

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>VGOB-12-1016-3089</u>
	FOR <u>WELL NO. 900120</u>	)	

LEGAL DESCRIPTION:

DRILLING UNIT SERVED BY WELL  
 NUMBERED 900120  
 TO BE DRILLED IN THE LOCATION  
 DEPICTED ON EXHIBIT A HERETO,  
Big Sandy Fuel Corporation Tract  
 12,627.34 acres, more or less  
PRATER QUADRANGLE  
PRATER DISTRICT  
BUCHANAN 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

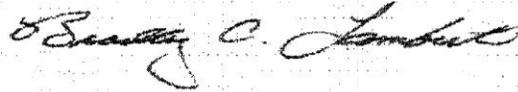
1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m. on October 16, 2012 and continued to December 18, 2012** at the Russell County Conference Center, Highland Drive, Lebanon, Virginia.
2. Appearances: Timothy E. Scott of 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. 900120.
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. 900120 which is 2,125.95 feet from Range Well No. 820943, 2,445.20 feet from Range proposed Well No. 900123, 2,270.51 feet from Range Well No. 820471 and 2,026 feet from Range Well No. 821906 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. 900120 as well as the right to participate and develop the reciprocal well, being Range Well Nos. 820343, proposed Well No. 900123, 820471 and 821906.
  - 8.4 The proposed Well No. 900120 is located on the Big Sandy Fuel Corporation Tract containing 12,627.34 acres and the surface, coal, gas and oil owners have consented to the proposed location for Well No. 900120 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 Range Well Nos. 820343, proposed Well No. 900123, 820471 and 821906 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. 900120 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. 900120 to a depth of 5,712 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, 5,712 feet ("Subject Formations");

- 8.8 Applicant proposes to drill Well No. **900120** a distance of **374.05** feet closer to Range Well No. **820343**, **229.49** feet closer to Range Well No. **820471**, **54.8** feet closer to Range proposed Well No. **900123** and **474** feet closer to Range Well No. **821906** than the 2500 feet mandated by statewide spacing;
- 8.9 Applicant proposes to complete and operate **Well No. 900120** 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 9 day of January, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 9 day of January, 2013 by Order of the Virginia Gas and Oil Board.



