

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><b>VGOB-12-0821-3084</b></u>
	FOR <u><b>WELL NO. 900119</b></u>	)	
		)	
		)	
LEGAL DESCRIPTION:		)	
	DRILLING UNIT SERVED BY WELL	)	
	NUMBERED <u><b>900119</b></u>	)	
	TO BE DRILLED IN THE LOCATION	)	
	DEPICTED ON <b>EXHIBIT A</b> HERETO,	)	
	<u><b>Big Sandy Fuel Corporation Tract</b></u>	)	
	<u>2,613.58 Acres, more or less</u>	)	
	<u><b>PRATER QUADRANGLE</b></u>	)	
	<u><b>SANDLICK DISTRICT</b></u>	)	
	<u><b>BUCHANAN COUNTY, VIRGINIA</b></u>	)	
	(the "Subject Lands" are more particularly described	)	
	on <b>Exhibit "A"</b> , attached hereto and made a part	)	
	hereof)	)	

REPORT OF THE BOARD

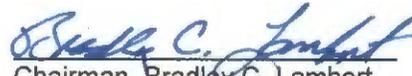
FINDINGS AND ORDER

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 **August 21, 2012** at the Russell County Conference Center, Highland Drive, Lebanon, 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.

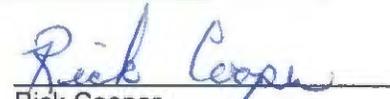
4. Amendments: None.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. 900119.
5. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed Well No. 900119 which is **2,210.73 feet from existing Range Resources-Pine Mountain, Inc. Well No. 820008** at the location depicted on the Plat attached hereto as **Exhibit A**.
6. Special Findings: The Board specifically and specially finds:
  - 6.1 Applicant is Range Resources-Pine Mountain, Inc. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
  - 6.2 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;
  - 6.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. 900119 as well as the right to participate and develop the reciprocal well, being **Range Resources-Pine Mountain, Inc. Well No. 820008**;
  - 6.4 The proposed Well No. 900119 is located on the Big Sandy Fuel Corporation Tract containing 2,613.58 acres and the surface, coal, gas and oil owners have consented to the proposed location for Well No. 900119 that is depicted on the Plat attached hereto as **Exhibit A**;
  - 6.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal **Range Resources-Pine Mountain, Inc. Well No. 820008** 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 No. 900119 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 425 million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
  - 6.7 Applicant proposes the drilling of Well No. 900119 to a depth of 4,791 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, Ravencloff, Maxon, Big Lime, Weir, Berea and Devonian Shale, from surface to total depth drilled, 4,791 feet ("Subject Formations");
  - 6.8 **Applicant proposes to drill Well No. 900119 a distance of 289.27 feet closer to Well No. 820008 than the 2500 feet mandated by statewide spacing;**

- 6.9 Applicant proposes to complete and operate **Well No. 900119** 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 Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 26 day of Nov., 2012, by a majority of the Virginia Gas and Oil Board.

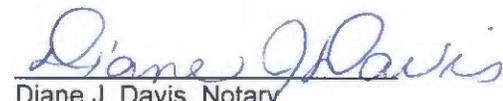
  
 Chairman, Bradley C. Lambert

DONE AND PERFORMED this 26<sup>th</sup> day of NOV., 2012, by Order of this Board.

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

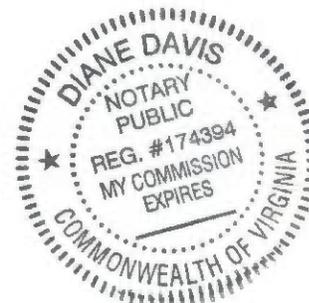
STATE OF VIRGINIA )  
 COUNTY OF WASHINGTON )

Russell  
 Acknowledged on this 26 day of NOV, 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 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, Notary  
 174394

