

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	EQUITABLE RESOURCES	)	DIVISION OF
	EXPLORATION, a Division of	)	GAS AND OIL
	Equitable Resources Energy	)	
	Company, a West Virginia	)	DOCKET NO.
	Corporation	)	VGOB 96-0319-0539
		)	
RELIEF SOUGHT:	EXCEPTION TO	)	
	STATEWIDE SPACING	)	
	LIMITATIONS PRESCRIBED	)	
	BY VIRGINIA CODE ANN.	)	
	§ 45.1-361.17(A)(2)	)	
		)	
LEGAL DESCRIPTION:		)	
		)	
	WELL NUMBER VC-3555,	)	
	CLINCHFIELD COAL COMPANY TRACT,	)	
	JOHN S. ROSE, T-117,	)	
	CANEY RIDGE QUADRANGLE	)	
	KENADY MAGISTERIAL DISTRICT	)	
	DICKENSON COUNTY, VIRGINIA	)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This cause initially came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on March 19, 1996, Ratliff Hall, Southwest Virginia Education 4-H Center, Abingdon, Virginia.

2. Appearances: James E. Kaiser of Hunter, Smith & 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: (1) statewide spacing requirements set forth in Section 45.1-361.17 of the Code of Virginia; and (2) the Order of the Virginia Oil and Gas Conservation Board dated March 26, 1989, which established the Nora Coalbed Gas Field for the development and operation of Coalbed Methane Gas (herein "Coalbed Gas"), from the Pennsylvanian age coals from the top of the Raven, including all splits to the top of the green and red shales, including the Raven, Jawbone, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, and Pocahontas No. 1, and any other unnamed coal seams from surface to total depth drilled of 2,100 feet within what is known as the Nora Coalbed Gas Field Formations ("Subject Formations"). The Applicant requests the Board's consent to drill Well Number VC-3555 at the location depicted on Exhibit A hereto which is at a point less than 300 feet from the exterior boundary of the Nora Coalbed Gas Field drilling unit depicted on Exhibit A hereto ("Subject Drilling Unit").

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 (1) is outside the interior drilling window of the Subject Drilling Unit, i.e., is at a point which is less than 300 feet from the outside boundary of said unit as established by the Oil and Gas Conservation Board's Order establishing Drilling Units for the Nora Coal Bed Gas Field in Dickenson, Wise, Russell and Buchanan Counties, Virginia entered March 20, 1989; but, that (2) given topographical considerations, the proposed well location represents the optimum location to recover commercially productive coalbed methane Gas from Subject Formations underlying Subject Drilling Unit.

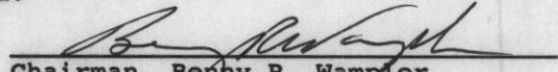
A qualified engineer testified that the location exception was necessary due to topographical considerations, and that the granting of the location exception was in the best interest of preventing waste, protecting correlative rights and maximizing recovery of Coalbed Methane Gas underlying Subject Drilling Unit.

7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the applicant to permit and drill Well Number VC-3555 within 300 feet of the exterior boundary of Subject Drilling Unit at the location depicted on Exhibit A hereto.

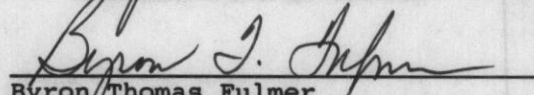
8. Findings: That the well location exception, in accordance with the foregoing, is necessary to avoid interference with coal mining operations and the recovery of coal owned by Penn Virginia Coal Company, and given the requirements of Va. Code Ann. § 45.1-361.17.B .3 and § 45.1-361.11.C.2, needed to 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 15th day of April, 1996, by a majority of the Virginia Gas and Oil Board.

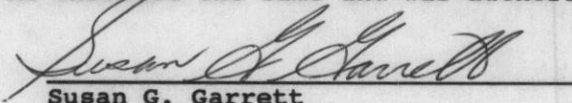

Chairman, Benny R. Wampler

DONE AND PERFORMED this 15th day of April, 1996, by Order of this Board.


