

COMMONWEALTH OF VIRGINIA  
VIRGINIA GAS AND OIL BOARD HEARING  
MINUTES NOVEMBER 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, November 17, 2015 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), Donnie W. Rife (Public 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 will receive public comments.

There were no public comments.

2. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to of Tracts 4A, 4B, 4C & 7, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Hurt McGuire Land Trust, CNX Gas Company LLC, Paul Bohon, Harty Loria, Jennilyn Quillen, Joe Bohon, Charles Dewain Bohon, III, & VDOT. Unit X34. Docket Number VGOB 97-0318-0572-01.

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

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 Tract 2A, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the following parties; Pamela J. Keene, Jamie H. Hale and Jeffery C. Hale. Unit FF23. Docket Number VGOB 99-0216-0709-02.

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

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 Tract 5, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the following parties; Pamela J. Keene, Jamie H. Hale and Jeffery C. Hale. Unit AV111. Docket Number VGOB 01-0116-0852-02.

The docket item was approved. The account will close. 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 Tracts 1E, 1F, & 1J, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the parties to the prevailing plaintiffs; Paul Eugene Richardson, Shelby Ruth Richardson, & Loretta Mae Richardson; authorization to begin paying royalties directly to the parties to the royalty split between Swords Creek Land Partnership & Kimberly A. White, Randall Wayne White, Jr., Laura Katherine White, Jeremy Russell White, and Joann Richardson. Unit FF34. Docket Number VGOB 02-0618-1033-03.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. Checks for Paul Richardson, Shelby Richardson & Loretta Richardson, should be made payable to the landowners but mailed in care of to T. Shea Cook, P. C.

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 of Tracts 2A & 2C, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Buckhorn Coal Company, Lowie Perkins, Earnest L. & Nancy Perkins, and Donald Whited. Unit BA110. Docket Number VGOB 02-0917-1072-02.

The docket item was continued to December, 2015. The docket item was continued pending further justification of the Exhibit J reconciliation.

7. A petition from CNX Gas Company, LLC, for Pooling of Unit AV148. Docket Number VGOB 15-1117-4076.

The docket item was approved. Escrowing required.

8. A petition from CNX Gas Company, LLC, for Pooling for Unit U55. Docket Number VGOB 15-1117-4077.

The docket item was approved. Escrowing required.

9. A petition from Virtex Eastern Producing Company, LLC. Applicant requests the Virginia Gas and Oil Board to enter an order transferring the right to operate all units listed in this application that were established by Board Order from Dart Oil and Gas Corporation to Virtex Eastern Production Company, LLC. Docket Number VGOB 15-1117-4078.

The docket item was approved.

10. A petition from Range Resources-Pine Mountain, 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 identified above. For an administrative order providing that additional well permits may be issued in the Nora Field after this application is filed and while it is pending. Units 55BB, 55BC, 57BD, 58BC, 59BB, 59BC, 60AX, 60BC, 61AX, 62AZ, 62BA, 62BD, 63BD, 66BE, 69BG, 69BH, 70BG, 70BH, 71BG, 71BH, & 72BG. Docket Number VGOB 89-0126-0009-85.

The docket item was approved.

11. A petition from Range Resources-Pine Mountain, to disburse funds from the escrow account for well VC-2844, to all known owners in Tract 6. Unit VC-2844 (VC-702844). Docket Number VGOB 93-0420-0366-04.

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

12. A petition from Range Resources-Pine Mountain, to disburse funds from the escrow account for well VC-703596, to all known owners in Tracts 3 and 4. Unit VC-3596. Docket Number VGOB 97-0318-0568-01.

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

13. A petition from Range Resources-Pine Mountain, to disburse funds from the escrow account for well VC-537867, to all known owners in Tract 3. Unit VC-537867. Docket Number VGOB 08-0415-2202-01.

The docket item was withdrawn.

14. A petition from Range Resources-Pine Mountain, to disburse funds from the escrow account for well VC-535592, to all known owners in Tracts 1 and 2. Unit VC-535592. Docket Number VGOB 08-0617-2252-01.

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

15. A petition from Range Resources-Pine Mountain, to disburse funds from the escrow account for well VC-504284, to all known owners in Tract 3. Unit VC-504284. Docket Number VGOB 09-1117-2628-01.

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

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

Mr. Cooper received approval from the Board to:

\*Close the escrow account for docket 2015 (Unit VC-537623), and send refund back to Range Resources-Pine Mountain, Inc., per request letter from Range Resources, dated October 19, 2015. This well was constructed but never drilled.

\*Close the escrow accounts and reimburse EQT Production Company, for the following wells: VC531373 (Docket 2631), VCI531377 (Docket 2702), VC502913 (Docket 2704), VCI538739 (Docket 2718), VCI531497 (Docket 2719), VC537188 (Docket 2721), VC536216 (Docket 2729), VCI531539 (Docket 2732), VC537187 (Docket 2736), VC504900 (Docket 2783), VC536552 (Docket 2856), VC537796 (Docket 2857), VCI5384289 (Docket 2885), VCI537447 (Docket 2886), VCI537428 (Docket 2887). These accounts were originally set up to accommodate bonus payments for unknown/unlocatable landowners for wells that were never drilled.

Mr. Cooper discussed with the Board another request that was received, to close the escrow account for docket 0620 (Unit VC-3716), and send refund back to Range Resources-Pine Mountain, Inc., per request letter from Range Resources, dated October 7, 2015. This request was not approved by the Board. The Board recommended that the issue be brought to the VGOB in a miscellaneous petition.

Mr. Cooper updated the Board on the status of the available monies that are accessible to disburse in the VGOB escrow account. The Board recommended that the escrow agent renew for no more than a term of twelve months, the CDARS accounts that will be renewable in December 2015.

17. The Board will review the October 2015 minutes for approval.

The docket item was approved.

The hearing adjourned at 11:07 a.m.