset well that was drilled, P-477.

Mr. Counts                   What type of offset data do you anticipate receiving  
as a result of drilling or completion of this well?

Mr. Camp                    Generally, in order to justify drilling of wells, we  
have to be able to determine what kind of reserves we  
expect and we do that mainly from the offset wells.  
In this case P-477 was recently placed on line and we  
are waiting to get enough information from it to  
determine what kind of reserves to expect in this  
area.

Mr. Counts                   When was P-477 drilled, Mr. Camp?

Mr. Camp                    Initial spudding of the well was March 16, 1989.

Mr. Counts                   When was it hooked up to a pipeline?

Mr. Camp                    July 17, 1989

Mr. Counts                   In otherwords, approximately one month ago the well  
was hooked up to a pipeline?

Mr. Camp                    That is correct.

Mr. Counts                    Mr. Camp, do you have copies of completion reports for well P-477 which can be submitted to the Board?

Mr. Camp                    Yes I sure do.

Mr. Counts                    Have these previously been submitted to the Oil and Gas Inspector's office?

Mr. Camp                    Yes they have.

Mr. Counts                    Mr. Camp has geological engineering data been gathered to allow you the feasibility of drilling and completing well P-479?

Mr. Camp                    No it has not.

Mr. Counts                    What additional data is required in order to make this evaluation?

Mr. Camp                    We just went in and drilled an offset to it P-474 and have recently turned it on line and are expecting to get some information back from it production wise as to evaluate the area?

Mr. Counts                    When was P-474 drilled and when was it hooked up to a pipeline?

Mr. Camp                    The initial spudding of the well was April 16, 1989 and it was connected to a pipeline July 17, 1989.

Mr. Counts                    Mr. Camp do you also have a completion report for P-474 that you can submit to the Board?

Mr. Camp                    Yes, I sure do.

Mr. Counts                    Mr. Camp, Mr. Hall testified that Equitable Resources Exploration seeks a one year extension from the, an additional one year extension to the 180 days previously granted by the Board within which time to commence operations on P-475 and P-479. Would you summarize for the Board why this extension is necessary?

Mr. Camp                    In order to justify the expenditure required to drill these wells, more production data is needed from the offset wells. When sufficient information is obtained then a reasonable judgement can be made as to the amount of gas reserves that can be expected from these wells. At this time then a dollar value can be assigned to the drilling of the well and then a decision can be made at that time as to whether it is feasible to drill it.



Mr. Counts                    Mr. Camp, in your opinion with the granting of the extension of time be in the best interest of conservation and prevention of waste and protection of correlative rights?

Mr. Camp                    Yes

Mr. Counts                    Mr. Chairman, I don't have any further questions of this witness and I might also add I do not plan, at this time, on calling any additional witnesses.

Mr. Lepchitz                I have a question.

Mr. Wampler                Go ahead

Mr. Lepchitz                What is the significance of one year? Why not six months?

Mr. Camp                    The way we stand right now, the more data we can get then the better analysis we can make. The field itself is being shut in a lot and production isn't continuous right now because of gas markets. The longer we have to evaluate the well the better we can come closer to analyzing what kind of reserves we can expect.

Mr. Lepchitz                One year is just something we assigned?

Mr. Camp                    We feel like that is a sufficient time. We don't want to drag it on any further than that. We feel like we can make...

Mr. Lepchitz                It doesn't have any particular significance to it other than a year is something you think will give you a reasonable read on the well?

Mr. Camp                    Right

Mr. Starkey                Mr. Camp, you will have to bear with me. I am new on this. You, apparently when you got your 180 days you had a reason to think this was a good area to drill in and you could get started within 180 days anyway. What has happened?

Mr. Camp                    Generally when we have justified drilling wells we have two different parameters that we look at. One is the initial open flow we get when we complete a well. If that is sufficient to go off of then we can justify drilling the offset to it. We don't generally just go into an area and drill quite a few wells and then go back and see whether they are worth it or not. We go in and prudently selectively drill wells to evaluate

the feasibility of drilling offsets to them. Both these areas we had at least two locations to drill. We went in and drilled the first one in each area which were the ones I was referring to. The open flows which is your first indication weren't very good so because of that the next thing you look at is the on line production. The open flows don't always match the on line production. Once you get sufficient on line production then you can make a lot better judgement as to what they are going to do. In this area the surrounding wells look good but they didn't look great. They justified enough to go in and drill some more wells. We went in and drilled the new well, the open flow wasn't very good like I said. So in order to make sure that we are spending, we are talking about \$220,000 to \$250,000 a well, we don't just go in there and do that to be drilling wells, we want to make sure we are drilling a well that is economical. So our initial information we gather from the offset wasn't good enough to make that decision. Once we get some more production data, we can make a decision.

Mr. Wampler

Is it likely your production, on line production data, starts being very positive you would drill sooner than a year? A year is just a time frame you are setting that you consider a maximum amount of time you are requesting?

Mr. Camp

Right

Mr. Wampler

Any other questions of Mr. Camp?

Mr. Starkey

Let me ask a question just for education. I thought open flow you got your biggest production and you had to wait for it to come back some, to blow off originally to come back, or is that after it is blown off that you get down to a level of open flow?

Mr. Camp

What I call an open flow or IP is after the well is cleaned up and just blowing to the atmosphere. An IP or open flow test is taken.

Mr. Starkey

Thank you I understand.

Mr. Counts

One more question for Mr. Camp. Mr. Camp you stated that you requested a one year extension and that it could have been some other period of time other than the one year. I want to make sure I emphasize on the Board that the one year is really not arbitrary. It is the fact that in terms of determining a production decline or decline curve which is indicative of your

reservoir that you need some amount of production history, is there a general amount of time frame required in order to establish some prudent means of relying on production history? Can you do it in 10 days or does it take two years or what is reasonable?

Mr. Camp

It is really a case by case deal. If it is an excellent well then you can generally tell within a short period of time, a couple of weeks or a month. If it is a boarder line well, as in the case of these two, then the longer that you can look at the information then the better you can draw your curves and make a better, have a better idea of what to expect.

Mr. Counts

Is it fair to say that in the event that the Board did not grant the extension and that your were forced into making a decision to drill these wells and in the event you determine to drill them, that it could be determined later based on production history that these wells were not economical to drill and were not necessary to drain the reservoir?

Mr. Camp

That is correct.

Mr. Counts

I have no further questions.

Mr. Lepchitz

Two follow up questions.

Mr. Wampler

O.k.

Mr. Lepchitz

In talking about your economical level of production, what level of flow would you consider to be economical?

Mr. Camp

Are you talking about what level of open flow or what level of reserves?

Mr. Lepchitz

Flow pressure, flow from the well.

Mr. Camp

Generally we would look at somewhere around an initial open flow of a million a day would be probably close to our cutoff. Both of these wells had open flows in the 600,000 range which is below it.

Mr. Lepchitz

Your two offset wells?

Mr. Camp

Right, so that is the reason we are kind of backing off.

Mr. Lepchitz

I guess my question is, once you are on line and running for awhile, what type of production level



would you consider economical and justify drilling the other two wells.

Mr. Camp: That is all a function of time as far as where the wells should be at in one year, where it should be at its first six months. Its production reserves are figured as much off a decline curve. It is not a straight line it is more of a curve. The more points you have the better you can draw that curve and come up with a value for your reserves for that area.

Mr. Lepchitz I realize you are talking about a depleting resource, but you have got to get to a point to say either yes drill or no don't drill.

Mr. Camp That is correct. The more and that all depends on the size of the well, it is easy to make the call if your well comes in real big, but when you are getting down along where it is a boarder line call then the more points you have on that curve the better you can guess where that curve is going to be twenty years from now.

Mr. Lepchitz You have been on line now a month with both of these wells, what does your initial data indicate to you?

Mr. Camp Well the field has been up and down because of the station that we are producing into, the East Tennessee Station, has been shut down a lot so it is hard to make a call period as to whether we would drill either one of the wells at this point. It is the type of thing where the more data we have, the better we can make the call. They are both basically boarder line wells. If they are allowed to produce like they should be then we can make a better call on them.

Mr. Bunn So am I hearing, if they flow a million they are economical but it is give or take on the million.

Mr. Camp You really can't make a relationship direct between open flow and production. You can do it on a large number of wells but to try to do it individually, you can't, but as a rule of thumb yes you can say basically a million open flow in this area.

Mr. Bunn What is the time element of the open flow at a million a day do you think?

Mr. Camp The way we take our open flow test is a standardized test. We shut the well in for 48 hours and allow it to rock up and then we turn it on for six hours and take readings every thirty minutes until the readings decline within a certain interval. I think it is

basically ten percent. Generally within a six hour period it has stabilized with that and that is what we call our open flow value.

Mr. Bunn                    So you shut it out for 48 hours and then turn it back on after 48 hours for six hours.

Mr. Camp                    Right

Mr. Bunn                    Then it should flow consistently after awhile?

Mr. Camp                    Generally it stabilizes or comes within a reasonable range of stabilization in five to six hours.

Mr. Whisonant              Are 474 and 477 the only two wells out there so far, two offset wells?

Mr. Camp                    No there are, in the case of 474 and the well we are asking 479, they are right on the very fringe of the field. In the case of 477 and 475 which is in the forced pooling, they have got several wells around them a couple of wells just to the south and several a mile or so to the north of them.

Mr. Whisonant              What I am trying to get at are there other wells that you could be examining or have examined?

Mr. Camp                    There are other wells that caused us in the first place to stake these locations. They weren't drilled out in the middle of nowhere. There are other wells that justified us to make the locations in the first place. But after we made those locations we had decided to go in and drill one, see what it looks like and then perhaps drill the other one. If we had got very positive results from the start we would have drilled the second one immediately but our results were not as positive as we had hoped they were so because of that we wanted to step back and better evaluate it before we make such a large expenditure.

Mr. Whisonant              Distance wise you are sort of backing off because of 477 and 474, right?

Mr. Camp                    Right

Mr. Whisonant              Are they the two closest to the proposed wells?

Mr. Camp                    Yes they are.

Mr. Whisonant              So the others require a more extrapolation in your opinion?

Mr. Camp                    The other wells in the area results were positive enough to go in there and drill at least another round of wells or well offsetting them. In this field you have to take it one step at a time.

Mr. Whisonant              How many wells are out there in the field?

Mr. Camp                    In the field itself, approximately 350 wells I would say. Somewhere in that range.

Mr. Whisonant              How do the initial performance of these two wells compare with some of the other wells in the area?

Mr. Camp                    Well obviously not all 350 are economic wells.

Mr. Whisonant              Are these anomalously low?

Mr. Camp                    Not necessarily, we have got other wells that fit into the same category as they do as far as open flow wise. The other wells that have basically the same open flow as they do, a higher percentage of them are not economic wells. Again you can't base everything on open flows.

Mr. Lepchitz                Have you done any other testing such as a backpressure test or a three point test?

Mr. Camp                    No, not at this time we haven't.

Mr. Lepchitz                You haven't tested anything in the line itself then?

Mr. Camp                    No just the initial production we have had in the last month, besides the open flow test, just the projection.

Mr. Wampler                Tell me and maybe you are not the right one, maybe I should ask Tom. Tom you can fill in, if the Board grants this 12 month extension to the order who is harmed by the extension. Who has potential to be harmed? Is it the unleased parties?

Mr. Counts                  Mr. Chairman, if I may, on that one Mr. Hall testified that there are...that all the unleased parties have effectively been pooled. It is a question of what election they want to make under the original pooling order. There are no other parties whatsoever that actually have leases in the area. There are no leases whatsoever that are scheduled to expire during the requested extension time. I don't see how there can be any presumption of harm to anyone whatsoever except that Equitable has attempted to demonstrate today that they would be harmed as a result of not



having this additional time to be able to prudently be able to determine whether these wells should be drilled based on the surrounding production data.

Mr. Wampler	Tom do you concur with the question on harm, the answer?
Mr. Fulmer	To the extent that my understanding is that the 17 1/2 percent in one well these are parties that you have attempted to, you have presented the order to them and they had their chance to elect according to the order or are these people who are in that category of not being able to find or the unleased parties. Do you follow me in my question of what I am asking?
Mr. Hall	These are the same percentages that were forced pool in the original order. They were all given the election under the forced pooling order.
Mr. Fulmer	Have there been any reply to those elections within the specified days?
Mr. Hall	Lee was the one that took the replies here. What kind did you get?
Unknown	The two parties....
Mr. Wampler	Excuse me a second....
Mr. Counts	Mr. Chairman would you like to have Mr. Talberts testimony on the record?
Mr. Wampler	Yes
Mr. Talbert was sworn in	
Mr. Counts	Mr. Talbert would you state your complete name for the record please.
Mr. Talbert	A. Lee Talbert, Jr.
Mr. Counts	And you are employed by?
Mr. Talbert	Equitable Resources Exploration
Mr. Counts	What capacity?
Mr. Talbert	Land administrator.
Mr. Counts	Have you worked with regard to wells P-475 and P-479 with regard to the forced pooling elections?

Mr. Talbert Yes I have

Mr. Counts Would you advise the Board with regard to those elections and how they were made.

Mr. Talbert In relating to P-475 there were two tracts in the original forced pooling. One being the the Virginia Department of Highway which we had not heard from and the other being a mineral interest owner which had sent a reply back with additional stipulations which we could not adhere to those terms and consequently they were considered a carried interest.

Mr. Counts And 479

Mr. Talbert 479 consists of one primarily tract being the heirs of J. B. Turner which at this time we have 61 counter part leases being very minute interests ranging from a 1/8 to a 1/360 interest being the heirs of J. B. Turner and there are additional interests out there which are coming in from time to time.

Mr. Counts On P-479 what is the total interest that is unleased as for now?

Mr. Talbert 1.230 percent.

Mr. Counts That translates acreage wise to?

Mr. Talbert Just a second...

Mr. Counts Or if you have the total amount of net acreage leased?

Mr. Talbert The total amount of net acreage leased is 91.71 percent.

Mr. Counts What is the size of the unit Mr. Talbert?

Mr. Talbert The size of that unit is 14.8% of the unit being the J. B. Turner heir tract.

Mr. Counts But you have 91 acres, what is the total size of the entire unit being pooled? Is it a 112 acres?

Mr. Talbert Yes sir.

Mr. Counts Mr. Chairman, questions?

Mr. Lepchitz Since your subsequent notice went out have any of the parties contacted you again?

Mr. Talbert Yes

Mr. Lepchitz Are they the same people you heard from originally?

Mr. Talbert Yes

Mr. Lepchitz Has any objection been raised to extending the time limit of the drilling?

Mr. Talbert No sir

Mr. Lepchitz I have nothing further.

