

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD		
APPLICANT:	EQUITABLE RESOURCES	)
	EXPLORATION	)
		)
RELIEF SOUGHT:	LOCATION EXCEPTION	)
	PURSUANT TO VIRGINIA	)
	CODE ANN.	)
	§ 45.1-361.17(B)(2)	)
		)
LEGAL DESCRIPTION:		)
		)
	WELL NUMBER VC-3237,	)
	CLINCHFIELD COAL COMPANY T2-120,	)
	ROLAND COUNTS, 87.86 ACRE TRACT	)
	NORA QUADRANGLE	)
	ERVINTON MAGISTERIAL DISTRICT	)
	DICKENSON COUNTY, VIRGINIA	)

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This cause came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on July 19, 1994, Ratliff Hall, Southwest Virginia 4-H Center, Abingdon, Virginia.

2. Appearances: James E. Kaiser of the firm Hunter, Smith and Davis, appeared for the Applicant, and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Notice and Jurisdiction: The Board finds that it has jurisdiction over the subject matter. The Board also finds that the applicant has exercised due diligence to locate and provide notice to all persons/companies entitled to notice of this proceeding.

4. Relief Requested: Applicant requests a variance pursuant to Va. Code § 45.1-361.17 to the Order of the Virginia Oil and Gas Conservation Board dated March 26, 1989 which established the Nora Coalbed Gas Field (herein "Nora CBM Field Rules") with respect to EREX Well Number VC-3237 proposed to be located in the drilling unit depicted on Exhibit A hereto (herein "Subject Drilling Unit") lying within the Nora Coalbed Gas Field and subject to the Nora CBM Field Rules. The Applicant requests the Board's consent to drill Well Number VC-3237 in the location depicted on the Plat attached hereto as Exhibit A, a location which is closer than 300 feet from the exterior boundary of Subject Drilling Unit.

5. Amendment: None.

6. Findings:

6.1 The Nora CBM Field Rules provide that a well bore may be located within a 15% tolerance from the exterior boundary of any 60 acre square unit established within the Nora Coalbed Gas Field.

6.2 Subject Drilling Unit is located in the Nora Quadrangle, Dickenson County, Virginia, having Virginia State Plane South Zone Coordinates of N 291,323.14 E 874,221.03, and proposed Well VC-3237 is located on a mineral tract consisting of 87.86 acres, known as Clinchfield Coal Company's Roland Counts, T2-120 Tract.

- 6.3 The proposed location of Well VC-3237 is the site of an existing conventional well which Applicant proposes to rework and convert to coalbed methane Well VC-3237 for the purpose of producing coalbed methane gas from all Pennsylvanian Age coals from the top of the Raven, including all splits to the top of the green and red shales, including, but not limited to, the Raven, Jawbone, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas #8, Pocahontas #4, Pocahontas #3, Pocahontas #1 and any other unnamed coal seams from surface to total depth drilled of 2,260 feet within what is known as the Nora Coalbed Gas Field formations.

7. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds, that based on the deposition of the common sources of supply anticipated between surface and total depth projected to be drilled, the proposed location exception represents the optimum location to recover commercially productive occluded natural gas produced from coalbeds and rock strata associated therewith underlying the Subject Drilling Unit.

A qualified landsman testified that the location exception was consistent with the location of an existing conventional gas well which Applicant proposes to rework and convert to a coalbed methane gas well.

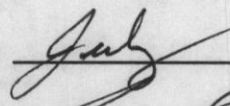
A qualified petroleum geologist testified that the granting of the location exception was in the best interest of preventing waste, protecting correlative rights and maximizing the safe recovery of the coalbed methane gas underlying the Subject Drilling Unit.

8. Relief Granted: The requested relief in this cause be and hereby is granted allowing the applicant to drill Well Number VC-3173 at the location depicted on the Plat attached hereto as Exhibit A, a location which lies closer than 300 feet from the exterior boundary of Subject Drilling Unit.

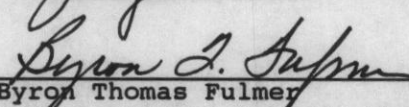
9. Findings: That the well location exception, in accordance with the foregoing, is necessary to prevent waste, protect correlative rights, maximize the safe recovery of coalbed methane gas underlying Subject Drilling Unit and to generally effect the purposes of the Virginia Gas and Oil Act.

10. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 28th day of July, 1994, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED this 28th day of July, 1994, by Order of this Board.


Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 28th day of July, 1994, 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
Susan G. Garrett
Notary Public

My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 28th day of July, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron T. Fulmer, being duly sworn did depose and say that he is Principle 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