

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	EQUITABLE RESOURCES	)	DIVISION OF
	EXPLORATION	)	GAS AND OIL
		)	DOCKET NO.
RELIEF SOUGHT:	VARIANCE TO WELL	)	VGOB-94-1213-0488
	LOCATION PROVISIONS	)	
	OF THE NORA COALBED	)	
	GAS FIELD PURSUANT	)	
	TO VIRGINIA CODE ANN.	)	
	\$ 45.1-361.20	)	
LEGAL DESCRIPTION:		)	
		)	
	WELL NUMBER VC-3177	)	
	CCC TRACT NO. T-115	)	
	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 December 13, 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 to the Order of the Virginia Oil and Gas Conservation Board dated March 26, 1989, which established the Nora Coalbed Gas Field (herein "Cora CBM Field Rules"), with respect to EREX Well Number VC-3177 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-3177 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 310,739.60 E 885,751.40, and proposed Well VC-3177 is located on a mineral tract consisting of

1,303.00 acres, known as Clinchfield Coal Company's Rainwater Ramsey, T-115 Tract.

- 6.3 Applicant proposes to drill Well VC-3177 at the location depicted on the Plat attached hereto 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 1,455 feet within what is known as the Nora Coalbed Gas Field formations.
- 6.4 That the well location exception, in accordance with the forgoing, 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.

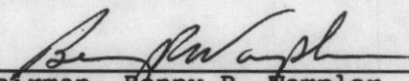
7. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds, that based on the deposition of the common sources of supply anticipated between surface and total depth projected to be drilled, the proposed location exception represents the optimum location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

A qualified petroleum geologist and a landsman testified that due to geological constraints, 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-3177 at the location depicted on the Plat attached hereto as Exhibit A, a location which lies within 3.23 feet from the western exterior boundary of Subject Drilling Unit.

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

DONE AND EXECUTED this 20th day of December, 1994, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED this 20th day of December, 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 20th day of December, 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 7/31/94

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 20th day of December, 1994, 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

Ls. # PO-1042, T2-196
 W. L. Counts, Tr.
 110.51 Ac.
 Clinchfield Coal Co. /
 Pyxis Resources Co. -
 COAL & SURFACE
 Pine Mountain Oil & Gas Co. -
 OIL & GAS
 GAS - 10.258 Ac., 17.45%

Longitude 82° 17'

Deborah Cumbo
— SURFACE —

Ls. # PO-148, T-115
 Rainwater Ramsey, Tr.
 1303.00 Ac.
 Clinchfield Coal Co. /
 Pyxis Resources Co. - COAL
 Pine Mountain Oil & Gas Co. -
 OIL & GAS
 GAS - 48.512 Ac., 82.55%

Clinchfield Coal Co. Coords.
N - 9,066.86
E - 17,663.50

State Plane Coords.
N - 310,739.60
E - 885,751.40

UNIT = 58.770 ACRES

LEGEND

-  - Proposed Well Loc.
 - Offset Well
 - Mineral Line
 - Surface Line

DWG. # 3274

WELL LOCATION PLAT

Company	Equitable Resources	Exploration Well Name and Number	VC-3177
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Tract No.	T-115	Elevation	1541.00	Quadrangle	Nora
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County Dickenson District Ervinton Scale: 1"=400' Date 09-14-94

plat is a new plat X : an updated plat 1 or a final location plat :

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.

CERTIFICATE NO.

6992

(Affix Seal)

Licensed Professional Engineer or Licensed Land Surveyor

Proposed well location and access road—Yellow

Unit boundaries—Blue

Interior window of unit—Green

Scale 1" = 400'

