

COMMONWEALTH OF VIRGINIA  
VIRGINIA GAS AND OIL BOARD HEARING  
MINUTES SEPTEMBER 17, 2019

Pursuant to Sections 45.1-361.9B and 45.1-361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held its scheduled monthly hearing commencing at 9 a.m. on Tuesday, September 17, 2019 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bradley C. Lambert (Chairman), Bruce A. Prather (Oil and Gas Industry Representative), Donnie W. Rife (Public Representative), Mary Addington Quillen (Public Representative) and Rita Surratt (Public Representative).

Also present were Blair Linford (Division of Gas and Oil), Daniel W. Ingersoll (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.

Shirley Keene addressed the Board that she and some of her family members had not been receiving royalty payments on unit BUC1SGU2.

2. A petition from Pocahontas Gas, 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: Stephen Gooch, Katherine Patton, John Stanley, Catherine D. O'Brien, John Keene, and CNX Gas Company LLC; (3) Dismissal of coal owner(s): Buckhorn Coal Company. Unit AW112. Docket Number VGOB 01-0116-0856-03.

The docket item was approved. The account continues. Authorization for direct payment of royalties. All disbursement checks are to be mailed to David Altizer for disbursement, as per direction of the court order.

3. A petition from Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1 and 2A, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Buckhorn Coal Company and CNX Gas Company LLC, T Shea Cook, Catherine D. O'Brien, and John Keene (3) Dismissal of coal owner(s): Buckhorn Coal Company. Unit AX113. Docket Number VGOB 01-0320-0874-02.

The docket item was approved. The account will close. Authorization for direct payment of royalties. All disbursement checks for Tract 1 are to be mailed to David Altizer for disbursement, as per direction of the court order.

4. A petition from Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 2 & 4, as depicted upon the annexed table; (2) authorization to begin paying royalties directly to: John Keene; CNX Gas Company LLC, Bernie Darin Dye, and HC Bostic Coal Company; and (3) Dismissal of Coal Owner(s): Buckhorn Coal Co, Larry G. Dye, Deborah Murphy, Addavene Alicie, Betty Smith, Sharon Cole, Ted Rasnake, Teresa Chafin, Lois Musick, Vivian Hall, Earl Maness, Shirley Mitchell, Dorothy Smith, Juanita Dembeck, Della Dembeck, Brenda Fincham, Henry Hicks, Delilah Sesser, Kenneth Lester, Wanda Russell, Larry Compton, Betty Snead, Robert Compton, Goldie Whitt, Mary Byrd, Margaret Peck, Joy O'Brien, Sue Toler, Theresa Reel, Donna Dishner, Kenneth Wilson, Michael Wilson, Bryan Wilson, John Scott, Michelle Cooper, Andrew Justice, Patricia Chisholm, David Noel, Joe Noel, and Bernie Dye. Unit AY113. Docket Number VGOB 01-0821-0915-04.

The docket item was approved. The account will close. Authorization for direct payment of royalties. All disbursement checks for Tract 2 are to be mailed to David Altizer for disbursement, as per direction of the court order.

5. A petition from Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 2 & 4, as depicted upon the annexed table; (2) authorization to begin paying royalties directly to: CNX Gas Company LLC, Bernie Darin Dye, and HC Bostic Coal Company; and (3) Dismissal of Coal Owner(s): Buckhorn Coal Co, Larry G. Dye, Deborah Murphy, Addavene Alicie, Betty Smith, Sharon Cole, Ted Rasnake, Teresa Chafin, Lois Musick, Vivian Hall, Earl Maness, Shirley Mitchell, Dorothy Smith, Juanita Dembeck, Della Dembeck, Brenda Fincham, Henry Hicks, Delilah Sesser, Kenneth Lester, Wanda Russell, Larry Compton, Betty Snead, Robert Compton, Goldie Whitt, Mary Byrd, Margaret Peck, Joy O'Brien, Sue Toler, Theresa Reel, Donna Dishner, Kenneth Wilson, Michael Wilson, Bryan Wilson, John Scott, Michelle Cooper, Andrew Justice, Patricia Chisholm, David Noel, Joe Noel, and Bernie Dye. Unit AY114. Docket Number VGOB 01-0821-0916-04.

The docket item was approved. The account will close. Authorization for direct payment of royalties. All disbursement checks for Tract 2 are to be mailed to David Altizer for disbursement, as per direction of the court order.

6. A petition from Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tracts 1B and 2, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Buckhorn Coal Company, Gent Enterprises, LLC, and CNX Gas Company LLC; (3) Dismissal of coal owner(s): Buckhorn Coal Company. Unit AX112. Docket Number VGOB 03-1118-1220-02.

