

Appeal

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

OPERATOR\		)	
PERMITTEE:	ASHLAND EXPLORATION, INC.	)	VIRGINIA
	("Ashland")	)	GAS AND OIL
		)	BOARD
RELIEF SOUGHT:	MOTION TO DISMISS OBJECTIONS BY	)	
	GEORGIA-PACIFIC CORPORATION	)	DOCKET NO.
	("Georgia-Pacific") TO ASHLAND'S	)	93-0622-0378
	APPLICATION TO THE VIRGINIA GAS AND	)	
	OIL INSPECTOR ("Inspector") FOR A	)	
	MODIFICATION FOR WELL GP A-4	)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on June 22, 1993, Dickenson Conference Room, Southwest Virginia 4-H Center, Abingdon, Virginia.

2. Appearances: J. Grant McGuire of Campbell, Woods, Bagley, Emerson, McNeer & Herndon appeared in behalf of Ashland; Mark A. Swartz of the firm Kay, Castro, Chaney, Love and Wise, appeared in behalf of Georgia-Pacific; Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Article II of Title 45.1, Chapter 22.1, of the Code of Virginia (herein the "Act"), the Board finds that it has jurisdiction over the subject matter referred to the Board in the above-styled cause by the Inspector pursuant to § 45.1-361.35.F. of the Act. The Board has caused notice of the hearing of this matter to be published in accordance with § 45.1-361.19.B. of the Act.

4. Relief Requested:

a. By Georgia-Pacific: By letter dated April 28, 1993 from counsel for Georgia-Pacific to the Inspector, Georgia-Pacific objected to the modification of permit No. 2282, GP A-4 Well, on the grounds (1) that Georgia-Pacific had not consented to the formation of a voluntary unit and (2) that provisional field rules and/or permanent field rules establishing appropriate drilling units for said well and others within the Devonian Share formation and pool should be established by the Board to protect the correlative rights of royalty owners and to prevent economic and physical waste. Further, Georgia-Pacific requested that the matter be referred by the Inspector to the Board for resolution as required by § 45.1-361.35.F. of the Act.

b. By Ashland: Ashland filed with the Board a Motion to Dismiss the Objections filed by Georgia-Pacific to Ashland's Request for Modification of GP A-4 Well Permit together with Ashland's Memorandum in Support, on the grounds that (1) the Board at its hearing on April 21, 1993, VGOB Docket No. 92-1215-0299, heard and declined to act upon Georgia-Pacific's request that the Board, on its own motion, create provisional field rules and/or permanent field rules to include the creation of a drilling unit for the GP A-4 Well, and (2) that the voluntary unit issue raised by Georgia-Pacific involves matters of title and contract which are not within the Board's jurisdiction.

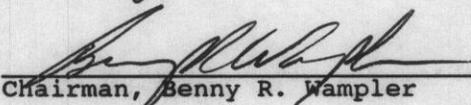
5. Relief Granted: Based upon available data, the evidence adduced at the hearings of the issues presented in the above-styled cause, and the arguments of counsel:

a. Ashland's Motion to Dismiss Objections by Georgia-Pacific to Ashland Exploration's Request for Modification of GP A-4 Well Permit is granted.

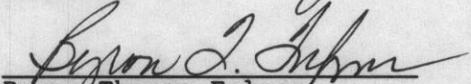
b. The State Gas and Oil Inspector is directed to (1) modify his letter dated December 11, 1992, which imposed conditions upon the issuance of Permit #2282 for Well GP A-4 to delete Condition #5 which disallowed production from said well until a forced pooling order was received from the Virginia Gas and Oil Board; and (2) lift the Moratorium on Production dated March 22, 1993, and the Order of Stay dated May 13, 1993, on Permit Activities for Permit #2282, File #BU-0671, Well Operations GP A-4.

6. Conclusion: Therefore, Ashland's requested relief in accordance with the terms and provisions set forth in Paragraph 5 above be and hereby are granted and IT IS SO ORDERED.

DONE AND EXECUTED this 18<sup>th</sup> day of August, 1993, by Order of this Board.

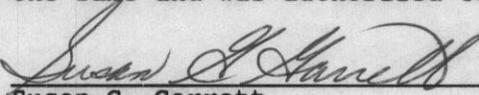
  
Chairman, Benny R. Wampler

DONE AND PERFORMED this 18<sup>th</sup> day of August, 1993, by a majority of the Virginia Gas and Oil Board.

