

Virginia Department of Mines, Minerals & Energy  
Virginia Gas and Oil Board

[Minutes and results of hearing, November 13, 2007

Board members present (Quorum was established): Ms. Barber, Ms. Dye, Mr. Harris, Ms. Quillen, Mr. Wampler

1. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for modification of Nora Coalbed Gas Field Rules to allow for drilling of an additional well in unit BU42, Kenady District, Dickenson County, Virginia. Docket Number VGOB-89-0216-0009-17. Continued from October.

The applicant seeks to modify a unit of the Nora Coalbed Field rules to allow for drilling of multiple wells. The original field rule allows for one well per 60-acre unit. Several areas of the Nora Field have previously been approved for multiple wells. The field rule modification was approved.

2. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas for establishment of a 320-acre provisional unit for drilling of conventional horizontal wells, Knox District, Buchanan County, Virginia. Docket Number VGOB-07-1016-2034. Continued from September.

The applicant is seeking to establish a provisional 320-acre square unit for the drilling of a horizontal well or wells to deep (non-coal) horizons. Requested relief would include provisions for drilling of horizontal wells into any of several conventional horizons, and the payment of royalties to all owners within the unit according to their percentage ownership in the unit. The provisional unit was approved.

3. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of Nora coalbed unit BU-42, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-1016-2050. Continued from October.

In the BU-42 58.77-acre unit, the applicant controls 100% of the coal and 94.5% of the gas interests, and seeks to pool the remaining 5.5% of the gas interests. Unleased gas acreage subject to pooling totals 3.2 net acres in two tracts having 25 unleased claimants. There are conflicting claimants and unlocated owners subject to escrow. Two applications for permit to drill the unit have been submitted. Pooling was approved.

4. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of Nora coalbed methane unit VC-537656, Gladeville District, Wise County, Virginia. Docket Number VGOB-07-1113-2070.

In the VC-537656 58.82-acre unit, the applicant controls 100% of the coal and 60.2% of the gas interests, and seeks to pool the remaining 39.8% of the gas interests. Unleased gas acreage subject to pooling totals 23.4 net acres in four tracts having two unleased claimants. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

5. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of Nora coalbed methane unit VCI-538607, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-1113-2071.

In the VC-538907 58.77-acre unit, the applicant controls 100% of the coal and 85.2% of the gas interests, and seeks to pool the remaining 14.8% of the gas interests. Unleased gas acreage subject to pooling totals 8.7 net acres in one tract having one unleased claimant. There are conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

6. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for creation and pooling of conventional gas unit V-536021, Lipps District, Wise County, Virginia. Docket Number VGOB-07-1113-2072.

In the V-536021 112.69-acre conventional gas unit, the applicant controls 84.1% of the oil and gas interests, and seeks to pool the remaining 15.9% of the interests. Unleased acreage subject to pooling totals 18.0 net acres in five tracts having five unleased owners. There are no unlocated owners subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

7. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of Nora coalbed methane unit VC-537926, Lipps District, Wise County, Virginia. Docket Number VGOB-07-1113-2073.

In the VC-537926 58.89-acre unit, the applicant controls 100% of the coal and 71.8% of the gas interests, and seeks to pool the remaining 28.2% of the gas interests. Unleased gas acreage subject to pooling totals 16.6 net acres in seven tracts having 12 unleased claimants. There are conflicting claimants and unknown owners subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

8. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of Nora coalbed methane unit VC-537846, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-07-1113-2074.

In the VC-537846 58.77-acre unit, the applicant controls 90.8% of the coal and gas interests, and seeks to pool the remaining 9.2% of the interests. Unleased acreage subject to pooling totals 5.4 net acres in one tract having seven unleased owners. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

9. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of Nora coalbed methane unit VC-536629, Prater District, Buchanan County, Virginia. Docket Number VGOB-07-1113-2075.

In the VC-536629 58.77-acre unit, the applicant controls 100% of the coal and 38.5% of the gas interests, and seeks to pool the remaining 61.5% of the gas interests. Unleased gas acreage subject to pooling totals 36.1 net acres in four tracts having four unleased claimants. There are conflicting claimants and unknown owners subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

10. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for a well location exception for proposed well V-536021, Lipps District, Wise County, Virginia. Docket Number VGOB-07-1113-2076.

