

COMMONWEALTH OF VIRGINIA  
VIRGINIA GAS AND OIL BOARD HEARING  
MINUTES OCTOBER 17, 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, October 17, 2017 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), Donald Lewis Ratliff (Coal Industry Representative) and Mary Addington Quillen (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.

Karen Simmons spoke to the Board about issues with Unit AX-99. Martha Guilliams addressed the Board about issues with Unit T-36.

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

Ms. Jody Maney 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 CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tracts 2A, 2F, 3A, 3B & 3C, as depicted upon the annexed table. (Royalties currently being paid under Buchanan No.1 SGU2, VGOB 08-1118-2367). Unit T36. Docket Number VGOB 98-0324-0625-11.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. Martha Guilliams and Ronnie Osborne spoke with their concerns regarding this disbursement. The Board voted to replenish this account that is short \$3,279.03 due to the Arthur Stilwell overpayment (in the 05 disbursement), from funds located in the "Wachovia Checking" account.

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 a portion of Tracts 1D, 1F & 1I, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Pardee Royalty LLC/Pardee Minerals LLC, White Wolf Energy, Richard D. Roberts, Goldie Roberts Locklear, Melissa Simmons, Amos Keene and Anthony Keene. Unit W47. Docket Number VGOB 98-1117-0699-04.

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 a portion of Tract 1F, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Swords Creek Land Partnership, Barbara Ann Blankenship, Norma Jean Thomas, Regina Lynn Street Cook, Alden Sisk, Jr., William Roger Sisk, Joewanna Susanne Sisk McDaniel, Keith Sisk, Delores Ann Davis Honaker, Shirley Hubbard, Donna Lester and Loretta Lynn Rasnake. Unit AZ117. Docket Number VGOB 11-0419-2930-03.

The docket item was approved. The account will continue. 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 9, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Connie & Carl Street, Ronald & Sheila Price, Willie Lane and Ferrell Mutter. Unit VP8SGU1. Docket Number VGOB 95-1024-0526-09.

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 a portion of Tract 4, as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Buckhorn Coal Company and Linda Dye (previously Mack Dye). Unit BA111. Docket Number VGOB 02-0416-1024-05.

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 a portion of Tracts 2A & 2B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to H-W Financial, LLC, Harold & Dorothy Cook, Ruth McGlothlin, Cathy Ward, Ferrell Whited, Michael Whited, Judy Chapman, Shelia Perkins, Jane D. Hale, Ronald Hale, Frank Hale, James L. Owens, Arvil E. Arwood, Rondal Street, Linda Meadows, Sherrie Baldwin, Elizabeth Welch, Randy Keith Miller, Maudine Vance, Carl E. Street, Wilma Meadows, Darlis Shortridge, Carolyn Jo Street, Judy Maxfield, Kester Street, Kenneth Street, Donna S. Meadows, Fayrene Meadows, Junior D. Street, Velsie Carol Fuller, David Patton, Charles Patton, Teresa Kennedy, Ricky L. Kennedy, Michael A. Kennedy, Linda Coleman, Mark Doug Martin, Mary E. Rowe, John C. Arwood, Harry J. Arwood, Clinton D. Johnson, Lisa Bacho, Patricia Chambers, Ferrell Shortridge, Terry Shortridge, Shelia Rasnake, Ricky Ratliff, Linda Keene, Garry Street, Joann Helton, Steven Shortridge, Mark Shortridge, Katrina Kolasa, Guy Shortridge, Ralph Shortridge, Shirley Dean Harris, Loweda Gillespie, Wanda Potter, Pauline Lester, Dorothy Sykes, Loretta Lewis, Diana Sandifer, Anna J. Street, Judy Presley, Donna Tiller, Cynthia Boyd, Jerry Shortridge, Chester Shortridge, Larry Shortridge, Cheria Gallimore, Betty Lou Lester, Mildred Redding, Gregory Kirk Spivey, Naomi Smith, Daniel Shortridge, Dennis Shortridge, David Shortridge, Barbara S. Werner, Shirley Fletcher, Albert Neal Smith, Jr., Madge Smith, Dorothy Smith, Kelly S. Elliott, Louise Brown, Barbara Jones, Mildred Baldrige Cook, Charlotte Baldrige Hayes, Lisa Robinson, Daniel Baldrige, Gilda Street, Joseph E. Keene, Patty Keene, Vada Baldwin, Melissa Rogich, Jason Adam Coxton, Johnny Dean Coxton, Gertrude C. Muddiman, Robert E. Childress, Steven J. Clayborn, Jeffrey P. Clayborn, Timothy S. Clayborn, Anthony M. Clayborn, Donald R. Childress, Zed Childress, Madilee Wnek, Robert Stump, Ronald D. Sanders, Paul R. Sanders, Arlene Friend, Wayne A. Sanders, Janice Corum, Sharron Wolfe, Margie Wade, George W. Williams, Sandra Dendy, Bernard Wright II, Jeffrey P. Sanders, Clifton T. Sanders, Charles Sanders, Phyllis P. Stevens, Natalie Shell, Pauline Schaack, Brenda Mutter, Debbie Lundin, Valerie Mutter, Teresa Andrew, Diana Tekalec, James Mutter, Rashawna Competti, Melody Krall, Raymond Mutter, Jr., Mary Lou Mutter, Susan Barzelonga, Jack Mutter, Mary L. Tedder, Martha Biggs, William Burk Mutter, Pattye Crane, Quentin Hastings, James Moeller, Blane McGlothlin, Jr., Claudia McGlothlin, Sandra McGlothlin, Roger Gooden, Terry Gooden, Tammy Jo Metcalf, Todd Gooden, Tracy Miller, Douglas Foster, David McGlothlin, Peggy Hawkins, Virginia O'Dell, Dana Dancy, Malcolm Dancy, Jerlean Carter, Mildred Harrell, Ralph Addison, Ruby Gail Poston, Helen McGrady, Joe Addison, Evelyn Massey, Cathern Smith, Kenneth Schloe, Linda L. Smith, Margie Mills, Carlice McGlothlin, Jr., Sylvia Taylor, Betty Marcus, Wanda Dawson, Joyce Dean, Sharon Dean, Eva Street Owens, Jimmy Welch, Pamela Foleno, Barbara Sabin, Teddy Brown, Sharon Gwiazdowski, Jackie Schudy, Marjorie Brown, Blanche Helen Boyd, Steven Ball, Paula Ball, Stella Ruth Boyd, Teresa Herberling, Dorothy Key, Connie Ratliff, Judy Hagy, Kathy Lester, Sylvia Hess, Deborah Hess, Jimmy D. Hess, Peggy Jones, Geneva Vandyke, Donald Street Jr., Sharon Davis, Patty Price, Judy Deskins, Billy Martin, Tiffany Wilson, Stacy Martin, and Lloyd & Nona Marie Blankenship; (3) Dismissal of Coal Owner(s): H-W Financial, LLC. Unit AW102. Docket Number VGOB 03-0819-1165-02.

