

VIRGINIA DIVISION OF GAS AND OIL

**NOTICE OF
INFORMAL FACT FINDING HEARING (IFFH)**

**In regard to Appalachian Energy Inc.
Proposed Permit for New Gas Operation**

Application 16884 for Coalbed Gas Well with Pipeline AE-261

Located in the North Grundy District of Buchanan County, Virginia

Docket Number IFFH 24010

In Accordance with §45.1-361.35.H. of the Code of Virginia, the Director of the Division of Gas and Oil has scheduled an Informal Fact Finding Hearing to consider objections received from **People Inc. and Wellmore Energy Company** to be affected by the above-named operation(s). The **objections by a Surface and Coal Owners were** received at the Division of Gas and Oil Office in a timely manner and in accordance with § 45.1-361.35. This notice of hearing is being sent to the permit applicant and to all parties with standing to object as prescribed by §45.1-361.30. All parties are entitled to be represented by counsel at the hearing, if desired. Those receiving notice of this proceeding and who did not object to the application are not required to attend.

The objections have been filed by the Surface and Coal Owners against the permit applications for **Appalachian Energy Gas Operation AE-261 w/ PL** in accordance with:

§ 45.1-361.35. Objections to permits; hearing.

B. The only objections to permits or permit modifications which may be raised by surface owners are:

4. Location of the coalbed methane well or coalbed methane well pipeline will unreasonably infringe on the surface owner's use of the surface, provided, however, that a reasonable alternative site is available within the unit, and granting the objection will not materially impair any right contained in an agreement, valid at the time of the objection, between the surface owner and the operator or their predecessors or successors in interest.

§ 45.1-361.11. Objections by coal Owner

§ 45.1-361.12. Distance limitations of certain wells.

A. If the well operator and the objecting coal owners present or represented at the hearing to consider the objections to the proposed drilling unit or location are unable to agree upon a drilling unit or location for a new well within 2,500 linear feet of the location of an existing well or a well for which a permit application is on file, then the permit or drilling unit shall be refused.

B. The minimum distance limitations established by this section shall not apply if the proposed well will be drilled through an existing or planned pillar of coal required for protection of a preexisting well drilled to any depth, and the proposed well will neither require enlargement of the pillar nor otherwise have an adverse effect on existing or planned coal mining operations

All testimony in this conference must be relevant to objections allowed for and detailed in the Gas and Oil Act of 1990.

Date and location of Conference:

The hearing is scheduled for **Tuesday, June 8, 2010 beginning at 9:00 am**. The hearing will be held at the Southwest Virginia Technology Development Center, Jefferson Room, Russell County Government Center, 141 Highland Drive, Lebanon, Virginia. Contact the Division at (276) 415-9700 with any questions. Specific directions and other important information can be accessed from the Department of Mines, Minerals and Energy website: <http://www.dmme.virginia.gov/divisiongasoil.shtml>

Informal Fact Finding Hearings by the Division are to be conducted according to provisions of the Administrative Processes Act of the Code of Virginia (§ 2.2-4019). In reaching a decision, the Director may rely upon any public data, field research, documents, and testimony given at the hearings.

This notice was prepared on **May 27, 2010** and will be sent by certified mail, return receipt requested, to every person with standing to object as prescribed by § 45.1-361.30.

David E. Asbury Jr., Director
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