

VIRGINIA DEPARTMENT OF MINES, MINERALS & ENERGY
GAS AND OIL BOARD
MINUTES AND RESULTS OF BOARD HEARINGS

January 20, 2009

Pursuant to Sections 45.1-361.9.B and 45.1-361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held hearings that commenced at 9 a.m. on Tuesday, **January 20, 2009**, at the Southwest Virginia Higher Education Center on the Campus of Virginia Highlands Community College, Abingdon, Virginia.

Board members present were: Mr. Bradley C. Lambert (Chairman), Mrs. Peggy Barber, Mrs. Nellie K. Dye, Mr. Bill Harris, Mr. Bruce Prather, and Mrs. Mary Quillen.

Also present were Ms. Sharon Pigeon, Assistant Attorney General; Mr. David E. Asbury Jr. Principle Executive to the Staff of the Board; Mrs. Diane J. Davis and Mr. Jim Lovett, Division of Gas and Oil.

The board heard and addressed the following items:

1. The Board Committee considering Post Production Cost Allowances when involuntarily “pooled” continued their consideration of a recommendation to the full Board.
The committee adjourned its December meeting without a final recommendation and will meet again in February 6, 2009. This item was continued by the Board to February 2009.

2. A petition from Equitable Production Company for **pooling of coalbed methane unit VC-537891**, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-08-1209-2393. Continued from December 2008.
In the **Nora Field Unit VC-537891 (AZ 79), 58.77 acres**, the applicant controls 100% of the coal estate and 85.24% of the gas interests. The applicant seeks to pool the remaining 14.76% of the gas interests. Unleased gas acreage subject to pooling totals 8.67 net acres + / -. The petition includes provisions for the establishment of an escrow account for conflicting claims in tracts 2, 3, and 4. **The petition was continued by the Board to the March 2009 hearing.**

3. A petition from Range Resources-Pine Mountain, Inc. for **a well location exception for proposed well V-530026**, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-08-1209-2413. Continued from December 2008.
In this petition, the applicant seeks **a location exception** for drilling well **V-530026 in the 112.69 acre unit**. The location of EPC well **P-92 lies 2170** feet southwest of proposed well V-530026; and EPC **Well No. P-271 lies 2490** feet southwest of proposed well V-530026; and EPC **Well No. P-72 lies 1910** feet northwest of proposed well V-530026; and EPC **Well No. P-270 lies 1930** feet northeast of proposed well V-530026. The exception is required because of the state wide spacing rule of 2,500 feet in § 45.1-361.17(A) (2).
The petition was approved by the Board.

4. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit L-2, Prater/South Grundy Districts, Buchanan County, Virginia. Docket Number VGOB-09-0120-2416.

In the **80 Acre Oakwood Field Unit L-2, served by wells CBM L2 and CBM L2A**, the applicant controls 96.21% of the coal and gas interests. The applicant seeks to pool the remaining 3.79% of the gas interests. Unleased gas acreage subject to pooling totals 3.035 net acres +/- . No escrow account is required by this petition.

The petition was approved by the Board.

5. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit M-1, Prater District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2417.

In the **80 Acre Oakwood Field Unit M-1, served by wells CBM M1 and CBM M1A**, the applicant controls 90.21% of the coal and gas interests. The applicant seeks to pool the remaining 9.79% of the gas interests. Unleased gas acreage subject to pooling totals 7.83 net acres +/- . No escrowing is required by this petition. A revised plat (Exhibit A) is required to be submitted by the applicant.

The petition was approved by the Board.

6. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit M-2, Prater District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2418.

In the **80 Acre Oakwood Field Unit M-2, served by well CBM M2 and M2A** the applicant controls 51.21% of the coal and gas interests. The applicant seeks to pool the remaining 48.79% of the gas interests. Unleased gas acreage subject to pooling totals 39.03 net acres +/- . No escrow account is required by this petition.

The petition was approved by the Board.

7. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit M-3, Prater/South Grundy Districts, Buchanan County, Virginia. Docket Number VGOB-09-0120-2419.

In the **80 Acre Oakwood Field Unit M-3, served by wells CBM M3 and CBM M3A**, the applicant controls 13.39% of the coal interests and 15.51% of the gas interests. The applicant seeks to pool the remaining 86.61% of the coal and 84.49% of the gas interests. Unleased gas acreage subject to pooling totals 67.60 net acres +/- . The petition includes provisions for the establishment of an escrow account for tract 5. Revised exhibits dated 01/16/09 were distributed to the Board at the hearing regarding a name change in tract 4. **The**

petition was approved by the Board.

8. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit BB-91, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2420.

In the **58.75 Acre Nora Coalbed Methane Field Unit BB-91, served by well CBM BB-91**, the applicant controls 99.73% of the coal and gas interests. The applicant seeks to pool the remaining 0.2723% of the coal and gas interests. Unleased gas acreage subject to pooling totals 0.2 net acres +/- . A revised Exhibit B3 was distributed at the hearing regarding the asterisk found in the legend of the exhibit. No escrowing is required by this petition.

The petition was approved by the Board.

9. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit BB-103, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2421.

In the **58.77 Acre Nora Coalbed Methane Field Unit BB-103, served by well CBM BB-103 and BB103A**, the applicant controls 98.56% of the coal and gas interests. The applicant seeks to pool the remaining 1.44% of the coal and gas interests. Unleased gas acreage subject to pooling totals 1.15 net acres + / -. The petition includes provisions for the establishment of an escrow account for tracts 1b and 1d. The applicant is required to submit a revised Exhibit 1A.

The petition was approved by the Board.

10. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit BC-91, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2422.

In the **58.75 Acre Nora Coalbed Methane Field Unit BC-91, served by well CBM BC-91**, the applicant controls 99.76% of the coal and gas interests. The applicant seeks to pool the remaining 0.24% of the coal and gas interests. Unleased gas acreage subject to pooling totals 0.19 net acres + / -. A revised Exhibit was distributed to the Board at the hearing. -. A revised Exhibit B3 was distributed at the hearing regarding the asterisk found in the legend of the exhibit.

The petition was approved by the Board.

11. A petition from CNX Gas Company, LLC for the creation of circular CBM Unit and pooling of coalbed methane unit TA-132, Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB-09-0120-2423.

In the **41.66 Acre, Statewide Spacing Unit, TA132, served by well CBM TA-132**, the applicant controls 100.0% of the coal interests and 73.72% of the gas interests. The applicant seeks to pool the remaining 26.28% of the gas interests. Unleased gas acreage subject to pooling totals 21.03 net acres + / -. An escrow is required for conflicting claims in Tract 2.

The petition was continued by the Board until February 2009 hearing.

12. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells and served by well VH-531117 (Roaring Fork Units AV 24, AV 25, AW 24 and AW 25), Richmond District, and Wise County, Virginia. Docket Number VGOB-09-0120-2424.

Equitable Production Company seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as a Roaring Fork Unit (EQT 2424), Tract PV-127 served by previously established CBM Units AV24, AV25, AW24, and AW25**. Equitable is the owner of the right to develop and produce gas in 100.0% of the acreage and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith.

The petition was withdrawn by the applicant.

13. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells and served by well VH-531267 (Roaring Fork Units AP 17, AP 18, AQ 17 and AQ 18) and identified as Unit EPC2425 Richmond District, Wise County, Virginia. Docket Number VGOB-09-0120-2425.

Equitable Production Company seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as a Roaring Fork Unit (EPC 2425), Tract PV-128, served by previously established CBM Units AP17, AP18, AQ17 and AQ18.** Equitable is the owner of the right to develop and produce gas in 100.0% of the acreage and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

14. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells and served by well VH-531266 (Roaring Fork Units AT 16, AT 17, AU 16 and AU 17), Richmond District, and Wise County, Virginia. Docket Number VGOB-09-0120-2426.

Equitable Production Company seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as a Roaring Fork Unit (EPC 2426), Tract PV-128, served by previously established CBM Units AT16, AT17, AU16, and AU17.** Equitable is the owner of the right to develop and produce gas in 100.0% of the acreage and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

15. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells and served by well VH-531263 (Roaring Fork Units AR 16, AR 17, AS 16 and AS 17), Richmond District, and Wise County, Virginia. Docket Number VGOB-09-0120-2427.

Equitable Production Company seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as a Roaring Fork Unit (EPC 2427), Tract PV-114, served by previously established CBM Units AR16, AR17, AS16 and AS17.** Equitable is the owner of the right to develop and produce gas in 100.0% of the acreage and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

16. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells and served by well VH-531151 (Roaring Fork Units AX 20, AX21, AY20 and AY21), Richmond District, and Wise County, Virginia. Docket Number VGOB-09-0120-2428.

