

**COMMONWEALTH OF VIRGINIA  
MINUTES OF THE VIRGINIA GAS AND OIL BOARD HEARINGS  
March 15, 2011**

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 regularly scheduled monthly meeting at 9 a.m. on Tuesday, March 15, 2011, at the Russell County Office Complex, Conference Center, and 139 Highland Drive, Lebanon, Virginia.

Board Members present included: Butch Lambert, Mary Quillen, Bruce Prather, Katie Dye and Bill Harris.

Also present were Sharon M. B. Pigeon, Sr. Assistant Attorney General, David E. Asbury, Jr., Principal Executive to the Staff of the Board and Diane Davis, Programs Administrator at the Division of Gas and Oil.

1. The board will receive public comments.  
No public comments were received.
2. A petition from CNX Gas Company LLC, for disbursement of funds from escrow and the authorization of direct payment of royalties for unit AZ-110, New Garden District, Russell County, Virginia. The petition is for disbursement Tracts 1M & 2A. Docket Number VGOB-02-0917-1070-03.

The board considered a petition from the operator for disbursement of Tract 1 m Buckhorn Coal & Maggie Dye 50/50 split at 14.3667% and Tract 2a Buckhorn Coal & Maggie Dye 50/50 split at 31.2061%.

**The disbursement was approved by the Board and the account will remain open.**

3. The Board will consider a petition from CNX Gas Company LLC, for disbursement of funds from escrow and the authorization of direct payment of royalties for unit AY-100, Hurricane District, Buchanan County, Virginia. The petition is for disbursement of a portion of Tracts 1A & 1C. Docket Number VGOB-02-1217-1104-01.

The board considered a petition from the operator for disbursement of individuals in Tract 1A and 1C per deed allowing for a 50/50 split agreement.

**The disbursement was approved by the Board and the account will remain open.**

4. A petition from CNX Gas Company LLC, for disbursement of funds from escrow and the authorization of direct payment of royalties for unit AZ-99 Hurricane District, Buchanan County, Virginia. The petition is for disbursement of a portion of Tract 1B. Docket Number VGOB-04-0120-1250-02.

The board considered a petition from the operator for disbursement of Tract 1E Harrison-Wyatt LLC and Beatrice McCormac with the deeds providing for a 50/50 split agreement. **The disbursement was approved and the account is to remain open.**

5. A petition from CNX Gas Company LLC, for disbursement of funds from escrow and the authorization of direct payment of royalties for unit Q41, Garden District, Buchanan County, Virginia. The petition is for disbursement of Tract 4. Docket Number VGOB-93-0216-0327-04.

The board considered a petition from the operator for disbursement of Tract 4 for James McGuire Land Trust and Linda Estridge at 13.7265% indicating a 50/50 split agreement. **The disbursement was approved and the account is to remain open.**

6. A petition from CNX Gas Company, LLC, for disbursement of funds from escrow and the authorization of direct payment of royalties for unit P41, Garden District, Buchanan County, Virginia. The petition is for disbursement of Tract 2C. Docket Number VGOB-93-0216-0329-04.

The board considered a petition from the operator for disbursement of Tract 2C for James McGuire Land Trust and Linda Estridge at 17.1714% indicating a 50/50 split agreement. **The disbursement was approved and the account is to remain open.**

7. A petition from CNX Gas Company, LLC, for disbursement of funds from escrow for unit V36, Garden District, Buchanan County, Virginia. The petition is for disbursement of Tract 4G. Docket Number VGOB-98-0324-0638-05.

This item was **continued to April 2011** at the recommendation of the Board.

8. A petition from CNX Gas Company, LLC, for disbursement of funds from escrow for unit V37, Garden District, Buchanan County, Virginia. The petition is for disbursement of Tract 3A. Docket Number VGOB-98-0324-0639-02.

This item was **continued to April 2011** at the recommendation of the Board.

9. A petition from CNX Gas Company LLC requesting disbursement of funds and authorization of direct payment of royalties from coalbed methane gas unit Buchanan No. 1, SGU1, Tract 27, Buchanan County, Virginia. Docket Number VGOB-98-1117-0697-03. Continued from December 2010.

The applicant provided amended exhibits E,EE and A as a result of the February hearing. Exhibit A indicates a disbursement from a portion of Tract

27 and the exhibits reflects the percentages to be used at the time of disbursement. **The disbursement was approved by the Board.**

10. A petition from CNX Gas Company, LLC for creation of a 202.35 acre drilling unit and pooling for unit CC38 for the drilling of horizontal coalbed wells, Maiden Springs/Garden Districts, Buchanan/Tazewell Counties, Virginia. Docket Number VGOB-10-1019-2825. Continued from January 2011.

The petition was continued for ninety days and will be placed back on the docket June 2011.

11. A petition from EQT Production Company for the establishment of a 480 acre drilling unit for the drilling of horizontal conventional gas wells, Roberson District, Wise County, Virginia. Docket Number VGOB-11-0125-2898. Continued from January 2011.

This petition was withdrawn by the applicant.

12. A petition from CNX Gas Company, LLC to allow election rights in Unit C29, Well C29A, Garden District, Buchanan County, Virginia. Docket Number VGOB-10-1116-2848. Continued from February 2011.

