

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES)	DIVISION OF
EXPLORATION)	GAS AND OIL
)	DOCKET NO.
RELIEF SOUGHT: EXCEPTION TO)	VGOB-94-0816-0465
STATEWIDE SPACING)	
LIMITATIONS PROSCRIBED)	
BY VIRGINIA CODE ANN.)	
§ 45.1-361.17(A)(2))	
)	
LEGAL DESCRIPTION:)	
)	
WELL NUMBER P-499)	
CLINCHFIELD COAL COMPANY)	
TRACT NO. T-84)	
CLINTWOOD QUADRANGLE)	
CLINTWOOD 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 August 16, 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 an exception to statewide spacing requirements set forth in Section 45.1-361.17 of the Code of Virginia for EREX's proposed Well Number P-499 for the production of conventional gas from the surface to total depth drilled of 4510 feet and all areas in between, and production from the Ravencliff, Maxon and Big Lime, Weir, Coffee Shale, Berea and Brown Shale Formations, all in accordance with Applicant's well work permit. The Applicant requests the Board's consent to drill Well Number P-499 closer than 2640 feet to Well Numbers P-378, V-1829 and P-500.

5. Amendment: None.

6. 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 hydrocarbons underlying the drilling and spacing unit.

A qualified landsman testified that the location exception was necessary due to environmental constraints and effective land management practices.

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 recovery of hydrocarbons underlying the drilling and spacing unit.

7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the applicant to permit and drill Well Number P-499 2044.50 feet from Well Number P-378; 2,410.77 feet from Well Number V-1829; and 2,044.46 feet from Well Number P-500, as depicted on Exhibit A hereto.

8. Findings: That the well location exception, in accordance with the foregoing, is necessary to prevent waste, protect correlative rights and to generally effect the purposes of the Virginia Gas and Oil Act.

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

DONE AND EXECUTED this 25th day of August, 1994, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED this 25th day of August, 1994, by Order of this Board.

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

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 25th day of August, 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

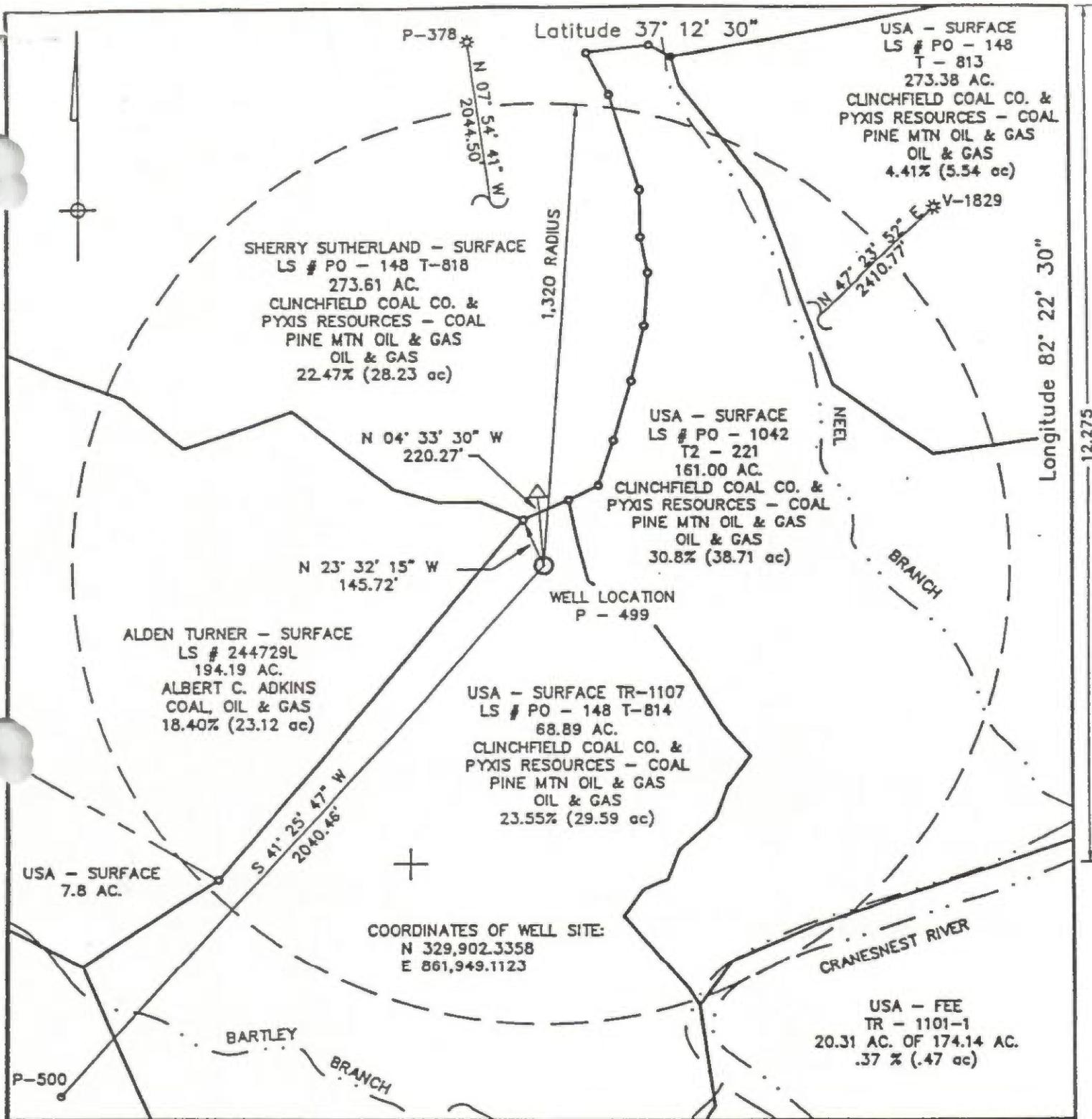
My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 25th day of August, 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



WELL LOCATION PLAT

Company EQUITABLE RESOURCES EXPLORATION Well Name and Number P-499
 Tract No. U.S.A. TRACT T-814 Elevation 1805.48 CLINTWOOD
 County DICKENSON District CLINTWOOD Scale: 1" = 400' Date 3/14/94

This plat is a new plat xxx; an updated plat xxxx or a final plat xxxx
 Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Dennis D. Willis
 Licensed Professional Engineer

(Affix Seal)

