

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	EQUITABLE RESOURCES ENERGY	)	DIVISION OF
	COMPANY, a West Virginia	)	GAS AND OIL
	Corporation	)	
RELIEF SOUGHT:	EXCEPTION TO	)	DOCKET NO.
	STATEWIDE SPACING	)	VGOB 97-0617-0590
	LIMITATIONS PRESCRIBED	)	
	BY VIRGINIA CODE ANN.	)	
	§ 45.1-361.17(A)(2)	)	
LEGAL DESCRIPTION:		)	
		)	
	WELL NUMBER V-2331	)	
	ANR COAL COMPANY, LLC, WI-134	)	
	COEBURN QUADRANGLE	)	
	LIPPS MAGISTERIAL DISTRICT	)	
	WISE 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 June 17, 1997, Dickenson Conference Center, Southwest Virginia Education 4-H Center, Abingdon, Virginia.

2. Appearances: James E. Kaiser of Wilhoit, Weatherly, Stetson & Kaiser, appeared for the Applicant; Phillip Mullins appeared pro se; 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 entitled to notice of this proceeding.

4. Relief Requested: Applicant requests an exception to the statewide spacing requirements set forth in Va. Code § 45.1-361.17 for Well Number V-2331 for Applicant's development and operation of Conventional Gas from the Mississippian and Devonian Age formations including the Base Lee Sands, Ravencliff, Maxon, Big Lime, Borden, (Weir) Sunbury Shale, (Coffee), Berea and Devonian Shale formations, i.e., from surface to total depth drilled of 6,105 feet, excluding coalbeds and rock strata associated therewith ("Subject Formations"). The Applicant request the Board's consent to drill Well Number V-2331 2,300.58 feet from existing EREX Well Number P-68 at the location depicted on Exhibit A hereto.

5. Amendment: None.

6. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds that:

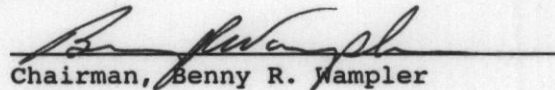
- (1) The surface owner, Mr. Dallas Large, and the Applicant have agreed to the location for the Well depicted on the plat attached hereto as Exhibit A (herein "Plat") as being a location which will not significantly interfere with said owner's surface uses.
- (2) The Coal Owner and the Applicant have agreed to the location for the Well depicted on the Plat, as being a location which will not significantly interfere with coal owner's mining operations.
- (3) An expert witness testified that the location exception was necessary due to surface topography and mining considerations, and that the granting of the location exception was in the best interest of preventing waste, protecting correlative rights and maximizing recovery of Conventional Gas underlying Subject Drilling Unit depicted on the Plat.

7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the applicant to permit and drill Well Number V-2331 2,300.58 feet from existing EREX Well as depicted on Exhibit A hereto.

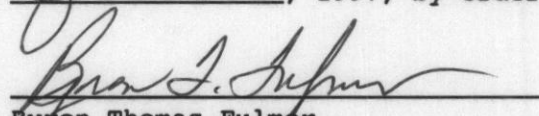
8. Findings: That the well location exception is needed in order to prevent waste, protect correlative rights and to generally effect the purposes of the Virginia Gas and Oil Act.

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

DONE AND EXECUTED this 25th day of June, 1997, by a majority of the Virginia Gas and Oil Board.

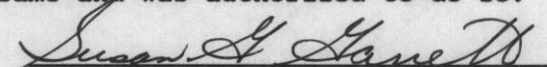

Chairman, Benny R. Wampler

DONE AND PERFORMED this 28th day of June, 1997, 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 25th day of June, 1997, 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.