Mr. Wampler Thank you

Mr. Counts Mr. Chairman, Equitable Resources obviously has a very large program in Southwest Virginia and has a number of wells being operated in the Nora Field. As a prudent operator would Equitable Resources is attempting to gather all the possible geological and economic data possible to be able to best place those additional wells that are going to be drilled and produced from this field. Forced pooling is provided in the Virginia Oil and Gas Act is a remedy allowed specifically to prevent waste and to protect correlative rights. I think it can be seen in both of these applications that the vast majority of the interests are under lease. There have been no party which has elected to participate. There are no third parties which are holding leasehold interests. Therefore, no party should be prejudice as a result of the one year extension. I might also add that at the time of the hearing on January 26, 1989, Equitable at that time did request that the amount of time for the forced pooling be one year. Certainly in terms of evaluating your land and legal problems in a particular area and also in conjunction in trying to determine what your geologic perimeters which are consistently changing, a period of six months is an extremely difficult time in which to be able to plan wells. In many conservation programs in many states a period of time of six months is not unusual, but I would suggest to the Board that those states don't have the type of land problems that we experience here in Virginia and also aren't in a relatively new area. I think the undue hardship, no one is going to be prejudiced as a result of the extension of time, the undue hardship will be on Equitable were the Board to force Equitable to make a decision with regard to whether this well should be drilled prior to the end of September or not. The pooling process itself is an expensive process. The pooling process itself could be a process which would cause the drilling of a well to be uneconomic. I think that the one year extension



requested by Equitable is certainly reasonable. I believe at the time of the January 26, 1989, hearing there were several other wells which were forced pooled at that time. I believe those wells have been drilled in conforming to the 180 day time. No change is being requested with regard to those wells. But on these two particular wells it would work a hardship on Equitable to have to drill those wells within the 180 day period of time. There is certainly no evidence that would work a hardship or prejudice any other interest whatsoever. We would request on behalf of Equitable that a one year extension or such time as the Board may deem appropriate would be granted.

Mr. Wampler

Thank you Mr. Counts. I believe we have some other folks, Mr. Turner would you want to address the Board.

Mr. Turner was sworn in

Mr. Turner

My names is Evans Turner. I am the one that they are going to put the P-475 well on. I have the plat that shows a mistake of the line that they have run on it. I would like to show it to them where it is at and I have got the deeds of the whole thing. My deed, the fellow I bought it off of, and the fellow I sold it to, Garfield Turner. Then Garfield Turner sold it to Stewart Davis and Stewart Davis sold it to Morgan O'Quinn and made a mistake in the deeds. Stewart Davis has sold more land than he owns and it don't run by the calls as the deed that I made my brother Garfield Turner and Stewart Davis deed. So I would like for you to check them and I would like for that piece of land that they have surveyed to Lisa be run out and straightened up because it takes so much of my land in the plat. If they want to take a look at it they can look and read the deeds.

Mr. Wampler

Excuse me for interrupting, have you attempted, have you brought this to the attention of the officials at EREX before?

Mr. Turner

Yes I have called three or four of them. I called him and I also called the one in the surveying and I have called everyone I can find.

Mr. Wampler

Are they in disagreement to you?

Mr. Turner

They say they ain't found out anything. They ain't never got what they are going to do.

Mr. Counts

Mr. Chairman, if I may, we certainly sympathize with Mr. Evans and want him to be able to get his property

problems straightened out. I think this has been brought to the Board's attention before, Equitable is only able to proceed based upon what is of record in the courthouse. If there is a mistake with regard to deed I think Mr. Evans is going to have to bring an action with regard to rescission of reformation of that instrument. There is also available a remedy in motion for boundary dispute resolution. Mr. Evans is not going to be prejudiced as a result even in the event he is found to have more acreage than currently is under his lease. The oil and gas lease language would provide that it would cover such additional acreage as Mr. Evans might be found to own. I suggest to the Board that the Board is probably not an appropriate form with regard to being able to make a determination with regard to the boundary dispute. Equitable will be certainly more than happy, and I believe has already previously tried to work with Mr. Turner in terms of providing plats and information and will certainly be happy to do that. But I am afraid Mr. Turner is going to have to turn to the court in order to be able to have his deed reformed.

Mr. Wampler

I believe that is consistent with what we discovered before in a hearing about the problem.

Mr. Turner

Yes and the deed is made wrong. Stewart Davis has made Morgan O'Quinn a deed that don't correspond with the deed that I made Garfield Turner and Garfield Turner made to Stewart Davis. My deed that I made Garfield Turner calls beginning at a stake in the edge of the water near the north end of the Hewett Tunnel running up the river with the river to the Clinchfield Railroad Right of Way. Now that was the piece of land that I sold Garfield Turner and Garfield sold it to Stewart Davis. So when Morgan O'Quinn made a Lisa a deed he made her a deed running up the river with the Clinchfield Coal Company's line which would have to go across the river to get to it. So that is the difference.

Mr. Wampler

I think what we need to do for you to understand that kind of dispute is outside the jurisdiction of the Board. We understand your problem, Mr. Lepchitz, I don't know if you have anyone in your office that could advise.

Mr. Lepchitz

He needs to talk to private counsel.

Mr. Counts

Mr. Wampler I might also mention that if Mr. Turner will just initiate the filing of an action that will in all probability allow Equitable Resources to place

those royalty proceeds in escrow so Mr. Evans would not be prejudiced. So that is an alternative he has available to him. We can't do it arbitrarily of our own accord. But if there is an action involved in circuit court, it won't have to be a lengthy action or anything like that, just notice to put us on record so we can't be accused of bad faith then we can put those funds in escrow.

Mr. Wampler

Mr. Turner unfortunately the Board is not going to be able to help you with that. It is more or less a private problem that the Assistant Attorney General advises that you seek legal counsel to resolve so perhaps they can, we are not steer you in a direction you don't want to go but what you are asking is something that is outside our jurisdiction. I don't think any decision we would make would harm you unless you fail to follow through with action to straighten that out. The hearing is closed.



API NO. 45 - 051 - 21235  
WELL NAME: Russell Prater Land Corp., No. P-477  
DATE July 17, 1989

Virginia Oil and Gas Inspector  
P. O. Box 1416  
Abingdon, VA 24210  
703 628-8115

*Erex Exhibit A*  
*8.15.89*

### REPORT OF COMPLETION OF WELL WORK

Pursuant to Regulation 4.06 of the Regulations under the Virginia Oil and Gas Act, the undersigned well operator reports completion of the type(s) of well work specified below on the referenced well in Sand Lick District Dickenson County, Virginia on 6th day, June month, 19 89.

WELL TYPE: Oil ☐ / Gas ☒ / Enhanced Recovery ☐ / Waste Disposal ☐  
If Gas-Production ☒ / Underground Storage ☐ / Exempt by Code Section 45.1-300.B.1. from general Oil and Gas Conservation Law yes ☐ / no ☐  
WELL WORK: Drill ☒ / Deepen ☐ / Redrill ☐ / Stimulate ☒ / Plug Off Old Formation ☐ / Perforate New Formation ☐ / Plug ☐ / Replug ☐ / Other physical change in well (specify) \_\_\_\_\_  
The well work was done as shown in the Appendix(es) applicable to the type(s) of well work involved.

### CONFIDENTIALITY STATUS UNDER CODE OF VIRGINIA SECTION 45.1-332

☒ Ninety days from the filing of this report

OR

Two years from, the date on which the referenced well was completed, the well being an exploratory well as defined in Code of Virginia, Section 45.1-288.21.

APPLICANT Equitable Resources Exploration  
BY Brint Camp  
ITS District Geologist  
ADDRESS 1989 E. Stone Dr., Kingsport, TN 37660  
TELEPHONE 615-378-5101

### COMPLETION REPORT

WELL TYPE: Oil ( ) Gas Production ( x ) Gas-Underground Storage ( )  
Enhanced Recovery ( ) Waste Disposal ( )

#### LOCATION

COUNTY Dickenson DISTRICT Sand Lick

SURFACE ELEVATION 1543.57' QUADRANGLE Haysi

LATITUDE 4550 'S 37° 12 ' 30 " LONGITUDE 1520 'W 82° 20 ' 00 "

#### DRILLING DATA

DATE DRILLING COMMENCED 3/16/89 DRILLING CONTRACTOR Union Drilling  
DATE DRILLING COMPLETED 3/25/89 ADDRESS P.O. Drawer 40, Buckhannon, WV 26201  
DATE WELL COMPLETED 6/06/89 TELEPHONE NUMBER 304-472-4610  
TOTAL DEPTH OF COMPLETED WELL 4505' RIG TYPE X ROTARY CABLE TOOL

#### GEOLOGICAL DATA

FRESH WATER AT (1) 71 FEET Damp GPM: (2)        FEET        GPM  
SALT WATER AT (1)        FEET        GPM: (2)        FEET        GPM

#### COAL SEAMS:

NAME	TOP	BOTTOM	THICKNESS	MINING IN AREA		
				YES	NO	MINED OUT
	84-	86	890- 893			
	216-	219	1333-1336			
	519-	522	1459-1462			
	640-	644				

#### OIL AND GAS SHOWS:

FORMATION	TOP	BOTTOM	THICKNESS	IPF(MCFD/BOPD)	PRESSURE	HOURS TESTED
Gas Check		T.D.		15 mcf		

#### STIMULATION RECORD

ZONE (1) Berea/Upper Shale FORMATION STIMULATED WITH Waterfrac 20 using  
966 bbl fluid, 60,000# 20/40 sand and 226,000 ScfN2.  
PERFORATED 4238 TO 4358 NO. OF PERFORATIONS 30 PERFORATION SIZE .39  
FORMATION BROKE DOWN AT 455 PSIG AVERAGE INJECTED RATE 43 BPM  
INITIAL SHUT IN PRESSURE 800 PSIG 5 MINUTE SHUT IN PRESSURE 382 PSIG

#### STIMULATION RECORD

ZONE (2)        FORMATION STIMULATED WITH       

PERFORATED	TO	NO. OF PERFORATIONS	PERFORATION SIZE
FORMATION BROKE DOWN AT		PSIG	AVERAGE INJECTED RATE
INITIAL SHUT IN PRESSURE		PSIG	MINUTE SHUT IN PRESSURE
FINAL PRODUCTION: ( ) NATURAL ( ) AFTER STIMULATION			
BOD	MCFD	HOURS TESTED	ROCK PRESSURE
ZONE (1)	<u>603</u>	<u>6</u>	<u>815</u>
ZONE (2)			<u>48</u>

FINAL PRODUCTION IF GAS ZONES ARE COMINGLED        MCFD        HOURS TESTED  
       PSIG        HOURS TESTED

CASING AND TUBING

	<u>SIZE</u>	<u>TOP</u>	<u>BOTTOM</u>	<u>LENGTH</u>	<u>PERFORATIONS</u> <u>FEET TO FEET</u>	<u>PACKERS OR</u> <u>BRIDGE PLUGS</u> <u>KIND SIZE SET AT</u>
<u>CONDUCTOR</u>	16"		17'			

CASING

Circulated  
and Cemented  
to Surface

11 3/4"

251'

WATER PROTECTION

(Casing Set  
According to  
Section  
45.1-334)

COAL PROTECTION

(Casing Set  
According to  
Section  
45.1-334)

8 5/8"

1921'

OTHER CASING &

Tubing Left 4 1/2"  
In Well 2 3/8"

4466'

4376'

4238 - 4358

LINERS

Remaining  
In Well

OTHER used and not  
left

Is the well underlain by Red Shale ☒ Yes \_\_\_ No, If Yes, was coal  
protection string set to Red Shales? ☒ Yes \_\_\_ No

REMARKS: Shut down, fishing jobs, depths and dates, caving, etc.



**DRILLER'S LOG**

Compiled by

Brint Camp

Geological Age	Formation	General Lithology	Color	Depth		Thickness	Remarks
				Top	Bottom		
Pennsylvanian	Sand and Shale			0	2270	2270	
Mississippian	Ravencliff			2270	2471	201	
Mississippian	Little Stone Gap Ls.			2471	2522	51	
Mississippian	Shale			2522	2598	76	
Mississippian	Maxon Sands			2598	2983	385	
Mississippian	Sand and Shale			2983	3080	97	
Mississippian	Little Lime			3080	3170	90	
Mississippian	Lime and Shales			3170	3282	112	
Mississippian	Big Lime			3282	3644	362	
Mississippian	Keener			3644	3710	66	
Mississippian	Weir			3710	4160	450	
Mississippian	Sunbury Shale			4160	4234	74	
Mississippian	Berea			4234	4333	99	
Devonian	Brown Shale			4333	4505	172	
	Logger's Total Depth				4505		

**Samples and Cuttings**

Will X Will not      be available for examination by a member of the  
 Virginia Division of Mineral Resources  
 Will X Will not      be furnished to the Virginia Division of Mineral  
 Resources upon request  
 Will      Will not X require sacks to be furnished by the Virginia  
 Division of Mineral Resources

**Electric Logs and Surveys:**

Type of Electric Log(s) Ran: FDC, Temp

Did log disclose vertical location of a coal seam? Yes      No X

Was log made at request of a coal owner according to Section 45.1-333.B.1  
 of the Virginia Code? Yes      No X

Note: If a coal seam was located, the part of the survey from the surface  
 through the coal is attached in accordance with Section 45.1-333.B.3 of the  
 Virginia Code

**Deviation Surveys**

Deviation surveys were X were not      required under Section 45.1-333.C of  
 the Virginia Code "to the bottom of the lowest published coal seam depth."

Note: If a deviation survey(s) was/were required, the survey results  
 are as follows:

Depth of Survey	Feet/Degree Deviated From True Vertical	Depth of Survey	Feet/Degree Deviated From True Vertical
	See Attachment		

A continuous survey was      was not X required, under Section 45.1-333.C of  
 the Virginia Code.

Note: If a continuous survey was required, the survey results are attached.

**Changes in the Permitted Well Work:**

The well operator did      did not X make any change(s) in the permitted well  
 work, verbally approved by the Inspector or Assistant Inspector under  
 Regulation 4.03 of the Regulations under the Virginia Oil and Gas Act, for  
 the purpose of insuring successful completion of the well work.

NOTE: The nature and purpose of each such change, if any, is set out  
 below or on additional sheets if such are required.

**Confidentiality Status:**

Confidentiality status under Section 45.1-332 of the Virginia Code:  
 The operator requests that information herein and log(s) be kept  
 confidential (after COMPLETION DATE of the well) for a period of

X Ninety (90) days  
     two (2) years, if the well is exploratory

DIRECTIONAL SURVEYS  
P-477

DEPTH

318'  
540'  
762'  
980'  
1200'  
1413'  
1633'  
1853'

DEGREES

$3/4^\circ$   
 $1^\circ$   
 $1 \frac{1}{2}^\circ$   
 $1 \frac{1}{2}^\circ$   
 $1 \frac{1}{4}^\circ$   
 $1 \frac{1}{4}^\circ$   
 $1^\circ$   
 $1^\circ$



API NO. 45 - 051 - 21252  
WELL NAME: Solid Rock Coal Co., No. P-474  
DATE July 24, 1989

Virginia Oil and Gas Inspector  
P. O. Box 1416  
Abingdon, VA 24210  
703 628-8115

*Erex Exhibit B*  
*8-15-89*

### REPORT OF COMPLETION OF WELL WORK

Pursuant to Regulation 4.06 of the Regulations under the Virginia Oil and Gas Act, the undersigned well operator reports completion of the type(s) of well work specified below on the referenced well in Sand Lick District Dickenson County, Virginia on 23rd day, June month, 19 89.

WELL TYPE: Oil ☐ / Gas ☒ / Enhanced Recovery ☐ / Waste Disposal ☐  
If Gas-Production ☒ / Underground Storage ☐ / Exempt by Code Section 45.1-300.B.1. from general Oil and Gas Conservation Law yes ☐ / no ☐  
WELL WORK: Drill ☒ / Deepen ☐ / Redrill ☐ / Stimulate ☒ / Plug Off Old Formation ☐ / Perforate New Formation ☐ / Plug ☐ / Replug ☐ / Other physical change in well (specify) \_\_\_\_\_  
The well work was done as shown in the Appendix(es) applicable to the type(s) of well work involved.

### CONFIDENTIALITY STATUS UNDER CODE OF VIRGINIA SECTION 45.1-332

☒ Ninety days from the filing of this report

OR

Two years from \_\_\_\_\_, the date on which the referenced well was completed, the well being an exploratory well as defined in Code of Virginia, Section 45.1-288.21.

