

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES NOVEMBER 19, 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, November 19, 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), Donald Lewis Ratliff (Coal Industry Representative), Donnie W. Rife (Public Representative) and Mary Addington Quillen (Public Representative).

Also present were 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 will receive public comments.

Patricia Stillwell spoke to the Board about her issues with Pocahontas Gas and the royalty checks that she and her family members have received.

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 (July - September).

The Quarterly Report was presented to the Board by Jody Maney with First Bank and Trust Company. The Board also approved the renewal of the First Bank and Trust Contract (after a new Response to Request for Proposal was submitted) for an additional five years.

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 2, 3, and 4, as depicted upon the annexed table; (2) authorization to begin paying royalties directly to H-W Financial LLC, Joyce Hawkins Jones, Charles Hawkins, Phyllis Everett McKeon, Jack L. Agee, Jr., Donna Jean Grover, Penny Pace, Phyllis Ann Hammer, Rebecca Lynn Wilkinson, Marilyn Starkey, Carol Jean McGlothlin, John McGrath, George W. McGlothlin Jr., Donald Donaldson, John Marcus McGlothlin, Penny Courtney, Sandra Rohman, Herman McGlothlin, Jacob McGlothlin, Christine McGlothlin, David A. McGlothlin, Nelson McGlothlin, Phyllis D. Cline, Carol Elaine Lynch, Jesse Schlarbaum, Emery Schlarbaum, Ty Schlarbaum, Terri Swanson, Anthony Richard III, Patricia Edler, Paula Rinkerman, Sharon Webb, Nicholas Shmel Jr, Richard D. Shmel, Diane Allen, Marceline Krause, Jimmy B. Looney, Larry Q. Looney, Dollie Sue Grace, Donald C. Looney, Nyrell Looney, Ronald Childress, Alan Richard Childress, CNX Gas Co LLC, Wayne Cooper, Betty Nell Horn, Pamela Salyer, Kenneth Osborne, Randall Osborne Jr., Edith O'Brien, Jarrett Cochran, Madeline Tucker, Dennis Hensdill, Jeweldine Hodges, Earnestine Castle, Patrick Ridge, Grainne Hanks, Janel McCann, Betty Hensdill, Jackie Couch, David Couch, Alice Shinn, Verna Taylor, Straley Kitts, Warren Kitts, Wendell Kitts, Vonda Kay Phillips, Kenneth R. Runyon, Brenda Armentrout, Teresa Jane Moore, Dennis Vandyke, Granville Vandyke, Fred Vandyke, Amorc Rosicrucian Church, Colchester Community Church, Tivis Boyd Jr., Wanda Boyd, Raymond Guy Boyd, Jack D. Vandyke, Janet Willis, Ann Leeth, Doris Blais, Ellen Gayle Thomas, Jane Lenyk, June Vandyke, Vicki Abraham, Arthur H. Looney, Melba Shoun, Rita C. Hatmaker, Vickie Click, Elsie Ratliff, Annette Compton, Ransome Breeding, Benjamin Breeding, P. Scarlett Breeding, Andrew Brown, Don C. Looney, Martha Looney, Patricia Looney, Keith O'Neal Looney, Alma Puckett, Janis Hodock, Annette Lee Childress, Ronald James Childress, Jacqueline Childress, Ford Randolph, Barbara Sue Adams, Evelyn Nygaard, Hazel Goad, Virginia Austin, Otis John Fields, Robert Charles Fields, Samantha Jean Fields, Larry Bert Baldwin, Sidney Wayne Baldwin, Ernest Garland Keen Jr, Jack Keen, John Keen, Benny Keen, Melissa Fields, Jimmy Dean Fields, Laura Gonzalez, Glenna Kay Cardin, Gertrude Muddiman, Robert E.