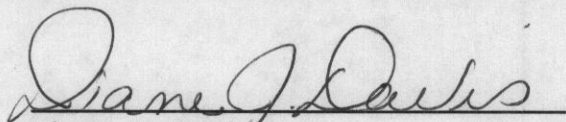


Susan G. Garrett
Notary Public

My commission expires 7/31/98

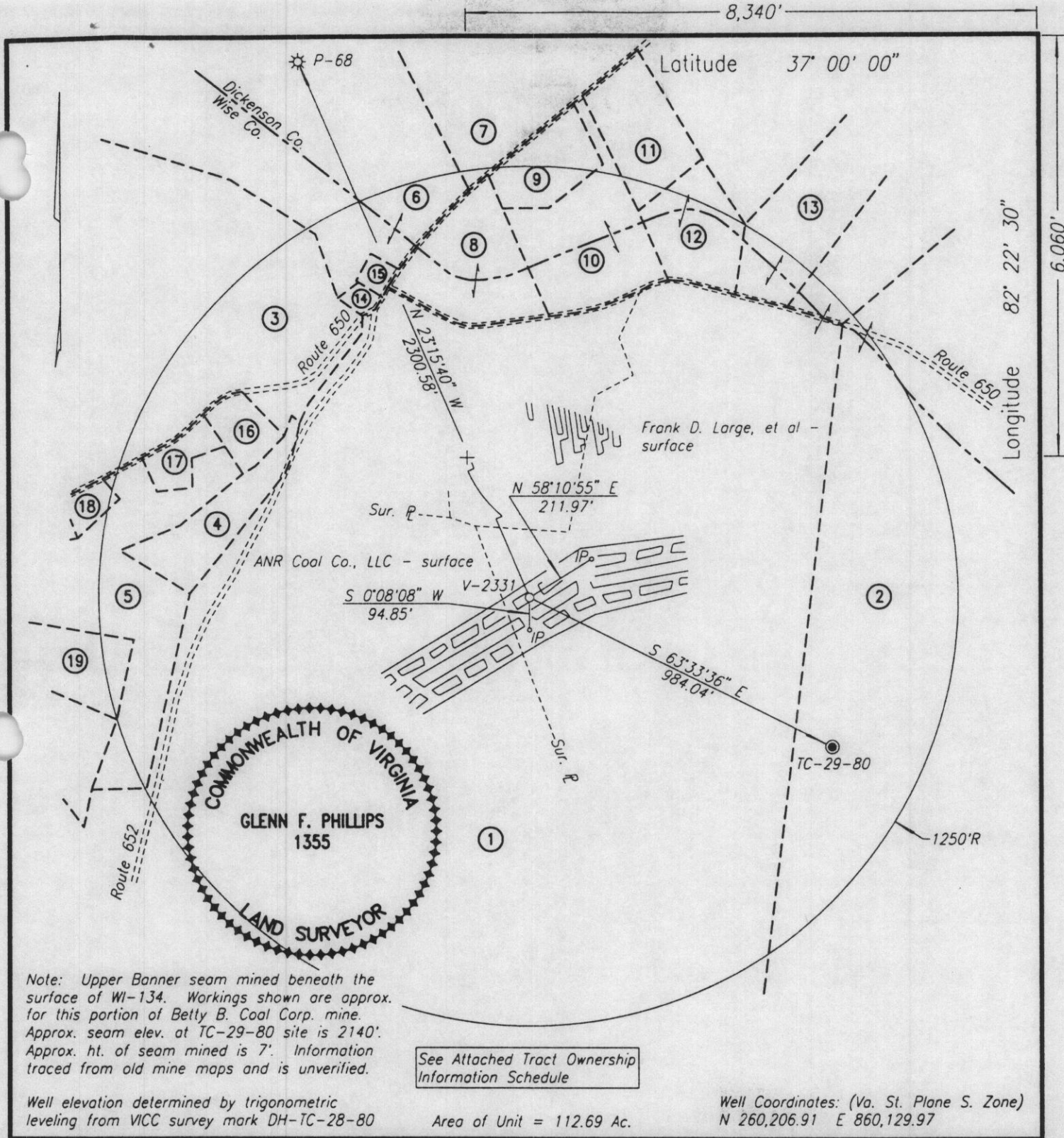
STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 25th day of June, 1997, 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



WELL LOCATION PLAT

COMPANY Equitable Resources Energy Company WELL NAME AND NUMBER V-2331
 TRACT NO. WI-134 ELEVATION 2738.83 QUADRANGLE Coeburn
 COUNTY Wise DISTRICT Lipps SCALE 1" = 400' DATE 5-08-1997

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.

Glenn F. Phillips

~~Licensed Professional Engineer or~~ Licensed Land Surveyor

1,019.490 AC. TOT.

