

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES SEPTEMBER 16, 2014

Pursuant to Sections 45.1-361.9B and 45.1361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held its scheduled monthly hearing commencing at 9 a.m. on Tuesday, September 16, 2014 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bradley C. Lambert (Chairman), Bill Harris (Public Representative), Bruce A. Prather (Oil and Gas Industry Representative), Donnie W. Rife (Public Representative), Mary Addington Quillen (Public Representative) and Rita Surratt (Public Representative).

Also present were Paul Kugelman, Jr. (Senior Assistant Attorney General), Rick Cooper (Principal Executive to the Board) and Sarah Gilmer (Division of Gas and Oil).

1. Public Comments.

Juanita Sneeuwjagt provided comments about the upcoming audit and criteria that she is requesting that the Board consider regarding the stipulations for the audit.

Martha Guilliams spoke about her concerns regarding the escrow account and the upcoming audit. She asked the Board to force the companies to share in the expenses associated with the escrow account.

Jack Phelps, Vice President Trust Officer, for First Bank & Trust Company, informed the Board that First Bank & Trust Company will not be renewing their contract.

2. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of known owners on Tracts 2, 4, 5, 6, 7, 8, and 9. VGOB 97-05-20-0586. Docket Number VGOB 97-0520-0586-02. Continued from March 2014. Continued from May 2014. Continued from June 2014.

The docket item was continued to November, 2014. Continuance requested by the applicant.

3. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of the known owners on Tracts 3, 4, 9, and 10 in Well VC-503042. VGOB 04-12-14-1373. Docket Number VGOB 04-1214-1373-05. Continued from May 2014. Continued from June 2014.

The docket item was continued to November, 2014. Continuance requested by the applicant.

4. A petition from EQT Production Company for Petition for the disbursement of funds and authorization for direct payment on behalf of the known owners on tracts 2 and 4 in Well VC-702846. VGOB 93-0316-0343. Docket Number VGOB 93-0316-0343-03.

The docket item was continued to March, 2015. The docket item was placed back on the March 2015 docket in order for EQT to make a correction to ownership percentages originally reported incorrectly to the Board.

5. A petition from EQT Production Company for Petition for the disbursement and authorization for direct payment on behalf of the known owners on tracts 2, 5, 6, and 7 on Well VC-703324. VGOB 97-0415-0574. Docket Number VGOB 97-0415-0574-02.

The docket item was approved. Close account. Vacate order.

6. A petition from EQT Production Company for Petition for disbursement of funds and authorization for direct payment on behalf of all known owners as to Tracts 1, 3, 7, 11, 12, 13, 14 and 15 in Well VC-537637, VGOB 07-0320-1905. Docket Number VGOB 07-0320-1905-02.

The docket item was approved. Account continues. Authorization for direct payment of royalties.

7. A petition from EQT Production Company for Petition for disbursement and authorization for direct payment on behalf of all known owners on tracts 3, 4, 5, 6, 7, 8 and 9 in Well VC-537811, VGOB 08-0415-2205. Docket Number VGOB 08-0415-2205-01.

The docket item was approved. Close account. Vacate order.

8. A petition from EQT Production Company for Petition for disbursement of funds and authorization for direct payment on behalf of all known owners as to Tracts 2 and 3 in Well VC-502974, VGOB 05-0419-1437. Docket Number VGOB 05-0419-1437-01.

The docket item was continued to November, 2014. Continuance requested by the applicant.

9. A petition from EQT Production Company for Petition for the disbursement of funds and authorization for direct payment on behalf of all known owners as to Tracts 2, 3, 4, 5 and 6 in Well VC-537244, VGOB 07-1218-2101. Docket Number VGOB 07-1218-2101-01.

The docket item was continued to November, 2014. Continuance requested by the applicant.

10. A petition from EQT Production Company for Petition for the disbursement of escrowed funds and authorization for direct payment for Williard & Glenda Bentley, Walter & Wilma Bentley, Beverly & Bobby Bentley, and Pamela Bentley for Tract 4 on Well VC-504929 in Wise County, VA, VGOB 01-1218-0996. Docket Number VGOB 01-1218-0996-01.

The docket item was approved. Shea Cook provided Power of Attorney documents on behalf of parties. Checks for these parties are to be mailed directly to T. Shea Cook. Account continues. Authorization for direct payment of royalties.

11. A petition from EQT Production Company for Petition for the disbursement of escrowed funds and authorization for direct payment for Williard & Glenda Bentley, Walter & Wilma Bentley, Beverly & Bobby Bentley, and Pamela Bentley for Tract 8 on Well VC-703424 in Wise County, VA, VGOB 97-0715-0594. Docket Number VGOB 97-0715-0594-01.

The docket item was approved. Shea Cook provided Power of Attorney documents on behalf of parties. Checks for these parties are to be mailed directly to T. Shea Cook. Account continues. Authorization for direct payment of royalties.

12. A petition from EQT Production Company for Petition for the disbursement of escrowed funds and authorization for direct payment on behalf of Don & Sharon Funk, Tracts 2 and 3 and Richard & Sherry Clark, Tract 7 on Well VC-703766 in Wise County, VA, VGOB 98-0818-0677. Docket Number VGOB 98-0818-0677-02.