Rick Cooper  
Principal Executive to the  
staff, Virginia Gas and Oil Board

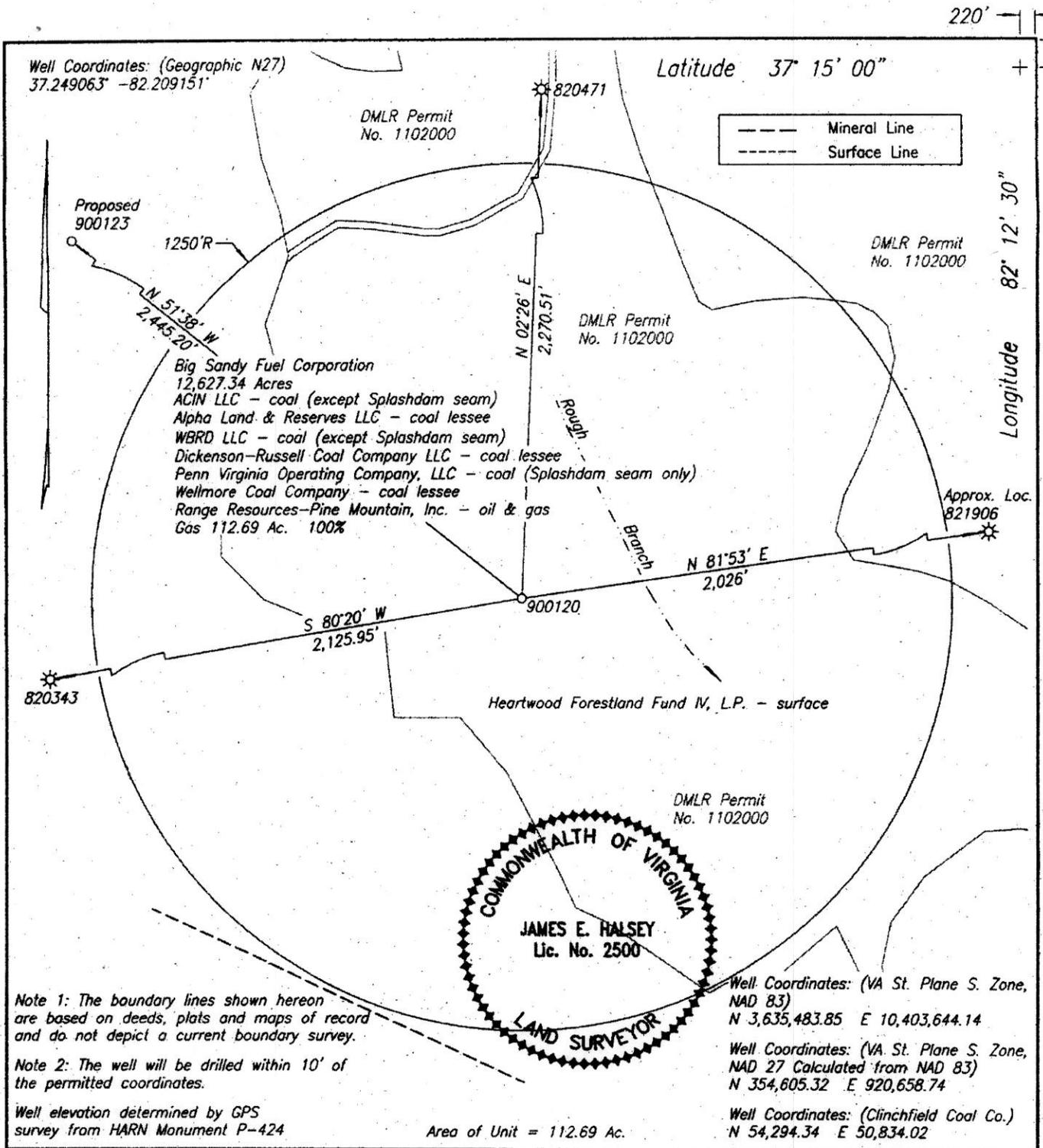
COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSEL)

Acknowledged on this 9<sup>th</sup> day of January, 2013, 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 the 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 was authorized to do so.

  
Diane J. Davis, Notary Public  
174394

My Commission expires: September 30, 2013





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

WELL LOCATION PLAT NORA GRID S-69

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER 900120  
 TRACT NO. Big Sandy Fuel Corp. ELEVATION 1,681.69' QUADRANGLE Prater  
 COUNTY Buchanan DISTRICT Prater SCALE 1" = 400' DATE 9-12-2012

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 Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as s

James E. Halsey  
 Licensed Professional Engineer or Licensed Land Surveyor

**Exhibit A**

**Exhibit "B"**  
**WLE Well No. 900120**

**DEPTH - 5,712'**

Dickenson-Russell Coal Company  
Maxxim Shared Services, LLC  
Attn: Steve Smith  
5703 Crutchfield Drive  
Norton, VA 24273

ALPHA Land & Reserves, LLC  
Attn: Steve Smith  
5703 Crutchfield Drive  
Norton, VA 24273

WBRD LLC  
John Mooney  
5260 Irwin Road  
Huntington, WV 25705-3247

ACIN LLC  
John Mooney  
5260 Irwin Road  
Huntington, WV 25705-3247

Penn Virginia Operating Company, LLC  
Mr. John Keith  
Seven Sheridan Square, Suite 400  
Kingsport, TN 37660

Wellmore Coal Company, LLC  
Attn: Andy Hrovatic  
P.O. Box 458  
Big Rock, VA 24603