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

STATE OF VIRGINIA)
COUNTY OF WISE)

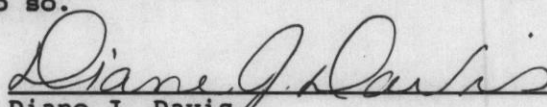
Acknowledged on this 15th day of April, 1996, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 15th day of April, 1996,
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

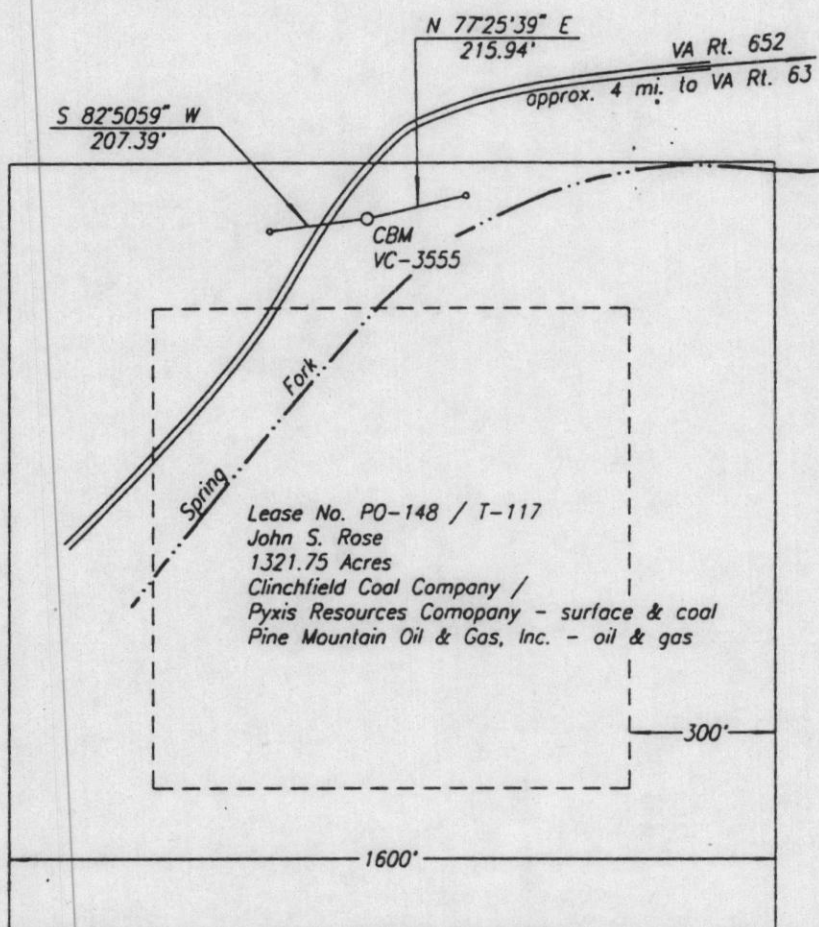
1,000'

Latitude 37° 05' 00"

82° 22' 30"

Longitude

15,120'



Lease No. PO-148 / T-117
 John S. Rose
 1321.75 Acres
 Clinchfield Coal Company /
 Pyxis Resources Company - surface & coal
 Pine Mountain Oil & Gas, Inc. - oil & gas

Well Coordinates: (VA St. Plane S. Zone,
 Calculated from CCC coordinates)
 N 281,146 E 868,311

Well Coordinates: (Clinchfield Coal Co.)
 S 21,214.66 E 1,447.05

Well elevation determined by trigonometric
 leveling from BM Y 108

Area of Unit = 58.77 Ac.

WELL LOCATION PLAT

COMPANY Equitable Resources Exploration WELL NAME AND NUMBER VC-3555
 TRACT NO. PO-148 / T-117 ELEVATION 1765.90 QUADRANGLE Caney Ridge
 COUNTY Dickenson DISTRICT Kenady SCALE 1" = 400' DATE 2-11-1996
 This Plat is a new plat x; an updated plat ; 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.

Alan F. Phillips

Licensed Professional Engineer or Licensed Land Surveyor