APPLICANT Equitable Resources Exploration  
BY Brint Camp  
ITS District Geologist  
ADDRESS 1989 E. Stone Dr., Kingsport, TN 37660  
TELEPHONE 615-378-5101

### COMPLETION REPORT

WELL TYPE: Oil ( ) Gas Production (X) Gas-Underground Storage ( )  
Enhanced Recovery ( ) Waste Disposal ( )

LOCATION  
COUNTY Dickenson DISTRICT Sand Lick

SURFACE ELEVATION 1699.30' QUADRANGLE Haysi

LATITUDE 6450 'S 37° 12 ' 30 " LONGITUDE 6775 'W 82° 17 ' 30 "

#### DRILLING DATA

DATE DRILLING COMMENCED 5/16/89 DRILLING CONTRACTOR Union Drilling  
DATE DRILLING COMPLETED 5/24/89 ADDRESS P.O. Drawer 40, Buckhannon, WV 26201  
DATE WELL COMPLETED 6/23/89 TELEPHONE NUMBER 304-472-4610  
TOTAL DEPTH OF COMPLETED WELL 4634' RIG TYPE X ROTARY        CABLE TOOL

#### GEOLOGICAL DATA

FRESH WATER AT (1) 56 FEET Damp GPM: (2)        FEET        GPM  
SALT WATER AT (1)        FEET        GPM: (2)        FEET        GPM

#### COAL SEAMS:

NAME	TOP	BOTTOM	THICKNESS	MINING IN AREA	
				YES	NO
	86- 88		639- 641		1595-1599
	92- 95		755- 757		
	170-172		768- 772		
	541-544		1250-1254		

#### OIL AND GAS SHOWS:

FORMATION	TOP	BOTTOM	THICKNESS	IPF (MCFD/BOPD)	PRESSURE	HOURS TESTED
Berea	4410	- 4518		60 mcf		

#### STIMULATION RECORD

ZONE (1) Berea FORMATION STIMULATED WITH Waterfrac 20 using  
8 BBL 20% HCL, 62,800# 20/40 sand, 817 BBL fluid and 225,900 Scf N2.  
PERFORATED 4420 TO 4513 NO. OF PERFORATIONS 25 PERFORATION SIZE .39  
FORMATION BROKE DOWN AT 1570 PSIG AVERAGE INJECTED RATE 40 BPM  
INITIAL SHUT IN PRESSURE 890 PSIG 5 MINUTE SHUT IN PRESSURE 760 PSIG

#### STIMULATION RECORD

ZONE (2)        FORMATION STIMULATED WITH       

PERFORATED	TO	NO. OF PERFORATIONS	PERFORATION SIZE
FORMATION BROKE DOWN AT		PSIG	AVERAGE INJECTED RATE
INITIAL SHUT IN PRESSURE		PSIG	MINUTE SHUT IN PRESSURE
FINAL PRODUCTION:	( ) NATURAL	( X ) AFTER STIMULATION	

ZONE	BOD	MCFD	HOURS TESTED	ROCK PRESSURE	HOURS TESTED
ZONE (1)		516	6	680	48

ZONE (2)					
FINAL PRODUCTION IF GAS ZONES ARE COMINGLED		MCFD		HOURS TESTED	
		PSIG		HOURS TESTED	

CASING AND TUBING

	<u>SIZE</u>	<u>TOP</u>	<u>BOTTOM</u>	<u>LENGTH</u>	<u>PERFORATIONS</u> <u>FEET TO FEET</u>	<u>PACKERS OR</u> <u>BRIDGE PLUGS</u> <u>KIND SIZE SET AT</u>
CONDUCTOR	16"		15'			

CASING

Circulated  
and Cemented  
to Surface

11 3/4" 265'

WATER PROTECTION

(Casing Set  
According to  
Section

45.1-334) 8 5/8" 1976'

COAL PROTECTION

(Casing Set  
According to  
Section  
45.1-334)

OTHER CASING &

Tubing Left 4 1/2"

4581'

4420 - 4513

In Well 2 3/8"

4478'

LINERS

Remaining  
In Well

OTHER used and not  
left

Is the well underlain by Red Shale ☒ Yes ☐ No, If Yes, was coal  
protection string set to Red Shales? ☒ Yes ☐ No

REMARKS: Shut down, fishing jobs, depths and dates, caving, etc.



**DRILLER'S LOG**Compiled by Brint Camp

Geological Age	Formation	General Lithology	Color	Depth		Thickness	Remarks
				Top	Bottom		
Pennsylvanian	Sand and Shale			0	2420	2420	
Mississippian	Ravencliff			2420	2540	120	
Mississippian	Little Stone Gap Ls.			2540	2660	120	
Mississippian	Shale			2660	2760	100	
Mississippian	Maxon Sands			2760	3085	325	
Mississippian	Sand and Shale			3085	3222	137	
Mississippian	Little Lime			3222	3288	66	
Mississippian	Lime and Shales			3288	3420	132	
Mississippian	Big Lime			3420	3832	412	
Mississippian	Keener			3832	3760	28	
Mississippian	Weir			3860	4342	482	
Mississippian	Sunbury Shale			4342	4410	68	
Mississippian	Berea			4410	4518	108	
Devonian	Brown Shale			4518	4634	116	
	Logger's Total Depth				4634		

**Samples and Cuttings**

Will ☒ Will not ☐ be available for examination by a member of the  
Virginia Division of Mineral Resources  
Will ☒ Will not ☐ be furnished to the Virginia Division of Mineral  
Resources upon request  
Will ☐ Will not ☒ require sacks to be furnished by the Virginia  
Division of Mineral Resources

**Electric Logs and Surveys:**

Type of Electric Log(s) Ran: CDL, Temp

Did log disclose vertical location of a coal seam? Yes ☐ No ☒

Was log made at request of a coal owner according to Section 45.1-333.B.1  
of the Virginia Code? Yes ☐ No ☒

Note: If a coal seam was located, the part of the survey from the surface  
through the coal is attached in accordance with Section 45.1-333.B.3 of the  
Virginia Code

**Deviation Surveys**

Deviation surveys were ☒ were not ☐ required under Section 45.1-333.C of  
the Virginia Code "to the bottom of the lowers published coal seam depth."

Note: If a deviation survey(s) was/were required, the survey results  
are as follows:

<u>Depth</u> <u>of Survey</u>	<u>Feet/Degree Deviated</u> <u>From True Vertical</u>	<u>Depth</u> <u>of Survey</u>	<u>Feet/Degree Deviated</u> <u>From True Vertical</u>
	See Attachment		

A continuous survey was ☐ was not ☒ required, under Section 45.1-333.C of  
the Virginia Code.

Note: If a continuous survey was required, the survey results are attached.

**Changes in the Permitted Well Work:**

The well operator did ☐ did not ☒ make any change(s) in the permitted well  
work, verbally approved by the Inspector or Assistant Inspector under  
Regulation 4.03 of the Regulations under the Virginia Oil and Gas Act, for  
the purpose of insuring successful completion of the well work.

NOTE: The nature and purpose of each such change, if any, is set out  
below or on additional sheets if such are required.

**Confidentiality Status:**

Confidentiality status under Section 45.1-332 of the Virginia Code:  
The operator requests that information herein and log(s) be kept  
confidential (after COMPLETION DATE of the well) for a period of

☒ Ninety (90) days  
☐ two (2) years, if the well is exploratory

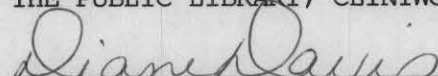
# DIRECTIONAL SURVEYS

P-474

DEPTH	DEGREES
344'	$3/4^{\circ}$
532'	$3/4^{\circ}$
718'	$1^{\circ}$
938'	$1^{\circ}$
1156'	$1^{\circ}$
1376'	$3/4^{\circ}$
1594'	$1\frac{1}{4}^{\circ}$
1782'	$1^{\circ}$
2003'	$1^{\circ}$



I CERTIFY THAT THIS IS A TRUE AN ACCURATE TRANSCRIPT OF THE HEARING HELD IN FRONT  
OF THE VIRGINIA OIL AND GAS CONSERVATION BOARD ON AUGUST 15, 1989 AT 2:00 P.M. IN  
THE PUBLIC LIBRARY, CLINTWOOD, VIRGINIA.

A handwritten signature in cursive script, appearing to read "Diane Davis", is written over a horizontal line.

Diane Davis

VIRGINIA OIL AND GAS CONSERVATION BOARD

FORCED POOLING WELL P-479

DICKENSON COUNTY, VIRGINIA

EQUITABLE RESOURCES, INCORPORATED

JANUARY 26, 1989

DICKENSON COUNTY, VIRGINIA

Board Members Present

Mr. Joe Johnson, Chairman

Mr. Benny Wampler

Dr. Robert Whisonant

Mr. Tom Fulmer, State Oil & Gas Inspector

Ms. Diane Davis, Recorder



P. 479

2 PM

1/26/89

MR. IRA M. STANLEY - RT. 01 BX 27 - NORA, VA. 24272

BRINT CAMP

1989 E. Stone Dr. Kingsport TN

Don Hall

P.O. Box ~~313~~ 313, Norton, Va 24272

Serry A. GARLAND P.O. Box 156, NORTON, VA. 24273

JOE Owen

EREC 1989 E. Stone Dr. Kingsport, TN 37660

Mrs Mrs Evans Jurner Rt 1. Box 310

Clinched, Va 24226

W.K. Counts Rt 1. Box 394 Clintwood, Va.

Phil Seals

2537 4th Ave. E. Big Stone Gap, Va. 24219

Bruce Nelson

AMVEST Oil & Gas, Inc. 2537 4th Ave. E. Big Stone Gap, VA 24219

Kellis + Barbara Barton P.O. Box 335 Haysi Va. 24256

L.C. + Patty Sykes Rt 3, Box 543 Clintwood, Va 24226

Fridman + Laura Vira Rt. 2 Box 660 Haysi, Va. 24256

Mr. Johnson      We ask that you come to order a little bit better. This is a hearing of the Virginia Oil and Gas Conservation Commission, Virginia Oil and Gas Conservation Board, let me correct that at the request of Equitable Resources Exploration Incorporated for the pooling of Well Number P-479 located on the C. A. Willis tract in the Sand Lick District of Dickenson County, Virginia. Members of the Board present are Mr. Wampler on my left and Dr. Whisonant on my right. Ms. Davis will record the minutes of the meeting and Mr. Tom Fulmer Virginia Oil and Gas Inspector. Let me say at the outset that the Board will be pleased to hear anyone having an interest in this particular well before the hearing ends. All right Mr. Counts if you are ready, we will go right ahead.

Mr. Counts      Thank you Mr. Chairman and members of the Board. This is Equitable Resources request for pooling and unitization of Well P-479 located in Dickenson County, Virginia. I would like to call Mr. Don Hall please. Mr. Hall would you state your complete name for the record please?

Mr. Hall      Don C. Hall

Mr. Counts      Who are you employed by and in what capacity?

Mr. Hall      Equitable Resources as a landman in Virginia.

Mr. Counts      Have you ever testified before this Board before and have qualifications as an expert witness been previously accepted?

Mr. Hall      Yes sir

Mr. Counts      Do your responsibilities include the lands involved here and the surrounding area?

Mr. Hall      Yes sir

Mr. Counts      Are you familiar with the proposed exploration and development of the unit involved here under applicant's proposed plan of development?

Mr. Hall      Yes sir

Mr. Counts      Are you familiar with the application in this matter?

Mr. Hall      Yes sir

Mr. Counts      Does Equitable Resources seek to force pool the drilling rights in an approximate 112.5 acre drilling and spacing unit in the Nora Field for the Ravencliff, Maxon, Big Lime, Weir, Berea and other formations?

Mr. Hall      Yes

Mr. Counts            Mr. Hall, do you request that this Board establish units under Virginia Code Section 321 and recommend that the Board space well P-479 on a 1250' radius as provided under Code Section 321 and as depicted on Equitable's application for Well P-479.

Mr. Hall              Yes I do.

Mr. Counts            Are you familiar with the ownership of drilling rights in the lands involved here?

Mr. Hall              Yes sir

Mr. Counts            Does Equitable own drilling rights in the lands involved herein?

Mr. Hall              Yes

Mr. Counts            What is the interest of applicant in these lands?

Mr. Hall              We have leased or own from Pine Mountain Oil and Gas certain tracts within this unit and have other tracts leased.

Mr. Counts            Does applicant wish to dismiss any of the respondents shown on Exhibit B?

Mr. Hall              Yes we would like to dismiss Agnes Urso, Willis Mullins and Doris Mullins and Gary Willis. They have since leased since the application was made.

Joe Johnson           Repeat those please.

Mr. Hall              Agnes Urso (U R S O), Willis Mullins and Doris Mullins and Gary Willis.

Mr. Fulmer            Gary Willis

Mr. Hall              Gary Willis

Mr. Counts            Mr. Hall, approximately how many acres in this unit are still unleased?

Mr. Hall              Approximately five acres.

Mr. Counts            Does this account for approximately four percent of the entire unit?

Mr. Hall              Yes

Mr. Counts            Mr. Hall whose are the interests Equitable Resources seeks to pool?



Mr. Hall They are partial interests in one tract that hasn't completely been leased. Martha Ann Garrett and Marshall Scott Garrett, Jr., Debbie Christian, Leon Sykes and Ella Sykes, Arlene Viers Evans, Randy Viers, Bradley Viers, Bobby C. Colley and Emma L. Colley, Howard G. Colley and Brenda Colley, James Colley and Judy Colley, Pearl Slyger and James Slyger, Larry Willis, Rebecca S. Woods a minor, Rufus A. Willis, Jr., Martha Jean Willis a minor, Jerry L. Cochran and Kathy Cochran, Stella Turner, Patricia A. Yates, Joe Parker and Kenneth Turner and Judy Turner.

Mr. Counts And out of all of these interests you have indicated previously, this comprises approximately five acres or four percent of the unit?

Mr. Hall Yes

Mr. Johnson Excuse me Mr. Counts I didn't hear Mr. Hall mention Willis Mullins and Doris Mullins or did I miss that?

Mr. Hall We asked that they be dismissed.

Mr. Johnson They are one of the ones you asked, o.k.

Mr. Counts Mr. Chairman, under Virginia Code Section 45.1-302, the Code provides that the applicant may seek to appoint a guardian at litem for minors. There are two minors which Mr. Hall indicated, Rebecca S. Woods and Mary Jean Willis. I would like to present to the Board copies of the orders appointing guardian at litem for each of these individuals.

Mr. Johnson All right sir.

Mr. Counts Mr. Hall does the applicant seek to force pool the drilling rights of each individual respondent, if living, and if deceased the unknown successor or successors to any deceased individual respondent?

Mr. Hall Yes sir

Mr. Counts Thank you Mr. Hall. I have no further questions Mr. Chairman.

Mr. Johnson Does anyone have any questions of Mr. Hall. Thank you Mr. Hall.

Mr. Counts Mr. Chairman I would like to call Mr. Jerry Garland.

Mr. Johnson All right, Mr. Hall, I hope will not interrupt your continuity here but I failed to ask Ms. Davis if all persons interested in this matter have been properly notified of the hearing scheduled for 2 o'clock this afternoon.

Ms. Davis Yes sir everybody was notified as outlined in the applicant. They were sent certified return receipt mail and the hearing notice was placed in three newspapers.

Mr. Johnson Thank you Mr. Counts. I wanted to get that in the record.

Ms. Davis May I make a correction please. This hearing was not published in three newspapers it was only published in one paper. I apologize. The morning hearing was placed in three papers.