  
Byron Thomas Fulmer  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA )  
COUNTY OF WISE )

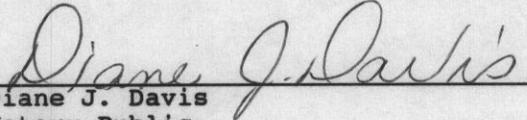
Acknowledged on this 18<sup>th</sup> day of August, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary Public

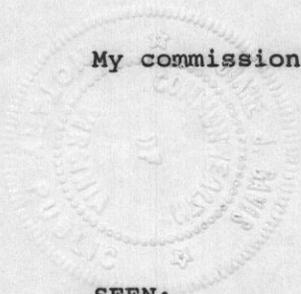
My commission expires 7/31/94

STATE OF VIRGINIA )  
COUNTY OF WASHINGTON )

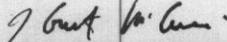
Acknowledged on this 18<sup>th</sup> day of August, 1993 personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary Public

My commission expires 9/30/97

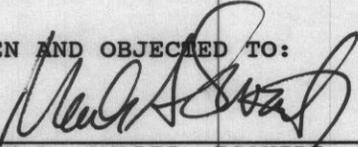


SEEN:

  
\_\_\_\_\_  
J. GRANT MCGUIRE, ESQUIRE  
Campbell, Woods, Bagley,  
Emerson, McNeer and Herndon

7-15-93

SEEN AND OBJECTED TO:

  
\_\_\_\_\_  
MARK A. SWARTZ, ESQUIRE  
Kay, Casto, Chaney, Love & Wise

12.030

ATITUDE 37° 27' 30"

LONGITUDE 82° 00' 00"

**Percent Share Of Unit**

AEI (Georgia-Pacific)	107.77 Ac. - 85.76%
CNR (Buchanan Realty)	0.35 Ac. - 0.27%
CNR (Buchanan Energy)	17.54 Ac. - 13.98%
<b>Total</b>	<b>125.66 Ac. 100.00%</b>

EILEEN & BRENDA DOTSON  
DB: 236  
PG. 548

RACE FORK COAL CORP.  
D.B. 312 PG. 345  
T.M. 2HH-107 010

BUCHANAN ENERGY CO.  
P/O 28,100 Ac.  
C.N.R. (O & G LESSEE) Lease No. 2  
17.54 Acres - 13.98% in Unit

DOTTIE & KENNETH WOLFORD  
DB: 178  
PG. 402

DOTTIE & KENNETH WOLFORD  
DB: 311  
PG. 806

MARY BLANKENSHIP  
DB: 288  
PG. 241

AEI LL No. 81000-02  
Lease No. 1

CNR LL NO. 45554

W: 419,000'

GEORGIA PACIFIC CORP. No. A-1

UNIT BOUNDARY  
Springs

GEORGIA-PACIFIC A-4 UNIT

974.692 AC. (FEB)  
GEORGIA PACIFIC CORP.  
DB: 145 PG. 554  
TM: ERM-2HH-107  
A.E.I. (O & G LESSEE)  
107.77 Acres - 85.76% in Unit

GEORGIA PACIFIC CORP. No. A-4 LOC.  
Va. STATE PLANE VALUE  
N: 418,568.426"  
E: 971,891.6173"  
RACE FORK COAL CORP. VALUE  
N: 420412.0427"  
E: 3076565.722"  
Va. TO RACE FORK ROTATION  
-04° 23' 55"

GARFIELD Jr. & ANNA JUSTUS  
DB: 175  
PG. 440

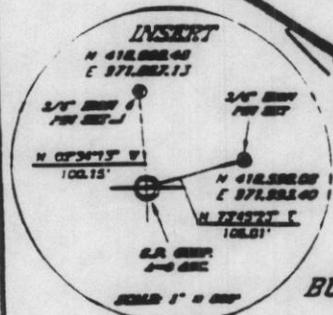
7 1/2" TOPO LOCATION

0.35 Acres - 0.27% in Unit

Lease No. 3  
CNR/LL No. 47496

111.5 ACRES  
BUCHANAN REALTY CO.  
P/O 1913 Ac.

C.N.R. (O & G LESSEE)



*Stephen Parks* 13956  
REGISTERED PROFESSIONAL ENGINEER REG. NO.

COMPANY ASHLAND EXPLORATION, INC.  
LEASE NAME GEORGIA PACIFIC CORP  
TRACT \_\_\_\_\_ ACRES 974.692 LEASE NO. 81000-02  
WELL NO. G.P. CORP A-4 SERIAL NO. 141581  
COUNTY BUCHANAN ELEVATION 1260.6  
QUADRANGLE HURLEY, VA  
STRICT KNOX  
ENGINEER STEPHEN N. PARKS  
DATE OCTOBER 20, 1992 SCALE 1" = 400'

**EXHIBIT B**  
Attached to and made a part of Declaration Of Pooling dated February 1, 1993 for the Georgia-Pacific A-4 Unit, Buchanan Co, VA.