

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES JUNE 21, 2016

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, June 21, 2016 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bradley C. Lambert (Chairman), Bill Harris (Public Representative), Donald Lewis Ratliff (Coal Industry Representative), Donnie W. Rife (Public Representative), Mary Addington Quillen (Public Representative) and Rita Surratt (Public Representative).

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

1. The Board will receive public comments.

There were no public comments.

2. A petition from EQT Production Company, Pursuant to House Bill 2058, petition for release of escrowed funds on behalf of all known gas owners on Tract 2 of Well # VC-537150, as identified on the attached Exhibit EE, and petition for direct payment to EQT for overpayment due to too much interest attributed to the escrow payments. Unit VC-537150. Docket Number VGOB 07-0220-1888-01.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

3. A petition from EnerVest Operating, LLC, for pooling of Well No. VC-530411, Ervinton District, Dickenson County, Virginia. Docket Number VGOB 16-0621-4094.

The docket item was approved. No escrowing required.

4. A petition from CNX Gas Company, LLC, for 1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 4, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Harrison-Wyatt LLC, Ronald Newberry, Roger Miller, Teresa McGlothlin, Sherrie Boyd Street, Barbara Price, David Price, Michael Price, Sr., Kermit Price, Kelvin Price, Wilma Diane Taylor, Teresa Stevens, Juanita Price, Russell Price, Mary Elizabeth Shortt, Edna Gail Faw, Tena Dingus & Rexford Musick; (3) dismissal of coal owner: Harrison-Wyatt, LLC. Unit Z10. Docket Number VGOB 91-0521-0121-01.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

5. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 49, 53, 55, 55C, 55E, 56 & 59, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Coal Mountain Mining Company, Delores Estep, Darlene Bradley, Diana Asbury, Ralph D. Keen, Andy Keen, Randy L. Keen, Roy E. Keen, Anna R. Lambert, Edith Wade, John Ratliff, Michael Hess, Beth Underhill, David Hess, Jeff Jackson, Julia Chitester Jackson, Bobby Steele, Arnold Keen, Billy Ray Hale, Linda Hale Matney, Brenda Weddle, Carl Lee Hale, Elizabeth Ann Justice, John F. Compton, & Brinda Compton; (3) dismissal of coal owner: Torch Oil and Gas Company. Unit SLW8. Docket Number VGOB 92-0421-0216-04.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. Mr. John Ratliff will not be disbursed because his address has changed and notification could not be confirmed. He will be removed from the petition before the Order is processed.

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 Tracts 6, 9 & 10, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Coal Mountain Mining Company, Yukon Pocahontas Coal Company, Buchanan Coal Company, Sayers-Pocahontas Coal Company, Plum Creek Timberlands & Commonwealth of Virginia; (3) dismissal of coal owner: Coal Mountain Mining Coal Company. Unit W31. Docket Number VGOB 95-0418-0503-03.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

7. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 2, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to William Larry Engardio; (3) dismissal of coal owner: Hurt McGuire Land Trust. Unit Y35. Docket Number VGOB 97-0916-0601-02.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

8. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 4 & 5, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Hurt McGuire Land Trust, Dewey Rowe, and Carl Davis; (3) dismissal of coal owner: Hurt McGuire Land Trust. Unit V34. Docket Number VGOB 99-0216-0710-02.

The docket item was approved. The account will close. Authorization for direct payment of royalties.

9. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 3, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the party that was previously identified as "Unknown": Peggy Fletcher, Mary Annita Bowman, and Joetta Matney. Unit C26. Docket Number VGOB 00-1121-0836-01.

The docket item was approved. The account will close. Authorization for direct payment of royalties.

10. A petition from CNX Gas Company, LLC, for 1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1D, 1E, 2A & 2B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Patsy S. Smith, Alvin Wayne Shelton, Melinda Suzanne Cordle, Ralph Keene, Elizabeth Ann McCowan Justice, Carl L. Hale, Bill Hale, Joshua M. Harman, Kendris Harman, Clyde Harman, Jack M. Harman, Cleo Sargent, Omni Ruth Keen, Bruce Hammond, Robert Blake, Jr., Ralph Yahne, Patricia Tucker, Bobby Richardson, Steve Allen Shortt, Mary Sparks, Carrie Dell Boyd, Linda McGlothlin Short, Carrie Mullins, Connie McFarlane, Ricky Vanover, Eric Chad Martin, Angela Leonard, Harold Newberry, Jimmy Newberry; (3) dismissal of coal owners: Swords Creek Land Partnership & Stuart Land & Cattle Co. of VA, Inc. Unit AV124. Docket Number VGOB 02-0820-1050-03.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

11. A petition from CNX Gas Company, LLC, for (1) refund of escrow payments heretofore deposited with the Board's Escrow Agent; (2) reimburse overpayment of funds deposited with the Board's Escrow Agent attributable to Unit AV125 to CNX Gas Company, LLC, as depicted upon the annexed exhibit; (3) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tract 2D, as depicted upon the annexed table; (4) authorization to begin paying royalties directly to Bobby Richardson, Steve Allen Shortt, Mary Sparks, Carrie Dell Boyd, Carrie Mullins, Connie McFarlane, Ricky Vanover, Eric Chad Martin & Jimmy Newberry; and (5) dismissal of coal owner: Stuart Land & Cattle Co. of Virginia, Inc. Unit AV125. Docket Number VGOB 02-0820-1051-04.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