The docket item was approved. The account continues. Authorization for direct payment of royalties. All disbursement checks for Tract 2 are to be mailed to David Altizer for disbursement, as per direction of the court order.

7. A petition from Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 2 & 4, as depicted upon the annexed table; (2) authorization to begin paying royalties directly to: CNX Gas Company LLC, Bernie Darin Dye, and HC Bostic Coal Company; and (3) Dismissal of Coal Owner(s): Buckhorn Coal Co, Larry G. Dye, Deborah Murphy, Addavene Alicie, Betty Smith, Sharon Cole, Ted Rasnake, Teresa Chafin, Lois Musick, Vivian Hall, Earl Maness, Shirley Mitchell, Dorothy Smith, Juanita Dembeck, Della Dembeck, Brenda Fincham, Henry Hicks, Delilah Sesser, Kenneth Lester, Wanda Russell, Larry Compton, Betty Snead, Robert Compton, Goldie Whitt, Mary Byrd, Margaret Peck, Joy O'Brien, Sue Toler, Theresa Reel, Donna Dishner, Kenneth Wilson, Michael Wilson, Bryan Wilson, John Scott, Michelle Cooper, Andrew Justice, Patricia Chisholm, David Noel, Joe Noel, and Bernie Dye. Unit AX114. Docket Number VGOB 01-0116-0859-03.

The docket item was approved. The account will close. Authorization for direct payment of royalties. All disbursement checks for Tract 2 are to be mailed to David Altizer for disbursement, as per direction of the court order.

8. A petition from Pocahontas Gas, 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: CNX Gas Company LLC; (3) Dismissal of coal owner(s): Buckhorn Coal Company. Unit AW113. Docket Number VGOB 01-0116-0857-02.

The docket item was approved. The account will close. Authorization for direct payment of royalties. All disbursement checks are to be mailed to David Altizer for disbursement, as per direction of the court order.

9. A petition from Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1B, 1D, 1G1, 1G2, 1J1, 1J2, 1K1, 1K2, and 1L, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Margie Alice Reedy, Ginger Mustard, CNX Gas Company LLC, and Jewell Ridge Coal Corporation; (3) Dismissal of coal owner (s): Pocahontas Resources LLC. Unit S53. Docket Number VGOB 99-1019-0758-02.

The docket item was approved. The account continues. Checks for Margie Reedy and Ginger Mustard are to be mailed to Shea Cook.

10. A petition from Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tract 1C, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: H-W Financial, LLC, Orié Wangler, La'Trenda Sanders, and Beatrice MacCormac. Unit AX100. Docket Number VGOB 03-0715-1158-05.

The docket item was approved. The account continues. Authorization of direct payment of royalties.

11. A petition from Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tract 2A, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: H-W Financial, LLC, Orié Wangler, La'Trenda Sanders, and Beatrice MacCormac. Unit AZ98. Docket Number VGOB 04-0316-1261-06.

The docket item was approved. The account continues. Authorization of direct payment of royalties.

12. A petition from EnerVest Operating, LLC, for pooling. Unit VCI-530590. Docket Number VGOB 19-0820-4219.

The docket item was approved. No escrowing required.

13. A petition from EnerVest Operating, LLC, for pooling. Unit V-536901. Docket Number VGOB 19-0917-4221.

The docket item was approved. Escrowing required.

14. A petition from EnerVest Operating, LLC, for pooling. Unit V-536897. Docket Number VGOB 19-0917-4222.

The docket item was continued to November, 2019.

15. A petition from EnerVest Operating, LLC, for a Well Location Exception. Unit V-536897. Docket Number VGOB 19-0917-4223.

The docket item was continued to November, 2019.

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

Mr. Cooper reported to the Board about disbursements that have been made thus far from the VGOB Escrow Account. \$20,537,952.52 has been disbursed since House Bill 2058 was enacted. Approximately 13,000 checks have been written. The No W-9 Account has 426 individual accounts set up with \$39,880.44 in the overall account as of July 2019. \$87,401.90 has been disbursed from the escrow account for the first quarter of 2020.

The VGOB Escrow Account has 673 accounts with a balance of \$9,849,278.56, as of the end of July 2019. There are 4 accounts with more than \$300,000, 18 accounts with more than \$100,000 and 100 accounts with less than \$100 in them.

Mr. Cooper also updated the Board on the RFP that will be sent out for the Escrow Agent contract.

The Board viewed a video of the presentation to the General Assembly by Senator Ben Chafin of House Bill 1268 that was presented during the 2019 Legislative Session. The Board addressed the unknown/unlocatable owner's funds that are being held in the VGOB Escrow Account. The Board discussed what they would like to have done with the funds.

17. The Board reviewed the July 2019 minutes for approval.

The docket item was approved.

The hearing adjourned at 11:25 a.m.