

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>	)	VIRGINIA GAS
		)	AND OIL BOARD
RELIEF SOUGHT	<b>EXCEPTION TO STATEWIDE SPACING</b>	)	
	LIMITATIONS PRESCRIBED BY	)	DOCKET NO.
	VA. CODE § 45.1-361.17 (a) (2)	)	<u>VG08-08-1021-2360</u>
	FOR <u>WELL NO. V-537912</u>	)	
		)	
		)	
LEGAL DESCRIPTION:		)	
	DRILLING UNIT SERVED BY WELL	)	
	NUMBERED <u>V-537912</u>	)	
	TO BE DRILLED IN THE LOCATION	)	
	DEPICTED ON <b>EXHIBIT A</b> HERETO,	)	
	<u>Joseph Kelly T-75 Tract</u>	)	
	<u>1,372.48 Acres, more or less</u>	)	
	<u>NORA QUADRANGLE</u>	)	
	<u>ERVINTON DISTRICT</u>	)	
	<u>DICKENSON COUNTY, VIRGINIA</u>	)	
	(the "Subject Lands" are more particularly described	)	
	on <b>Exhibit "A"</b> , attached hereto and made a part	)	
	hereof)	)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m.** on **October 21, 2008**, Southwest Virginia Higher Education Center, Campus of Virginia Highlands Community College, Abingdon, Virginia.
2. Appearances: **Timothy E. Scott of McKinnis & Scott**, appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; and (2) represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of this application. Further, the Board has caused notice of this

hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: None.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. V-537912.
7. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed Well No. V-537912, 2,160 feet from existing Range Resources-Pine Mountain, Inc. Well No. V-536102 at the location depicted on the Plat attached hereto as Exhibit A.
8. Special Findings: The Board specifically and specially finds:
  - 8.1 Applicant is Range Resources-Pine Mountain, Inc. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
  - 8.2 Applicant Range Resources-Pine Mountain, Inc. is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
  - 8.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. V-537912, as well as the right to participate and develop the reciprocal wells, being Well No. V-536102;
  - 8.4 The proposed Well No. V-537912 is located on the Joseph Kelly 1,372.48-Acre Tract T-75 and the surface, coal, gas and oil owners have consented to the proposed location for Well No. V-537912 that is depicted on the Plat attached hereto as Exhibit A;
  - 8.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal wells V-536102, and that the granting of the application filed herein will not impact the correlative rights of any person;
  - 8.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. V-537912 is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of 400 million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
  - 8.7 Applicant proposes the drilling of Well No. V-537912 to a depth of 6,677 feet on the Subject Drilling Unit at the location depicted on Exhibit A to produce all the Mississippian and Devonian Age formations including, but not limited to, Ravenclyff, Maxon, Big Lime, Weir, Berea and Devonian Shale, from surface to total depth drilled, 6,677 feet ("Subject Formations");

- 8.8 Applicant proposes to drill Well No. V-537912 a distance of 340 feet closer to existing Range Resources-Pine Mountain, Inc. Well No. V-536102 than the 2,500 feet mandated by statewide spacing;
- 8.9 Applicant proposes to complete and operate Well No. V-537912 for the purpose of producing Conventional Gas;
9. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**
10. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 *et seq.* and Rule 2A of the Rules of the Virginia Supreme Court.
11. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 12 day of Jan, 2012, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 12<sup>th</sup> day of January, 2012, by Order of this Board.

Rick Cooper  
Rick Cooper  
(Acting) Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA            )  
COUNTY OF RUSSELL        )

Acknowledged on this 12<sup>th</sup> day of January, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is (Acting) Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.

Diane J. Davis  
Diane J. Davis, Notary  
174394

My commission expires: September 30, 2013

[c:\msword2000\pmog\well.location.exception.v-537912.order. revised December 2, 2011]



Well Coordinates: (Geographic N27)  
37.046205° -82.309532°

Latitude 37° 05' 00"

5,180'

Longitude 82° 17' 30"

13,530'

1250'R

V-536102

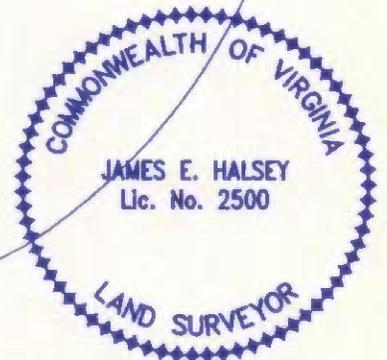
VC-3590

Lease No. 906889 / T-75  
Joseph Kelly  
1372.48 Acres  
ACIN LLC - coal  
Alpha Land & Reserves LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Coal Company LLC - coal lessee  
Range Resources-Pine Mountain, Inc. - oil & gas  
Gas 112.69 Ac. 100%

N 60°48' W  
2160'

V-537912

Heartwood Forestland Fund IV, L.P. - surface



Well Coordinates: (VA St. Plane S. Zone,  
NAD 83)  
N 3,562,846.21 E 10,371,469.43

Well Coordinates: (VA St. Plane S. Zone,  
NAD 27 Calculated from NAD 83)  
N 281,971.64 E 888,484.32

Well Coordinates: (Clinchfield Coal Co.)  
S 19,567.92 E 21,555.28

Area of Unit = 112.69 Ac.