Equitable Production Company seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as a Roaring Fork Unit (EPC 2428), Tract PV-169, served by previously established CBM Units AX20, AX21, AY20, and AY21.** Equitable is the owner of the right to develop and produce gas in 100.0% of the acreage and seeks approval for exploration, development, and production of conventional natural gas from the pool

defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

17. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells and served by well VH-531269 (Roaring Fork Units AT 14, AT 15, AU 14 and AU 15), Richmond District, and Wise County, Virginia. Docket Number VGOB-09-0120-2429.

Equitable Production Company seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as a Roaring Fork Unit (EPC 2429), Tract PV-128, served by previously established CBM Units AT14, AT15, AU14, and AU15.** Equitable is the owner of the right to develop and produce gas in 100.0% of the acreage and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was continued by the Board to the March 2009 hearing.**

18. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells and served by well VH-531133 (Roaring Fork Units AV 18, AV 19, AW 18 and AW19), Richmond District, and Wise County, Virginia. Docket Number VGOB-09-0120-2430.

Equitable Production Company seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as a Roaring Fork Unit (EPC 2430), Tract PV-128, served by previously established CBM Units AV18, AV19, AW18 and AW19.** Equitable is the owner of the right to develop and produce gas in 100.0% of the acreage and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

19. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells and served by well VH-531094, Roberson District, and Wise County, Virginia. Docket Number VGOB-09-0120-2431.

Equitable Production Company seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as a Roaring Fork Unit (EPC 2431), Tracts 1 through 14, served by previously established CBM Units BA54, BA55, BB54 and BB55.** Equitable is the owner of the right to develop and produce gas in 100.0% of the acreage and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

20. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 480 acres for the drilling of horizontal conventional gas wells and served by wells VH-531022 and VH-531104, Gladeville District, Wise County, Virginia. Docket Number VGOB-09-0120-2432.

Equitable Production Company seeks to establish a **480 Acre Conventional Gas, Horizontal Drilling Unit identified as Unit (EPC 2432), Tracts 1 through 19, served by wells VH-531022 and VH-531104.** Equitable is the owner of the right to develop and produce gas in 100.0% of the acreage and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith.

The petition was continued by the Board to March 2009 hearing.

21. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 480 acres for the drilling of horizontal conventional gas wells and served by wells VH-531021 and VH-539909, Roberson District, Wise County, Virginia. Docket Number VGOB-09-0120-2433.

Equitable Production Company seeks to establish a **480 Acre Conventional Gas, Horizontal Drilling Unit identified as Unit (EPC 2433), Tract WI-296 (including Tracts 1 through 22), served by wells VH-531021 and VH-539909. The previous field units included AW56, AW57, AW58, AX56, AX57, and AX58.** Equitable seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. The unit is not 100% leased as of this date. **A revised Exhibit A, Supplement Sheet 2 will be submitted by the applicant.**

The petition was approved by the Board.

22. A petition from Equitable Production Company for establishment of a provisional drilling unit consisting of 235.04 acres for the drilling of horizontal coalbed methane gas wells and served by well VCH-531114, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0120-2434.

Equitable Production Company seeks to establish a **235.04 Acre Nora Coalbed Methane Gas, Horizontal Drilling Unit identified as Unit (EPC 2434), served by wells VCH-531114. The previous field units included AZ70, AZ71, BA70, and BA71.** Equitable controls 100% of the coal interests and is the owner of the right to develop and produce coalbed methane gas in 100.0% of the acreage. Equitable seeks approval for exploration, development, and production of coalbed methane gas from the pool defined as but not limited to the Middle Seaboard, War Creek, Lower Horsepen, Pocahontas 9, and all zones in communications therewith.

The petition was approved by the Board.

23. A petition from Equitable Production Company for modification of the Nora Coalbed Gas Field to allow for drilling of an additional well in unit BK80, Sourwood District, Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-45.

The applicant seeks a modification of the **Nora Field Rules** to allow **one additional** coalbed gas well to be drilled within the 58.77 acre Nora Unit Identified as Unit BK80. The unit is 100% leased and the well will be located outside the interior window.