The docket item was approved. The account will continue. 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 a portion of Tract 1B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Julia O'Quinn. Unit AZ99. Docket Number VGOB 04-0120-1250-04.

The docket item was approved. The account will continue. 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 a portion of Tract 2A and 2D, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Pamela Stapleton, Gloria & Thelmon Fugate, and Trustees of Pine Creek Holiness Church. Unit BB122. Docket Number VGOB 05-0719-1475-06.

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) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tract 1Q, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Swords Creek Land Partnership, Linda Vance Wilson, Brenda Vance Hess, Carl Howard Vance, Roscoe Wayne Vance, Nell Ree Vance and Norma J. McKinney. Unit BD122. Docket Number VGOB 04-1214-1366-02.

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 3B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Coal Creek Coal Company, Dorothy S. Barnes, Amanda Johnson, Calvin Johnson, Evelyn Rose, Melvin Johnson, Sharon Gail Hess, Betty Jane Shelton, Michael Shane De-Armon, Brenda Fay Stone, Edward Randall Rutledge, Thomas Palmer Rutledge, Betty Lou Garrison Stump, Grace Elizabeth Hibdon, Zelda Arue Thompson, Lester George Beaver, Jr, Noel Albert Beaver, Wanda Gay Smith, Barbara Lester, Nancy Jackson, Jerry Hensley, Gail Clark, Sundee Taylor, Coleen McMahan Christensen, Virgus Blankenship, Joann Lackey and Margaret Smith Hess; (3) Dismissal of Coal Owner(s): Coal Creek Coal Company. Unit AV135. Docket Number VGOB 09-0317-2490-02.

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 a portion of Tract 4, as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the party/parties previously listed as unlocatable: James Ellenburg, Cary Bowles, Carolyn Gaik and Lawrence Snyder. Unit A33. Docket Number VGOB 13-0618-4014-02.

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

14. A petition from CNX Gas Company, LLC, for Re-Pooling under Nora Coalbed Methane Gas Field. Unit AX99. Docket Number VGOB 04-1116-1358-02.

The docket item was continued to November, 2017. Escrowing required. Ms. Karen Simmons and Mr. Bobby Simmons addressed the Board on the issues they have with this unit. The Board recommended that Mr. & Mrs. Simmons work with Mr. Cooper to resolve their issues. Marjorie Stiltner Fisher addressed the Board regarding the spelling of her name and her correct address on the paperwork that was sent to her.

15. A petition from CNX Gas Company, LLC, for Pooling under Middle Ridge Coalbed Methane Gas Field. Unit BC123. Docket Number VGOB 17-0815-4142.

The docket item was approved. No escrowing required.

16. A petition from EnerVest Operating, LLC, for a Well Location Exception - Well No. 821789. Unit Well No. 821789. Docket Number VGOB 17-0919-4143.

The docket item was approved.

17. A petition from DGO - on behalf of others for Jesse E. Neece, who has appealed the decision of the Director issued on 8/23/2017, for IFFH Number 1002 regarding Application Number 29775 from EnerVest Operating, LLC, for proposed Well VCI-530487 w/PL, located in the Ervinton Magisterial District, Dickenson County, Virginia. Docket Number VGOB 17-1017-4144.

The docket item was affirmed.

18. On the Board's own motion, EnerVest Operating, LLC, will appear before the Board to report additional production detail to be further accounted for on the Exhibit J. This docket was previously heard at the June 20, 2017, VGOB meeting. Unit V-825524. Docket Number VGOB 06-0516-1641-01.

Mr. Larry Reeves testified for EnerVest and presented to the Board further account information which balanced the account within \$5.10.

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

Mr. Cooper provided the Board with a copy of the new revisions to the Board Regulations and explained each change. Mr. Cooper updated the Board on the total disbursements since 2015 and informed the Board that \$11,499,000.00, remained in the account. Mr. Cooper commended the DGO staff for their hard work and efficiency in dealing with the disbursements.

20. The Board reviewed the July 2017 minutes for approval.

The docket item was approved.

The hearing adjourned at 12:29 p.m.