An objection was filed on behalf of Mr. Horne regarding the addition of a second well in the unit and how it would impact the original well drilled in the unit. The Board will postpone action on this application until the operator submits the results of the water tests which were performed on Mr. Horne's water well. This matter will be continued to April 2011.

13. A petition from Range Resources-Pine Mountain, Inc. for establishment of a drilling unit and pooling for conventional gas well V-530300, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-11-0215-2915. Continued from February 2011.

The petition was approved by the Board.

14. A petition from Range Resources-Pine Mountain, Inc. for establishment of a 320 acre provisional drilling unit (RR2916) for the drilling of horizontal conventional gas wells, Rock Lick District, Buchanan County, Virginia. Docket Number VGOB-11-0315-2916.

The petition was approved by the Board.

15. A petition from Range Resources-Pine Mountain, Inc. for establishment of a 320 acre provisional drilling unit (RR2917) for the drilling of horizontal conventional gas wells, Knox District, Buchanan County, Virginia. Docket Number VGOB-11-0315-2917.

The petition was continued to April 2011 at the request of the operator.

16. A petition from Southeast Land & Mineral, LLC for the establishment of a 160 acre Provisional Drilling Unit, Unit C-7 served by proposed Hutton #1 well, Tyler District, Washington County, Virginia. Docket Number VGOB-11-0315-2918.

The Board **continued the petition to April 2011** to allow the operator to work with Mr. Hutton to further explain the square units and field development.

17. A petition from Southeast Land & Mineral, LLC for pooling of Unit C-7 served by proposed Hutton #1 well, Tyler District, Washington County, Virginia. Docket Number VGOB-11-0315-2919.

The Board **continued the petition to April 2011** to allow the operator to work with Mr. Hutton to further explain the square units and field development.

18. A petition from Southeast Land & Mineral, LLC for the establishment of a 160 acre Provisional Drilling Unit, Unit C-8 served by proposed well Carroll #1 well, Tyler District, Washington County, Virginia. Docket Number VGOB-11-0315-2920.

The Board **continued the petition to April 2011** to allow the operator to work with Mr. Hutton to further explain the square units and field development.

19. A petition from Southeast Land & Mineral, LLC for pooling of Unit C-8 served by proposed Carroll #1 well, Tyler District, Washington County, Virginia. Docket Number VGOB-11-0315-2921.

The Board **continued the petition to April 2011** to allow the operator to work with Mr. Hutton to further explain the square units and field development.

20. A petition from Southeast Land & Mineral, LLC for the establishment of a 160 acre Provisional Drilling Unit, Unit D-4 served by proposed well Smith #1 well, Tyler District, Washington County, Virginia. Docket Number VGOB-11-0315-2922.

**The petition was approved by the Board.**

21. A petition from Southeast Land & Mineral, LLC for pooling of Unit D-4 served by proposed Smith #1 well, Tyler District, Washington County, Virginia. Docket Number VGOB-11-0315-2923.

**Karen Austry was present and provided testimony regarding the leasing activity with Southeast Land & Mineral, LLC.**

**The petition was approved by the Board with an agreement that Southeast Land & Mineral would contact / communicate with Ms. Austry regarding her lease concerns and would report back to the Board.**

22. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed well 900022, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-11-0315-2924.  
**The petition was approved by the Board.**
23. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed well 900031, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-11-0315-2925.  
**The petition was approved by the Board.**
24. A petition from Range Resources-Pine Mountain, Inc. for the establishment of a drilling unit and pooling for proposed well 900031, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-11-0315-2926.  
**The petition was approved by the Board.**
25. A petition from Range Resources-Pine Mountain, Inc. for pooling of horizontal conventional well VH-530309, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-11-0315-2927.  
**The petition was approved by the Board.**
26. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 292 VA Unit A-34, Garden District, Buchanan County, Virginia. Docket Number VGOB-11-0315-2928.  
The petition was **continued to April 2011** at the request of the operator.
27. A petition from CNX Gas Company LLC for pooling of unit J-74, Rock Lick District, Buchanan County, Virginia. Docket Number VGOB-11-015-2929.  
**The petition was approved by the Board.**
28. A petition from CNX Gas Company LLC for modification of the Oakwood 1 Field Rules to allow for more than one coalbed gas well to be drilled within each of the 80 acre units identified as A31, A32, A33, B32, B33, B40, B41, B42, C33, C39, D32, YYY32, YYY33, ZZZ31, ZZZ32, ZZZ33, ZZZ34 Buchanan County, Virginia. Docket Number VGOB-93-0216-0325-23.  
**The petition was approved by the Board.**
29. The Board's Staff will provide an update regarding escrow account activities.  
Confirm with the escrow agent that they do not have the deducts and then if they do not have the information, prepare a letter to the operator asking for the information.

The Board was provided with an update on the status of the account through February 28.

Time table for gas operator's submittal of historical escrow account data.

**Process for returned disbursement checks**

**30. The Board will review and discuss the Auditor of Public Accounts (APA) final report and actions regarding the APA's recommendations to the Board.**

**Continued to April.**

**31. The Board will review the February 15, 2011 minutes for approval.**

**Continued to April.**

The meeting adjourned at 5:10 p.m.

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