The docket item was approved. Shea Cook provided Power of Attorney documents on behalf of parties. Checks for these parties are to be mailed directly to T. Shea Cook. Account continues. Authorization for direct payment of royalties.

13. A petition from CNX Gas Company LLC for (1) the disbursement of escrowed funds deposited with the Board's Escrow Agent attributable to Tracts 15 & 19 as depicted upon the annexed Table 1; and (2) authorization to begin paying royalties directly to the parties to the royalty split agreement(s) between Torch Oil & Gas Company and Mary Ann Bartram, Thelma Jean Kline, Mamie K. Cook, and Francis C. Hinchee Stearns. Docket Number VGOB 95-1024-0526-05.

The docket item was approved. Account continues. Authorization for direct payment of royalties.

14. A petition from CNX Gas Company LLC for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tract 13 as depicted upon the annexed Table 1; and (2) authorization to begin paying royalties directly to the parties to the royalty split agreement(s) between Torch Oil and Gas Company and Mary Lou Webb, Harman Webb, Carol Cole Owenby, Barbara Cole Maxwell, and Eleanor Sue Hagy. Docket Number VGOB 02-0319-1008-02.

The docket item was approved. Account continues. Authorization for direct payment of royalties.

15. A petition from CNX Gas Company LLC for (1) Refund of escrow payments heretofore deposited with the Board's Escrow Agent; Reimburse overpayment of funds deposited with the Board's Escrow Agent attributable to unit VP8SGU3 to CNX Gas Company LLC. (2) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 8A, 8C, 9A, 14E & 14F as depicted upon the annexed Table 1; (3) authorization to begin paying royalties directly to the parties to the CBM deed between Harrison-Wyatt LLC and Danny Carlos Blankenship; Harrison-Wyatt LLC and Ralph Reedy; Harrison-Wyatt LLC and Delmar Kyle Meadows, et ux, and Harrison-Wyatt LLC and David Meadows, et ux. Docket Number VGOB 06-0321-1598-03.

The docket item was continued to October, 2014. Continuance requested by the applicant.

16. A petition from CNX Gas Company LLC for (1) the disbursement of escrowed funds deposited with the Board's Escrow Agent attributable to Tracts 2C & 2D as depicted upon the annexed Table 1; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Coal Creek Coal Company and Betty Lou Garrison Stump, Wanda Gay Smith, Donald Eugene Jackson, Grace Elizabeth Hibdon, Lester George Beaver, and Noel Albert Beaver, Sr. Docket Number VGOB 09-0317-2489-01.

The docket item was approved. Account continues. Authorization for direct payment of royalties.

17. A petition from CNX Gas Company LLC for Pooling. Docket Number VGOB 14-0715-4050.

The docket item was approved. Unit D32. Buchanan County, Virginia. Garden Magisterial District. Escrowing required.

18. A petition from CNX Gas Company LLC for Pooling. Docket Number VGOB 14-0715-4051.

The docket item was approved. Unit N(-2). Buchanan County, Virginia. Prater Magisterial District. No escrowing required.

19. A petition from CNX Gas Company LLC for Pooling. Docket Number VGOB 14-0715-4053.

The docket item was approved. Unit AB78. Buchanan County, Virginia. Prater Magisterial District. Escrowing required.

20. A petition from CNX Gas Company LLC for Repooling. Docket Number VGOB 02-0521-1029-04.

The docket item was approved. Unit EE38. Tazewell County, Virginia. Maiden Springs Magisterial District. Escrowing required.

21. A petition from CNX Gas Company LLC for Modification of the Oakwood Field Rules. Docket Number VGOB 93-0216-0325-25.

The docket item was approved. Units H27 & H28. Buchanan County, Virginia. Garden Magisterial District.

22. A petition from Range Resources-Pine Mountain for a petition for pooling of Well No. V-530395, Kenady District, Dickenson County, Virginia. Docket Number VGOB 14-0715-4054.

The docket item was approved. Escrowing required.

23. A petition from Range Resources-Pine Mountain for a petition for pooling of Well No. V-530399, Gladeville District, Dickenson County, Virginia. Docket Number VGOB 14-0714-4055.

The docket item was approved. Escrowing required.

24. A petition from Range Resources-Pine Mountain, for a petition for re-pooling of Well No. VH-530183, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 12-0515-3072-01.

The docket item was approved. No escrowing required.

25. A petition from DGO - on behalf of others for Gerald L. Gray, Attorney for Pamela Hess has appealed the decision of the Director issued on August 4, 2014, for Informal Fact Finding Hearing 229, regarding an application from CNX Gas Company for proposed well AA37D with pipeline, located in the Garden Magisterial District, Buchanan County, Virginia. Docket Number VGOB 14-0916-4056.

The docket item was continued to October, 2014. Continued per the request of Gerald L. Gray, Attorney.

26. The Board will receive an update of Board and Division activities from the staff.

Mr. Cooper discussed the AFE for the upcoming audit of the escrow account. In the re-bidding process there were two bids received. The Board voted to award the audit with a fixed cost of \$36,350.00, to Charles Bridwell CPA and Associates.

Mr. Cooper discussed that the all permit file scans will be posted to the DGO website sometime in the very near future.

27. The Board will review the June 2014 minutes for approval.

The Board approved the June 2014 minutes.

The hearing adjourned at 1:40 p.m.