The petition was approved by the Board.

24. A petition from Equitable Production Company for **disbursement of funds from escrow** and authorization for Direct payments of royalties on Tract 3, Well VC-505247, Kenady District, Dickenson County, Virginia. Docket Number VGOB-03-0415-1145-02.

Conflicting owners of coalbed methane royalties have reached an agreement regarding Tract 3, well VC-505247 that includes Mark Stanley, Candace Stanley-Berry, The Estate of Nathan Todd Stanley, Sonya R. Stanley Abel Trust, Jeffrey A. Berry Trust and Range Resources-Pine Mountain Inc.

The petition was continued by the Board until the February 2009 hearing.

25. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-229** (Unit F-32), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2435.

In the Oakwood 1 Coalbed Methane Field **AE-229 Unit (CBM F-32), 80.13 acres**, the applicant controls 55.36% of the coal interests and 23.18% of the gas interests. The applicant seeks to pool the remaining 44.64% of the coal and 76.82 of the gas interests. Unleased coal acreage subject to pooling totals 36.77 acres and the gas acreage subject to pooling totals 61.55 net acres + / -. An Escrow account is required to be established for **Tract4** for an unlocatable interest. **A revised Exhibit E will be submitted by the applicant.**

The petition was approved by the Board.

26. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-201** (Unit E-38), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2436.

In the Oakwood 1 Coalbed Methane Field, **AE-229 Unit (CBM E-38), 80.15 acres**, the applicant controls 80.30% of the coal interests and 0.13% of the gas interests. The applicant seeks to pool the remaining 19.70% of the coal and 99.87% of the gas interests. Unleased coal acreage subject to pooling totals 15.79 acres and the gas acreage subject to pooling totals 80.05 net acres + / -. The board does not need to establish an escrow account.

The petition was approved by the Board.

27. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-204** (Unit F-38), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2437.

In the Oakwood 1 Coalbed Methane Field **AE-204 Unit (CBM F-38), 80.15 acres**, the applicant controls 20.49% of the coal interests and 0.00% of the gas interests. The applicant seeks to pool the remaining 79.51% of the coal and 100.0% of the gas interests. Unleased coal acreage subject to pooling totals 63.73 acres and the gas acreage subject to pooling totals 80.15 net acres + / -. An Escrow account is required for conflicting claims in Tract 2.

The petition was withdrawn.

28. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-205** (Unit G-38), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2438.

In the Oakwood 1 Coalbed Methane Field **AE-205 Unit (CBM G-38), 80.17 acres**, the applicant controls 87.59% of the coal interests and 42.14% of the gas interests. The applicant seeks to pool the remaining 12.41% of the coal and 57.86% of the gas interests. Unleased coal acreage subject to pooling totals 9.98 acres and the gas acreage subject to pooling totals 46.39 net acres + / -. The board does not need to establish an escrow account.

The petition was approved by the Board.

29. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-199** (Unit F-37), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2439.

In the Oakwood 1 Coalbed Methane Field **AE-199 Unit (CBM F-37), 80.15 acres**, the applicant controls 22.58% of the coal interests and 22.58% of the gas interests. The applicant seeks to pool the remaining 77.42% of the coal and 77.42% of the gas interests. Unleased coal acreage subject to pooling totals 62.06 acres and the gas acreage subject to pooling totals 62.06 net acres + / -. An Escrow account is required for conflicting claims in Tracts 2 and 4.

The petition was continued by the Board until the February 2009 hearing.

30. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-237** (Unit F-36), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2440.

In the Oakwood 1 Coalbed Methane Field **AE-237 Unit (CBM F-36), 80.15 acres**, the applicant controls 24.98% of the coal interests and 24.73% of the gas interests. The applicant seeks to pool the remaining 75.02% of the coal and 75.27% of the gas interests. Unleased coal acreage subject to pooling totals 60.13 acres and the gas acreage subject to pooling totals 60.33 net acres + / -. An Escrow account is required for conflicting claims in Tract 4.

The petition was continued by the Board until the February 2009 hearing.

31. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-245** (Unit F-35), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2441.

In the Oakwood 1 Coalbed Methane Field **AE-245 Unit (CBM F-35), 80.15 acres**, the applicant controls 21.76% of the coal interests and 21.76% of the gas interests. The applicant seeks to pool the remaining 78.24% of the coal and 78.24% of the gas interests. Unleased coal acreage subject to pooling totals 62.71 acres and the gas acreage subject to pooling totals 62.71 net acres + / -.