Mr. Johnson It has circulation in this area.

Ms. Davis Yes sir.

Mr. Counts Mr. Garland would you state your full name for the record please?

Mr. Garland Jerry A. Garland

Mr. Counts Mr. Garland who are you employed by and in what capacity?

Mr. Garland Equitable Resources as a contract leasing agent.

Mr. Counts Have you ever testified before the Oil and Gas Conservation Board as a contract leasing agent and have your qualifications as an expert witness been accepted?

Mr. Garland Yes

Mr. Counts Were any efforts made to determine if the individual respondents were living or deceased or their whereabouts, and if deceased, were efforts made to determine the names and addresses and whereabouts of the successors to any deceased individual respondent.

Mr. Garland Yes, efforts were made.

Mr. Counts What efforts were made and what sources were checked?

Mr. Garland Everyone was identified. We used the following sources: deed records, probate records, assessor's records, treasurer's records, local and long distance telephone directories, family and friends

Mr. Counts Did you follow all reasonable leads to attempt to secure leases and contact these individuals?

Mr. Garland Yes

Mr. Counts Are the addresses set out in Exhibit B to the application the last-known addresses for the respondents?

Mr. Garland Yes

Mr. Counts            Mr. Garland, was due diligence exercised to locate each of the respondents named herein?

Mr. Garland           Yes

Mr. Counts            Prior to filing the application, were efforts made to contact each of the respondents and attempt to work out an agreement regarding the development of the units involved herein?

Mr. Garland           Yes

Mr. Counts            How often was each party, or did you attempt each or contact each party?

Mr. Garland           Every party was located and was contacted more than once either by phone, in person or by mail.

Mr. Counts            And you offered to take a lease from these parties?

Mr. Garland           Yes

Mr. Counts            On what terms, Mr. Garland?

Mr. Garland           \$2.00 per acre per year for a basic primary term of five years and a 1/8 royalty.

Mr. Counts            What efforts were made and what were the results?

Mr. Garland           We had title searches of the deed room, assessors's office, personal telephone contacts, mail outs were made return-receipt-requested certified mail.

Mr. Counts            Thank you sir. In your opinion was a bona fide effort made to reach an agreement with the respondents?

Mr. Garland           Yes

Mr. Counts            At this time Mr. Chairman I would like to recall Mr. Hall please.

Mr. Johnson           Are you finished with Mr. Garland? All right Mr. Hall.

Mr. Counts            Mr. Hall Virginia Code Section 45.1-302 provides a number of options must be provided for a party who owns an interest in the unit which you seek to pool. Do you recommend that each of the individual respondents elect to participate as carried operators entitled to the share of the production from the tracts pooled accruing to their interest, exclusive of any over-rides or royalties in any leases, assignments thereof or agreements relating thereto of such tracts, but only after the proceeds allocable to his share equal 200 percent of the share of such costs allocable to the interests of the carried operator?



Mr. Hall Yes I would recommend that.

Mr. Counts Do you recommend that the order provide that elections by respondent be in writing and sent to the applicant at the address set forth in paragraph 1.1 of the application?

Mr. Hall Yes sir

Mr. Counts Should this be the address for all communications with applicant concerning the forced pooling order?

Mr. Hall Yes sir

Mr. Counts Do you recommend that the forced pooling order provide that if no written election is properly made by a respondent, then such respondent should be deemed to have elected the carried option of being a carried operator in lieu of participation?

Mr. Hall Yes

Mr. Counts How much time from the date of the order should respondent have to file a written election?

Mr. Hall Ten days should be sufficient.

Mr. Counts If respondent elects to participate, how much time from the date of the order should respondent have to pay to applicant respondent's share of well costs?

Mr. Hall Twenty-five days.

Mr. Counts Does applicant expect party electing to participate to pay in advance that party's share of completed well costs?

Mr. Hall Yes sir

Mr. Counts How much time from the date of the order should applicant have to pay or tender any cash bonus becoming due under any forced pooling order?

Mr. Hall Thirty days should be sufficient.

Mr. Counts Do you recommend that the forced pooling order provide that if respondent elects to participate but fails to pay or furnish security satisfactory to applicant for payment of well costs, then respondents election to participate should be treated as having been withdrawn and void and such respondent should be treated just as if no initial election had been filed under the forced pooling order.

Mr. Hall Yes

Mr. Counts            Mr. Hall, do you recommend that the forced pooling order provide that when a respondent elects to participate but defaults in regard to payment of well cost any cash sum becoming payable to such respondent be paid instead towards respondents pro rata share of such well costs within 10 days after the last date on which such respondent could have paid or made satisfactory arrangements for the payment of well costs?

Mr. Hall             Yes

Mr. Counts            Do you recommend that the forced pooling order provide that if respondent elects to lease his interest but refuses to accept the cash bonus or the cash bonus cannot be paid to a party for any reason or there is a title defect in a respondent's interest, that operator create an escrow account under the appropriate provisions of the Virginia Code or otherwise to hold the money in the account for the owner's benefit until the money can be paid to the party or until the title defect is cured to operator's satisfaction?

Mr. Hall             Yes sir

Mr. Counts            Who should be named operator under the pooling order?

Mr. Hall             Equitable Resources Exploration Incorporated

Mr. Counts            Does Equitable have on file with the Department of Mines, Minerals and Energy a plugging agreement and proper security for such agreement?

Mr. Hall             Yes we have a blanket bond that covers plugging and reclamation.

Mr. Counts            Mr. Chairman I have no further questions of Mr. Hall.

Mr. Johnson           All right gentlemen, any questions for Mr. Hall. Thank you Mr. Hall.

Mr. Counts            I would like to call now Mr. Brint Camp. Mr. Camp would you state your full name for the record please.

Mr. Camp             George Brinton Camp

Mr. Counts            And who are you employed by and in what capacity?

Mr. Camp             I am employed by Equitable Resources and I am working as a petroleum geologist.

Mr. Counts            Have you previously testified as a petroleum geologist before the Oil and Gas Conservation Board and have your qualifications as an expert witness been accepted?

Mr. Camp             Yes





Mr. Counts            Mr. Camp, what is the projected total depth of the proposed initial well under applicant's plan of development?

Mr. Camp             The estimated projected depth would be 4,780 feet.

Mr. Counts           Mr. Camp, will this be sufficient to penetrate and test the formations involved herein?

Mr. Camp             Yes

Mr. Counts           Are you familiar with the well costs for the proposed initial unit well under applicant's plan of development?

Mr. Camp             Yes

Mr. Counts           Has an AFE been prepared or reviewed and revised within the last 90 days?

Mr. Camp             Yes

Mr. Counts           Was the AFE prepared by an engineer knowledgeable in the preparation of AFE's and knowledgeable in regard to well costs in this area?

Mr. Camp             Yes

Mr. Counts           Does the AFE represent a reasonable estimate of the reasonable well costs for the proposed initial unit well under applicant's plan of development?

Mr. Camp             Yes the dry hole costs were \$115,390 and the estimated completed well costs would be \$213,690.

Mr. Counts           Does the AFE include a reasonable charge for supervision?

Mr. Camp             Yes it does.

Mr. Counts           Do you have a copy of an AFE which you can provide for the Board for their review.

Mr. Camp             Yes I already have.

Mr. Counts           Thank you. Mr. Camp, in your opinion, will granting of the application be in the best interests of conservation, prevention of waste and protection of correlative rights?

Mr. Camp             Yes

Mr. Counts           Mr. Chairman I have no further questions.

Mr. Johnson           Gentlemen, any questions from Mr. Camp? Thank you Mr. Camp.

Mr. Counts           No further witnesses Mr. Chairman.

Mr. Johnson      All right Mr. Counts. Is there anyone here today who would like to be heard on this matter. This is the pooling of well P-479. Anyone here who would like to be heard either for or against. All right Mr. Counts thank you very much. As we said in the first hearing, we would like the Assistant Attorney General to look at these things and we will work out your orders and we will forward them to you.

Mr. Counts      Thank you Mr. Chairman.

Mr. Johnson      Thank you sir. That concludes the hearing of well P-479.

Exhibit Number 1 . . . . .Guardianship Papers  
Exhibit Number 2 . . . . .Guardianship Papers  
Exhibit Number 3 . . . . .P-479 AFE

This is a true and accurate transcript of this hearing to the best of my ability.

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Diane Davis  
3/7/89



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\* Chancery No. \_\_\_\_\_

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DAY OF November, 1988  
Deborah H. Young Clerk

FILED IN THE \_\_\_\_\_  
DAY OF November, 1986  
James H. Gwalt Clerk  
1170

FILED IN THE \_\_\_\_\_  
DAY OF November, 1986  
James H. Gwalt Clerk  
1170

FILED IN THE \_\_\_\_\_  
DAY OF November, 1986  
James H. Gwalt Clerk  
1170

of Laurel Branch of McClure River.

(2) The infant owner derives her interest in said two tracts of land as an heir of her grandparents, Victor and Nola Willis, former owners of said land.

(3) By deed dated May 9, 1946, of record in the Clerk's Office of the Circuit Court of Dickenson County, Virginia, in Deed Book No. 92, page 37, Earl and Versie Barton, husband and wife, conveyed to Victor and Nola Willis, husband and wife, a 15 acre tract of land in Dickenson County, Virginia, on the waters of Laurel Branch of McClure River. By this deed Victor and Nola Willis acquired the surface, oil, gas and all other minerals in the 15 acre tract except coal. A photostatic copy of the record of said deed is herewith filed as Exhibit A.

(4) By deed dated December 14, 1956, of record in said Clerk's Office in Deed Book No. 111, page 548, Verlin Baker and his wife, Voniece Baker, conveyed to the said Victor and Nola Willis, husband and wife, a 10 acre tract of land situated in Dickenson County, Virginia, on Laurel Branch of McClure River. By this deed Victor and Nola Willis also acquired the surface, oil, gas and all minerals in the 10 acre tract except coal. The 15 acre and 10 acre tracts adjoin. A photostatic copy of the record of said deed is herewith filed as Exhibit B.

(5) Nola Willis died intestate March 17, 1960, and Victor Willis died intestate June 11, 1984. Lists of the heirs of Victor Willis and Nola Willis are herewith filed as Exhibits C and D, respectively.

(6) The said Mary Jean Willis, as an heir of Nola Willis, owns a 1/50th undivided interest in the oil, gas, surface, and all minerals other than coal in said 15 acre and 10 acre tracts of land, subject to the dower interest of her mother in the Nola Willis 1/2 interest therein. Mary Jean Willis, as an heir of Victor Willis, also owns a 1/165th undivided interest in the oil, gas, surface, and all minerals other than coal in said two tracts of land.

(7) If the infant owner, Mary Jean Willis, had died at the commencement of this suit, her only heir would be her mother, the defendant Julia McGuire Willis Allan.

(8) All persons who have any interest in the oil and gas in the property involved in this suit are parties hereto.

(9) Equitable Resources Exploration, Inc., a Pennsylvania corporation duly authorized to transact business in Virginia, has offered to lease the interest of the infant owner, Mary Jean Willis, in the oil and gas in the Victor and Nola Willis 15 acre and 10 acre tracts of land. A blank form of the proposed oil and gas lease is filed herewith as Exhibit E.

(10) The execution of the proposed lease would promote the interest of Mary Jean Willis. The two tracts of land involved in this proceeding will be combined with the land of other owners to form a drilling unit for the proposed well, which will be located on land other than the 15 acre and the 10 acre tracts involved in this suit. These two tracts of land now produce no income; the extraction of oil and gas from the



property will cause no permanent damage or injury to such property; the well, access road and all other facilities will be located on the land of other owners rather than the land involved in this suit; all the adult owners have executed leases of their interest in the oil and gas to Equitable; and no person's rights will be violated by the execution of the proposed leases.

(11) The income of Mary Jean Willis consists of \$505.00 per month. The infant owns no real estate except her interest in the two tracts of land involved in this proceeding, and she has no assets other than personal belongings of nominal value. She is a student in public school at Christiansburg, Virginia.

WHEREFORE, plaintiff prays that a guardian ad litem be appointed to represent, protect and defend the interest of Mary Jean Willis; that the Court authorize the lease to Equitable Resources Exploration, Inc. of the interest of said infant in said lands; that the proceeds of the lease in which she has an interest be paid to the plaintiff as guardian of the infant for her support, maintenance and welfare; and that a special commissioner be appointed to execute such lease on behalf of the infant owner.

JULIA MCGUIRE WILLIS ALLAN  
Mother and Natural Guardian  
of Mary Jean Willis

By Counsel

*Benjamin F. Sutherland*

Benjamin F. Sutherland  
Attorney-at-Law  
Baker Professional Building  
P. O. Box 676  
Clintwood, Virginia 24228

VIRGINIA:

IN THE CIRCUIT COURT OF DICKENSON COUNTY

LINDA GAIL HALL, GUARDIAN, etc.

PLAINTIFF

V.

ANSWER BY GUARDIAN AD LITEM

REBECCA S. WOODS, an infant, et al.

DEFENDANT

RE: BUSTER BONCIL WOODS

FOR ANSWER to the Bill for Lease of Land of Infant Owners filed in this proceeding, Buster Boncil Woods, by his duly appointed Guardian ad litem, answers and says:

That by reason of him being a person convicted of a felony and now confined in a Virginia state correctional institution he hereby submits his interests to the protection of the Court and prays that no order or decrees be entered to his prejudice.

BUSTER BONCIL WOODS

- By Counsel -

LAW OFFICE OF DONALD A. ASKINS, P. C.

P.O. BOX 715

CLINTWOOD, VIRGINIA

24228

BY: L. S. H. Sh

Guardian ad litem

RECEIVED AND FILED, THIS THE 19th

DAY OF December, 1988

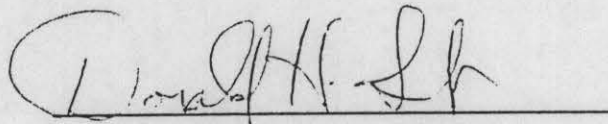
CLERK

TIME: 12:05 P.M.



Certificate of Service

I certify that on December 16, 1988, I mailed a true copy of the foregoing answer to Benjamin F. Sutherland, Esquire, P. O. Box 676, Clintwood, Virginia, 24228, counsel of record, pursuant to the provisions of Rule 1:12 of the Rules of the Supreme Court of Virginia.

A handwritten signature in dark ink, appearing to read "Donald H. Askins", is written over a horizontal line.

DONALD H. ASKINS

VIRGINIA:

IN THE CIRCUIT COURT OF DICKENSON COUNTY

JULIA MCGUIRE WILLIS ALLAN,  
MOTHER AND NATURAL GUARDIAN, etc.

PLAINTIFF

V.

ANSWER BY GUARDIAN AD LITEM

MARY JEAN WILLIS, an infant, et al.

DEFENDANT

FOR ANSWER to the Bill for Lease of Land of Infant Owners  
filed in this proceeding, Mary Jean Willis, by her duly appointed  
Guardian ad litem, answers and says:

That by reason of her being of young and tender years she is  
incapable of understanding the nature of this proceeding, and  
hereby submits her interests to the protection of the Court and  
prays that no order or decrees be entered to her prejudice.

MARY JEAN WILLIS

- By Counsel -

LAW OFFICE OF DONALD A. ASKINS, P. C.  
P.O. BOX 715  
CLINTWOOD, VIRGINIA 24228

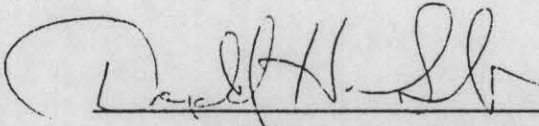
BY: [Signature]

Guardian ad litem

RECEIVED AND FILED, THIS THE 19th  
DAY OF November, 1988  
Clerk  
12:05 P.M.