My commission expires: September 30, 2013

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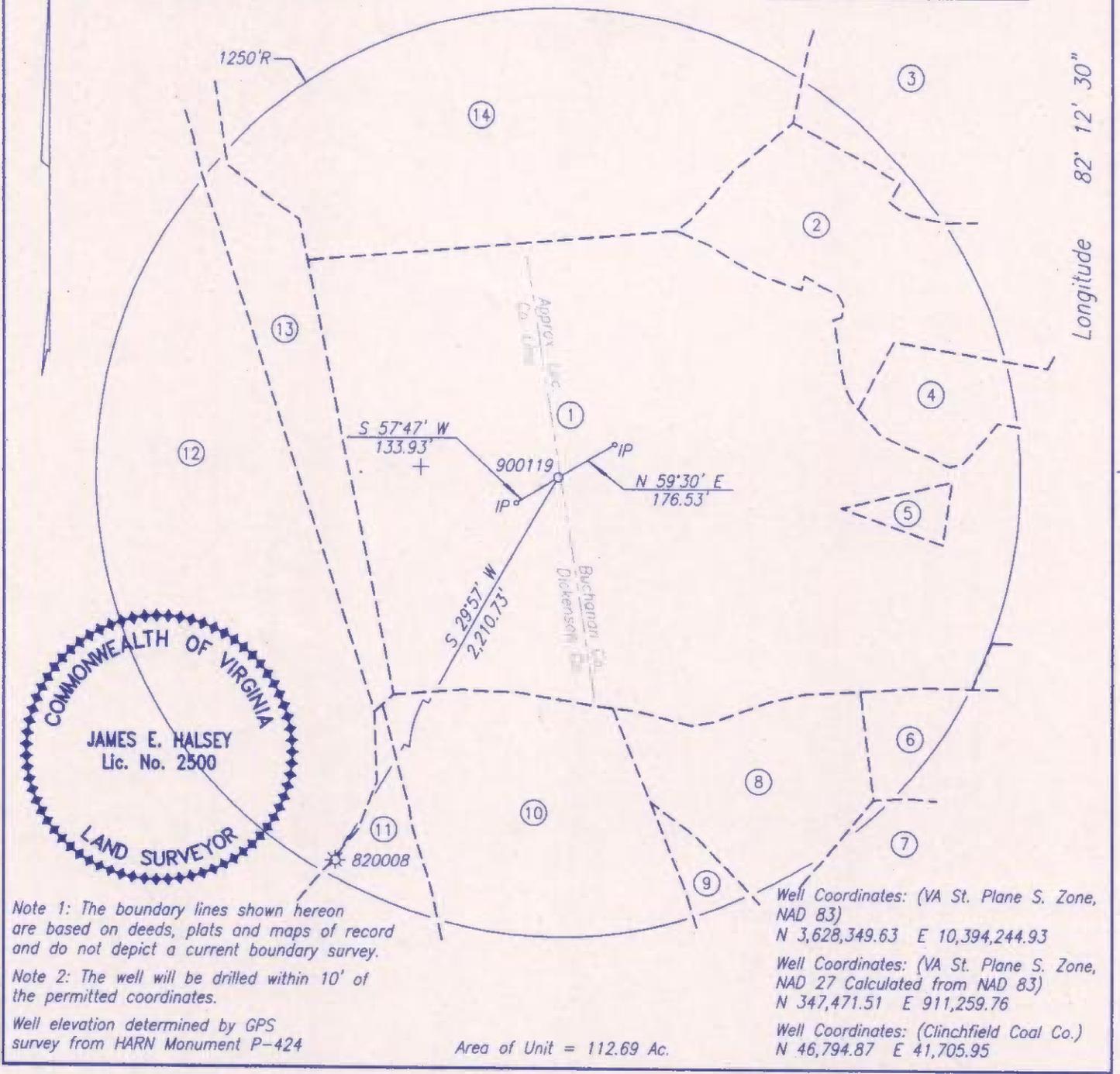


Well Coordinates: (Geographic N27)  
37.228466° -82.240446°

Latitude 37° 15' 00"

Note: See Attached Tract  
Ownership Information Schedule

--- Mineral Line  
- - - Surface Line



Note 1: The boundary lines shown hereon  
are based on deeds, plats and maps of record  
and do not depict a current boundary survey.

