

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES FEBRUARY 21, 2023

Pursuant to Sections 45.2-1609.C and 45.2-1624.B of the Code of Virginia, the Virginia Gas and Oil Board held its scheduled monthly hearing commencing at 10 a.m. on Tuesday, February 21, 2023. Location: Virginia Energy 3405 Mountain Empire Road, Big Stone Gap, VA 24219. Those who wish to call-in to the meeting may do so by dialing 1-434-230-0065, Conference ID: 753948247#.

Board members present were Bill Harris (Public Representative), Bruce A. Prather (Oil and Gas Industry Representative), Donald Lewis Ratliff (Coal Industry Representative), Gus W. Janson (Public Representative), Mary Addington Quillen (Public Representative), Rita Surratt (Public Representative) and Willart Cochran (Virginia Energy Representative).

Also present were Bradley Boyd (Gas and Oil Operations Manager), Eric M. Lansing (Assistant Attorney General), Lydia Sinemus (Program Administration Manager II) 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, appeared to address the Board on the Quarterly/End of Year Report.

The Quarterly/End of Year 2022 Report was presented to the Board by Jody Maney with First Bank and Trust Company.

3. A petition from Keyrock Energy, LLC for (1) Establishment of Keyrock #5, a sealed gob production unit consisting of 234.30 +/- acres for the drilling, development and production of coalbed methane gas from the sealed gob sometimes referred to herein as the "Subject Formation", pursuant to Va. Code § 45.2-1620, which drilling unit is further described and depicted in the "Exhibit A" annexed hereto and which is further described in the application filed with Virginia Energy. (2) Pooling of interests in subject unit pursuant to Va. Code § 45.2-1622, for the production of sealed coalbed methane gob gas from de-stressed formations associated with full-seam mining of coal (herein referred to as "Gob Gas"); and (3) Designate the applicant as the unit operator for the subject unit. Unit KY-5. Docket Number VGOB 22-1115-4252.

The docket item was approved. No escrowing required.

4. A petition from Keyrock Energy, LLC, for a Well Location Exception for unit Keyrock #5, located in the Nora Quad, Ervinton Magisterial District of Dickenson County, Virginia. Applicant requests the Virginia Gas and Oil Board to enter an order to enable Well No. Keyrock #5 to be drilled as depicted on the plat attached as "Exhibit A" and that applicant be granted the right to produce methane gas from the mined-out Jawbone Coal Seam in the Contura Deep Mine 41 which appear on the well work permit submitted to the Inspector. Unit KY-5. Docket Number VGOB 22-1115-4253.

The docket item was approved. Keyrock Energy, LLC, will provide revisions to the petition along with documentation to the staff.

5. A petition from Keyrock Energy, LLC for (1) Establishment of Keyrock #1, a sealed gob production unit consisting of 482.10 +/- acres for the drilling, development and production of coalbed methane gas from the sealed gob sometimes referred to herein as the "Subject Formation", pursuant to Va. Code § 45.2-1620, which drilling unit is further described and depicted in the "Exhibit A" annexed hereto and which is further described in the application filed with Virginia Energy. (2) Pooling of interests in subject unit pursuant to Va. Code § 45.2-1622, for the production of sealed coalbed methane gob gas from de-stressed formations associated with full-seam mining of coal (herein referred to as "Gob Gas"); and (3) Designate the applicant as the unit operator for the subject unit. Unit KY-1. Docket Number VGOB 22-1220-4254.

The docket item was continued to March, 2023. Eric Lansing, the Assistant Attorney General will provide advice regarding code section 45.2-1620E. Keyrock will come back before the Board in March.

6. A petition from Keyrock Energy, LLC for a Well Location Exception for unit Keyrock #1, located in the Nora Quadrangle, Kenady Magisterial District of Dickenson County, Virginia. Applicant requests the Virginia Gas and Oil Board to enter an order to enable Well No. Keyrock #1 to be drilled as depicted on the plat attached as "Exhibit A" and that applicant be granted the right to produce methane gas from the mined-out Jawbone Coal Seam in the Contura Deep Mine 41 which appear on the well work permit submitted to the Inspector. Unit KY-1. Docket Number VGOB 22-1220-4255.

The docket item was continued to March, 2023.

7. A petition from Pocahontas Gas LLC, to vacate pooling order entered regarding VGOB Docket Number 21-0420-4238 on April 30, 2021. Unit I37. Docket Number VGOB 21-0420-4238-01.

The docket item was withdrawn.

8. A petition from Pocahontas Gas LLC, to vacate pooling order entered regarding VGOB Docket Number 22-0816-4247 on August 30, 2022. Unit I38. Docket Number VGOB 22-0816-4247-01.

The docket item was withdrawn.

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

Sarah Gilmer stated that the contract for the escrow agent First Bank & Trust, was renewed for one year as per board approval. The board approved escheatment letters for uncashed royalty checks to be mailed out to individuals listed on the escheatment list for amounts totaling \$50 or more.

10. The Board will review the October 2022 minutes for approval.

The docket item was approved.

11. Eric M. Lansing, Assistant Attorney General, will present the Electronic Meetings Policy to the Board. The Board will review and vote on adopting the policy.

The docket item was approved. The Board approved the Electronic Meetings Policy as presented by Eric M. Lansing, Assistant Attorney General.

12. Eric M. Lansing, Assistant Attorney General, will present the FOIA (Freedom of Information Act) and COIA (Conflicts of Interest Act) training to the Board.

The FOIA and COIA training was not presented to the Board. The Board will do their training electronically.

The hearing adjourned at 12:17 p.m.