Certificate of Service

I certify that on December 16, 1988, I mailed a true copy of the foregoing answer to Benjamin F. Sutherland, Esquire, P. O. Box 676, Clintwood, Virginia, 24228, counsel of record, pursuant to the provisions of Rule 1:12 of the Rules of the Supreme Court of Virginia.

  
\_\_\_\_\_  
DONALD H. ASKINS



AT A CIRCUIT COURT CONTINUED AND HELD FOR DICKENSON COUNTY, VIRGINIA,  
ON THE 16th DAY OF NOVEMBER, IN THE YEAR OF OUR LORD, ONE THOUSAND, NINE HUNDRED  
AND EIGHTY EIGHT.

PRESENT: THE HONORABLE DONALD A. MCGLOTHLIN, JR., JUDGE PRESIDING.

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VIRGINIA:

IN THE CIRCUIT COURT OF DICKENSON COUNTY

JULIA MCGUIRE WILLIS ALLAN,  
Mother and Natural Guardian, etc.,

Plaintiff

v.

MARY JEAN WILLIS, An Infant, et al.,

Defendants

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Chancery No. 6435

ORDER APPOINTING GUARDIAN AD LITEM

On motion of plaintiff, it is ORDERED that  
Donald Askins, Esq., a discreet and competent  
attorney-at-law practicing before this Court, be and hereby is  
appointed as guardian ad litem for Mary Jean Willis, an infant,  
whose interest in the oil and gas in certain lands is the subject  
matter of this suit, to protect the interest of the infant.

ENTER this November 16<sup>th</sup>, 1988.

Donald A. McGlothlin, Jr.  
J U D G E

REQUESTED:

Benjamin F. Sutherland  
Benjamin F. Sutherland

2/1/89  
to Ben Askins  
1-12-88

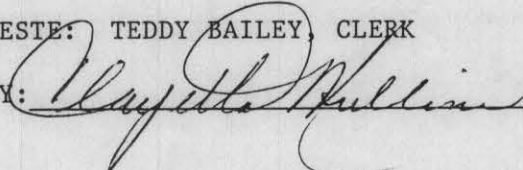
Exhibit 2  
1/26/89 p. 479

VIRGINIA: DICKENSON COUNTY, to-wit:

I, Teddy Bailey, Clerk of the Circuit Court for Dickenson County, Virginia, do hereby certify that the attached are true and correct photostatic copies of the BILL FOR LEASE OF LAND OF INFANT OWNER, CONVICTS/WHEN COMMITTEE MUST BE APPOINTED, ANSWER BY GUARDIAN AD LITEM (of Rebecca S. Woods), ORDER APPOINTING GUARDIAN AD LITEM (of Rebecca S. Woods), and ORDER APPOINTING GUARDIAN AD LITEM (of Buster Boncil Woods) in Chancery Case No. 6450 in my office, said case styled "LINDA GAIL HALL, GUARDIAN VS. REBECCA S. WOODS, INFANT, ET ALS".

Given under my hand and seal this the 24th day of January, 1989.

TESTE: TEDDY BAILEY, CLERK

BY:  DEPUTY CLERK

VIRGINIA:

IN THE CIRCUIT COURT OF DICKENSON COUNTY

LINDA GAIL HALL, Guardian of Rebecca  
S. Woods, A Person under 18 years  
of age,

Plaintiff

v.

REBECCA S. WOODS, an Infant  
c/o Linda Gail Hall, Guardian  
P. O. Box 74  
Haysi, Virginia 24256

BUSTER BONCIL WOODS (Widower),  
Prisoner  
Powhatan Correctional Center  
Powhatan, Virginia 23139

LINDA GAIL HALL  
P. O. Box 74  
Haysi, Virginia 24256

GAY HALL  
General Delivery  
Haysi, Virginia 24256

JUNIOR WOODS  
General Delivery  
Haysi, Virginia 24256

ANN DEEL  
2125 Milverton  
Troy, Michigan

ZELPHIA EDWARDS  
General Delivery  
Haysi, Virginia 24256

BETTY BARTON (Widow)  
General Delivery  
Clinchco, Virginia 24226

BOBBY WOODS  
General Delivery  
Clinchco, Virginia 24226

Chancery No. \_\_\_\_\_

RECEIVED AND FILED, THIS THE 2ND

DAY OF December 1988

[Signature] CLERK

TIME: 2:30 PM



BILLY WOODS  
General Delivery  
Clinchco, Virginia 24226

BENFORD WOODS  
General Delivery  
Clinchco, Virginia 24226

PATSY BARTON  
Centennial Heights, Apt. G-2  
Haysi, Virginia 24256

GARY WILLIS  
P. O. Box 408  
Haysi, Virginia 24256

LARRY WILLIS  
602 Day Avenue, Apt. 11  
Roanoke, Virginia 24016

RUFUS ALTON WILLIS, JR.  
Route 1, Box 10  
Parkers Mobile Home Park  
Elliston, Virginia 24087

DOUGLAS RAY WILLIS  
2240 Fairview Street  
Christiansburg, Virginia 24073

MICHAEL TODD WILLIS  
2240 Fairview Street  
Christiansburg, Virginia 24073

VICTOR FRANKLIN WILLIS  
2240 Fairview Street  
Christiansburg, Virginia 24073

MARY JEAN WILLIS, an Infant  
c/o Julia McGuire Willis Allan,  
her Natural Guardian  
2240 Fairview  
Christiansburg, Virginia 24073

VICKIE TURNER  
Route 1, Box 183  
Clinchco, Virginia 24226

ANNETTE MITCHELL  
P. O. Box 1  
Haysi, Virginia 24256

\*\*\*\*\*

PATTY WILLIS  
P. O. Box 1  
Haysi, Virginia 24256

REBECCA WILLIS  
P. O. Box 1  
Haysi, Virginia 24256

MATTHEW WILLIS, an Infant  
c/o Sue Willis  
P. O. Box 1  
Haysi, Virginia 24256

ADAM WILLIS, an Infant  
c/o Sue Willis  
P. O. Box 1  
Haysi, Virginia 24256

Defendants

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BILL FOR LEASE OF LAND OF INFANT OWNER

TO THE HONORABLE DONALD A. MCGLOTHLIN, JR., JUDGE OF SAID COURT.

Your plaintiff, Linda Gail Hall, guardian of Rebecca S. Woods, an infant, respectfully represents as follows:

(1) By order of the Circuit Court of Dickenson County, Virginia, entered November 7, 1988, the petitioner Linda Gail Hall was appointed guardian of Rebecca S. Woods, an infant over 14 years of age. A photostatic copy of said order is herewith filed as Exhibit A.

(2) This is a proceeding by which Linda Gail Hall, guardian of Rebecca S. Woods, and a sister of Rebecca's father, the defendant Buster Boncil Woods, seeks authority to lease to Equitable Resources Exploration, Inc. the undivided interest of Rebecca S. Woods in the oil and gas in four tracts of land situated in Dickenson County, Virginia. Two of the tracts are

located on the waters of Laurel Branch of McClure River, and contain 15 acres and 10 acres, more or less. Each of the other two tracts contains 26.6 acres, more or less, and both are situated on the waters of Lazarus Branch of Russell Fork.

(3) The infant owner derives her interest in the two tracts of land on Laurel Branch as an heir of her grandparents, Victor Willis and Nola Willis, former owners of said land. She derives her interest in the two tracts on Lazarus Branch as an heir of her great-great grandfather, John B. Turner.

Laurel Branch Property

(4) By deed dated May 9, 1946, of record in the Clerk's Office of the Circuit Court of Dickenson County, Virginia, in Deed Book No. 92, page 37, Earl and Versie Barton, husband and wife, conveyed to Victor and Nola Willis, husband and wife, a 15 acre tract of land situated in Dickenson County, Virginia, on the waters of Laurel Branch of McClure River. By this deed Victor and Nola Willis acquired the surface, oil, gas and all other minerals in the 15 acre tract except coal. A photostatic copy of the record of said deed is herewith filed as Exhibit B.

(5) By deed dated December 14, 1956, of record in said Clerk's Office in Deed Book No. 111, page 548, Verlin Baker and Voniece Baker, husband and wife, conveyed to the said Victor and Nola Willis, husband and wife, a 10 acre tract of land situated in Dickenson County, Virginia, on Laurel Branch of McClure River. By this deed Victor and Nola Willis also acquired the surface,



oil, gas and all minerals in the 10 acre tract except coal. A photostatic copy of the record of said deed is herewith filed as Exhibit C.

(6) Nola Willis died intestate March 17, 1960, and Victor Willis died intestate June 11, 1984. Lists of the heirs of Victor Willis and Nola Willis are herewith filed as Exhibits D and E, respectively.

(7) The said Rebecca S. Woods, as an heir of Nola Willis, owns a 1/10th undivided interest in the Nola Willis 1/2 interest in the oil, gas, surface, and all minerals other than coal in said 15 acre and 10 acre tracts of land. As an heir of Victor Willis, she also owns a 1/33rd undivided interest in the Victor Willis 1/2 interest in said estate in said two tracts of land.

#### Lazarus Branch Property

(8) As an heir of John B. Turner, Rebecca S. Woods also owns an undivided interest in the oil and gas in two tracts of land on Lazarus Branch, each containing 26.6 acres, in both of which the John B. Turner heirs own the oil and gas. John B. Turner, the fee simple owner of a tract of land containing 163 acres and 115 poles on Lazarus Branch of Russell Fork, conveyed the coal therein to Patrick Hagan and C. F. Flanary by deed dated June 6, 1890, of record in said Clerk's Office in Deed Book No. 9, page 221. By deed dated October 1, 1933, of record in said Clerk's Office in Deed Book No. 67, page 412, John B. (as J. B.) Turner conveyed to one of his sons, Wilson Turner, a 26.6 acre

portion of the 163 acre and 115 poles tract, excepting all minerals and all that had already been conveyed from the tract. The only mineral already conveyed was the coal. By deed dated December 2, 1933, of record in Deed Book No. 74, page 349, John B. (as J. B.) Turner conveyed to Samantha and Noah Sykes a 26.6 acre portion of the entire tract, by deed which contained the same mineral exception which appeared in his deed to Wilson Turner. John B. Turner therefore retained oil and gas in both said 26.6 acre tracts of land, which retained estate he still owned at the time of his death intestate in 1945. John B. Turner had eight children, including a predeceased son, Rufus Turner, whose heirs acquired a 1/8th interest in the oil and gas in both tracts upon the death of John B. Turner. Each of the Rufus Turner heirs, one of whom was his daughter, Nola Willis, acquired a 1/4th of the Rufus Turner 1/8th interest in said land, i.e., a 1/32nd interest in the oil and gas in said land. Nola Willis died intestate in 1960, survived by five children, one of whom was Margaret Woods, who acquired a 1/160th undivided interest in the oil and gas in said land. Margaret Woods died intestate in 1974, survived by her only child, the said Rebecca S. Woods, who inherited her mother's 1/160th undivided interest in the oil, gas and all other minerals except coal in the two John B. Turner tracts on Lazarus Branch.

(9) After the death of Margaret Woods, Rebecca S. Woods was adopted by her paternal grandparents, Leslie and Stella Woods, both of whom thereafter died intestate, survived by 11

children, one of whom was Rebecca S. Woods. She inherited a 1/11th interest in a 2-1/2 acre surface tract in Dickenson County owned by the said Leslie and Stella Woods.

(10) Equitable Resources Exploration, Inc., a Pennsylvania corporation duly authorized to transact business in Virginia, has offered to lease the interest of the infant owner, Rebecca S. Woods, in the oil and gas in the Victor and Nola Willis 15 acre and 10 acre tracts of land, and in the two John B. Turner heirs 26.6 acre tracts. A blank form of the proposed oil and gas lease is filed herewith as Exhibit F.

(11) The persons who would be the heirs of the infant owner, Rebecca S. Woods, if she had died at the commencement of this suit, are the heirs of her adoptive parents, Ira Leslie Woods and Stella Faye Woods. These heirs are shown on a list filed herewith as Exhibit G. All persons who would be the heirs of Rebecca S. Woods under that contingency are named as parties defendant herein.

(12) All persons who have any interest in the Rebecca S. Woods oil and gas interest in the property involved in this suit are parties hereto.

(13) The execution of the proposed lease would promote the interest of Rebecca S. Woods. The two tracts of land on Laurel Branch and the two tracts on Lazarus Branch will be combined with the land of other owners to form two separate drilling units for two proposed wells, neither of which will be located on any land in which Rebecca S. Woods owns an interest in



the oil and gas. None of these tracts of land now produces any income; the extraction of oil and gas from the property will cause no permanent damage or injury to such property; the well, access road and all other facilities will be located on the land of other owners rather than the land involved in this suit; all the adult owners have executed leases of their interest in the oil and gas to Equitable; and no person's rights will be violated by the execution of the proposed lease.

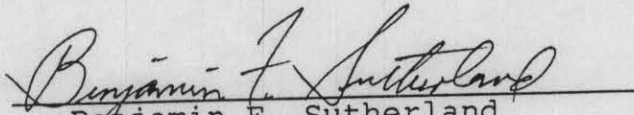
(14) The income of Rebecca S. Woods consists of \$603.00 per month. In addition to her interest in the land involved in this proceeding, the infant also owns a 1/11th undivided interest in an unimproved 2-1/2 acre tract of land in Dickenson County, as an heir of Stella and Leslie Woods, and the infant owner has no other assets except personal belongings of nominal value.

WHEREFORE, plaintiff prays that a guardian ad litem be appointed to represent, protect and defend the interest of Rebecca S. Woods and the interest of the defendant Buster Boncil Woods, a person who has been convicted of felony, sentenced to confinement for more than one year, and now imprisoned in a Virginia state correctional institution; that the Court authorize a lease to Equitable Resources Exploration, Inc. of the interest of said infant in her lands in each drilling unit; that the proceeds of the lease in which the infant owner has an interest be paid to the plaintiff as guardian of the infant for her support, maintenance and welfare; and that a special commissioner

be appointed to execute such lease on behalf of the infant owner.

LINDA GAIL HALL, Guardian

By Counsel

  
Benjamin F. Sutherland  
Attorney-at-Law  
Baker Professional Building  
P. O. Box 676  
Clintwood, Virginia 24228

VIRGINIA: DICKENSON COUNTY, to-wit:

Exhibit 1  
1/24/89

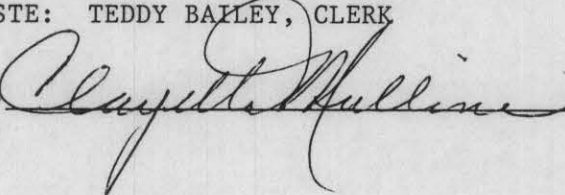
P-479

I, Teddy Bailey, Clerk of the Circuit Court for Dickenson County, Virginia, do hereby certify that the attached are true and photostatic copies of the BILL FOR LEASE OF LAND OF INFANT OWNER, ANSWER BY GUARDIAN AD LITEM (of Buster Boncil Woods), ANSWER BY GUARDIAN AD LITEM (of Mary Jean Willis), and ORDER APPOINTING GUARDIAN AD LITEM in Chancery Case No. 6435 in my office, said case styled "JULIA McGUIRE WILLIS ALLAN VS. MARY JEAN WILLIS, AN INFANT, ET ALS".

Given under my hand and seal this the 24th day of January, 1989.