Note 2: The well will be drilled within 10' of  
the permitted coordinates.

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

Area of Unit = 112.69 Ac.

Well Coordinates: (VA St. Plane S. Zone,  
NAD 83)  
N 3,628,349.63 E 10,394,244.93  
Well Coordinates: (VA St. Plane S. Zone,  
NAD 27 Calculated from NAD 83)  
N 347,471.51 E 911,259.76  
Well Coordinates: (Clinchfield Coal Co.)  
N 46,794.87 E 41,705.95

WELL LOCATION PLAT NORA GRID X-63

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER 900119  
TRACT NO. Big Sandy Fuel Corp. ELEVATION 1,751.69' QUADRANGLE Prater  
COUNTY Dickenson DISTRICT Sandlick SCALE 1" = 400' DATE 7-18-2012

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 Map  
24,000, latitude and longitude lines being rep

James E. Halsey  
Licensed Professional Engineer

**Exhibit A**

**900119 Plat**  
**TRACT OWNERSHIP INFORMATION SCHEDULE**  
7/18/2012

- 1 . Big Sandy Fuel Corp.  
2,613.58 Acres  
ACIN LLC - coal  
Alpha Land & Reserves LLC - coal lessee  
WBRD LLC - coal  
Dickenson-Russell Coal Company LLC - coal lessee  
Lease No.450270546 (1-063813)  
Burnual Deel - surface, oil & gas  
25 Acres  
Gas 43.15 Ac. 38.29%
- 2 . William Boyd Tract  
8.4959 Acres  
Range Resources-Pine Mountain, Inc. - oil & gas  
Gas 6.71 Ac. 5.95%
- 3 . Unleased  
Carol Deel - oil & gas  
8.9458 Acres  
Gas 0.80 Ac. 0.71%
- 4 . Lease No. 450271180 A/B  
Flora Deel - oil & gas  
3 Acres  
Gas 2.19 Ac. 1.94%
- 5 . Lease No. 450270546 (1-063813)  
Bernadine Deel Cochran and Gary Clifford Cochran - oil & gas  
0.575 Acres  
Gas 0.58 Ac. 0.51%
- 6 . Lease No. 450271110 (1-177493)  
Alvin Blankenship - oil & gas  
1.5 Acres  
Gas 1.27 Ac. 1.13%
- 7 . Lease No. 450271110 (1-177493)  
Sarah Melissa Wegandt - oil & gas  
9.57 Acres  
Gas 0.09 Ac. 0.08%
- 8 . Lease No. 450271110 (1-177493)  
Sarah Melissa Wegandt - 1/2 int. oil & gas  
Alvin Blankenship - 1/2 int. oil & gas  
3 Acres  
Gas 5.71 Ac. 5.07%
- 9 . Lease No. 450270540 (1-063797)  
Anthra Breeding - oil & gas  
2 Acres  
Gas 0.71 Ac. 0.63%
- 10 . Lease No. 450270538 (1-063793)  
Johnnie J. Fuller - oil & gas  
15 Acres  
Gas 9.77 Ac. 8.67%
- 11 . Lease No. 450511910 (1-063790)  
Delmar Wayne Dale, Sr. - oil & gas (Life Estate)  
Jonathan Wade Dale - oil & gas (Remainder)  
Delmar Wayne Dale, Jr. - oil & gas (Remainder)  
± 56.85 Acres  
Gas 1.61 Ac. 1.43%
- 12 . N.B. Sutherland  
118.45 Acres  
Range Resources-Pine Mountain, Inc. - oil & gas  
Gas 18.43 Ac. 16.35%
- 13 . Lease No. 450511937 (1-174750)  
Carolyn Sue Turner - oil & gas  
Part of 6 Acres  
Gas 4.81 Ac. 4.28%
- 14 . Lease No. 450271179 A/B  
Julie Deel - oil & gas  
40 Acres  
Gas 16.86 Ac. 14.96%