

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQT Production Company)
) VIRGINIA GAS
) AND OIL BOARD
)
 RELIEF SOUGHT: **EXCEPTION TO STATEWIDE SPACING**)
) LIMITATIONS PRESCRIBED BY VA. CODE) VGOB DOCKET NO.
) § 45.1-361.17(a)(2) FOR **WELL**) **10/11/16-2872**
) **VH-531482**)
)

LEGAL DESCRIPTION:

DRILLING UNIT SERVED BY WELL NUMBERED)
VH-531482 TO BE DRILLED IN THE LOCATION)
 DEPICTED ON EXHIBIT A HERETO,)
Penn Virginia Operating Company, LLC)
Tract PV-703)
Flat Gap QUADRANGLE,)
Gladeville MAGISTERIAL DISTRICT,)
Wise COUNTY, VIRGINIA)
 (the "Subject Lands" are more particularly)
 described on Exhibit "A" 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 January 18, 2011, Conference Center at the Russell County Office Facility, Lebanon, Virginia.
2. Appearances: James E. Kaiser appeared for the Applicant; and Sharon B. Pigeon, Assistant Attorney General, was present to advise the Board.
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; (2) has 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. Relief Requested: Applicant requests (1) an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. **VH-531482**.
5. Relief Granted: The requested relief in this cause be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed Well No. **VH-531482**, **114.60** feet from proposed Well No. **502763**, at the location depicted on the Plat attached hereto.
6. Special Findings: The Board specifically and specially finds:
 - 6.1 Applicant is **EQT Production Company** a West Virginia Corporation. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 6.2 Applicant **EQT Production Company** is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 6.3 Applicant claims ownership of Conventional Gas leases of **100%** percent of Subject Drilling Unit and the right to explore for, develop and produce Gas from same, i.e., Well No. **VH-531482** as well as from reciprocal well, i.e., Well No. **502763**.
 - 6.4 The proposed Well **VH-531482** is located on a surface, coal, oil and gas tract consisting part of **312.11** acres known as **Penn Virginia Operating Company, LLC, Tract PV-703**, and the surface, coal, gas and oil owner has consented to the proposed location for Well **VH-531482** that is depicted on the Plat attached hereto as Exhibit A;
 - 6.5 The Applicant testified it has the right to operate and develop the reciprocal Well **502763** and that the granting of the application filed herein will not impact the correlative rights of any person;
 - 6.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well **VH-531482** 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 **800** million cubic feet of Conventional Gas underlying Subject Drilling Unit, and to generally effect the purposes of the Virginia Gas and Oil Act;

6.7 Applicant proposes the drilling of Well No. VH-531482 to a depth of 8055 feet, including the lateral, on the Subject Drilling Unit at the location depicted in Exhibit A to produce all the Mississippian and Devonian age formations including, but not limited to, Ravencliff, Maxton, Little Lime, Big Lime, and Weir from surface to a total depth of 8055 feet, including the lateral (Subject Formations");

6.8 Applicant proposes to drill Well VH-531482 a distance of 2385.40 feet closer to Gas Well 502763, than the 2500 feet mandated by statewide spacing;

6.9 Applicant proposes to complete and operate Well VH-531482 for the purpose of producing Conventional Gas;

7. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

8. 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.

9. Effective Date: This Order shall be effective as of the date of the Boards approval of this application which is set forth in Paragraph 1 above.

DONE AND EXECUTED this 16 day of March, 2011, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 16 day of March, 2011, by Order of this Board.

David E. Asbury Jr.
David Asbury Jr.
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF RUSSELL)

Acknowledged on this 16 day of March, 2011, 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 David Asbury Jr., being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.

