

Virginia Department of Mines, Minerals and Energy
Virginia Gas and Oil Board
Minutes and results of hearing, June 15, 2004

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

1. The Virginia Gas and Oil Board considered a petition from prevailing plaintiffs for disbursement of funds escrowed on their behalf, Unit U-19, Garden District, Buchanan Co. Docket Number VGOB-94-1024-0475-01. Continued from May.

This unit contains tracts that are subject to a recent Virginia Supreme Court decision determining ownership of coalbed methane gas. Disbursement of those tracts was authorized at the April hearing. The item was carried forward to allow for notification of and disbursement to parties who have royalty split agreements in Tract 2 but were not party to the court decision. The Board dismissed this petition due to the lack of a properly filed application.

2. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit AY-101, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-04-0615-1295.

In the proposed AY-101 unit, the applicant controls 100% of the coal interests and 47.3% of the oil and gas interests, and seeks to pool the remaining 52.7% of the oil and gas interests. Unleased oil and gas acreage subject to pooling totals 31.0 net acres in three tracts having 44 unleased owners. There are unlocated owners and conflicting claimants subject to escrow, and conflicting claimants subject to existing royalty split agreements. A permit was issued on 7/11/02, and a well has been drilled and completed. Pooling was approved.

3. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit AY-120, New Garden District, Russell County, Virginia. Docket Number VGOB-04-0615-1296.

In the AY-120 unit, the applicant controls 99.8% of the coalbed methane interests and 97.5% of the gas interests, and seeks to pool the remaining 0.2% of the coalbed methane interests and 2.5% of the gas interests. Unleased coalbed methane acreage subject to pooling totals 0.14 net acres in one tract with eight unleased owners, and gas acreage subject to pooling totals 1.47 net acres in two tracts with nine unleased owners. There are conflicting claimants subject to escrow, and conflicting claimants subject to existing royalty split agreements. A permit to drill the unit was issued on 3/18/03 and a well has been drilled. Pooling was approved.

4. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for creation of a drilling unit and pooling of conventional gas unit TC-10, Garden District, Buchanan County, Virginia. Docket Number VGOB-04-0615-1297.

In the proposed TC-10 conventional gas unit, the applicant controls 94.3% of the oil and gas interests, and seeks to pool the remaining 5.7% of the interests. Unleased acreage subject to pooling totals 6.38 net acres in one tract having one unleased owner. There are no unlocated owners subject to escrow. A permit to drill was issued on 9/26/03, and a well has been drilled. Pooling was approved.

5. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for creation of a drilling unit and pooling of conventional gas unit 25449, Garden District, Buchanan County, Virginia. Docket Number VGOB-04-0615-1298.

In the proposed 25449 conventional gas unit, the applicant controls 90.5% of the oil and gas interests, and seeks to pool the remaining 9.5% of the interests. Unleased acreage subject to pooling totals 10.7 net acres in six tracts having seven unleased owner. There are no unlocated owners subject to escrow. A permit application has been submitted. Pooling was approved.

6. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for a well location exception for proposed well V-536103, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-04-0615-1299.

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 62.51 feet closer to applicant's existing gas well V-2016, 241.93 feet closer to applicant's gas well P-107, 51.5 feet to applicant's well P-106, and 124.5 feet closer to Appalachian Energy well EH-25 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. No permit application has been submitted. The location exception was approved.

7. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for a well location exception for proposed well V-536398, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-04-0615-1300.

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 180.6 feet closer to existing Equitable gas well VAD-2552 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.

8. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for a well location exception for proposed well V-536102, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-04-0615-1301.

The applicant seeks an exception in order to drill a conventional well closer to two existing wells than allowed under statewide spacing. The proposed well is to be 2.4 feet closer to applicant's existing gas well P-31 and 640.7 feet closer to applicant's gas well P-155 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. A permit application has been submitted. The application was withdrawn at the request of the applicant.

9. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for creation and pooling of conventional gas unit V-535859, Richmond District, Wise County. Docket Number VGOB-04-0615-1302.

In the proposed V-535859 conventional gas unit, the applicant controls 92.4% of the oil and gas interests, and seeks to pool the remaining 7.6% of the interests. Unleased acreage subject to pooling totals 8.6 net acres in one tract having one unleased owner. There are no unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

10. The Virginia Gas and Oil Board considered a petition from Columbia Natural Resources, LLC for creation and pooling of a conventional gas unit 25406, Rock Lick District, Buchanan County, Virginia. Docket Number VGOB-04-0615-1303.

In the proposed 25406 conventional gas unit, the applicant controls 88.99% of the oil and gas interests, and seeks to pool the remaining 11.01% of the interests. Unleased acreage subject to pooling totals 12.4 net acres in eight tracts having eleven unleased owner. There are no unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

11. The Virginia Gas and Oil Board considered a petition from Columbia Natural Resources, LLC for creation and pooling of a conventional gas unit 24979, Rock Lick District, Buchanan County, Virginia. Docket Number VGOB-04-0615-1304.

In the proposed 24979 conventional gas unit, the applicant controls 95.3% of the oil and gas interests, and seeks to pool the remaining 4.7% of the interests. Unleased acreage subject to pooling totals 5.3 net acres in one tract having nine unleased owner. There are no unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

12. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for re-pooling of coalbed methane unit VC-535872, Ervinton District, Dickenson County, Virginia, Virginia. Docket Number VGOB-04-0420-1281-01.

In the VC-535872 unit, the applicant controls 100% of the coal interests and 33.9% of the oil and gas interests, and seeks to pool the remaining 66.1% of the oil and gas interests. Unleased oil and gas acreage subject to pooling totals 38.8 net acres in two tracts having two unleased owners, one of which is an heirship. There are unlocated owners and conflicting claimants subject to escrow. A permit to drill was issued on 4/5/04. Pooling was approved.

13. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for re-pooling of conventional gas unit V-550329, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-04-0316-1269-01.

In the V-550329 conventional gas unit, the applicant controls 65.7% of the oil and gas interests, and seeks to pool the remaining 34.3% of the interests. Unleased acreage subject to pooling totals 38.7 net acres in two tracts having two unleased owners, one of which is an heirship. There are unlocated owners subject to escrow. A permit to drill was issued on 4/5/04. Pooling was approved.

The deadline for filing of petitions to the Board for the July hearing is 5 p.m., Friday, June 18, 2004, with the hearing scheduled for 9 a.m. on Tuesday, July 20, 2004 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.