

COMMONWEALTH OF VIRGINIA  
VIRGINIA GAS AND OIL BOARD HEARING  
MINUTES FEBRUARY 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, February 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), 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 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, will appear to address the Board on the Quarterly/End of Year Report.

The quarterly report/end of year report was presented to the Board by Jody Maney with First Bank and Trust Company.

3. A petition from Diversified Southern Production, to enter an order transferring the right to operate all units listed in the application that were established by Board Order, as well as any petitions currently pending before the Board, from EQT Production Company to Diversified Southern Production, LLC. Docket Number VGOB 19-0219-4198.

The docket item was approved. Joey Stumbo, Conley Smith and Tim Scott (Attorney) were present to represent Diversified Southern Production.

4. A petition from Summit Appalachia Operating, LLC, to enter an order transferring the right to operate all units listed in this application that were established by Board Order, as well as any petitions currently pending before the Board, from ARP Mountaineer Production, LLC (ATLAS) to Summit Appalachia Operating, LLC. Docket Number VGOB 19-0219-4199.

The docket item was approved. Patrick Noble, Jeffrey Cooper and Bradley Ratliff (Attorney) were present to represent Summit Appalachia Operating, LLC.

5. A petition from Pocahontas Gas LLC, for (1) re-pooling to revise interests consistent with those determined by re-mapping; (2) to include anticipated production under Oakwood II Field Rules after longwall panel isolation; and (3) to allow for and include production from additional wells drilled to de-gas coal in advance of mining. Unit M41. Docket Number VGOB 95-0620-0507-02.

The docket item was approved. No escrowing required.

6. A petition from Pocahontas Gas LLC, for (1) re-pooling to revise interests consistent with those determined by re-mapping; (2) to include anticipated production under Oakwood II Field Rules after longwall panel isolation; and (3) to allow for and include production from additional wells drilled to de-gas coal in advance of mining. Unit L41. Docket Number VGOB 07-0515-1926-01.

The docket item was approved. No escrowing required.

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 3, 3A and 14, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Walter L. Keen Estate, CNX Gas Company LLC, Cindy C. Cline, Donald William Ford, Jack C. Ford, James Keith Ford, Eunice Forsley, Judy Ann Hicks, James Elwood Keen, and Kell & Linda Vandyke. Unit V28. Docket Number VGOB 96-0116-0530-08.

The docket item was approved. The escrow account will close. Authorization for direct payment of royalties. The check for the Estate of Walter Keen will be mailed to T. Shea Cook.

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 13, as depicted upon the annexed table directly to the following parties: Walter L. Keen Estate. (Inactive unit, royalties currently being paid under VP2SGU, Docket #VGOB 02-0319-1008). Unit V29. Docket Number VGOB 96-0116-0531-03.

The docket item was approved. The escrow account will close. Authorization for direct payment of royalties. The check for the Estate of Walter Keen will be mailed to T. Shea Cook.

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 1F, 1G, & 2, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Richard Leftwich, Robert Brian Leftwich, Elizabeth Leftwich, Hnarakis Family 2004 Revocable Trust, c/o Joette Hnarakis, Bettina Crosby, Melvin Leftwich, MacDonald Asset Trust dated July 25, 2018, c/o Shirley MacDonald, Martha Summerford, Aubry Hall, Michael McManus, Barbara Compton and Robert Blake Leftwich; (3) Dismissal of coal owner(s): H-W Financial LLC (Formerly Harrison-Wyatt, LLC). Unit BF100. Docket Number VGOB 04-1214-1368-04.

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

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 Tracts 2A & 2B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Richard Leftwich, Robert Brian Leftwich, Elizabeth Leftwich, Hnarakis Family 2004 Revocable Trust, c/o Joette Hnarakis, Bettina Crosby, Melvin Leftwich, MacDonald Asset Trust dated July 25, 2018, c/o Shirley MacDonald, Martha Summerford, Aubry Hall, Michael McManus, Barbara Compton and Robert Blake Leftwich; (3) Dismissal of coal owner(s): H-W Financial LLC (Formerly Harrison-Wyatt, LLC). Unit BF101. Docket Number VGOB 05-1018-1507-04.