The petition was continued by the Board until the February 2009 hearing.

32. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-243** (Unit F-34), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2442.

In the Oakwood 1 Coalbed Methane Field **AE-243 Unit (CBM F-34), 80.13 acres**, the applicant controls 32.17% of the coal interests and 39.81% of the gas interests. The applicant seeks to pool the remaining 67.83% of the coal and 60.19% of the gas interests. Unleased coal acreage subject to pooling totals 54.35 acres and the gas acreage subject to pooling totals 48.23 net acres + / -. An Escrow account is required for conflicting claims in Tracts 1 and 3.

The petition was continued by the Board until the February 2009 hearing.

33. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-241** (Unit F-33), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2443.

In the Oakwood 1 Coalbed Methane Field **AE-241 Unit (CBM F-33), 80.13 acres**, the applicant controls 36.07% of the coal interests and 46.06% of the gas interests. The applicant seeks to pool the remaining 63.93% of the coal and 54.94% of the gas interests. Unleased coal acreage subject to pooling totals 51.24 acres and the gas acreage subject to pooling totals 44.03 net acres + / -. An Escrow account is required for conflicting claims in Tracts 1 and 2.

The petition was continued by the Board until the February 2009 hearing.

34. A petition from Range Resources-Pine Mountain Inc. for **the establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells** and served by well 530148 Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0120-2444.

Range Resources-Pine Mountain Inc. seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as Unit (Range 2444), that will be served by well VCH-530148**. Range Resources-Pine Mountain Inc. owns and/or controls 100% of the gas interests. Range Resources-Pine Mountain Inc seeks approval for exploration, development, and production of conventional gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith.

The petition was approved by the Board.

35. A petition from Range Resources-Pine Mountain Inc. for **the establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas wells** and served by well 530149 Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0120-2445.

Range Resources-Pine Mountain Inc. seeks to establish a **320 Acre Conventional Gas, Horizontal Drilling Unit identified as Unit (Range 2445), that will be served by well VCH-530149**. Range Resources-Pine Mountain Inc. owns and/or controls 100% of the gas interests. Range Resources-Pine Mountain Inc seeks approval for exploration, development, and production of conventional gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith.

The petition was approved by the Board.

36. A **“Miscellaneous Petition” has been filed by Kyle Robinson** for a full accounting of his previous Escrow Disbursement from CNX Docket Number VGOB-09-0120-2446.

Mr. Robinson previously received an escrow disbursement from the fund and has filed a written Miscellaneous Petition under 4VAC 25-160 and 140 asking specific questions regarding how the total payment into and out of the escrow fund was derived. His relief requested includes:

- (1) A full accounting of his escrow account from January 1993 to September 2005
- (2) For all funds due to be paid with interest
- (3) All issues to be answered (referring to the eleven questions presented in the petition).

Mark Swartz, legal representative for CNX was instructed by the Board to provide a response to each of the eleven issues identified in the miscellaneous petition. The response is to be in writing to Mr. Robinson. Mr. Robinson was instructed to provide any follow-up to the response of Mr. Swartz in writing to the board.

37. A petition from GeoMet Operating Company, Inc. for **the pooling of coalbed methane unit E-37, well Rogers 426**, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2447.

In the **80.0 acre Oakwood Coalbed Methane Field, Unit (CBM E-37), Rogers Well 426**, the applicant controls 84.19% of the coal interests and 84.19% of the gas interests. The applicant seeks to pool the remaining 15.81% of the coal and 15.81% of the gas interests. Unleased coal acreage subject to pooling totals 12.66 acres and the gas acreage subject to

pooling totals 12.66 net acres + / -. An Escrow account is required for conflicting claims in Tracts 2.

The petition was continued by the Board to February 2009.

38. A petition from GeoMet Operating Company, Inc. for **the pooling of coalbed methane unit F-32, well Rogers 524**, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2448.

In the **80.0 acre** Oakwood Coalbed Methane Field, **Unit (CBM F-32), Rogers Well 524**, the applicant controls 41.09% of the coal interests and 41.09% of the gas interests. The applicant seeks to pool the remaining 58.91% of the coal and 58.91% of the gas interests. Unleased coal acreage subject to pooling totals 47.13 acres and the gas acreage subject to pooling totals 47.13 net acres + / -. An Escrow account is required for unlocatable/unknown claims in Tracts 2.