TESTE: TEDDY BAILEY, CLERK

BY:

 DEPUTY CLERK



CONVICTS/When Committee Must Be Appointed

Buster Boncil Woods, a convict, has no property or estate either in Virginia or elsewhere. A suit is to be filed to obtain court approval for the lease of the interest of his infant daughter in the oil and gas in land in Dickenson County. The convict must be made a party to the suit only because he would be one of the heirs of the infant owner if she died at the commencement of the suit. The question is whether a committee must be appointed to represent the interest of a convict with no estate, or whether his interest can be represented by a guardian ad litem.

One authority states that cases in which a convict is plaintiff must be prosecuted by a committee, but that if the convict is a defendant some cases may be defended by a committee, while others may be defended by a guardian ad litem. Boyd, Graves & Middleditch, Va. Civ. Proc., § 4.14, p. 235.

Statute provides that suits to which the prisoner is a party at the time of conviction "shall" be prosecuted or defended by committee. Code § 53.1-222. With respect to "all claims or demands of every nature in favor of or against" the convict, the committee "may" sue and be sued. Code § 53.1-222. After conviction and while the prisoner is imprisoned, "No action or suit on any claim or demand shall be instituted against a prisoner. . . , except through his committee" (Emphasis added). Code § 53.1-223. In the proposed suit to lease infant's land, no

RECEIVED AND FILED, THIS THE

DAY OF December 1988

Julia Hargis, Clerk

for Court

claim or demand will be made against the convict. Thus the statute requiring appointment of a committee does not apply to the facts of the present case.

Code § 8.01-9 deals exclusively with guardians ad litem; § 53.1-221 (formerly §§ 53-305 and 53-306), and § 53.1-222 (formerly § 53-307), deal exclusively with committees. Code § 8.01-9 provides [in Nov., 1988], in pertinent part:

"A. A suit wherein a person under a disability is a party defendant shall not be stayed because of such disability, but the court in which the suit is pending, or the clerk thereof, shall appoint some discreet and competent attorney-at-law as guardian ad litem to such defendant, whether such defendant shall have been served with process or not. . . [Such guardian shall not be liable for costs]. Every guardian ad litem shall faithfully represent the estate or other interest of the person under a disability for whom he is appointed, and it shall be the duty of the court to see that the interest of such defendant is so represented and protected. . .

"B. Notwithstanding the provisions of subsection A or the provisions of any other law to the contrary, in any suit wherein a person under a disability is a party defendant and is represented by an attorney-at-law duly licensed to practice in this Commonwealth, who shall have entered of record an appearance for such person, no guardian ad litem need be appointed for such person unless the court determines that the interests of justice require such appointment; or unless a statute applicable to such suit expressly requires an answer to be filed by a guardian ad litem. The court may, in its discretion, appoint the attorney of record for the person under a disability as his guardian ad litem, in which event the attorney shall perform all the duties and functions of guardian ad litem."

In November, 1988, the following sections of Title 53.1 read as follows:

Code § 53.1-221:

"A. When a person is convicted of a felony and sentenced to confinement in a state correctional facility, his estate, both real and personal, may, on motion of any party interested, be committed by the circuit court of the county or city in which his estate, or some part thereof is, to a person selected by the court.

"B. If a person so convicted and sentenced, whether a resident or a nonresident of Virginia, has no property or estate in the Commonwealth, a committee may be appointed for him, on motion of any party interested, by the circuit court of the county or city wherein the offense for which he was convicted was committed.

"C. A committee appointed pursuant to this section shall give such bond, either secured or unsecured, as is required by the court and shall be subject to all applicable provisions of Title 26. (Code 1950, §§ 53-305, 53-306; 1952, c. 293; 1982, c. 636.)"

§ 53.1-222:

"A committee appointed pursuant to § 53.1-221 may sue and be sued in respect to all claims or demands of every nature in favor of or against such prisoner and against any of the prisoner's estate. All actions or suits to which the prisoner is a party at the time of his conviction shall be prosecuted or defended, as the case may be, by such committee after ten days' notice of the pendency thereof, which notice shall be given by the clerk of the court in which the same are pending. (Code 1950, § 53-307; 1980, c. 504; 1982, c. 636.)"

§ 53.1-223:

"No action or suit on any claim or demand shall be instituted against a prisoner after judgment of conviction and while he is incarcerated, except through his committee. (Code 1950, § 53-307.1; 1980, c. 504; 1982, c. 636.)"

In Dunn v. Terry, 216 Va. 234, 217 S. E. 2d 849 (1975), the Court said that there is no legislative intent that § 8.01-9,



which provides when appointment of a guardian ad litem for a person under disability is appropriate, also applies to §§ 53.1-221 et seq., pertaining to the appointment of committees for convict defendants. This may indicate that the two procedures operate independently, that the appointment of a committee for a convict is not required in all cases, thus permitting the court to decide whether to appoint a guardian ad litem or to appoint a committee, as the circumstances require. Boyd, Graves & Middleditch, Va. Civ. Pro., § 4.14, p. 235.

The appointment of a committee for convict defendants is required where a suit is filed "on any claim or demand against" the convict. If, however, the suit does not involve a claim or demand against the convict, as in the present case where the convict has no estate to protect, then the requirement that a committee be appointed does not apply. The convict will be named a party defendant only because of the statutory requirement that in a proceeding to sell or lease lands of an infant, there must be made defendant all persons who would be heirs of the infant if he or she died at the commencement of the suit. The need for a fiduciary to protect the interest of the convict under consideration is confined to representing his interest in this case, and at its conclusion no duty will remain to be performed by a committee, because the convict will have no estate for a committee to manage. In such case, there is no need for the appointment of a committee, a fiduciary who normally has the responsibility of management of the property or estate of the

13

person under disability, with the duty of giving bond and filing periodic reports. In the present case, the appointment of a guardian ad litem will provide adequate protection for the interest of the convict.

In Dunn v. Terry, Dunn was sued for wrongful death. After the action was filed and he was served with process, he was convicted of involuntary manslaughter, a felony, sentenced to confinement for more than one year, and imprisoned in a State correctional institution. He defended the civil suit through his attorneys while still imprisoned. No party at any time requested that a committee be appointed, and no committee was appointed. The plaintiff obtained a judgment against the convict, and after his release from prison, enforced the judgment by garnishment. Dunn moved to quash on the ground that he had not been defended by a committee.

The time Dunn was sued, Virginia Code § 8-88, now § 8.01-9, prior to its amendment in 1972 by enactment of § 8-88.1, required that a guardian ad litem be appointed to represent infant or insane, but not convict defendants, except that as to insane defendants, a guardian ad litem was necessary only if there was a conflict of interest between the committee and the insane person. Failure to comply with such requirement was a jurisdictional defect which could not be waived. The 1972 amendment provided that a defendant convict needs no guardian ad litem or committee when he is adequately represented by his attorney of record. Dunn argued that the amendment showed that

prior to its enactment the appointment of a guardian ad litem for an infant or insane defendant or a committee for a convict defendant was required, and that the amendment showed a legislative intention to make guardians ad litem and committees identical as to convict defendants, with the result that if a guardian ad litem was appointed, then it would not be necessary to appoint a committee. The Supreme Court did not agree that the amendment expressed in § 8-81.1 applied to §§ 53-305 et seq., pertaining to the appointment of committees for convict defendants.

However, the Supreme Court held that, unlike the case of an infant or an incompetent person, in which cases the appointment of a committee is jurisdictional, the appointment of a committee for a defendant convict is a procedural requirement which may be waived, and Dunn had effectively waived the appointment of a committee. It would follow that, since appointment of a committee is not jurisdictional but procedural, a court in its discretion could appoint a guardian ad litem to represent the interest of a convict, and is not required in all cases, in all circumstances, to appoint a committee for that purpose.

In the present case, there is the problem of finding a person suitable for appointment as committee. The law does not require, however, that the court must engage in a needless procedure of appointing someone to manage property the convict does not have, to give bond, and to file periodic reports.



VIRGINIA:

IN THE CIRCUIT COURT FOR DICKENSON COUNTY

LINDA GAIL HALL, Guardian, etc.,

PLAINTIFF

V.

Chancery No. 6450

REBECCA S. WOODS, an Infant, et al.,

DEFENDANTS

RE: REBECCA S. WOODS, an Infant

ANSWER BY GUARDIAN AD LITEM

FOR ANSWER to the Bill For Lease Of Land Of Infant Owner filed in this proceeding, Rebecca S. Woods, by her duly appointed Guardian ad litem, answers and says:

That by reason of her being of young and tender years she is incapable of understanding the nature of this proceeding, and hereby submits her interests to the protection of the Court and prays that no orders or decrees be entered to her prejudice.

REBECCA S. WOODS

- By Counsel -

BAKER & BAKER  
ATTORNEYS AT LAW  
P.O. BOX 1799  
CLINTWOOD, VIRGINIA 24228

BY:

Joye Thomas Baker

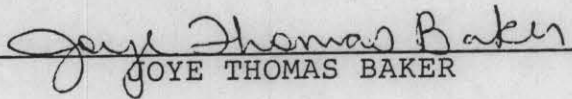
Joye Thomas Baker  
Counsel for Defendant

Law Offices  
Baker and Baker  
Chase St.  
P.O. Box 1799  
Clintwood, Virginia  
24228

AND FILED, THIS THE 15th  
Dec, 1988  
Joye Thomas Baker CLERK  
TIME: 4:00 P.M.

CERTIFICATE

I certify that on December 15, 1988, I mailed or delivered a true copy of the foregoing pleading(s) to all counsel of record herein pursuant to the provisions of Rule 1:12 of the Rules of the Supreme Court of Virginia.

  
JOYE THOMAS BAKER

ON THE 12th DAY OF DECEMBER, IN THE YEAR OF OUR LORD, ONE THOUSAND, NINE HUNDRED  
AND EIGHTY EIGHT.

PRESENT: THE HONORABLE DONALD A. MCGLOTHLIN, JR., JUDGE PRESIDING.

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VIRGINIA:

IN THE CIRCUIT COURT OF DICKENSON COUNTY

LINDA GAIL HALL, Guardian, etc.,

Plaintiff

v.

REBECCA S. WOODS, an Infant, et al.,

Defendants

\*  
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\*  
\* Chancery No. 6450  
\*  
\*  
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\*  
\*

ORDER APPOINTING GUARDIAN AD LITEM

On motion of plaintiff, it is ORDERED that  
Joye Thomas Baker, a discreet and competent  
attorney-at-law practicing before this Court, be and hereby is  
appointed as guardian ad litem for Rebecca S. Woods, an infant,  
whose interest in the oil and gas in certain lands is the subject  
matter of this suit, to protect the interest of the infant.

ENTER this December 12, 1988.

Donald A. McGlothlin, Jr.  
J U D G E

REQUESTED:

Benjamin F. Sutherland  
Benjamin F. Sutherland

100 copies  
Joye Thomas Baker  
12-12-88



ch.  
6450

VIRGINIA:

IN THE CIRCUIT COURT OF DICKENSON COUNTY

LINDA GAIL HALL, Guardian, etc.,

Plaintiff

v.

REBECCA S. WOODS, an Infant, et al.,

Defendants

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\* Chancery No. \_\_\_\_\_  
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ORDER APPOINTING GUARDIAN AD LITEM

On motion of plaintiff, it is ORDERED that Donald Askins, Esq., a discreet and competent attorney-at-law practicing before this Court, be and hereby is appointed as guardian ad litem for Buster Boncil Woods, a person convicted of felony and now confined in a Virginia state correctional institution, to protect his interest herein.

ENTER this December 12, 1988.

Donald A. M. Stoll  
J U D G E

REQUESTED:

Benjamin F. Sutherland  
Benjamin F. Sutherland

Copy to Counsel  
of Donald Askins  
12-12-88

2pm - P-479  
Exhibit 3  
1/26/89

\*\*\*\*\*  
AFE APPROVAL SHEET  
\*\*\*\*\*

AFE		Description	Drill and complete new production well P-479.	Amount	\$213,690
Alternate AFE	N/A			Company	EREX
Operator	10200	Name	EREX Peco Resources Division	Clrg CC	N/A
Cost Center Type	AW			Ledger Type	CN
Approved by	3097	Name	GARDNER, H.E.	Status	PND
Approved Date	11/02/88	In Service Date		Closed Date	

SCOPE OF WORK

Drill and complete new production well P-479 in the Berea and Brown Shale formations, located in Dickenson county, Virginia.  
Working Interest = 100%  
Gross Producing Cost = \$213,690  
Gross Dry Hole Cost = \$115,390

REPORTING CODES

Company/Division	200	EREX	Primary Formation	251	BEREA
Joint Venture	N/A		Responsible Mgr	MC	MARTIN, C.
Partnership	N/A		Operator	200	EREX
State	VA	VIRGINIA	Acquisition	N/A	
County	051	DICKENSON	Committed	N/A	
District/Township	N/A		Capital Budget Category	831	88-DEV. WELL
Field	N/A	NORA	Blanket AFE	N/A	
Prospect	N/A		Division	PEC	PECO RESOURCES DIV.
AFE/Lease/Well Type	ADW	AFE-DEV WELL	Old Company	020	PEC
Primary Product	7C5	GAS	Undesignated	N/A	

SIGNATURE

DATE

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File No.

PROJECT OR WELL DESCRIPTION

DRILL AND COMPLETE NEW  
PRODUCTION WELL P-479.

DATE PRINTED

02-Nov-88

PROJECT OR WELL LOCATION ( INCLUDE STATE &amp; COUNTY ) DICKENSON COUNTY, VIRGINIA

TYPE WELL ( DEVELOPMENT, EXPLORATORY ) DEVELOPMENT

TOTAL DEPTH 4780'

SUBSIDIARY W.I. 1

ACCOUNT CODES	DESCRIPTION	PAGE 1	GROSS AMOUNT	NET AMOUNT
B	APE - WELL DRILLING AND COMPLETION			
1610.0001	LEASEHOLD COSTS			
1610.10000	LEASE ACQUISITION COSTS			
1610.10020	Assignments		0	0
	LEASE ACQUISITION COSTS		0	0
1620	INTANGIBLE DRILLING COSTS			
1620.10000	IOC-DRILLING			
1620.10010	Contract Footage		62,140	62,140
1620.10020	Daywork		0	0
1620.10030	Contractor Setup		0	0
1620.10040	Abstracts		1,000	1,000
1620.10050	Curative and Title		1,000	1,000
1620.10060	Survey Location and Plat		2,800	2,800
1620.10070	Directional Survey		0	0
1620.10080	Permits and Bonds		100	100
1620.10090	Right of Way - Bonds		1,000	1,000
1620.10100	Location/Roads		16,000	16,000
1620.10110	Location Fees		0	0
1620.10120	Fuel and Power		0	0
1620.10130	Drilling Mud and Chemicals		0	0
1620.10140	Bits		0	0
1620.10150	Reamers and Stabilizers		0	0
1620.10160	Drilling Hammer		0	0
1620.10170	Drilling Water		0	0
1620.10180	Open Hole Logging		2,000	2,000
1620.10190	Mud Logging		0	0
1620.10200	Coring		0	0
1620.10210	Core Analysis		0	0
1620.10220	Drill Stem Test		0	0
1620.10230	Surface Casing Cementing		1,500	1,500
1620.10240	Intermediate Casing Cementing		5,000	5,000
1620.10250	Misc Cementing		0	0
1620.10260	Power Tongs for Casing/Tubing		500	500
1620.10270	Floats,Baffles,Centralizer		300	300
1620.10280	Equipment Rental		0	0
1620.10290	Dozer		0	0
1620.10300	Transportation		1,800	1,800
1620.10310	Fishing Expenses		0	0
1620.10320	Sidetracking Expenses		0	0
1620.10330	Plugging Expenses		0	0
1620.10340	Surface Damages		1,500	1,500
1620.10700	Supervision		300	300
1620.10710	Well Control Insurance		0	0
1620.10720	Operator Overhead		0	0
1620.10750	Other		1,000	1,000
FILE NO.	IOC DRILLING		97,940	97,940



PROJECT OR WELL DESCRIPTION

DRILL AND COMPLETE NEW  
PRODUCTION WELL P-479.

