

Virginia Department of Mines, Minerals and Energy
Virginia Gas and Oil Board
Minutes and results of hearing, August 17, 2004

Board members present: Mr. Brent, Mr. Harris, Mr. McIntyre, Mr. Ratliff, Mr. Wampler

1. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit U-16, docket number VGOB-93-0622-0381.

As discussed at the July hearing, the Board reconsidered its approval of disbursements under docket numbers shown in items 1 – 11 of this agenda. The Board considered whether conditions for disbursement, including those involving property title and liens, have been met. Docket items 1 – 11 were considered together and were carried forward to the October hearing by vote of the Board.

2. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit U-17, docket number VGOB-93-0420-0363.
Carried forward to October.

3. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit U-18, docket number VGOB-93-0420-0355.
Carried forward to October.

4. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit V-16, docket number VGOB-95-0818-0511.
Carried forward to October.

5. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit V-17, docket number VGOB-95-0718-0509.
Carried forward to October.

6. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit V-18, docket number VGOB-96-1016-0556.
Carried forward to October.

7. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit V-20, docket number VGOB-92-0721-0243.
Carried forward to October.

8. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit W-17, docket number VGOB-95-0718-0508.
Carried forward to October.

9. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit W-18, docket number VGOB-95-0815-0510.
Carried forward to October.

10. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit W-19, docket number VGOB-92-1215-0305.
Carried forward to October.

11. The Board, on its own motion reconsidered prior approval of disbursement of escrowed funds for unit VP8SGU1, docket number VGOB-95-1024-0526.
Carried forward to October.

12. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for a well location exception for proposed well V-535986, Lipps District, Wise County, Virginia. Docket Number VGOB-04-0817-1315.

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 102 feet closer to existing Equitable gas well VAD-4603 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. A permit application has been submitted. The location exception was approved.

13. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane unit VC-501827, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-04-0817-1316.

In the VC-501827 unit, the operator controls 100% of the coal interests and 97.6% of the gas interests, and seeks to pool the remaining 2.4% of the gas interests. Unleased gas acreage subject to pooling totals 1.4 net acres in one tract with one unleased owner. There are conflicting claimants subject to escrow. No permit application has been submitted. Pooling was approved.

14. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BB-31, Garden District, Buchanan County, Virginia. Docket Number VGOB-04-0817-1317.

In the BB-31 unit, the applicant controls 99.89% of the coal interests and 98.89% of the gas interests, and seeks to pool the remaining 0.11% of the coal interests and 0.21% of the gas interests. Unleased coal acreage subject to pooling totals 0.09 net acres in one tract with 11 unleased owners, and gas acreage subject to pooling totals 0.17 net acres in two tracts with 12 unleased owners. There are conflicting claimants subject to escrow and conflicting claimants subject to existing royalty split agreements. A permit to drill was issued on April 26, 2004 and a well has been drilled. Pooling was approved.

15. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BB-33, Garden District, Buchanan County, Virginia. Docket Number VGOB-04-0817-1318.

In the BB-33 unit, the operator controls 98.8% of the coal and gas interests, and seeks to pool the remaining 1.2% of the interests. Unleased acreage subject to pooling totals 0.99 net acres in one tract with one unleased owner. There are no conflicting claimants or unlocated owners subject to escrow but there are conflicting claimants subject to existing royalty split agreements. A permit to drill the unit was issued on May 26, 2004, and a well has been drilled. Pooling was approved.

16. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BE-99, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-04-0817-1319.

In the BE-99 unit, the operator controls 100% of the coal interests and 99.4% of the gas interests, and seeks to pool the remaining 0.6% of the gas interests. Unleased gas acreage subject to pooling totals 0.33 net acres in one tract with one unleased owner. There are conflicting claimants subject to escrow. A permit to drill was issued on May 17, 2004 and a well has been drilled. Pooling was approved.

17. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BF-103, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-04-0817-1320.

In the BF-103 unit, the operator controls 100% of the coal interests and 69.2% of the gas interests, and seeks to pool the remaining 30.8% of the gas interests. Unleased gas acreage subject to pooling totals 18.1 net acres in two tracts with one unleased owner. There are conflicting claimants subject to escrow. A permit to drill was issued on May 13, 2004 and a well has been drilled. Pooling was approved.

18. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BF-104, Hurricane/New Garden Districts, Buchanan/Russell Counties, Virginia. Docket Number VGOB-04-0817-1321.

In the BF-104 unit, the operator controls 100% of the coal interests and 99.99% of the gas interests, and seeks to pool the remaining 0.01% of the gas interests. Unleased gas acreage subject to pooling totals 0.004 net acres in one tract with two unleased owners. There are conflicting claimants and unlocated owners subject to escrow. A permit to drill was issued on June 4, 2004. Pooling was approved.

19. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BG-104, Hurricane/New Garden Districts, Buchanan/Russell Counties, Virginia. Docket Number VGOB-04-0817-1322.

In the BG-104 unit, the operator controls 100% of the coal interests and 99.9% of the gas interests, and seeks to pool the remaining 0.1% of the gas interests. Unleased gas acreage subject to pooling totals 0.04 net acres in one tract with two unleased owners. There are conflicting claimants and unlocated owners subject to escrow. A permit to drill was issued on June 4, 2004. Pooling was approved.

20. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BG-106, New Garden District, Russell County, Virginia. Docket Number VGOB-04-0817-1323.

In the BG-106 unit, the operator controls 100% of the coal interests and 99.5% of the gas interests, and seeks to pool the remaining 0.5% of the gas interests. Unleased gas acreage subject to pooling totals 0.27 net acres in one tract with one unleased owner. There are conflicting claimants subject to escrow. A permit to drill was issued on June 3, 2004. Pooling was approved.

21. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane unit VC-501854, Castlewood District, Russell County, Virginia. Docket Number VGOB-04-0817-1324.

In the VC-501854 unit, the operator controls 100% of the coal interests and 90.8% of the gas interests, and seeks to pool the remaining 9.2% of the gas interests. Unleased gas acreage subject to pooling totals 5.5 net acres in two tracts with 43 unleased owners. There are conflicting claimants and unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

22. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane unit VC-505241, Kenady District, Dickenson County, Virginia. Docket Number VGOB-04-0817-1325.

In the VC-505241 unit, the operator controls 100% of the coal interests and 83.9% of the gas interests, and seeks to pool the remaining 16.1% of the gas interests. Unleased gas acreage subject to pooling totals 9.5 net acres in one tract with 31 unleased owners. There are conflicting claimants and unlocated owners subject to escrow. No permit application has been submitted.

23. The Virginia Gas and Oil Board considered a petition from Equitable Production Company or a well location exception for proposed well V-502681, Richmond District, Wise County, Virginia. Docket Number VGOB-04-0817-1326.

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 168 feet closer to existing Equitable gas well V-502700 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. A permit application has been submitted. Pooling was approved.

24. The Virginia Gas and Oil Board considered a petition from Columbia Natural Resources, LLC, for creation and pooling of conventional gas unit 24540, Rocklick District, Buchanan County, Virginia. Docket Number VGOB-04-0817-1327.

In the proposed 24540 conventional gas unit, the applicant controls 99.2% of the oil and gas interests, and seeks to pool the remaining 0.8% of the interests. Unleased acreage subject to pooling totals 0.9 net acres in one tract having nine unleased owners. There are no unlocated owners subject to escrow. No permit application has been submitted. Carried forward to September at the request of the applicant.

The deadline for filing of petitions to the Board for the September hearing is 5 p.m., Friday, August 20, 2004, with the hearing scheduled for 9 a.m. on Tuesday, September 21, 2004 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.