

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	)	93-0622-0387
	APPLICATION TO THE VIRGINIA GAS AND	)	
	OIL INSPECTOR ("Inspector") FOR A	)	
	MODIFICATION FOR WELL GP A-5	)	

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 letters dated April 28, 1993 and May 19, 1993, from counsel for Georgia-Pacific to the Inspector, Georgia-Pacific objected to the modification of permit No. 2283, GP A-5 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-5 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. 92-1215-0300, 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-5 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.

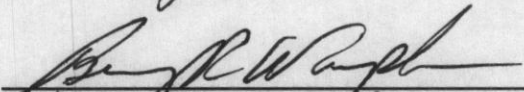
5. Relief Granted: Based upon available data, the evidence adduced at the hearings of the issues presented in the above-styled cause, and the arguments of counsel:

a. Ashland's Motion to Dismiss Objections by Georgia-Pacific to Ashland Exploration's Request for Modification of GP A-5 Well Permit is granted.

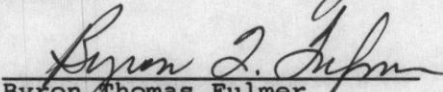
b. The State Gas and Oil Inspector is directed to (1) modify his letter dated December 11, 1992, which imposed conditions upon the issuance of Permit #2283 for Well GP A-5 to delete Condition #5 which disallowed production from said well until a forced pooling order was received from the Virginia Gas 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 #2283, File #BU-0672, Well Operations GP A-5.

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 13th day of August, 1993, by Order of this Board.

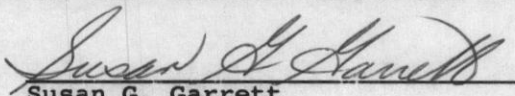

Chairman, Benny R. Wampler

DONE AND PERFORMED this 13th 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 13th 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 13th 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
Diane J. Davis
Notary Public

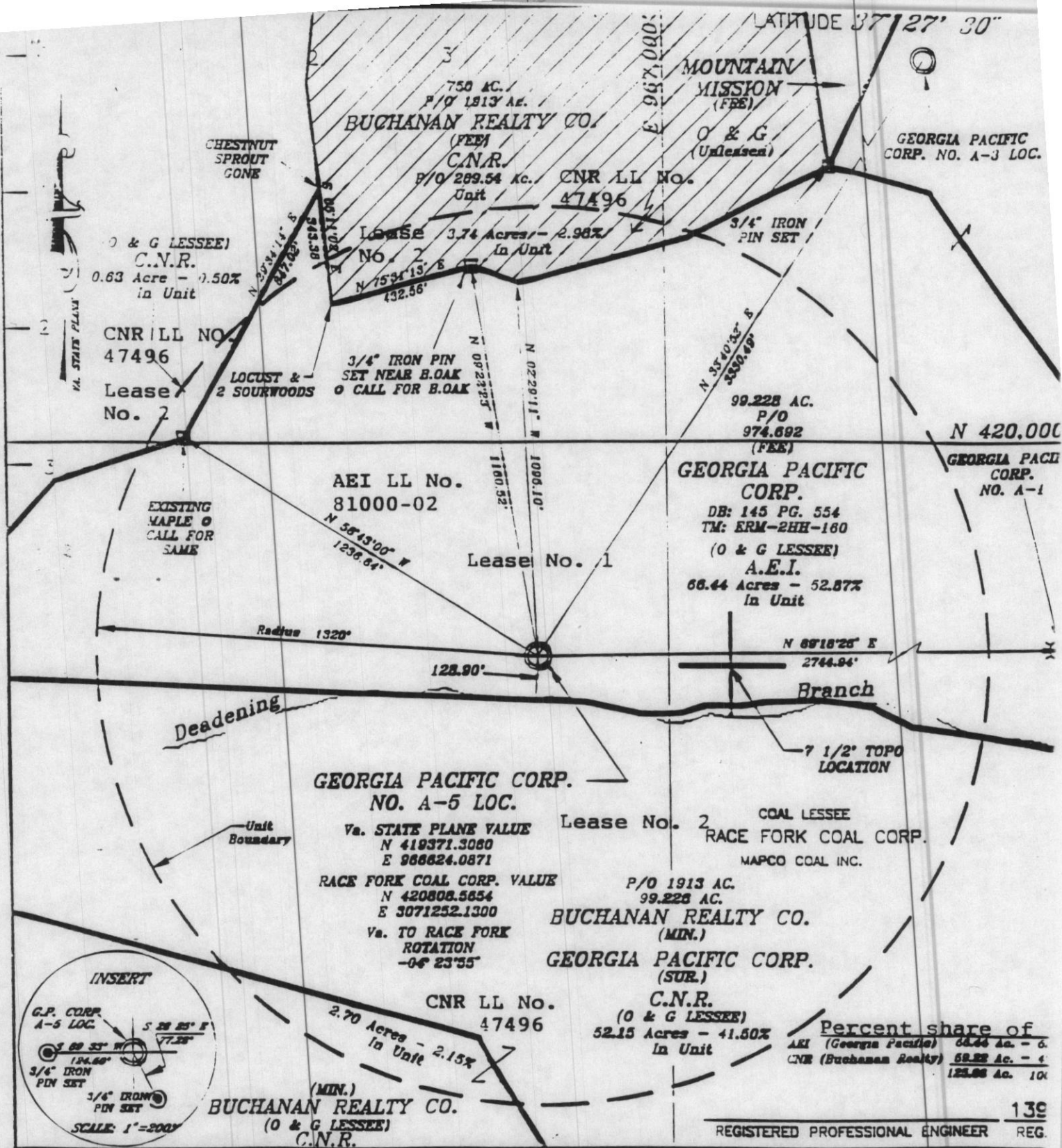
My commission expires 9/30/97

SEEN:

J. Grant McGuire 7-15-93
J. GRANT MCGUIRE, ESQUIRE
Campbell, Woods, Bagley,
Emerson, McNeer and Herndon

SEEN AND OBJECTED TO:

Mark A. Swartz
MARK A. SWARTZ, ESQUIRE
Kay, Casto, Chaney, Love & Wise



REGISTERED PROFESSIONAL ENGINEER REG.

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EXHIBIT B

Attached to and made a part of Declaration Of Pooling dated February 1, 1993 for the Georgia-Pacific A-5 Unit, Buchanan Co, VA