12. A petition from CNX Gas Company, LLC, for 1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 1C, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Swords Creek Land Partnership, Corine Dye, Lolita Lockhart, Rita Powell, Angela Roberts, Loretta Ellen Jones, Vivian E. Dawson, Jana McCann, Steve McNulty, Linda M Burnett, Sheila Whited, Dorothy J. Keene, Linda Gail Lowman, David Whittaker, Betty Cole, Judy Miller, L. Karen Webb, Donna S. Plaster, Alita Whited, Lilly Keen Whited, Janice Karen Ray, Leslie G. Sigmon, Larry G. Sigmon, Rebecca L. Wilson, Lora L. Messer, Carol Ann Musick Dye & Sharon L. Hubbard. Unit BC119. Docket Number VGOB 03-1118-1229-02.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

13. A petition from CNX Gas Company, LLC, for 1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 3B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Coal Creek Coal Company, Morris Don Smith & CNX Gas Company LLC; (3) dismissal of coal owner: Coal Creek Coal Company. Unit AW135. Docket Number VGOB 04-0120-1248-03.

The docket item was approved. The account will close. Authorization for direct payment of royalties.

14. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 7, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Claude A. Ray, Jr. Unit BK115. Docket Number VGOB 05-1213-1547-01.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

15. A petition from CNX Gas Company, LLC, for 1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 2, 4, 10, 11, 12, 13, 14 & 15, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Swords Creek Coal & Coke Corp., Charles & Laura Perkins, Douglas Fletcher, and Stephen & Loretta Perkins; (3) dismissal of coal owner: Swords Creek Coal & Coke Corp. Unit BK116. Docket Number VGOB 06-0221-1582-02.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

16. A petition from CNX Gas Company, LLC, for (1) reimburse overpayment of funds deposited with the Board's Escrow Agent, attributable to Unit VP8SGU4 to CNX Gas Company LLC, as depicted upon the annexed exhibit; (2) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1K, 1L, 1M, 1N, 1O, 1BB, 1CC, 5A, 5E, & 5F, as depicted upon the annexed table; and (3) authorization to begin paying royalties directly to Teddy Shortridge, Jennifer McCowan, Karen Moore, Connie Hayes Charles, Bonnie Vanover, James Shortridge, Donald R. Fields, Viola Anderson, Lawrence Jackson; (4) dismissal of coal owner: Harrison-Wyatt, LLC. Unit VP8SGU4. Docket Number VGOB 06-0321-1597-01.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

17. A petition from CNX Gas Company, LLC, for 1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 16A & 16C, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to James M. McGuire Land Trust, Greta Meek, Sherry R. McDonald, Aristotle McDonald, Abraham McDonald, Tamala M. Pelphrey, By'Shey McDonald, CNX Gas Company LLC, and Norfolk Southern Railway Company c/o Pocahontas Land Corporation; (3) dismissal of coal owner: James M. McGuire Land Trust. Unit Buchanan No.1SGU3. Docket Number VGOB 11-0215-2911-01.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

18. A petition from CNX Gas Company, LLC, for a. Extension of time delaying payments for gas claimants who have not provided W-9's and/or affidavits confirming gas ownership either to the Petitioner and Operator or to the Division of Gas and Oil until such time as the same are provided by the gas claimants.
 - b. Extension of time delaying payments for gas claimants where there are title conflicts as to gas ownership until such time as the title conflict(s) is resolved by the competing gas claimants.
 - c. Extension of time delaying payments to gas claimants who are unlocatable and to gas claimants whose interests are identifiable but who remain unknown.
 - d. Extension of time delaying payments to gas claimants who derive their gas claims from heirships where the heirship(s) members and/or their fractional interests cannot be determined by the Petitioner and Operator. This group includes heirships where title conflicts prevent closure and/or the Petitioner and Operator is at present, having exercised reasonable diligence to do so, unable to populate the heirs to calculate their respective divisions of interest.
 - e. 90-day extension of time delaying payment to members of heirships where all fractional interests are at present undetermined, but where the Petitioner and Operator has not determined as at d. above that it has reached an impasse.
 - f. Authorize the Petitioner and Operator to commence publication after the extension period sought at e. above for a period of four weeks to possibly develop further information that might serve to identify unknown gas claimants and/or locate known owners who are at present unlocatable. Unit Various. Docket Number VGOB 16-0621-4093.

The docket item was continued to July, 2016. The Board voted to approve the 60 day and 90 day extension requests. The Board voted to continue all other extension requests to the July 2016 VGOB Hearing to give the Board further time to evaluate.

19. The Board will receive an update of Board and Division activities from the staff.

Mr. Cooper updated the Board on the resolution of the unfunded accounts. He also updated the Board that there is a total of \$8,232,213.98, that has been disbursed from the escrow account since January 2015. There has been \$6,316,799.41, disbursed for the fiscal 2016 year.

20. The Board reviewed the May 2016 minutes for approval.

The docket item was approved.

The hearing adjourned at 12:25 p.m.