

COMMONWEALTH OF VIRGINIA  
VIRGINIA GAS AND OIL BOARD HEARINGS  
MINUTES OCTOBER 22, 2013

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, October 22, 2013 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), Donald Lewis Ratliff (Coal Industry Representative), Mary Addington Quillen (Public Representative), Rita Surratt (Public Representative)

Also present were Diane Davis (Division of Gas and Oil), Jim Lovett (Division of Gas and Oil), Rick Cooper (Principal Executive to the Board), Sarah Gilmer (Division of Gas and Oil), Sharon M. B. Pigeon (Sr. Assistant Attorney General)

1. The board will receive public comments.

Shirley Keene, Martha Guilliams, Edith Bucheister and Peggy Crabtree, Mitchell Counts provided comments to the Board.

2. A petition from EQT Production Company for disbursement of escrowed funds on behalf of Linda Gail Chafin, William Counts, Kevin Counts, Lonnie Rayford Counts, James Counts, Lora Lee Counts, Maynard Counts and Range Resources-Pine Mountain for their interest in Tracts 2 and 4 for Well VC-502832, Castlewood District, Russell County, Virginia. Docket Number VGOB 02/12/17-1109-06. Continued from September 2013.

The petition was Granted. The petition was approved.

3. A petition from EQT Production Company for the disbursement of escrowed funds on behalf of Alcie Keen, Tract 5 of Well VC-502832, Castlewood District, Russell County, Virginia. Docket Number VGOB 02-1217-1109-07. Continued from September 2013.

The petition was Granted. The petition was approved.

4. A petition from CNX Gas Company LLC for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 4 for Unit U16, Buchanan County, Virginia; (Royalties currently being paid under VP8SGU3, VGOB 06-0321-1598). Docket Number VGOB 93-0622-0381-03. Continued from September 2013.

The petition was Granted. The petition was approved

5. A petition from CNX Gas Company LLC for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 2 & 6 of Unit T15, Hurricane District, Buchanan County, Virginia (Royalties currently being paid under VP8SGU3, VGOB 06-0321-1598). Docket Number VGOB 92-1215-0306-03. Continued from September 2013.

The petition was Granted. The petition was approved.

6. A petition from CNX Gas Company LLC for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) for Unit Q41 attributable to Tract 4 and authorization to begin paying royalties directly to the parties having royalty split agreements, James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title. Docket Number

The petition was Granted. The petition was approved.

7. A petition from CNX Gas Company LLC for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Unit Q40, Tract 3 and authorization to begin paying royalties directly to the parties to the royalty split agreements between James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title. Docket Number VGOB 93-0216-0328-04.

The petition was Granted. The petition was approved.

8. A petition from CNX Gas Company LLC for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent for Unit P-41 attributable to Tract 2C and authorization to begin paying royalties directly to the parties to the royalty split agreement between James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title. Docket Number VGOB 93-0217-0329-05.

The petition was Granted. The petition was approved.

9. A petition from CNX Gas Company LLC for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Unit P40 Tracts 2L, 2M, 2N, & 2P and authorization to begin paying royalties directly to the parties to the royalty split agreements between James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title. Docket Number VGOB 93-0216-0330-06.

The petition was Granted. The petition was approved.

10. A petition from CNX Gas Company LLC for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Unit VP2SGU1, Tract 47 and authorization to begin paying royalties directly to the parties to the royalty split agreements between Torch Oil and Gas Company and Roscoe Deskins, Jr., and Calvin Eddie Deskins. Docket Number VGOB 02-0319-1008-01.

The petition was Granted. The petition was approved.

11. A petition from CNX Gas Company LLC for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Unit Bune1, Tracts 13A & 13C and authorization to begin paying royalties directly to the parties to the royalty split agreements or Court Orders between Torch Oil and Gas Company and Fern Duecaster, and Monta Mutter. Docket Number VGOB 91-1119-0161-02.

The petition was Granted. The petition was approved.

12. A petition from CNX Gas Company LLC for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable Unit Bune 1 to Tracts 11a, 11b, & 12 and authorization to begin paying royalties directly to the parties to the royalty split agreement(s) between Torch Oil and Gas Company and CNX Gas Company LLC, Ira Mutter, et ux. Docket Number VGOB 91-1119-0161-03.

The petition was Granted. The petition was approved.

