



**COMMONWEALTH of VIRGINIA**  
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**MEMORANDUM**

**TO:** Conrad Spangler, Director  
Department of Mines, Minerals and Energy ("Department")

**FROM:** Sharon M.B. Pigeon  
Senior Assistant Attorney General

**DATE:** July 21, 2011

**RE:** DMME Proposed Permanent Regulations 4 VAC 25-165

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I have reviewed the referenced draft, as attached, and as proposed by the Department, their Division of Gas and Oil and the Virginia Gas and Oil Board (collectively "the agency"). These provisions are proposed as permanent regulations, as mandated by Chapter 442 of the 2010 Acts of Assembly in order to implement the new statutory provision at Va. Code § 45.1-361.22:1 concerning arbitration of conflicting claims of ownership to escrowed gas royalties. The agency has the authority to promulgate these proposed regulations pursuant to Va. Code §§ 45.1-161.3, 45.1-361.4 and 45.1-361.15.

Based on that review, it is my view that the proposal is consistent with state law, does not conflict with federal law and is constitutional.

If you require anything more, please advise.

c.c. Michael Skiffington