

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES FEBRUARY 20, 2018

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, February 20, 2018 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bradley C. Lambert (Chairman), Donnie W. Rife (Public Representative), Mary Addington Quillen (Public Representative) and Rita Surratt (Public Representative).

Also present were Rick Cooper (Principal Executive to the Board), Sally Ketron (Division of Gas and Oil), Sarah Gilmer (Division of Gas and Oil) , and Paul Kugelman, Jr. (via teleconference)..

1. The Board received public comments.

There were no public comments.

2. The First Bank and Trust Company, Escrow Agent for the Virginia Gas and Oil Board, appeared to address the Board on the Quarterly Report/End of Year Report.

The quarterly report/end of year report was presented to the Board by Jody Maney with First Bank and Trust Company.

3. A petition from NYTIS Exploration Company, LLC, the applicant requested the Virginia Gas and Oil Board to enter an order transferring the right to operate all units listed in this application that were established by Board Order from Cabot Oil and Gas Company to Nytis Exploration Company, LLC. Docket Number VGOB 18-0220-4165.

The docket item was approved.

4. A petition from CNX Gas Company, LLC, for re-pooling under Oakwood Coalbed Methane Gas Field I. Unit FF41. Docket Number VGOB 07-0417-1915-05.

The docket item was approved. Escrowing required.

5. A petition from CNX Gas Company, LLC, for pooling under Oakwood Coalbed Methane Gas Field I. Unit B28. Docket Number VGOB 18-0220-4157.

The docket item was approved. Escrowing required.

6. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tract 4, as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the party/parties previously listed as unlocatable: Cynthia Rhodes & Verna Napier. Unit A32. Docket Number VGOB 12-0417-3047-03.

The docket item was approved. The account continues. Authorization for direct payment of royalties. Mr. Cooper advised the Board that there was still not confirmation on the mail notification for Verna Napier. Mr. Lambert advised since a W-9 had been submitted by Ms. Napier that the Board will approve and process the order.

7. A petition from EnerVest Operating, LLC, for pooling of unit VCI-538684. Docket Number VGOB 18-0220-4158.

The docket item was approved. No escrowing required. EnerVest Operating, LLC, provided an Affidavit and a copy of the Court Order showing John M. Lamie, Esquire as Trustee for Yellow Poplar Lumber Company.

8. A petition from EnerVest Operating, LLC, for pooling of unit VC-536324. Docket Number VGOB 18-0220-4159.

The docket item was approved. No escrowing required. EnerVest Operating, LLC, provided an Affidavit and a copy of the Court Order showing John M. Lamie, Esquire as Trustee for Yellow Poplar Lumber Company.

9. A petition from EnerVest Operating, LLC, for pooling of unit VC-530526. Docket Number VGOB 18-0220-4160.

The docket item was approved. No escrowing required. EnerVest Operating, LLC, provided an Affidavit and a copy of the Court Order showing John M. Lamie, Esquire as Trustee for Yellow Poplar Lumber Company.

10. A petition from EnerVest Operating, LLC, for pooling of unit VCI-530527. Docket Number VGOB 18-0220-4161.

The docket item was approved. No escrowing required. EnerVest Operating, LLC, provided an Affidavit and a copy of the Court Order showing John M. Lamie, Esquire as Trustee for Yellow Poplar Lumber Company.

11. A petition from EnerVest Operating, LLC, for pooling of unit Haysi-119. Docket Number VGOB 18-0220-4162.

The docket item was approved. No escrowing required. EnerVest Operating, LLC, provided an Affidavit and a copy of the Court Order showing John M. Lamie, Esquire as Trustee for Yellow Poplar Lumber Company.

12. A petition from EnerVest Operating, LLC for pooling of unit Haysi-76. Docket Number VGOB 18-0220-4163.

The docket item was approved. No escrowing required. EnerVest Operating, LLC, provided an Affidavit and a copy of the Court Order showing John M. Lamie, Esquire as Trustee for Yellow Poplar Lumber Company.

13. A petition from EnerVest Operating, LLC, for pooling of unit VC-531475. Docket Number VGOB 18-0220-4164.

The docket item was approved. No escrowing required. EnerVest Operating, LLC, provided an Affidavit and a copy of the Court Order showing John M. Lamie, Esquire as Trustee for Yellow Poplar Lumber Company.

14. The Board received an update of Board and Division activities from the staff.

Mr. Cooper updated the Board on the status of the escrow account and the disbursements thus far. Since HB 2058, a total of \$19,039,308.44, has been disbursed out of the escrow account. There is approximately \$10,702,135.62 left in the account.

Mr. Donnie Rife asked how to disburse to the unknown/unlocatable people that have money in the account. Mr. Lambert said that it was a local legislative issue and the VGOB was not involved.

Mr. Cooper discussed with the Board the new e-Forms enhancement that allows the Permitting e-Forms system to tie to the Board e-Forms system. This new feature will allow VGOB Orders to tie to the permit that it affects.

15. The Board reviewed the December 2017 minutes for approval.

The docket item was approved.

The hearing adjourned at 11:03 a.m.