P-68

PHILLIP MULLINS
30.03 AC.
457-092

DELLA S. MCCOY
76-161

SIX COAL AREAS = 184.791 AC.

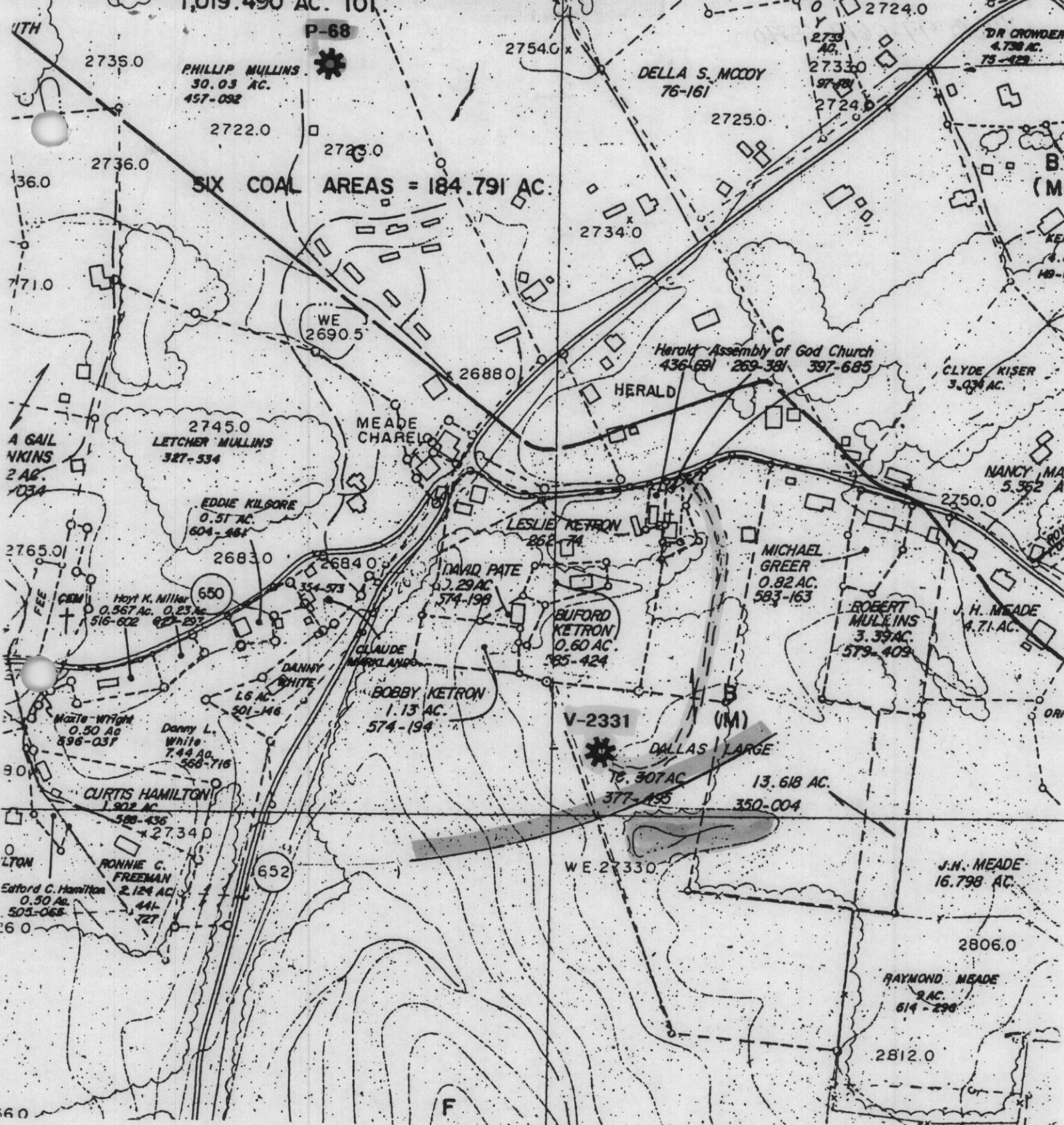


EXHIBIT "A"
V-2331

- | | |
|--|--------|
| Proposed well location and access road | Yellow |
| Legal location area | Red |
| Pond | Blue |
| Adjacent well | Green |

Scale: 1" = 400'