

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES MARCH 17, 2015

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, March 17, 2015 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bill Harris (Public Representative), Bruce A. Prather (Oil and Gas Industry Representative), Donald Lewis Ratliff (Coal Industry Representative) and Donnie W. Rife (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, appeared to address the Board on the Quarterly Report/End of Year Report.

The quarterly report/end of year report was presented to the Board. The bank emphasized that they are unable to disburse funds from the escrow account without a W-9 form from each payee. The Board asked the Division of Gas & Oil to put a link to the W-9 form on their website, to make this form more readily available to the payees.

3. A petition from EQT Production Company, for Petition for the disbursement of funds and authorization for direct payment on behalf of the known owners on tracts 2 and 4 in Well VC-702846. Docket Number VGOB 93-0316-0343-03. Continued from September 2014.

The docket item was continued to May, 2015. Continuance requested by the applicant.

4. A petition from EQT Production Company, for disbursement and authorization for direct payment on behalf of all known owners in Tracts 1, 2, 5, 6, 8, 9, 10, 11, 12 and 13 in Well VC-504482. Docket Number VGOB 01-0619-0899-02. Continued from October 2014. Continued from November 2014.

The docket item was continued to May, 2015. Continuance requested by the applicant.

5. A petition from EQT Production Company, for disbursement of funds and authorization of direct payment on behalf of all known owners in Tracts 1, 2, 4 and 5 in Well VC-536070 in Castlewood District, Russell County, Virginia. Docket Number VGOB 04-0921-1337-08. Continued from November 2014.

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

6. A petition from EQT Production Company, for disbursement of funds and authorization for direct payment on behalf of all known owners as to Tracts 2 and 3 in Well VC-502974. Docket Number VGOB 05-0419-1437-01. Continued from September 2014. Continued from November 2014.

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

7. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of known owners on Tracts 2, 4, 5, 6, 7, 8, and 9, in Well VC-703655. Docket Number VGOB 97-0520-0586-02. Continued from March 2014. Continued from November 2014.

The docket item was continued to May, 2015. Continuance requested by the applicant.

8. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of all known owners as to Tracts 2, 3, 4 and 5 in Well VC-537244. Docket Number VGOB 07-1218-2101-01. Continued from September 2014 and November 2014.

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

9. A petition from EQT Production Company, for disbursement and authorization for direct payment on behalf of all known owners in Tract 4 in Well PC-313 (VC-751313). Docket Number VGOB 93-0119-0309-06. Continued from October 2014. Continued from November 2014.

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

10. A petition from CNX Gas Company, LLC, for Pooling of Unit K2 under Oakwood Coalbed Methane Gas Field I. Docket Number VGOB 15-0217-4062.

The docket item was approved. No escrowing required.

11. A petition from CNX Gas Company, LLC, for Re-pooling and Dismissal of certain coal claimants as conflicting. Unit W47. Docket Number VGOB 98-1117-0699-02.

The docket item was approved. Escrowing required.

12. A petition from CNX Gas Company, LLC, for Re-pooling and Dismissal of certain coal claimants as conflicting claimants. Unit Q-48. Docket Number VGOB 00-0418-0790-01.

The docket item was approved. Escrowing required.

13. A petition from CNX Gas Company, LLC, for Re-pooling and Dismissal of certain coal claimants as conflicting claimants. Unit AY123. Docket Number VGOB 06-0117-1559-01.

The docket item was continued to April, 2015.

14. A petition from CNX Gas Company, LLC, for Re-pooling of Unit G39. Docket Number VGOB 06-0221-1577-01.

The docket item was approved. No escrowing required.

15. On the Board's own motion, CNX Gas Company, LLC, will approach the Board to revise testimony for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 3A, 3B & 3C as depicted upon the annexed Table 1; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Tazewell Coal and Gas Company, LLC. & Frances Ann McGlothlin, Euva Dane Lyons, Bobby Curtis McGlothlin, Glenna Ruth Couch, and Sandra Street. Unit BF-102. Docket Number VGOB 05-0215-1400-01. Continued from December 2014.

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

16. On the Board's own motion, CNX Gas Company, LLC, will approach the Board to revise testimony for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 1A & 1B as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Tazewell Coal and Gas Company, LLC. & Frances Ann McGlothlin, Euva Dane Lyons, Bobby Curtis McGlothlin, Glenna Ruth Couch, and Sandra Street. Unit BF-101. Docket Number VGOB 05-1018-1507-01. Continued from December 2014.

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

17. On the Board's own motion, CNX Gas Company, LLC, will approach the Board to revise testimony for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 1A, 1B, 1D, 1E, 1F, 1G, 1H, & 2, as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Tazewell Coal and Gas Company, LLC. & Frances Ann McGlothlin, Euva Dane Lyons, Bobby Curtis McGlothlin, Glenna Ruth Couch, and Sandra Street; Tazewell Coal and Gas Company, LLC. & Gent Enterprises. Unit BG-102. Docket Number VGOB 05-1018-1508-01. Continued from December 2014.