Childress, Donald R. Childress, Brenda Ellington, Teena Iliff, Joseph Clayborn, Steven Clayborn, Jeffrey Clayborn, Timothy Clayborn, Regina Smith, Anthony Clayborn, Zed Childress, Madilee Wnek, Juan Ayala, Sue Edwards, Judy Fuller, Christine Lester, Earl Wilson, Graden Thomas, Donna Kay Johnson, Joyce Deem, Danny Ray Wyatt, Kimberly Patterson, Diane Gillion, Pamela Baldwin, Ricky Hess, Lucas Blankenship, Mary Sue Rasnake, Lois Jean Whited, Junior Baldwin, Donald Baldwin, Barbara Ray, Jennifer Roark, Leslie Israel, Phyllis Jean Lester, Douglas Shepherd, Lee Ann Stoots, Michael Israel, Freddie Lowe, Eddie Lowe, Keith Lowe, Kevin Lowe, Terry Lowe, Sonya Lowe, Mike Lowe, James Bill Lowe, Melissa Kiser, Ira Ellis Lowe, George Stern, Buford Childress, Marcus William Puckett, Wendell Childress, Burley Childress, Ralph Childress, Lillie Sue Ray, Jeanne Tiller, Linda Childress, Patsy Sutherland, Velma Childress, Debbie Delsandro, Patricia Jensen, Linda DeAnda, Norman Wilson, Lois Ann Bagby, Janet Scully, Vicki Johnson, Ruth Barker, Francis S. MacCauley, Joan Sexton, Violette Morrison, Sandra McClure, Peggy Wentzel, Richard MacCauley, Ronnie MacCauley, Patricia Jernigan, Carol King, Laura King, Otis K. McGlothlin Jr., Richard McGlothlin, Theresa Grevis, Gregory McCardell, Scott McCardell, Melanie Kohler, Valerie McGlothlin, Terry Young, Trudy Dare McGlothlin, Susan Eshleman, Bruce Ewing, Karen Williams, Robert Revere, Daniel R. Shortridge, Mary June Armes, Beulah Mae Shortridge, Hassell L. Shortridge, Lola Skeens, Linda MacDonald, Oma Sue Rollins, Jackie Deyarmon, Joel McClanahan, Caudle Belcher, Michael W. Shortridge, Barbara Flannery, Marlene Rife, John Shortridge Jr., Donald F. Shortridge, Allen Willis, Timothy Willis, Brooke Wengerd, James Edward Deel, Wanda Lizotte, Ruth Hix, Diana Dillard, Tammy Osborne, Etta Ruth Justus, Carol Baldrige, Elmer Baldrige, Howard Coleman Jr., Robert Coleman, Teresa Jones, Wanda Winkle, Brenda Thedford, Wanda Baldrige, Mavis Grinnell, Karen Sparks, Roger Shortridge, Larry Horne, Keith Horne, Sharon Beasley, Jesse Ray McGlothlin, Ned D. McGlothlin, Barbara Jones, Ronnie Edd McGlothlin, Tommie Clyde McGlothlin, Dale Robin McGlothlin, Nancy Moore, Gary Matney, Victoria Looney, Bobby Joe Matney, Billy Earl Matney, Jennifer Slone, Carol Mullins, Jessica Coleman, Mildred Gilliam, Mary Charles, Craig Charles, Jeffrey Charles, Benjamin Charles, William G. Robinson, Norma Bowlin, Ronnie McGlothlin, Donald G. McGlothlin, Daniel McGlothlin, Joy Hermes, Buford Lee McGlothlin, Kermit McGlothlin, Leonard McGlothlin, Joyce Dotson Owens, Edward Dotson, Eleanor Looney, Mable Mullins, Frazier Shortridge, Clayton Shortridge, Rita C. Hale, Elaine Clevinger, Beecher Elswick, Engie Rose, Dexter Ramey, Ann Sweeney, Jeremiah Ramey, Teena Street, Scotty Sollien, Gladiola Compton, Valerie Ringstaff, Morissa Nagel, Adam Harr, Mary Sollien, Robert Baldauf, William Baldauf, Sharon Montgomery, Nara Elswick, Don Nuckles, Donna Owens, Pamela Mabry, Tonya Davis, Brady Thomas Anderson Trust, Martha Eichman, Bonnie Debolt, John H. May, Sandra Gail Mullins, Tyrone Murphy, Danny Murphy, Fawn Murphy, James Michael Murphy, Jody Grabner, Zella Melvin, Kelly Shoda, Joseph Murphy, Alice Doty, Helen Clevinger, Steven Murphy, Judy Crabtree, Janette Fay Brown, Ricky Masters, Linda Beech, Bonita Costell, Hershel Lester, Harold Fred Rife, Darrell Gene Hale, Patsy Coleman, Emery Hale, Michelle Wallace, Brenda Fricks, James Hale, Nelson Hale, Larry Hale, Beatrice Baier, Maudine Cooper, Shelby Deskins, Wilma Fiorentino, Vesta Jackson, Cathy Jackson, Barbara Tackett, James Jackson, Timothy Jackson, Michael Jackson, Avery Jackson, Juanita Jackson, Doris Vanover, Glada Cline, Lavinia Gilliam, Tarita Dilly, Rebecca East, Gleason Jackson, Acie Jackson, Emma Sue Addair, Cletis Jackson, Debra Jackson, Lennis Jackson, Kyle Robinson, Rebekah Stewart, Julie Moseley, Ralph C. Robinson, Edcel Clair Rowe, Betty Magnuson, Carlos Jackson, Logan McGlothlin, Bonnie McGlothlin, Ralph McGlothlin Jr, Karen Hall, Dan McGlothlin, Ann Lilly, Donald A. McGlothlin Jr, Kevin T. McGlothlin, Wayne Burton Sr, Joseph Laperla, Kenna Moose, Michael Dixon, Peggy Durham, Sherry Bennett, Floyd Wampler, Anne Fath, Sharon Parsons, Betty J. McGlothlin, Una Bailey, Norman McGlothlin, Ann Washburn, Michael Mullins, Charlene Seale, Patricia Wade, Paula Morrow, WA Street Family Trust, Bascom Matney, Helen Mamone, Ann Rauhauser, Joseph B. McGlothlin, Katherine Warren, St. Jude's Children Research Hospital, Children's Hospital of Richmond, Shirley Presley, Larry Roger Cox, Nancy Gambill Cole, Charlotte Webb, David Meaders, Howard L. Webb, Lucille Perkins, Kirk Webb, Virginia Quinn, Bonnie Jester, Yvonne King, Donald Sampson, Darvin Sampson, Jerry Sampson, Kenneth Sampson, Viola Holman, James Leffew, George Leffew, Ronald