The applicant seeks an exception in order to drill a conventional well closer to a proposed well than allowed under statewide spacing. The proposed well is to be 181 feet closer to proposed Equitable gas well V-536020 than the 2500 feet mandated by spacing. The exception is needed because of topographic constraints. An application for permit to drill the unit has been submitted. The location exception was approved.

11. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for a well location exception for proposed well V-537757, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-1113-2077.

The applicant seeks an exception in order to drill a conventional well closer to an existing well than allowed under statewide spacing. The proposed well is to be 856 feet closer to existing Equitable gas well P-167 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. No application for permit to drill the unit has been submitted. The location exception was approved.

12. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for establishment of 320-acre provisional unit for drilling of conventional horizontal wells, Gladeville District, Wise County, Virginia. Docket Number VGOB-07-1113-2078.

The applicant is seeking to establish a provisional 320-acre square unit for the drilling of a horizontal well or wells to deep (non-coal) horizons. Requested relief would include provisions for drilling of horizontal wells into any of several conventional horizons, and the payment of royalties to all owners within the unit according to their percentage ownership in the unit. The provisional unit was approved.

13. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of provisional horizontal gas unit VH-536928, Gladeville District, Wise, County, Virginia. Docket Number VBOB-07-1113-2079.

In the VH-536928 320-acre proposed provisional horizontal conventional gas unit, the applicant controls 99.4% of the oil and gas interests, and seeks to pool the remaining 0.6% of the interests. Unleased acreage

subject to pooling totals 1.8 net acres in one tract having nine unleased owners. There are no unlocated owners subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

14. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for modification of Nora Coalbed Gas Field Rules to allow for drilling of an additional well in units BR48, BU47 and BV50, Kenady District, Dickenson County, Virginia. Docket Number VGOB-89-0216-0009-19.

The applicant seeks to modify a unit of the Nora Coalbed Field rules to allow for drilling of multiple wells in units BU-47 and BV-50 (the BR-48 unit was withdrawn from consideration by the applicant). Several areas of the Nora Field have previously been approved for multiple wells. The field rule modification was approved.

15. The Virginia Gas and Oil Board heard a petition from GeoMet Operating Company, Inc. for pooling of Oakwood gas field unit QQQ-36, North Grundy District, Buchanan County, Virginia. Docket number 07-1113-2080.

In the QQQ-36 23.68-acre unit, the applicant controls 87.8% of the coal interests and 65.8% the gas interests, and seeks to pool the remaining 12.3% of the coal interests and 34.2% of the gas interests. Unleased coal acreage subject to pooling totals 2.9 net acres in one tract with one unleased owner. Unleased gas acreage totals 8.1 net acres in three tracts having eight unleased owners. There are conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

16. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of Oakwood gas unit N-17, South Grundy District, Buchanan County, Virginia. Docket Number VGOB-07-1113-2081.

In the N-17 80-acre unit, the applicant controls 100% of the coal and 94.2% of the gas interests, and seeks to pool the remaining 5.8% of the gas interests. Unleased gas acreage subject to pooling totals 4.7 net acres in five tracts having four unleased claimants. There are conflicting claimants subject to escrow. A permit to drill the unit was issued on 9/8/05. Pooling was approved.

17. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of Oakwood gas unit FF-42, Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB-07-1113-2082.

In the FF-42 89.57-acre unit, the applicant controls 100% of the coal and 84.1% of the gas interests, and seeks to pool the remaining 15.9% of the gas interests. Unleased gas acreage subject to pooling totals 14.6 net acres in six tracts having seven unleased claimants. There are conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

18. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for creation and pooling of sealed gob unit VP8SGU5, Prater District, Buchanan County, Virginia. Docket Number VGOB-07-1113-2083.

In the VP8SGU5 441.9-acre unit, the applicant controls 100% of the coal interests and 79.1% the gas interests, and seeks to pool the remaining 20.9% of the gas interests. Unleased gas acreage totals 92.4 net acres in 21 tracts having 18 unleased owners. There are conflicting claimants subject to escrow and conflicting claimants subject to existing royalty split agreements. Pooling was approved.

19. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for re-pooling Oakwood coalbed unit M-40, Garden District, Buchanan County, Virginia. Docket Number VGOB-93-0420-0365-01.

In the M-40 80-acre unit, the applicant controls 98.4% of the coal and gas interests, and seeks to pool the remaining 1.6% of the interests. Unleased acreage subject to pooling totals 1.3 net acres in two tracts having six unleased owners. There are no conflicting claimants subject to escrow. Permits to drill the unit have been issued. Pooling was approved.

20. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas, Inc. for creation and pooling of conventional gas unit V-537913, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-1113-2084.

In the V-537913 112.69-acre conventional gas unit, the applicant controls 95.4% of the oil and gas interests, and seeks to pool the remaining 4.6% of the interests. Unleased acreage subject to pooling totals 5.2 net acres in eight tracts having six unleased owners. There are unlocated owners subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

21. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas, Inc. for creation and pooling of conventional gas unit V-535999, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-1113-2085.

In the V-535999 112.69-acre conventional gas unit, the applicant controls 84.1% of the oil and gas interests, and seeks to pool the remaining 15.9% of the interests. Unleased acreage subject to pooling totals 17.9 net acres in seven tracts having 52 unleased owners. There are unlocated owners subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

22. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for a well location exception for proposed well T-20, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-07-1113-2086.

The operator is seeking a location exception in order to drill a second unit well outside the interior drilling window of an Oakwood Coalbed Methane Field unit. The unit has been approved for a second well, but under terms of the increased density order, the location outside the window cannot be administratively approved. The location exception was approved.

23. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for a well location exception for proposed well U-20, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-07-1113-2087.

The operator is seeking a location exception in order to drill a second unit well outside the interior drilling window of an Oakwood Coalbed Methane Field unit. The unit has been approved for a second well, but under terms of the increased density order, the location outside the window cannot be administratively approved. The location exception was approved.

24. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for modification of the Board's order regarding a horizontal drilling unit composed of Oakwood units O-22, O-23 and O24, South Grundy District, Buchanan County, Virginia. Docket Number VBOB-06-0321-1599-01.

The Oakwood field units O-22, O-23 and O-24 were modified under this docket number to allow for the drilling of horizontal wells. The applicant is requesting that the authorization be rescinded so as to allow for drilling of standard vertical frac wells in each unit. The field rule modification was approved.

25. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas, Inc. for a well location exception for proposed well V-530014, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-1113-2088.

The applicant seeks an exception in order to drill a conventional well closer to three existing wells than allowed under statewide spacing. The proposed well is to be 330 feet closer to existing Equitable gas well 202, 325 feet closer to existing Equitable gas well P-462, and 917 feet closer to existing Equitable gas well P-357 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resource. No application for permit to drill the unit has been submitted. The location exception was approved.

26. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas, Inc. for a well location exception for proposed well V-530018, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-1113-2090.

The applicant seeks an exception in order to drill a conventional well closer to three existing wells than allowed under statewide spacing. The proposed well is to be 710 feet closer to existing Equitable gas well P-193, 612 feet closer to existing Equitable gas well P-286, and 1376 feet closer to existing Equitable gas

well P-248 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resource. No application for permit to drill the unit has been submitted. Continued to December.

27. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas, Inc. for a well location exception for proposed well V-530047, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-1113-2091.

The applicant seeks an exception in order to drill a conventional well closer to four existing wells than allowed under statewide spacing. The proposed well is to be 150 feet closer to existing Equitable gas well P-159, 565 feet closer to existing Equitable gas well P-151, 452 feet closer to existing Equitable gas well P-160, and 307 feet closer to existing Equitable gas well P-550405 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resource. No application for permit to drill the unit has been submitted. The location exception was approved.

28. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas, Inc. for a well location exception for proposed well V-530048, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-1113-2092.

The applicant seeks an exception in order to drill a conventional well closer to an existing well than allowed under statewide spacing. The proposed well is to be 100 feet closer to existing Equitable gas well P-62 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resource. No application for permit to drill the unit has been submitted. The location exception was approved.

29. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas, Inc. for an additional well location exception for proposed well V-530015, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-0918-2037-01.

At its September hearing, the Board granted well location exceptions for the proposed V-530015 well from three existing wells. The purpose of this application is to request exception from one additional well. The proposed well is to be 119 feet closer to newly-permitted Pine Mountain well V-530010 than allowed under statewide spacing. The exception is needed to prevent loss of resource. An application for permit to drill the unit has been submitted. Continued to December.

The Virginia Gas and Oil Board heard public comments regarding Board matters immediately following the final Docket item. Mr. John Sheffield, owner of mineral interests in Buchanan County, gave comment regarding board orders affecting his property that show ownership different than that shown on deeds.

The deadline for filing of petitions to the Board for the December 2007 hearing is 5 p.m., Friday, November 16, 2007 with the hearing scheduled for 9 a.m. on Tuesday, December 18, 2007 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.