DATE PRINTED

02-Nov-88

PROJECT OR WELL LOCATION ( INCLUDE STATE &amp; COUNTY ) DICKENSON COUNTY, VIRGINIA

TYPE WELL ( DEVELOPMENT, EXPLORATORY ) DEVELOPMENT

TOTAL DEPTH 4780'

SUBSIDIARY W.I.

1

ACCOUNT CODES	DESCRIPTION	GROSS AMOUNT	NET AMOUNT
1630.20000	IDC-COMPLETION		
1630.20010	Daywork	0	0
1630.20020	Service Rig and Per Diem Charge	6,000	6,000
1630.20030	Fuel and Power	0	0
1630.20040	Drilling Mud and Chemicals	0	0
1630.20050	Bits	0	0
1630.20060	Floats,Baffles,Centralizer	600	600
1630.20070	Cased Hole Logging	1,800	1,800
1630.20080	Perforation	1,600	1,600
1630.20090	Open Flow Test	200	200
1630.20100	Production Casing Cementing	5,000	5,000
1630.20110	Misc. Cementing	0	0
1630.20120	Acidize - Frac	23,000	23,000
1630.20130	Squeeze	0	0
1630.20140	Tank Rental	800	800
1630.20150	Completion Fluid ( Water )	1,100	1,100
1630.20160	Frac Valves and Lines	0	0
1630.20170	Power Tongs for Casing/Tubing	700	700
1630.20180	Carbon Dioxide/Nitrogen	6,000	6,000
1630.20190	Completion Service	1,200	1,200
1630.20200	Contract Labor	3,500	3,500
1630.20210	Location Restoration	7,000	7,000
1630.20215	Drilling/Frac Fluid Disposal	500	500
1630.20220	Right of Way Pipeline	0	0
1630.20230	Equipment Rental	0	0
1630.20240	Dozer	2,500	2,500
1630.20250	Transportation	1,500	1,500
1630.20260	Plugging Expense	0	0
1630.20700	Supervision	500	500
1630.20710	Well Control Insurance	0	0
1630.20720	Operator Overhead	0	0
1630.20750	Other	1,000	1,000
	IDC COMPLETION	64,500	64,500
1650.1950	Salaries & Wages - Allocated	0	0
1650.2950	Other Employee Compensation - Allocated	0	0
1650.3950	Payroll Taxes - Allocated	0	0
1650.4950	Workmen's Compensation - Allocated	0	0
1650.5950	Employee Benefits - Allocated	0	0
1650.600	PER DIEM AND TRAVEL EXPENSES		
1650.6000	Per Diem Expenses	0	0
1650.6100	Travel Expenses	0	0
1650.6200	Personal Auto Mileage Reimb	0	0
1650.6900	Other	0	0
1650.6950	Allocated	0	0
	PER DIEM AND TRAVEL EXPENSES	0	0
1657	Interest Expense	0	0
	TOTAL INTANGIBLE DRILLING COSTS	162,440	162,440

PAGE 2

PROJECT OR WELL DESCRIPTION

DRILL AND COMPLETE NEW  
PRODUCTION WELL P-479.

DATE PRINTED

02-Nov-88

PROJECT OR WELL LOCATION ( INCLUDE STATE &amp; COUNTY ) DICKENSON COUNTY, VIRGINIA

TYPE WELL ( DEVELOPMENT, EXPLORATORY ) DEVELOPMENT

TOTAL DEPTH 4780'

SUBSIDIARY W.I. 1

ACCOUNT CODES	DESCRIPTION	GROSS AMOUNT	NET AMOUNT
1660	LEASE AND WELL EQUIPMENT -		
1660.10000	LEASE & WELL EQUIPMENT - DRILLING		
1660.10010	Drive Pipe	0	0
1660.10020	Conductor Pipe (16" or 20")	200	200
1660.10030	Surface Casing (100'-11 3/4", 42.0#/FT.)	1,650	1,650
1660.10040	Intermediate Casing (2150'-8 5/8", 24#/FT.)	15,600	15,600
1660.10050	Other	0	0
1660.10055	Valves, Fittings, Line Pipe	0	0
	LEASE AND WELL EQUIPMENT - DRILLING	17,450	17,450
1670.20000	LEASE & WELL EQUIPMENT - COMPLETION		
1670.20010	Production Casing (4750'-4 1/2", 10.5#/FT.)	16,600	16,600
1670.20020	Liner	0	0
1670.20030	Tubing (4600'-2 3/8", 4.6#/FT.)	9,000	9,000
1670.20040	Packers and Retainers	0	0
1670.20050	Wellhead Equipment	1,400	1,400
1670.20055	Valves, Fittings, Line Pipe	2,500	2,500
1670.20060	Gathering Lines	0	0
1670.20070	Royalty Meters	2,800	2,800
1670.20080	Master Meters	0	0
1670.20090	Consumer Meters	0	0
1670.20100	Separators	1,100	1,100
1670.20110	Drips	400	400
1670.20120	Heater Treaters	0	0
1670.20130	Tank Battery	0	0
1670.20140	Well Testing Facilities	0	0
1670.20150	Pumping Unit	0	0
1670.20160	Sucker Rods (3600'-5/8")	0	0
1670.20170	Downhole Pump	0	0
1670.20180	Other	0	0
	LEASE AND WELL EQUIPMENT - COMPLETION	33,800	33,800
	TOTAL LEASE AND WELL EQUIPMENT	51,250	51,250
	TOTAL COMPLETED WELL COST	213,690	213,690

VIRGINIA OIL AND GAS CONSERVATION BOARD  
FORCED POOLING HEARING  
WELL P-475, DICKENSON COUNTY, VIRGINIA  
EQUITABLE RESOURCES, INCORPORATED

JANUARY 26, 1989  
DICKENSON COUNTY, VIRGINIA



Board Members Present

Mr. Joseph Johnson, Chairman  
Mr. Benny Wampler  
Dr. Robert Whisonant

Mr. Tom Fulmer, State Oil & Gas Inspector  
Ms. Diane Davis, Recorder

Well P475  
1/26/89

1 PM

Mr & Mrs Evans Turner Rt 1. Box 310

Clinchco, Va. 24256

MR. IRA M. STANLEY - RT. 01 BX 27 - NORA, VA. 24272

Gerry MASON

1989 E. Stone Dr., Kingsport, TN 37660

Zerry GARLAND

P O BOX 156, NORFOLK, VA. 24273

JOE OWEN

EREC 1989 E. Stone Dr. Kingsport, TN 37660

Melissa & Harley Calley

P.O. Box 3 Hayti, Va. 24256

Curtis O'Quinn

Rt 2 Box 36 Hayti VA. 24256

Brint Camp

1989 E. Stone Dr. Kingsport TN

Dor Hall

P.O. Box ~~24~~ 313, Nora, Va. 24272

Phil Seals

2537 4th AVE. E. Big Stone Gap, Va.

Bruce Gibson AMUERT 01 E 865

"

"

24271

W. K. Counts

Rt 1, Box 394 Clintwood, Va.

Mr. Johnson                    It is a little past 1 p.m. for the hearing on an application requested by Equitable Resources Exploration Incorporated for pooling Well Number 475 located on the Evans Turner tract in the Sand Lick District of Dickenson County, Virginia. This is a hearing of the Virginia Oil and Gas Conservation Board and the members of the Board present are Mr. Wampler on my left from the Department of Mines, Minerals and Energy, Dr. Whisonant on my right, geologist from Radford University, Mr. Tom Fulmer from the Oil and Gas Office in Abingdon and Mrs. Davis who will record the proceedings here this afternoon. First let me ask Mrs. Davis if those persons interested pooling of this well if they have been properly notified of this hearing scheduled this afternoon.

Ms. Davis                    Yes sir they were notified by certified return receipt and was published in several newspapers.

Mr. Johnson                    Thank you Ms. Davis. We would be pleased to hear from anyone here who has concerns with the pooling of this particular well. All right Mr. Counts if you are ready, we will go right ahead.

Mr. Counts                    Thank you Mr. Chairman, members of the Board, this is a request for pooling and unitization of Well P-475 and in that regard I would like to call Mr. Don C. Hall please. Mr. Hall would you state your complete name for the record please.

Mr. Hall                    Don C. Hall

Mr. Counts                    Who are you employed by Mr. Hall?

Mr. Hall                    I am employed by Equitable Resources as a landman in Virginia.

Mr. Counts                    Have you ever testified before the Virginia Department of Mines, Minerals and Energy or this Board and have your qualifications been accepted as an expert witness?

Mr. Hall                    Yes

Mr. Counts                    Do your responsibilities include the lands involved here and surrounding well P-475?

Mr. Hall                    Yes

Mr. Counts                    Are you familiar with the application in this matter?

Mr. Hall                    Yes



Mr. Counts Is Equitable Resources seeking to pool the drilling rights in an approximate 112.5 acre drilling and spacing unit in the Nora Field for the Ravencliff, Maxon, Big Lime, Weir, Berea and other formations?

Mr. Hall Yes

Mr. Counts Mr. Hall do you request that the Board establish units under Virginia Code Section 321 and recommend that the Board space well P-475 on 1250' radius as provided under Code Section 321 and as depicted on Equitable's application for this well?

Mr. Hall Yes sir

Mr. Counts At this time I don't have any further questions of Mr. Hall.

Mr. Johnson Does any member of the Board have a question of Mr. Hall? Thank you Mr. Hall.

Mr. Counts Mr. Chairman, I would like to call Mr. Jerry Garland, please.

Mr. Johnson Mr. Garland if you would come around and have a seat. We are glad to have you. If you would please state your name and address. Well, I think Mr. Counts will get to that for us.

Mr. Counts Mr. Garland would you state your full name for the record please?

Mr. Garland Jerry A. Garland

Mr. Counts Mr. Garland have you ever testified before the Oil and Gas Conservation Board?

Mr. Garland Yes

Mr. Counts Have your qualifications as an expert witness been accepted?

Mr. Garland Yes

Mr. Johnson: Wait a minute. Mr. Counts when was that. I don't have that.

Mr. Counts This was, Mr. Garland testified at an Informal hearing before the Oil and Gas Inspector's office. If you would like we can recapitulate Mr. Garland's qualifications?

Mr. Johnson Well, it wouldn't be a part of prior record so I think we ought to do it.

Mr. Counts Yes sir. Mr. Garland would you state again who you are employed by and in what capacity?

Mr. Garland I am employed by EREX as a independent contractor.

Mr. Counts What work functions do you perform in connection with your employment?

Mr. Garland I obtain oil and gas leases.

Mr. Counts Would you state your experience in this regard?

Mr. Garland Seven years in five states and several counties.

Mr. Counts O.k. sir. Mr. Garland does the applicant, Equitable, own drilling rights to the lands involved here?

Mr. Garland To the best of my knowledge

Mr. Counts Were any efforts made to determine if any individual respondents were living or deceased or there whereabouts and if deceased, what efforts were made to determine the names and addresses of any of the parties?

Mr. Garland Yes efforts were made and we identified everybody we could using deed records in the courthouse, assessor's records, treasurers records, telephone directories, city directories, families, friends.

Mr. Counts Are the addresses set out in Exhibit B to the application the last known addresses for the respondents?

Mr. Garland Yes

Mr. Counts In your opinion was due diligence exercised to locate each of the respondents named here?

Mr. Garland Yes

Mr. Counts Mr. Garland, prior to filing the application, were efforts made to contact each of the respondents and to work out an agreement regarding the development of the unites involved herein?

Mr. Garland Yes they were.

Mr. Counts What efforts were made and what results?

Mr. Garland Title searches were made in the deed room and assessor's office. We also proceeded with personal telephone calls, personal contacts and mail outs of leases.

Mr. Johnson Registered mail, Mr. Garland?

Mr. Garland Yes

Mr. Counts Were proposal letters sent to the various potential lessors?

Mr. Garland Yes they were

Mr. Counts How were those letters sent?

Mr. Garland Registered mail return receipt requested.

Mr. Counts An an oil and gas lease was sent to each of the respondents as well?

Mr. Garland Yes sir.

Mr. Counts Mr. Garland, in your opinion was a bona fide effort made to reach an agreement with the respondents?

Mr. Garland Yes

Mr. Counts Thank you sir. I don't have any further questions Mr. Chairman. I would like to recall Mr. Hall please.

Mr. Johnson All right, gentlemen any questions of Mr. Garland. Thank you Mr. Garland.

Mr. Counts Mr. Hall does Equitable own the drilling rights in the lands involved herein?

Mr. Hall Yes we have several tracts leased within the unit and the location itself is on the Evans Turner tract.

Mr. Counts At this time does Equitable wish to dismiss any of the respondents named on Exhibit B?

Mr. Hall We would like to dismiss CSX Transportation who has leased since this application was made.

Mr. Counts Mr. Hall, would you state for the record approximately how much acreage is involved in this unit?

Mr. Hall Approximately 112 1/2 acres.

Mr. Counts Approximately how many acres are leased out of that amount?

Mr. Hall All except approximately 20 acres.

Mr. Counts In otherwords, you have currently under lease all except approximately 17% of the unit?



Mr. Hall Correct

Mr. Counts What are the interests Equitable Resources is seeking to force pool?

Mr. Hall We are seeking to pool Harley and Melissa Colley, Curtis O'Quinn and the Commonwealth of Virginia.

Mr. Counts Does the applicant seek to force pool the drilling rights of each individual respondent, if living, and if deceased, the unknown successor or successors to any deceased individual respondent?

Mr. Hall Yes

Mr. Counts Mr. Hall, with regard to the options which an individual may elect pursuant to this hearing held before the Oil and Gas Conservation Board, do you recommend that these respondents share in the operation of the well on a carried basis as a carried operator under the following condition that the carried operator shall be entitled to a share of the production from the tracts pooled according to his interest exclusive of any royalty or over-riding royalty reserved in any leases, assignments thereof or agreements relating thereto of such tracts, but only after the proceeds allocable to his share equal 200% of the share of such costs allocable to the interest of the carried party of any unleased tract or portion thereof?

Mr. Hall Yes

Mr. Counts Do you recommend that the order provide that elections by respondents be in writing and sent to the applicant at the address set forth in Paragraph 1.1 of the application?

Mr. Hall Yes

Mr. Counts Should this be the address for all communications with the applicant concerning the forced pooling order?

Mr. Hall Yes sir

Mr. Counts Do you recommend that the forced pooling order provide that if no written election is properly made by a respondent, then such respondent should be deemed to have elected to participate as a carried operator?

Mr. Hall Yes sir

Mr. Counts How much time from the date of the order should respondent have to file a written election?

Mr. Hall Ten days would probably be sufficient.

Mr. Counts If respondent elects to participate, how much time from the date of the order should respondent have to pay to applicant respondent's share of well costs?

Mr. Hall Twenty-five days would be appropriate.

Mr. Counts Does applicant expect party electing to participate to pay in advance that party's share of completed well costs?

Mr. Hall Yes

Mr. Counts How much time from the date of the the order should the applicant have to pay or tender any cash bonus becoming due under any forced pooling order?