This petition was withdrawn.

39. A petition from GeoMet Operating Company, Inc. for **the pooling of coalbed methane unit F-33, well Rogers 416**, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-9-0120-2449.

In the **80.0 acre** Oakwood Coalbed Methane Field, **Unit (CBM F-33), Rogers Well 416**, the applicant controls 51.07% of the coal interests and 51.07% of the gas interests. The applicant seeks to pool the remaining 48.93% of the coal and 48.93% of the gas interests. Unleased coal acreage subject to pooling totals 40.86 acres and the gas acreage subject to pooling totals 40.86 net acres + / -. An Escrow account is required for unlocatable/unknown claims in Tracts 2. **The petition was continued by the Board until the February 2009 hearing.**

40. A petition from GeoMet Operating Company, Inc. for **the pooling of coalbed methane unit F-34, well Rogers 417**, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2450.

In the **80.0 acre** Oakwood Coalbed Methane Field, **Unit (CBM F-34), Rogers Well 417**, the applicant controls 53.77% of the coal interests and 53.77% of the gas interests. The applicant seeks to pool the remaining 46.23% of the coal and 48.93% of the gas interests. Unleased coal acreage subject to pooling totals 43.01 acres and the gas acreage subject to pooling totals 43.01 net acres + / -.

The petition was continued by the Board until the February 2009 hearing.

41. A petition from GeoMet Operating Company, Inc. for **the pooling of coalbed methane unit F-35, well Rogers 418**, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2451.

In the **80.0 acre** Oakwood Coalbed Methane Field, **Unit (CBM F-35), Rogers Well 418**, the applicant controls 72.55% of the coal interests and 72.55% of the gas interests. The applicant seeks to pool the remaining 27.45% of the coal and 27.45% of the gas interests. Unleased coal acreage subject to pooling totals 21.96 acres and the gas acreage subject to pooling totals 21.96 net acres + / -. The establishment of an escrowed is required for unknown/unlocatable in Tract 3.

The petition was continued by the Board until the February 2009 hearing.

42. A petition from GeoMet Operating Company, Inc. for **the pooling of coalbed methane unit F-36, well Rogers 419**, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2452.

In the **80.0 acre** Oakwood Coalbed Methane Field, **Unit (CBM F-36), Rogers Well 419**, the applicant controls 70.93% of the coal interests and 70.93% of the gas interests. The applicant seeks to pool the remaining 29.07% of the coal and 29.07% of the gas interests. Unleased coal acreage subject to pooling totals 23.25 acres and the gas acreage subject to pooling totals 23.25 net acres +/- . The establishment of an escrowed is required for unknown/unlocatable in Tract 3.

The petition was continued by the Board until the February 2009 hearing.

43. A petition from GeoMet Operating Company, Inc. for **the pooling of coalbed methane unit F-37, well Rogers 420**, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2453.

In the **80.0 acre** Oakwood Coalbed Methane Field, **Unit (CBM F-37), Rogers Well 420**, the applicant controls 53.46% of the coal interests and 53.46% of the gas interests. The applicant seeks to pool the remaining 46.46% of the coal and 46.46% of the gas interests. Unleased coal acreage subject to pooling totals 37.16 acres and the gas acreage subject to pooling totals 23.25 net acres +/- . The establishment of an escrowed is required for unknown/unlocatable in Tract 3.

The petition was continued by the Board until the February 2009 hearing.

44. A petition from GeoMet Operating Company, Inc. for **the pooling of coalbed methane unit F-38, well Rogers 421**, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0120-2454.

In the **80.0 acre** Oakwood Coalbed Methane Field, **Unit (CBM F-38), Rogers Well 421**, the applicant controls 73.35% of the coal and gas interests. The applicant seeks to pool the remaining 26.65% of the coal and gas interests. Unleased coal acreage subject to pooling totals 21.32 acres and the gas acreage subject to pooling totals 21.32 net acres +/- .At the hearing, the applicant provided to the board a revised exhibit B and exhibit B3. **The applicant will revise and provide a new Exhibit C to the Board.**

The petition was approved by the Board.