The docket item was approved. The escrow account will continue. Authorization for 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 portions of Tracts 1A, 1B, 1D, 1E, 1F, 1G, & 1H, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Tazewell Coal and Gas Company LLC, Edna Dawson, Rose Marie McGlothlin, Paul Combs, Chris Combs, James S. McGlothlin, Betty Hess, Patricia Combs, Karen Miller, William Southwell, Jan Deal, Jean Cubbage, Farley Combs, Rosco Foleno Jr., Macel Keith Foleno, Beverly A. Foleno, Johnny Fogleman, Frankie Fogleman, Pauline Compton, Rosa Angeline Combs, Lou Holden, Charlie Andrew Puckett Jr., Kimberly Dilday, Glenna Couch, Douglas A. Whorley, Jerry W. Whorley, Curtis A. Whorley, Steven L. Whorley, Elizabeth McKee, Susan Worley, Ruby Kiser, Jack Compton, Lance Compton, Christa Compton, Shelly N. O'Daniel, Jackie Moon, Geneva Mullins, Logan Hale, Ilene Wolfe, William Harold Hale, Jeremy Wallace, Virginia Crosier, James Looney, Ernest M. Looney, Myra Looney, Joan Foley, Earlene Strouth, Judy Boyd Delp, Johnny Sherman Boyd, Raymond Reynolds, Darel Gene Hurt, Betty Joyce Dye, Michael D. Webb, Daniel J. Webb, Joshua M. Webb, Wade Burke, Tony Burke, Todd Druck, Troy Druck, Judy Kilgore, Delcia A. Runkle, Hazel C. Cooper, Cynthia Grove, Rhonda K. Collins, Amanda Kiser, David L. Webb, The Nichols Family Trust, Audrey Boyd, John L. Boyd, Elizabeth C. Marshall, Chad W. Casey, Robert Brian Casey, Katie Lynn Davis, Dennis Palmer, James Fadial, Nancy Luchini, Patty Stephens, Randall Jackson, Leshia Compton, Treamon Jackson, Larry Jackson, Nancy Jackson, Anna Stiltner, Wanda Hicks-Caskey, Ken T. Breeding, Frankie Breeding, Phyllis Breeding, and Sharon Breeding, William Robert Dailey, Deborah Ann Roberts and Bobby Curtis McGlothlin; (3) Dismissal of Coal Owner (s): Tazewell Coal and Gas Company. Unit BG102. Docket Number VGOB 05-1018-1508-02.

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

12. A petition from EnerVest Operating, LLC, for pooling of Unit VC-535443. Docket Number VGOB 18-1016-4188. Continued from November 2018.

The docket item was approved. No escrowing required.

13. A petition from EnerVest Operating, LLC for pooling of Well No. VCI-530561, Prater District, Buchanan County, Virginia. Unit VCI-530561. Docket Number VGOB 18-1120-4192.

The docket item was approved. No escrowing required.

14. A petition from EnerVest Operating, LLC, for an exception to statewide spacing. Unit V-530555. Docket Number VGOB 19-0219-4200.

The docket item was approved.

15. A petition from the Division of Gas and Oil, on behalf of others, for Arnold Bailey appealing the Decision of the Director, issued on August 21, 2018, for Informal Fact Finding Hearing Number 1007, regarding Application Number 31013, from EnerVest Operating, LLC, for proposed well Haysi 87 w/PL, located in the Prater Magisterial District, Buchanan County, Virginia. Docket Number VGOB 18-1120-4191. Continued from November 2018.

The docket item was continued to April, 2019. Arnold Bailey and David Church were present to represent the interest of Arnold Bailey. Charles Akers, Larry Reeves and Tim Scott (Attorney) were present to represent EnerVest Operating, LLC.

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

Mr. Cooper updated the Board that \$20,086,929.90 has been disbursed from the escrow account since the House Bill 2058 was enacted. The escrow agent has written over 14,000 checks to disburse the escrowed funds thus far. There are 3.4 million dollars left in the escrow account attributable to unknown/unlocatable owners. There is 2.4 million dollars attributable to owners that have cloud on title. There is approximately 4 million dollars left in the account that are attributable to coal/gas conflict.

17. The Board reviewed the November 2018 minutes for approval.

The docket item was approved.

The hearing adjourned at 1:31 p.m.