Diane Davis
Diane Davis, Notary
174394

My commission expires: September 30, 2013

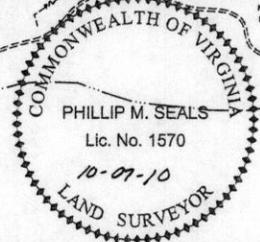
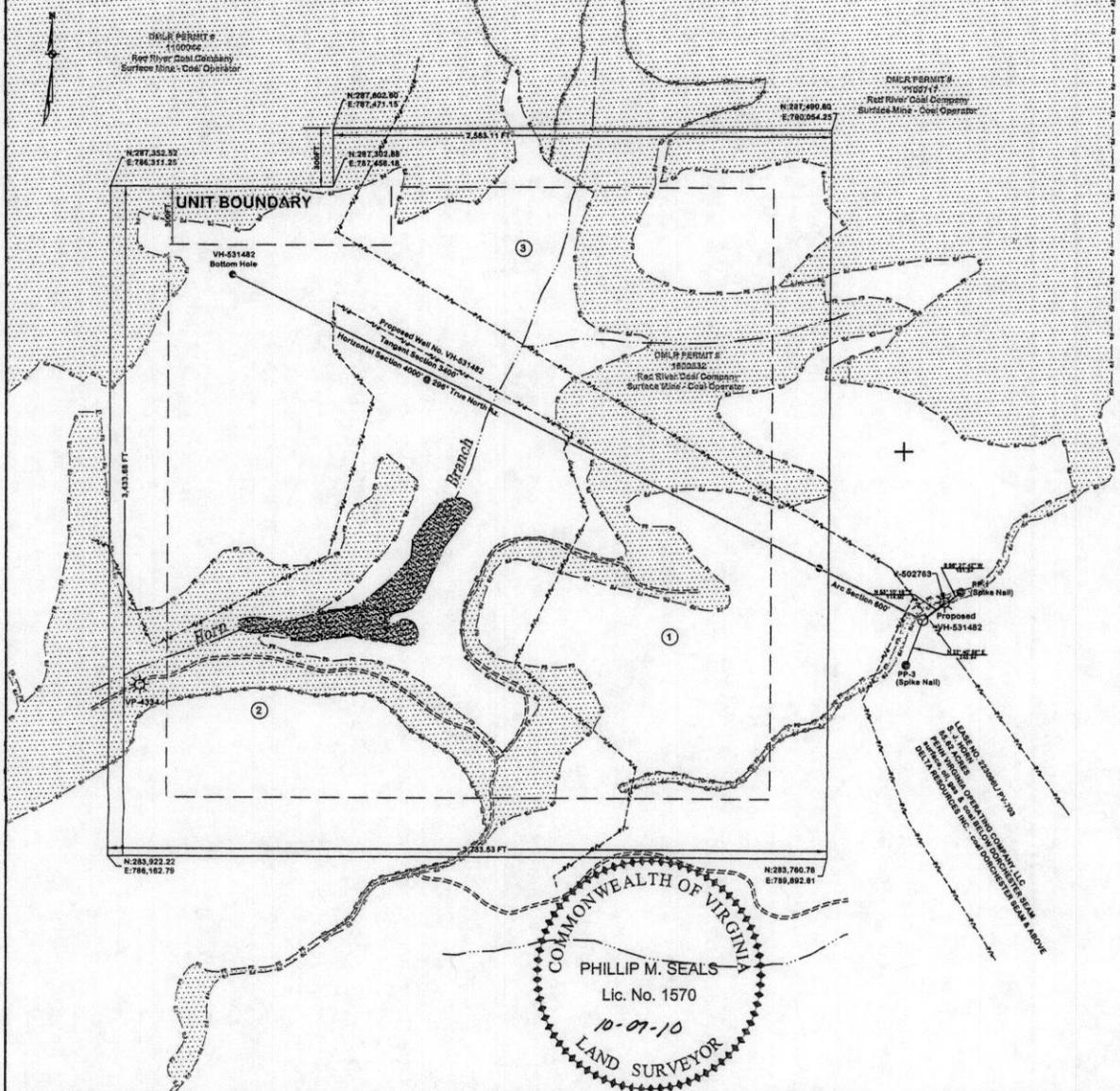


6,017'

LATITUDE 37°08'00"

LONGITUDE 82°37'30"

TOTAL UNIT AREA
= 312.11 ACRES



	NORTH	EAST	NIS	E/W	LAT. 27	LONG. 27
WIC TOP	3,585,837.98	10,273,418.03	0.00	0.00	37.043073	82.845816
MAIN	3,587,591.47	10,269,822.85	N 1.753	W 3.595	36.935720	82.784733

All calculations are based on the Virginia State Plane Coordinate System NAD 83.
N/S E/W coordinates are based on grid north
Latitude and Longitude values were determined by conversion using ACOE CorpsCon Software.

PROPOSED CCC COORDINATES OF WELL VH-531482	PROPOSED LAT. & LONG. (NAD 27 DECIMAL DEGREES) OF WELL VH-531482
S 29.708 W 76.466	37.043073 82.845816
PROPOSED VIRGINIA STATE PLANE 83 COORDINATES OF WELL VH-531482	PROPOSED PENN VA COORDINATES OF WELL VH-531482
N 3,585,837.98 E 10,273,418.03	N 77.774 E 95.369

NOTE:
ELEVATIONS WERE DETERMINED BY GPS & TRIGONOMETRIC METHODS BASED ON CORS STATION L801.
THE BOUNDARY LINES SHOWN HEREON ARE BASED ON DEEDS, PLATS, AND MAPS OF RECORD OR SURVEYS BY OTHERS, AND DO NOT DEPICT A CLIENT'S BOUNDARY SURVEY.
PROPERTY INFORMATION PROVIDED BY EQT PRODUCTION COMPANY.
THE WELL WILL BE DRILLED WITHIN 10 (TEN) FEET OF THE PERMITTED COORDINATES.

WELL LOCATION PLAT (Roaring Fork CBM Grid Numbers AB 40, AB 41, AC 40 & AC 41)

COMPANY EQT PRODUCTION CO. WELL NAME OR NUMBER VH-531482
 TRACT NO. PV-703 QUADRANGLE FLAT GAP
 DISTRICT Gladeville
 WELL COORDINATES (VIRGINIA STATE PLANE 27) N 284,963.97 E 790,435.03
 ELEVATION 2,776.71 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.
 COUNTY Wise SCALE: 1" = 600' DATE 10-07-10
 THIS PLAT IS A NEW PLAT 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.

Phillip M. Seals

LICENSED LAND SURVEYOR

(AFFIX SEAL)

EXHIBIT "B"
VH-531482
LOCATION EXCEPTION

Penn Virginia Operating Co., LLC
Attn: John Keith
Seven Sheridan Square Suite 400
Kingsport, Tennessee 37660

ACIN, LLC
ATTN: John Mooney
P.O. Box 2827
Huntington, WV 25727

Range Resources-Pine Mtn., Inc.
Attn: Jerry Grantham
P.O. Box 2136
Abingdon, VA 24212