45. A petition from Range Resources-Pine Mountain, Inc. for **a well location exception for proposed well V-530024**, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-09-0120-2456.

In this petition, the applicant seeks **a location exception** for drilling well **V-530024 in the 112.69 acre unit**. The location of the proposed well **V-530024 is located 1,118 feet South-West of EPC Well No. P-17 and EPC Well No. P-18 lies 1,196 feet South-East of proposed well V-530024**. The exception is required because of the state wide spacing rule of 2,500 feet in § 45.1-361.17(A) (2).

The petition was approved by the Board.

46. A petition from Range Resources-Pine Mountain, Inc. for **Establishment of a 320 acre Drilling Unit (Range 2457) and pooling associated with conventional horizontal well VH-530147**, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-09-0120-2457.

Range Resources-Pine Mountain Inc. is the lessee and controls 99.2% of the right to produce gas from within the proposed 320 acre conventional horizontal drilling unit. Range Resources-Pine Mountain Inc seeks board approval for establishment of the unit and to pool the remaining 0.80% of the gas interests in the unit. The establishment of an escrow account is required for unknowns in Tract 18.

The petition was approved by the Board.

47. A petition from Range Resources-Pine Mountain, Inc. for **Establishment of a 112.69 acre circular unit (Range 2458) and pooling of the unit served by conventional gas well V-530112**, Sandlick District, and Dickenson County, Virginia. Docket Number VGOB-09-0120-2458.

Range Resources-Pine Mountain Inc. seeks to establish a 112.69 Acre Conventional Gas, Drilling Unit identified as Unit (Range 2458), that will be served by conventional gas well V-530112. Range Resources-Pine Mountain Inc. is the lessee and controls 91.46 % of the gas interests and seeks to pool the remaining 8.54% of the gas interest in the unit. The establishment of a board escrow account will be required for Tract 6 for unknown owners.

The petition was approved by the Board.

48. A petition from Range Resources-Pine Mountain, Inc. for the **Establishment of a 112.69 circular unit (Range 2459) and pooling of the unit served by conventional gas well V-530046**, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-09-0120-2459.

Range Resources-Pine Mountain Inc. seeks to establish a **112.69 Acre circular conventional gas, drilling unit identified as (Range 2459). This unit will be served by gas well V-530046.** Range Resources-Pine Mountain Inc. controls 91.36% of the gas interests and seeks to pool the remaining 8.64% of the gas interests. The unleased gas acreage totals 9.74 acres +/- within the proposed unit. Range Resources-Pine Mountain Inc seeks approval for exploration, development, and production of conventional gas from the pool defined as all formations from the base of the Lee formation, including but not limited to: Ravencliff, Maxon, Big Lime, Berea, Devonian Shale, and other associated formations known to the Nora Gas Field. . Revised Exhibits B and B3 were provided at the hearing. The board does not need to establish an escrow account.

The petition was approved by the Board.

49. A petition from Range Resources-Pine Mountain, Inc. for **a well location exception for proposed well V-530016**, Kenady District, and Dickenson County, Virginia. Docket Number VGOB-08-1118-2388.-01.

In this petition, the applicant seeks **a location exception** for circular drilling well **V-530016 in the 112.69 acre circular unit.** The location of the proposed well **V-530016** is located 1,620 feet southeast of existing EPC Well No. P-391. It is located 2,222 feet southwest of EPC Well No. P-550450. Also, the well would be 2,435 feet northwest of EPC Well No P-153, and 2,423 feet northwest of EPC Well No. P-435. The exception is required because of the state wide spacing rule of 2,500 feet in § 45.1-361.17(A) (2).

The petition was approved by the Board.

50. The Board will receive public comment.

(1) Ms. Catherine Jewell provided comments and two handouts to the board on forced pooling options in Virginia. Ms. Jewell's handout depicted her research, interpretation of royalty payments, and calculations under the three options currently available for forced pooled parties under current board orders. Her summary also compared similar circumstances in at least one other gas producing state.

52. The Board will review and approve minutes of the December 09, 2008 hearing. Corrections were made to the location of the hearing and members present at the meeting. **The minutes were accepted with revisions.**

The deadline for filing of petitions to the Board for the February 2009 hearing is 5 p.m. Thursday, January 15, 2009 with **the hearing scheduled** for 9 a.m. on Tuesday, February 17, 2009 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.