

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES JULY 16, 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, July 16, 2019 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), Donnie W. Rife (Public Representative), Mary Addington Quillen (Public Representative) and Rita Surratt (Public Representative).

Also present were Daniel W. Ingersoll (Assistant Attorney General), 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, appeared to address the Board on the Quarterly Report (April - June 2019).

The Quarterly Report was presented to the Board by Jody Maney and Scott Arnett with First Bank and Trust Company. They presented the contract renewal proposal to the Board. The Board approved to accept the proposal.

3. 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, a portion of 3, and a portion of 4A, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to H-W Financial LLC, Clayton Shortridge, Mabel Mullins, Margaret Whited, Elizabeth Walls, Robin Barton, Jason Ratliff, Wesley Ratliff, Edward Vandyke, Geneva Mullins, Burette Ratliff, Larry McGinnis, Kathy McGinnis Viars, Billy Mahone Hibbitts II, Raymond Hibbitts, Robert Britton Hibbitts, Kyla Evans, Barrett Hibbitts, Rhonda Whitt, Sandra Vandyke, David Allen Sage, Cheryl Fleet, Karen Childress, Susan Pruitt, Billy Linville Sage, Phyllis Stiltner, William James Caudill, Kaysi Elizabeth Cordle, Brian Scott Cordle, Tommy Lee Snyder, Ruby Belcher, Valerie Marie Sparks, Tammy Jo Sparks, Heddy Lynn Daniel, Kimberly Belcher, Tammy Michelle Justus, Keith Teele, Danielle Teele, Holly Jean Wagner, Pamela Santella, Patricia Miles, Jack Russell Collins, Danny R. Collins, Mary Collins, Robert M. Hibbitts, Phyllis Kiepkke, Playford Akers Jr., Laura Easley, Lisa Friedman, Jennifer Price, Mary B. Bell, Barry Alan Noll, Sharon Katz, Michael Lester, John Cochrane, Jerline Davis, General Mack Arthur Fields, Carol Victoria Sturgill, Charles Dewey Fields, Clyde Davis Jr., David J. Davis, Earnest Dean Davis, Subbie Wilder, Marsha Davis, Gabriel Davis, William C. Davis, Daniel L. Davis, Gerald Skaggs, Wynell Chance Brantley, Toby York, Billie Davis Kuhn, Margie Shortridge, John S. Davis, Mary Struzenburg, Pam Duncan, Grace Duncan, Darlene Deaner, Wanda Littrell, Deborah Stewart, Sharon Powers, James Aesque, Kenneth Shepherd, Walter Siders, Lorraine Wyatt, Loretta Sellers, Judy Baughman, Ira C. Keen, Linda Sue Christian, Bobby Edmond Keen, Brenda Church, Glenna Stevens, Lillian Joyce Hurley, Marjorie Stiltner, Darrell C. Keen, Connie Looney, Timothy Keen, Jerline Hendrix, Jerry E. Keen, Dewey Ray Keen, Lawrence Davis, Donna Ledford, Roberta Green, Ollie Dudley, Melissa Wellman, Ruby Greer, Luther L. Wellman, Joy Cloney, Chester Wellman, Sheila Carty, Debbie Sturgeon, Jeffrey Sturgeon, Ethel Lester, Arnold Sturgeon, Wanda Stiltner, Crystal Blackburn, Tammy Blackburn, Sherry Hardin, Glenda C. Brown, Larry E. Stiltner, Terry W. Stiltner, Charles Edward Sturgeon, Elizabeth Ann Sturgeon, Ronald Sturgeon, Rita Sturgeon, Parris Sturgeon, Alexandra Sigmon, Dorothy Jean Looney, Paula Ohlinger, Melissa Shortridge, Archie Stiltner, Fredia Davis, Sandra Tackett, Loeita Lambert, Edward Tiller, Christa Hess, Ronnie Tiller, Lena Sutarka, Lamona Heck Roach, Julia Sanders O'Quinn, Dave Sanders, Shirley Sanders, Harley Sanders, Joyce Renee Wallace, Evelyn M. Calhoun, Jerri Vance, Timothy Sanders, and Allen Sanders; (3) Dismissal of Coal Owner: H-W Financial LLC. Unit AX99. Docket Number VGOB 04-1116-1358-03.

The docket item was approved. The account continues. Authorization for direct payment of royalties. Pocahontas Gas, LLC, will amend the table and exhibits to remove the individuals that did not receive notification.

4. 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 1F, 1G, & 2, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Carolyn Harris Briggs, James Rodney Harris, Dorothy Harris, James Herron, Sandra Murdock, Jackie Harris, Ricky Harris, Donna Rash and Dennis Hnarakis. Unit BF100. Docket Number VGOB 04-1214-1368-05.

