

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES JULY 18, 2017

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, July 18, 2017 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bradley C. Lambert (Chairman), Bill Harris (Public Representative), Bruce A. Prather (Oil and Gas Industry 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 received public comments.

There were no public comments.

2. The First Bank and Trust Company, Escrow Agent, for the Virginia Gas and Oil Board, will appear to address the Board on the Quarterly Report.

Ms. Jody Maney and Mr. C. J. Carter with First Bank and Trust Company, presented the Quarterly Report and Investment of Funds for the VGOB Escrow Account to the Board.

3. A petition from EQT Production Company, for disbursement of funds on behalf of owners in Tracts 5, 6, 15, 18 & 20, who have turned in their W9s, pursuant to House Bill # 2058. Unit VC-3407. Docket Number VGOB 98-0324-0645-02.

The docket item was not heard. After further evaluation, this docket item was determined to be a "coal dismissal petition" and will not be heard before the Board

4. A petition from Magnum Hunter Production, Inc., for Transfer of unit operator for Board Orders from Daugherty Petroleum, Inc. to Magnum Hunter Production, Inc., regarding dockets 1709, 1707, 1726 & 1710. Docket Number VGOB 17-0718-4141.

The docket item was approved.

5. A petition from CNX Gas Company, LLC, for (1) disbursement from escrow regarding Tract 1A; and (2) dismissal of surface owners. Unit U14. Docket Number VGOB 93-0622-0379-01. Continued from June 2017.

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

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 Tract 6, a portion of Tracts 7 & 17, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Connie Hess Street, Ferrell Mutter, Ronald Lee McGlothlin, Mildred R. Smith, Gary Michael Ratliff, and W.S. Ellis Estate (c/o James Huffman, Agent). Unit VP8SGU1. Docket Number VGOB 95-1024-0526-08.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. The check for W. S. Ellis Estate is to be mailed to T. Shea Cook.

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 12, and a portion of Tract 16B, as depicted upon the annexed table; (2) dismissal of surface owners in Tract 12, B.F. McGlothlin Heirs, Devisees, Successors or Assigns (individuals listed below) and (3) authorization to begin paying royalties directly to H-W Financial, LLC (Formerly Harrison-Wyatt, LLC) and Darrell Blankenship. Unit VP8SGU2. Docket Number VGOB 97-0617-0587-05.

The docket item was approved. The account will close. 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 Tract 1C, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to H-W Financial, LLC, Edward Tiller, Loeita Austin Lambert, Christa Hess, Ronnie Tiller, Beatrice MacCormac, Betty Fletcher, Chester Sanders, David Sanders, Shirley Sanders, Harley Sanders, Jerry Sanders, and Allen Sanders; (3) Dismissal of Coal Owner: H-W Financial, LLC (Formerly Harrison-Wyatt, LLC). Unit AX100. Docket Number VGOB 03-0715-1158-02.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. Beatrice MacCormac is to be removed from the petition due to insufficient notice.

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 1C, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Swords Creek Land Partnership and Rodney and Vanessa Richardson. Unit BA122. Docket Number VGOB 05-0517-1447-03.

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

10. A petition from CNX Gas Company, LLC, for pooling under Oakwood Coalbed Methane Gas Field I. Unit R(-1). Docket Number VGOB 17-0718-4134.

The docket item was approved. Escrowing required.

11. A petition from CNX Gas Company, LLC, for pooling under Oakwood Coalbed Methane Gas Field I. Unit R(-2). Docket Number VGOB 17-0718-4135.

The docket item was approved. Escrowing required.

12. A petition from CNX Gas Company, LLC, for pooling under Oakwood Coalbed Methane Gas Field I. Unit S(-1). Docket Number VGOB 17-0718-4136.

The docket item was approved. Escrowing required.

13. A petition from CNX Gas Company, LLC, for pooling under Oakwood Coalbed Methane Gas Field I. Unit S(-2). Docket Number VGOB 17-0718-4137.

The docket item was approved. Escrowing required.

14. A petition from CNX Gas Company, LLC, for pooling under Oakwood Coalbed Methane Gas Field I. Unit DD1. Docket Number VGOB 17-0718-4138.

The docket item was approved. No escrowing required.

15. A petition from EnerVest Operating, LLC, for pooling of Unit VCI-530448, Nora Grid 56-AY; Nora Coalbed Gas Field. Docket Number VGOB 17-0718-4139.

The docket item was approved. No escrowing required.

16. A petition from EnerVest Operating, LLC, for pooling of Unit VCI-530489, Nora Grid-60-BM; Nora Coalbed Gas Field. Docket Number VGOB 17-0718-4140.

The docket item was approved. Escrowing required.

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

Mr. Cooper reported to the Board that the Division of Gas and Oil has received approximately 30 Yellow Poplar petitions to disburse funds thus far. He will report to the Board at the next meeting an update of the new Board Regulations.

18. The Board reviewed the June 2017 minutes for approval.

The docket item was approved.

The hearing adjourned at 10:58 a.m.