Lee Webb Sr, Albert Moran Jr, Richard Moran, Patricia Todd, James H. Webb, Gloria Poe, Bill Walden, Mark S. Shupe, Loretta Cox Christian, David Cox, Natalie Carroll, Kenneth Brown, Vivian Cox, Hobert Cox, Jr., Ernest Cox Jr., and Patty Salmons. (Royalties currently being paid under VP8SGU3). Unit U16. Docket Number VGOB 93-0622-0381-05.

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

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 3A1 & 3A2, as depicted upon the annexed table (Royalties currently being paid under BUCH1SGU2, Docket #VGOB 08-1118-2367). Unit T36. Docket Number VGOB 98-0324-0625-13.

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 3C1, as depicted upon the annexed table (Royalties currently being paid under BUCH1SGU2, Docket #VGOB 08-1118-2367). Unit S36. Docket Number VGOB 98-0324-0626-13.

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

6. A petition from Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1F, 1G, & 2, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: George B. Harris. Unit BF100. Docket Number VGOB 04-1214-1368-06.

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

7. 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 26C & 26D, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the following parties: Martha Gulliams, Sidney Smith, Kenneth Osborne, Mary Jane Keen, Shirley Keene, Heirs of Perry W. Horn (Margaret Dye, Nellie Maynard, and Tammy Street), Paul Junior Osborne, Curtis McCoy Osborne, Barbara Joyce Harmon, & Marilyn Taylor; authorization to begin paying royalties directly to the parties to the royalty split between Hurt McGuire Land Trust and Patsy Moore, Brenda Sue Viars, James R. Osborne, Phyllis W. Osborne, Charles M. Osborne, Debbie Osborne, Joyce Mays Bush, Darlene Osborne, Margaret E. Dye, Nellie Maynard, Tammy Street, Patricia Horton, Robert Elder, Joseph P. Horne, Linkous Everett Horn, John Andrew Stilwell, Connie Ann Sparks, Patricia Kay Stilwell, Tony Douglas Stilwell, Tania Hess, Wesley D. Perkins, Martha Smith, Kathy Lynn Bostic, Frankie Lee Stacy, Chrisie Ann Smock, Melissa Kay Long & Tammy Brown. Unit Buch No 1 SGU2. Docket Number VGOB 08-1118-2367-02.

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

8. A petition from Pocahontas Gas, LLC, for creation of a sealed gob drilling unit and pooling. Unit Buch No 1 SGU5. Docket Number VGOB 19-1119-4225.

The docket item was approved. Escrowing required.

9. A petition from EnerVest Operating, LLC, for pooling. Unit V-536897. Docket Number VGOB 19-0917-4222. Continued from September 2019.

The docket item was approved. No escrowing required.

10. A petition from EnerVest Operating, LLC, for a well location exception. Unit V-536897. Docket Number VGOB 19-0917-4223. Continued from September 2019.

The docket item was approved.

11. A petition from EnerVest Operating, LLC, for pooling. Unit VCI-530597. Docket Number VGOB 19-1015-4224.

The docket item was approved. No escrowing required.

12. A petition from EnerVest Operating, LLC, for pooling all unleased interests or estates of all persons or entities owning oil, gas or coalbed methane interests in the formations underlying the tracts encompassed by the drilling unit supporting well number VCI-530622. Docket Number VGOB 19-1119-4226.

The docket item was approved. Escrowing required.

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

Mr. Cooper gave an overview of the money that is in the escrow account for unknown/unlocatable individuals.

The Board discussed handling the unknown/unlocatable landowner's royalty money and distributing the funds to The Virginia Department of Treasury. The Virginia Department of Treasury - Unclaimed Property Division sent in a letter to the Board requesting the money for unknown/unlocatable landowners be sent to The Department of Treasury. Mr. Lambert proposed to the Board that once the procedure is put into place, that the Board approve for the DGO and the companies to work with Treasury to develop a process to get this request accomplished. Mr. Ratliff made a motion to go forward with allowing the DGO to work with the companies and Treasury to develop a process and to require the companies to begin submitting petitions to disburse the funds to Treasury. The Board approved this request. Mr. Rife was the only Board member to vote no.

Mr. Rife made a substitute motion to wait until the 60-day extension is approved before the Board approves going forward with this request. The motion failed.

Mr. Cooper also updated the Board that a total of \$21,364,254.47 has been disbursed thus far since House Bill 2058 was enacted.

14. The Board reviewed the September 2019 minutes for approval.

The docket item was approved.

The hearing adjourned at 11:41 a.m.