13. A petition from Range Resources-Pine Mountain for Modification of the Nora Field Rules to allow one additional well to be drilled within each 58.77 acre Nora Units identified as 71AD, 72X, 72AF, 73V, and 76V. Docket Number VGOB 89-0126-0009-81. Continued from September 2013.

The petition was Granted. The petition was approved.

14. A petition from Range Resources-Pine Mountain for pooling of Well No. V-530345, Gladeville District, Wise County, Virginia. Docket Number VGOB 13-0820-4019. Continued from September 2013.

The petition was Granted. The petition was approved.

15. A petition from Range Resources-Pine Mountain for a Well Location Exception for Well No. 900145, Rock Lick District, Buchanan County, Virginia. Docket Number VGOB 13-0917-4025. Continued from September 2013.

The petition was Granted. The petition was approved.

16. A petition from Range Resources-Pine Mountain for pooling of Well No. Lovers Gap 123-CBM Unit 79W, located in the Rock Lick District, Buchanan County, Virginia. Docket Number VGOB 13-0917-4026. Continued from September 2013.

The petition was Granted. The petition was approved.

17. A petition from CNX Gas Company LLC for Pooling of Unit BH 114, New Garden District, Russell County, Virginia located in the Middle Ridge Coalbed Methane Gas Field . Docket Number VGOB 13-0917-4020. Continued from September 2013.

The petition was Granted. The exhibit was submitted and the petition approved.

18. A petition from CNX Gas Company LLC for Pooling of Unit BI 113, New Garden District, Russell County, Virginia located in the Middle Ridge I Coalbed Methane Gas Field. Docket Number VGOB 13-0917-4021. Continued from September 2013.

The petition was Granted. The petition was corrected and approved.

19. A petition from CNX Gas Company LLC for Re-pooling of Unit BI 117, New Garden District, Russell County, Virginia located in the Middle Ridge I Coalbed Methane Gas Field. Docket Number VGOB 05-0118-1392-01. Continued from September 2013.

The petition was Granted. The petition was approved

20. A petition from CNX Gas Company LLC for Pooling for Unit BI 114, New Garden District, Russell County, Virginia located in the Middle Ridge I Coalbed Methane Gas Field. Docket Number VGOB 13-0917-4022. Continued from September 2013.

The petition was Granted. The petition was corrected and approved.

21. A petition from CNX Gas Company LLC for Re-Pooling Unit BJ 116, New Garden District, Russell County, Virginia located in the Middle Ridge I Coalbed Methane Gas Field. Docket Number VGOB 06-0221-1581-01. Continued from September 2013.

The petition was Granted. The petition was approved

22. A petition from CNX Gas Company LLC for Pooling of Unit BI 115, New Garden District, Russell County, Virginia located in the Middle Ridge I Coalbed Methane Gas Field. Docket Number VGOB 13-0917-4023. Continued from September 2013.

The petition was Granted. The correction was submitted and the petition was approved.

23. A petition from CNX Gas Company LLC for Pooling of Unit BI 116, Garden District, Russell County located in the Middle Ridge I Coalbed Methane Gas Field. Docket Number VGOB 13-0917-4024. Continued from September 2013.

The petition was Granted. The correction was submitted and the petition was approved.

24. A petition from CNX Gas Company LLC for Re-Pooling Unit BJ 115, New Garden District, Buchanan County, Virginia located in the Middle Ridge I Coalbed Methane Gas Field. Docket Number VGOB 04-1214-1371-01. Continued from September 2013.

The petition was Granted. The petition was approved

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

The petition was Accepted. 1. Chairman Lambert brought to the attention of CNX that a petition must be filed by December 2013 for unit W-35.

2. Rick Cooper, Director of DGO, informed the board that to the best of his knowledge all old disbursement orders were now in the final stages (i.e. at courthouse).

3. Rick Cooper, Director of DGO updated the board on the scanning process of Board material. Mr. Cooper thanked the board and the staff for the efforts and patience afforded during this time.

4. Rick Cooper, Director of DGO advised that all available transcripts have been scanned (approximately 10,000 pages) and all escrow summaries have been scanned (approximately 19,722 pages). These have been placed on the website for our customers.

5. Rick Cooper, Director of DGO requested permission from the Board to close 23 EQT sub-accounts and six CNX accounts and refunding any monies in these accounts back to the Operator. These wells were either never drilled and/or never permitted and the orders expired. A motion was made and passed by the Board to proceed.

26. The board will review for approval the past two hearing minutes.

The petition was Accepted. The minutes were approved with no changes.

The hearing adjourned at 12:30