Well elevation determined by GPS  
survey from HARN Monument P-424

WELL LOCATION PLAT

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER V-537912  
TRACT NO. Lse No. 906889 / T-75 ELEVATION 2,334.40' QUADRANGLE Nora  
COUNTY Dickenson DISTRICT Ervinton SCALE 1" = 400' DATE 9-04-2008

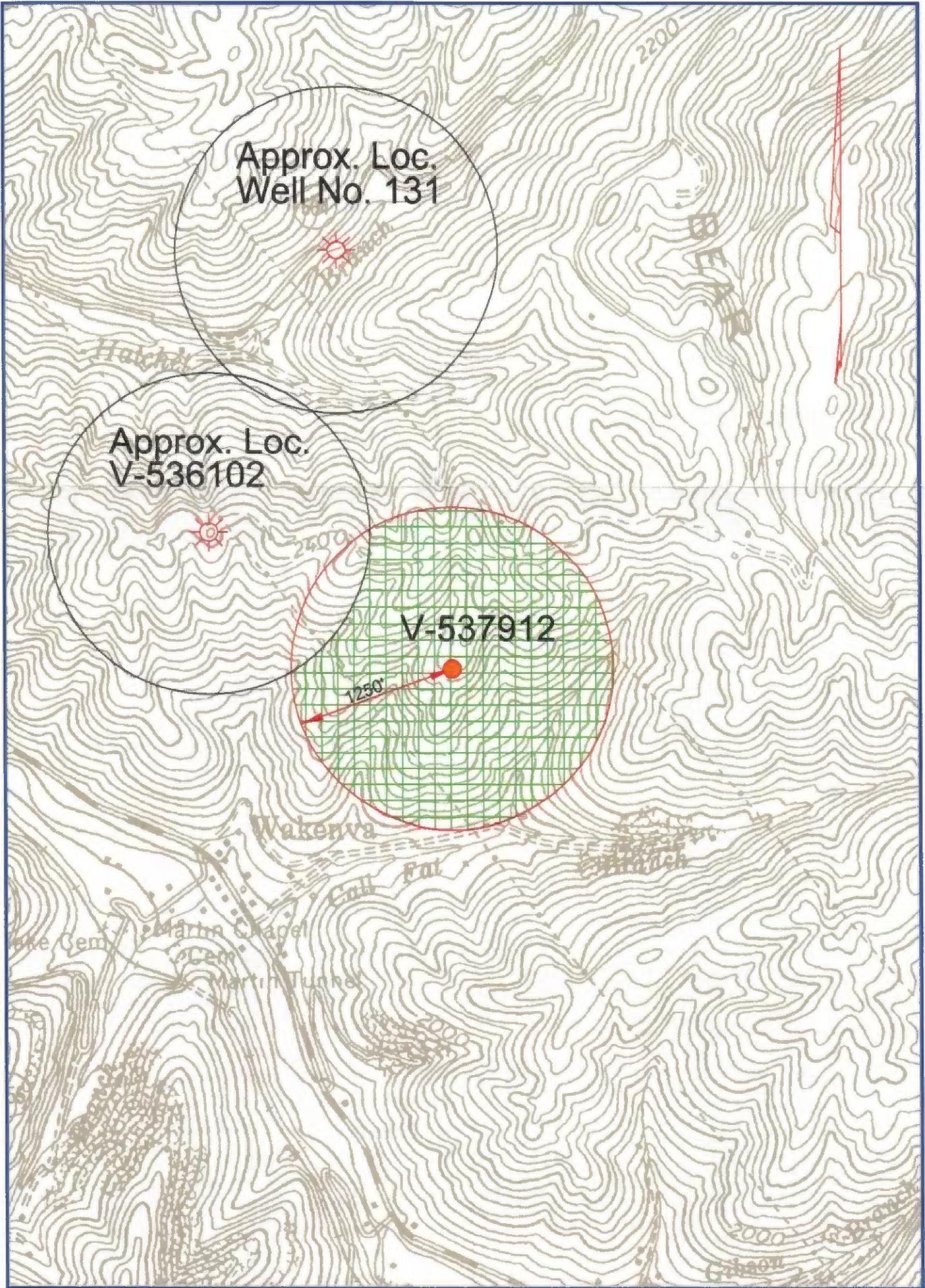
This Plat is a new plat x; an updated plat     ; or a final location plat       
+ Denotes the location of a well on United States topographic Maps, scale 1 to  
24,000, latitude and longitude lines being represented by border lines as shown.

James E. Halsey  
Licensed Professional Engineer or Licensed Land Surveyor

Form DGO-GO-7

Exhibit A

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## Exhibit AA

Range Resources-Pine Mountain, Inc.

V-537912  
LOCATION EXCEPTION EXHIBIT

Author:	Drainage Area = 105.96 acres	Date: 10-13-2008
Quad: Nora	Scale: 1" = 1000'	

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V608 10/21/08  
Exhibit AA

2360