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

5. 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 Tazewell Coal & Gas Company LLC, Charlie Andrew Puckett, Jr., Kimberly Dilday, Glenna Couch, Edna Dawson, Rose Marie McGlothlin, William R. Dailey, Deborah A. Roberts, Bobby Curtis McGlothlin, Frances McGlothlin, Paul W. Combs, Billy Edd Blankenship, Chris Combs, James McGlothlin, Betty Hess, Patricia Combs, Karen Miller, William Southwell, Jan Deal, Jean Cabbage, Farley Combs, Roscoe Foleno, Jr., Macel Keith Foleno, Beverly Ann Foleno, Johnny Fogleman, Frankie Fogleman, Pauline Compton, Rosa Angeline Combs, Lou Holden, Douglas A. Whorley, Jerry W. Whorley, Curtis A. Whorley, Steven L. Whorley, Richard Lee Whorley, Wilma J. Bowyer, James A. Worley, Michael L. Worley, Linda Christoff, Marvin A. Whorley, Elizabeth McKee, Susan Worley, Ruby Kiser, Jack Compton, Lance Compton, Christa Compton, Shelly N. O'Daniel, Alan Richmond, Kelly Little, Jackie Moon, Geneva Mullins, Ilene Wolfe, William H. Hale, Jeremy Wallace, Virginia Crosier, James Looney, Ernest M. Looney, Myra Looney, Joan Foley, Earlene Strouth, Judy Boyd Delp, Johnny Sherman Boyd, Raymond Reynolds, George Ray, Darrel Gene Hurt, Betty J. Dye, Michael D. Webb, Daniel J. Webb, Joshua M. Webb, Wade Burke, Tony Burke, Todd Druck, Troy Druck, Judy Kilgore, Delcia Runkle, Hazel C. Cooper, Cynthia Grove, Rhonda K. Collins, Amanda Kiser, David L. Webb, Nichols Family Trust, Audrey Boyd, John Boyd, Elizabeth C. Marshall, Chad W. Casey, Robert Brian Casey, Pennie Davis, Katie Lynn Davis, Dennis Palmer, Ronnie Davis, James Fadial, Nancy Luchini, Patty Stephens, Randall Jackson, Leshia Compton, Treamon Jackson, Larry Jackson, Nancy Jackson, Anna Stiltner, Carol Fletcher, Wanda Hicks-Caskey, Ken Titus Breeding, Frankie Breeding, Phyllis Breeding and Sharon Breeding; (3) Dismissal of Coal Owner: Tazewell Coal & Gas Company LLC. Unit BG103. Docket Number VGOB 05-0215-1401-01.

The docket item was approved. The account continues. Authorization for direct payment of royalties. Pocahontas Gas, LLC, will amend the table and exhibits to remove John L. Boyd and Wanda Hicks-Caskey that did not receive notification.

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 1A, 1B, 2A, 2B, & 4, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Billy Edd Blankenship, James McGlothlin, Betty Hess, Richard Lee Whorley, Wilma Bowyer, James A. Whorley, Michael L. Whorley, Linda Christoff, Marvin Anthony Whorley, Christa Compton, Alan Richmond, Kelly Little, Ilene Wolfe, Jeremy Wallace, George Ray, Pennie Davis, Ronnie Davis, Carol Fletcher, Carolyn Harris Briggs, James Rodney Harris, Dorothy Harris, James Herron, Sandra Murdock, Jackie Harris, Ricky Harris, Donna Rash, Dennis Hnarakis, Gent Enterprises and Tazewell Coal & Gas Company LLC. Unit BF101. Docket Number VGOB 05-1018-1507-05.

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

7. A petition from Pocahontas Gas, LLC, for pooling under the Nora Coalbed Methane Gas Field. Unit X82. Docket Number VGOB 19-0521-4212.

The docket item was approved. No escrowing required. Pocahontas Gas, LLC, will upload a revised plat in the petition correcting the field name to Nora Field instead of Oakwood Field.

8. A petition from Pocahontas Gas, LLC, for pooling under Oakwood Coalbed Methane Gas Field I. Unit F21. Docket Number VGOB 19-0716-4218.

The docket item was approved. No escrowing required.

9. On the Board's Own Motion, the Chairman will present to the Board the Administrative Order prepared by the Attorney General's Office allowing the Director to approve more than two wells in a unit in the Oakwood I and Oakwood II Field Orders for projected mine works. Docket Numbers VGOB 93-0216-0325-29 (Oakwood I) & 91-1119-0162-01 (Oakwood II).

The docket item was approved.

10. A petition from EnerVest Operating, LLC, for pooling of well VCI-531533, Nora Grid AI-76. Docket Number VGOB 19-0416-4207. Continued from April and May 2019.

The docket item was withdrawn.

11. A petition from EnerVest Operating, LLC, for pooling of well VCI-531534, Nora Grid AI-77. Docket Number VGOB 19-0416-4208. Continued from April and May 2019.

The docket item was withdrawn.

12. A petition from EnerVest Operating, LLC, for pooling of well VCI-531535, Nora Grid AJ-75. Docket Number VGOB 19-0416-4209. Continued from April and May 2019.

The docket item was withdrawn.

13. A petition from EnerVest Operating, LLC, for pooling of Well No. Haysi-93, Prater District, Buchanan County, Virginia. Docket Number VGOB 19-0618-4213.

The docket item was approved. No escrowing required.

14. A petition from EnerVest Operating, LLC, for pooling of Unit VCI-538691. Docket Number VGOB 19-0618-4214.

The docket item was approved. No escrowing required.

15. A petition from EnerVest Operating, LLC, for pooling of Unit VCI-530586. Docket Number VGOB 19-0618-4215.

The docket item was approved. No escrowing required.

16. A petition from EnerVest Operating, LLC, for pooling for Well No. V-537558. Docket Number VGOB 19-0618-4216.

The docket item was approved. Escrowing required.

17. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. V-537558. Docket Number VGOB 19-0618-4217.

The docket item was approved.

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

Mr. Cooper updated the Board on the disbursements that have been made from the VGOB Escrow Account. Since House Bill 2058 was enacted, approximately \$20,450,550.62, has been disbursed from the account. The account now falls below ten million dollars (Ending Balance as of June 2019 - \$9,835,078.89).

Mr. Kugelman updated the Board on the status of disbursing the unknown/unlocatable funds. Discussion took place amongst the Board as to what to do with these funds. No decision was made by the Board as to what to do with the funds.

19. The Board reviewed the May 2019 minutes for approval.

The docket item was approved.

The hearing adjourned at 11:50 a.m.