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

18. A petition from CNX Gas Company, LLC, for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tract 3B as depicted upon the annexed table. (Royalties currently being paid under BUC1SGU2, VGOB 08-1118-2367.) Docket Number VGOB 03-0916-1191-01.

The docket item was approved. The account will close. Authorization for direct payment of royalties. The check for Wilderness Tabernacle Church is to be made out to the Trustees of the Wilderness Tabernacle Church, but mailed to T. Shea Cook, attorney.

19. A petition from CNX Gas Company, LLC, for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 2A, 4B, 4C & 4G as depicted upon the annexed table. (Royalties currently being paid under BUC1SGU2, VGOB 08-1118-2367.) Docket Number VGOB 98-0324-0638-06.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. The checks for Wilderness Tabernacle Church are to be made out to the Trustees of the Wilderness Tabernacle Church, but mailed to T. Shea Cook, attorney. Tract 4G was removed from the disbursement petition due to a law suit.

20. A petition from CNX Gas Company, LLC, for the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 1B & 4C as depicted upon the annexed table. (Royalties currently being paid under BUC1SGU2, VGOB 08-1118-2367.) Docket Number VGOB 98-0421-0648-04.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. The check for Wilderness Tabernacle Church is to be made out to the Trustees of the Wilderness Tabernacle Church, but mailed to T. Shea Cook, attorney.

21. 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 2F as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to the parties to the prevailing plaintiffs; Patricia C. Steele, Brenda C. Taylor, Hubert L. Lawson, Brian K. Lawson, Rita D. Griffith, Samuel D. Lawson, & Lesia Robin Lawson. Docket Number VGOB 02-0820-1057-02.

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

22. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 1D, 1G, 1H, & 1L as depicted upon the annexed Table; and (2) authorization to begin paying royalties directly to the parties to the prevailing plaintiffs; Patricia C. Steele, Brenda C. Taylor, Hubert L. Lawson, Brian K. Lawson, Rita D. Griffith, Samuel D. Lawson, Lesia Robin Lawson, Dollie S. Absher, and Doris E. Dye. Docket Number VGOB 02-0618-1033-02.

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

23. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 5, 5A, 13B, 20 & 21 to the persons identified in Table 1 using the percentages set forth in Table 1; and (2) dismissal of coal owner(s)/claimant(s) named in the Notice of Hearing and identified in Exhibit B2 who were pooled by the Board as conflicting claimants. BUNE1. Docket Number VGOB 91-1119-0161-06.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. Dismissal of Coal Owner(s)/Claimant(s) named in the Notice of Hearing was not approved.

24. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 2B, 2D, & 3A to the persons identified in Table 1 using the percentages set forth in Table 1; and (2) dismissal of coal owner(s)/claimant(s) named in the Notice of Hearing and identified in Exhibit B2 who were pooled by the Board as conflicting claimants. Docket Number VGOB 07-0619-1941-02.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. Dismissal of Coal Owner(s)/Claimant(s) named in the Notice of Hearing was not approved.

25. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent attributable to Tracts 1D, 1E, 1J, & 1L to the persons identified in Table 1 using the percentages set forth in Table 1; and (2) dismissal of coal owner(s)/claimant(s) named in the Notice of Hearing and identified in Exhibit B2 who were pooled by the Board as conflicting claimants. Docket Number VGOB 03-0218-1115-02.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. Dismissal of Coal Owner(s)/Claimant(s) named in the Notice of Hearing was not approved.

26. A petition from Range Resources-Pine Mountain, Inc., for modification of the Nora Coalbed Methane Gas Field Rules, to allow one additional coalbed gas well to be drilled within each of the 58.77 acre Nora Units. Docket Number VGOB 89-0126-0009-82.

The docket item was approved.

27. A petition from Range Resources-Pine Mountain, Inc., for pooling of Well No. 900120, Prater District, Buchanan County, Virginia. Docket Number VGOB 13-0716-4017-01.

The docket item was approved. No escrowing required.

28. A petition from Range Resources-Pine Mountain, Inc., for a Well Location Exception for Well No. V-537717, Kenady District, Dickenson County, Virginia. Docket Number VGOB 15-0217-4060.

The docket item was approved.

29. A petition from Range Resources-Pine Mountain, Inc., for pooling of Well No. V-537717, Kenady District, Dickenson County, Virginia. Docket Number VGOB 15-0217-4060-01.

The docket item was approved. No escrowing required.

30. A petition from Range Resources-Pine Mountain, Inc., for pooling of Well No. VC-537047, Hurricane District, Buchanan County, Virginia. Docket Number VGOB 15-0217-4061.

The docket item was continued to April, 2015.

31. A petition from Range Resources-Pine Mountain, Inc., for a Well Location Exception for Well No. V-530405, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 15-0317-4063.

The docket item was approved.

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

The April 2015 VGOB hearing will be held at the Russell County Board of Supervisor's Board Room in the Russell County Government Center.

The May VGOB Hearing will be held a week later on May 26, 2015.

Mr. Cooper discussed with the Board several escrow accounts that needed to be closed.

The closure of these accounts were approved by the Board.

33. The Board reviewed the November 2014 and December 2014 minutes for approval.

The docket item was approved.

The hearing adjourned at 3:12 p.m.