Mr. Hall Thirty days

Mr. Counts Do you recommend that the forced pooling order provide that if respondent elects to participate but fails to pay or furnish security satisfactory to applicant for payment of well costs, then respondent's election to participate should be treated as having been withdrawn and void and such respondent should be treated just as if no initial election had been filed under the forced pooling order?

Mr. Hall Yes

Mr. Counts Do you recommend that the forced pooling order provide that where a respondent elects to participate but defaults in regard to the payment of well costs, any cash sum becoming payable to such respondent be paid instead towards respondent's pro rata costs of such well costs within ten days after the last date on which such respondent could have paid or made satisfactory arrangements for the payment of well costs?

Mr. Hall Yes

Mr. Counts Do you further recommend that the forced pooling order provide that if respondent elects to lease his interest but refuses to accept the cash bonus or the cash bonus cannot be paid to a party for any reason or there is a title defect in a respondent's interest, that the operator create an escrow account under the appropriate provisions of the Virginia Code Ann. or otherwise to hold the money in the account for the owners benefit until the money can be paid to the party or until the title defect is cured to operator's satisfaction?

Mr. Hall Yes

Mr. Counts Who do you recommend should be named operator under the forced pooling order?

Mr. Hall Equitable Resources Exploration, Incorporated

Mr. Counts Does applicant have on file with the Department of Mines, Minerals and Energy a plugging agreement and proper security for such agreement?

Mr. Hall We have a blanket bond filed for plugging and reclamation.

Mr. Counts I would like to now call Mr. Brint Camp. Does the Board have any questions of Mr. Hall?

Mr. Johnson Any questions of Mr. Hall, all right Mr. Counts, thank you.

Mr. Fulmer I would like to clarify one thing. You have tract 2 as the Commonwealth of Virginia. Is that the Commonwealth of Virginia or is it the Department of Transportation?

Mr. Hall The Department of Transportation

Mr. Fulmer I just wanted to clarify it up because there is a big difference there.

Mr. Counts Mr. Camp would you state your name for the record please?

Mr. Camp My name is Brint Camp

Mr. Counts Would you state who you are employed by and in what capacity?

Mr. Camp I am employed by Equitable Resources as a geologist.

Mr. Counts Have your qualifications as an expert witness previously been accepted before the Oil and Gas Conservation Board?

Mr. Camp Yes they have.

Mr. Counts What is the projected total depth of the proposed initial well under applicant's plan of development?

Mr. Camp The projected total depth is 4,465 feet from ground level.

Mr. Counts Will this be sufficient to penetrate and test the formations involved here?



Mr. Camp Yes it will.

Mr. Counts Are you familiar with the well costs for the proposed initial unit well under applicant's plan of development?

Mr. Camp Yes I am

Mr. Counts Has an AFE been prepared or reviewed and revised within the last 90 days?

Mr. Camp Yes it has

Mr. Counts Was an AFE prepared by an engineer knowledgeable in the preparation of AFE's and knowledgeable in regard to well costs in this area?

Mr. Camp Yes

Mr. Counts Does this AFE represent a reasonable estimate of the reasonable well costs for the proposed initial unit well under applicant's plan of development?

Mr. Camp Yes it does

Mr. Counts Would you state the dry hole and completed well costs please?

Mr. Camp The cost for a dry hole would be \$114,400 and the approximate cost for a completed well would be \$210,400.

Mr. Counts Mr. Camp, do you anticipate a dual or multiple completion?

Mr. Camp Historically we see somewhere in the range of 50% chance of multiple completion.

Mr. Counts Does the AFE include a reasonable charge for supervision?

Mr. Camp Yes it does.

Mr. Count Mr. Camp, in your opinion will granting of the application be in the best interests of conservation, prevention of waste and the protection of correlative rights?

Mr. Camp Yes

Mr. Counts I have no further questions, Mr. Chairman.

Mr. Johnson Does anyone have any questions for Mr. Camp. Thank you Mr. Camp. Mr. Counts it isn't in here, but I am

sure you must have it a breakdown of the cost of all these. We normally put that in our records.

Mr. Counts                      We will present the Board with one.

Mr. Johnson                    All right Mr. Counts.

Mr. Counts                    I have no further questions sir.

Mr. Johnson                   Is that all you have.

Mr. Counts                   Yes sir.

Mr. Johnson                   Ladies and gentlemen, is there anyone in the audience who would like to be heard on this matter. I know there are some people here who are involved one way or the other in it. If you would like to be heard, the Board would be glad to hear from you at this time, anyone.

Citizen                        Melissa just stepped outside she will be back in just a few minutes.

Mr. Johnson                   Who was it?

Ms. Davis                      Ms. Colley

Mr. Johnson                   We can wait just a minute, we don't mind. Ms. Colley, we were informed that you might have a statement to make to the Board. If you do, we would be glad to hear from you. If you want to all right, if you don't all right. We just want to give you that opportunity. Come on up if you would like if you want to make a statement.

Ms. Colley                    I don't know what to say.

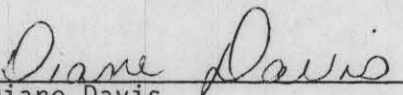
Mr. Johnson                   O.k. all right. Thank you Ms. Colley. We wanted to give you that opportunity, or anyone for that matter. All right, is that all Mr. Counts. Gentlemen, any questions of Mr. Counts or anyone? Then this hearing is adjourned. Ladies and gentlemen, we have heard no objection to this pooling request. I think the Board would like, however, for the Assistant Attorney General to take a look at this application, if he hasn't already. Sorry he isn't here today. He had another hearing in Roanoke or somewhere. So, at that time, I don't expect it to be a real long time. At that time we will render our decision.

Mr. Counts                    Thank you sir.

Mr. Johnson                   Thank you Mr. Counts.

Exhibit Number 1 . . . . . AFE

This is a true and accurate transcript to the best of my ability

  
Diane Davis  
3/7/89



\*\*\*\*\*  
 AFE APPROVAL SHEET  
 \*\*\*\*\*

AFE		Description	Drill and complete new production well P-475.	Amount	\$210,400
Alternate AFE	N/A			Company	EREX
Operator	10200	Name	EREX Peco Resources Division	Clrg CC	N/A
Cost Center Type	AW			Ledger Type	CN
Approved by	3097	Name	GARDNER, H.E.	Status	PND
Approved Date	11/02/88	In Service Date		Closed Date	

SCOPE OF WORK

Drill and complete new production well P-475 in the Berea and Brown Shale formations, located in Dickenson county, Virginia.  
 Working Interest = 100X  
 Gross Producing Cost = \$210,400  
 Gross Dry Hole Cost = \$114,400

REPORTING CODES

Company/Division	200	EREX	Primary Formation	251	BEREA
Joint Venture	N/A		Responsible Mgr	MC	MARTIN, C.
Partnership	N/A		Operator	200	EREX
State	VA	VIRGINIA	Acquisition	N/A	
County	051	DICKENSON	Committed	N/A	
District/Township	N/A		Capital Budget Category	831	88-DEV. WELL
Field	N/A	NORA	Blanket AFE	N/A	
Prospect	N/A		Division	PEC	PECO RESOURCES DIV.
AFE/Lease/Well Type	ADW	AFE-DEV WELL	Old Company	020	PEC
Primary Product	7C5	GAS	Undesignated	N/A	

SIGNATURE

DATE

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File No.

PROJECT OR WELL DESCRIPTION

DRILL AND COMPLETE NEW  
PRODUCTION WELL P-475.

DATE PRINTED

02-Nov-88

PROJECT OR WELL LOCATION ( INCLUDE STATE &amp; COUNTY ) DICKENSON COUNTY, VIRGINIA

TYPE WELL ( DEVELOPMENT, EXPLORATORY ) DEVELOPMENT

TOTAL DEPTH 4465'

SUBSIDIARY W.I.

1

ACCOUNT CODES	DESCRIPTION	PAGE 1	GROSS AMOUNT	NET AMOUNT
B	AFE - WELL DRILLING AND COMPLETION			
1610.0001	LEASEHOLD COSTS			
1610.100000	LEASE ACQUISITION COSTS			
1610.10020	Assignments		0	0
	LEASE ACQUISITION COSTS		0	0
1620	INTANGIBLE DRILLING COSTS			
1620.10000	IDC-DRILLING			
1620.10010	Contract Footage		58,050	58,050
1620.10020	Daywork		0	0
1620.10030	Contractor Setup		0	0
1620.10040	Abstracts		1,000	1,000
1620.10050	Curative and Title		1,000	1,000
1620.10060	Survey Location and Plat		2,800	2,800
1620.10070	Directional Survey		0	0
1620.10080	Permits and Bonds		100	100
1620.10090	Right of Way - Bonds		1,000	1,000
1620.10100	Location/Roads		18,000	18,000
1620.10110	Location Fees		0	0
1620.10120	Fuel and Power		0	0
1620.10130	Drilling Mud and Chemicals		0	0
1620.10140	Bits		0	0
1620.10150	Reamers and Stabilizers		0	0
1620.10160	Drilling Hammer		0	0
1620.10170	Drilling Water		0	0
1620.10180	Open Hole Logging		2,000	2,000
1620.10190	Mud Logging		0	0
1620.10200	Coring		0	0
1620.10210	Core Analysis		0	0
1620.10220	Drill Stem Test		0	0
1620.10230	Surface Casing Cementing		1,500	1,500
1620.10240	Intermediate Casing Cementing		5,000	5,000
1620.10250	Misc Cementing		0	0
1620.10260	Power Tongs for Casing/Tubing		500	500
1620.10270	Floats, Baffles, Centralizer		300	300
1620.10280	Equipment Rental		0	0
1620.10290	Dozer		0	0
1620.10300	Transportation		1,800	1,800
1620.10310	Fishing Expenses		0	0
1620.10320	Sidetracking Expenses		0	0
1620.10330	Plugging Expenses		0	0
1620.10340	Surface Damages		1,500	1,500
1620.10700	Supervision		300	300
1620.10710	Well Control Insurance		0	0
1620.10720	Operator Overhead		0	0
1620.10750	Other		1,000	1,000
FILE NO.	IDC DRILLING		95,850	95,850

PROJECT OR WELL DESCRIPTION

DRILL AND COMPLETE NEW  
PRODUCTION WELL P-475.

DATE PRINTED

02-Nov-88

PROJECT OR WELL LOCATION ( INCLUDE STATE &amp; COUNTY ) DICKENSON COUNTY, VIRGINIA

TYPE WELL ( DEVELOPMENT, EXPLORATORY ) DEVELOPMENT

TOTAL DEPTH 4465'

SUBSIDIARY W.I.

1

ACCOUNT CODES	DESCRIPTION	PAGE 2	GROSS AMOUNT	NET AMOUNT
1630.20000	IDC-COMPLETION			
1630.20010	Daywork		0	0
1630.20020	Service Rig and Per Diem Charge		4,500	4,500
1630.20030	Fuel and Power		0	0
1630.20040	Drilling Mud and Chemicals		0	0
1630.20050	Bits		0	0
1630.20060	Floats,Baffles,Centralizer		600	600
1630.20070	Cased Hole Logging		1,800	1,800
1630.20080	Perforation		1,600	1,600
1630.20090	Open Flow Test		200	200
1630.20100	Production Casing Cementing		5,000	5,000
1630.20110	Misc. Cementing		0	0
1630.20120	Acidize - Frac		23,000	23,000
1630.20130	Squeeze		0	0
1630.20140	Tank Rental		800	800
1630.20150	Completion Fluid ( Water )		1,100	1,100
1630.20160	Frac Valves and Lines		0	0
1630.20170	Power Tongs for Casing/Tubing		700	700
1630.20180	Carbon Dioxide/Nitrogen		6,000	6,000
1630.20190	Completion Service		1,200	1,200
1630.20200	Contract Labor		3,500	3,500
1630.20210	Location Restoration		8,000	8,000
1630.20215	Drilling/Frac Fluid Disposal		500	500
1630.20220	Right of Way Pipeline		0	0
1630.20230	Equipment Rental		0	0
1630.20240	Dozer		2,500	2,500
1630.20250	Transportation		1,500	1,500
1630.20260	Plugging Expense		0	0
1630.20700	Supervision		500	500
1630.20710	Well Control Insurance		0	0
1630.20720	Operator Overhead		0	0
1630.20750	Other		1,000	1,000
	IDC COMPLETION		64,000	64,000
1650.1950	Salaries & Wages - Allocated		0	0
1650.2950	Other Employee Compensation - Allocated		0	0
1650.3950	Payroll Taxes - Allocated		0	0
1650.4950	Workmen's Compensation - Allocated		0	0
1650.5950	Employee Benefits - Allocated		0	0
1650.600	PER DIEM AND TRAVEL EXPENSES			
1650.6000	Per Diem Expenses		0	0
1650.6100	Travel Expenses		0	0
1650.6200	Personal Auto Mileage Reimb		0	0
1650.6900	Other		0	0
1650.6950	Allocated		0	0
	PER DIEM AND TRAVEL EXPENSES		0	0
1657	Interest Expense		0	0
	TOTAL INTANGIBLE DRILLING COSTS		159,850	159,850



PROJECT OR WELL DESCRIPTION

DRILL AND COMPLETE NEW  
PRODUCTION WELL P-475.

DATE PRINTED

02-Nov-89

PROJECT OR WELL LOCATION ( INCLUDE STATE &amp; COUNTY ) DICKENSON COUNTY, VIRGINIA

TYPE WELL ( DEVELOPMENT, EXPLORATORY ) DEVELOPMENT

TOTAL DEPTH 4465'

SUBSIDIARY W.I.

1

ACCOUNT CODES	DESCRIPTION	GROSS AMOUNT	NET AMOUNT
1660	LEASE AND WELL EQUIPMENT		
1660.10000	LEASE & WELL EQUIPMENT - DRILLING		
1660.10010	Drive Pipe	0	0
1660.10020	Conductor Pipe (16" or 20")	200	200
1660.10030	Surface Casing (350'-11 3/4", 42.0#/FT.)	5,700	5,700
1660.10040	Intermediate Casing (1740'-8 5/8", 24#/FT.)	12,650	12,650
1660.10050	Other	0	0
1660.10055	Valves, Fittings, Line Pipe	0	0
	LEASE AND WELL EQUIPMENT - DRILLING	18,550	18,550
1670.20000	LEASE & WELL EQUIPMENT - COMPLETION		
1670.20010	Production Casing (4415'-4 1/2", 10.5#/FT.)	15,400	15,400
1670.20020	Liner	0	0
1670.20030	Tubing (4250'-2 3/8", 4.6#/FT.)	8,400	8,400
1670.20040	Packers and Retainers	0	0
1670.20050	Wellhead Equipment	1,400	1,400
1670.20055	Valves, Fittings, Line Pipe	2,500	2,500
1670.20060	Gathering Lines	0	0
1670.20070	Royalty Meters	2,800	2,800
1670.20080	Master Meters	0	0
1670.20090	Consumer Meters	0	0
1670.20100	Separators	1,100	1,100
1670.20110	Drips	400	400
1670.20120	Heater Treaters	0	0
1670.20130	Tank Battery	0	0
1670.20140	Well Testing Facilities	0	0
1670.20150	Pumping Unit	0	0
1670.20160	Sucker Rods (3600'-5/8")	0	0
1670.20170	Downhole Pump	0	0
1670.20180	Other	0	0
	LEASE AND WELL EQUIPMENT - COMPLETION	32,000	32,000
	TOTAL LEASE AND WELL EQUIPMENT	50,550	50,550
	TOTAL COMPLETED WELL COST	210,400	210,400