

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES MARCH 21, 2017

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 21, 2017 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), Sarah Gilmer (Division of Gas and Oil) , Bradley Boyd - Division of Gas and Oil.

1. The Board received public comments.

There were no public comments.

2. On the Board's own motion, Michael A. Skiffington, Policy and Planning Manager will present to the Board recommended changes to the Virginia Gas and Oil Board Regulations. Mr. Skiffington will explain the process involved in the Board regulation approval process.

Michael Skiffington presented the proposed changes to the Board. The Board approved the recommended changes to the Virginia Gas and Oil Board Regulations.

3. A petition from CNX Gas Company, LLC, for re-pooling under Oakwood Coalbed Methane Gas Field I. Unit C32. Docket Number VGOB 01-0515-0889-02.

The docket item was continued to April, 2017.

4. A petition from CNX Gas Company, LLC, for re-pooling under Middle Ridge Methane Gas Field. Unit AW147. Docket Number VGOB 16-1115-4101-01.

The docket item was approved. Escrowing required.

5. A petition from CNX Gas Company, LLC, for pooling under Oakwood Coalbed Methane Gas Field I. Unit CC13. Docket Number VGOB 17-0321-4110.

The docket item was approved. No escrowing required.

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 Tract 6A1, as depicted upon the annexed table. (2) authorization to begin paying royalties directly to the parties to the prevailing plaintiffs: W.S. Ellis Heirs, Devisees, Successors or Assigns, c/o James Huffman, Agent. Unit BUN1. Docket Number VGOB 91-0716-0135-04.

The docket item was approved. The account will continue. The check is to be made payable to W. S. Ellis Estate c/o James Huffman, Agent, and mailed to T. Shea Cook, Attorney.

7. 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, 8B, 11B, 20, 21 & 22, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Emmanuel Wade, Sherman Baldwin, Nancy Wooten Komp, Sandra Cranmer, Donna Foote, Pamela Case, Rufus Baldwin, David Baldwin, Tammy Muir, Eddie Baldwin, Kathy Whitt, Lisa Shaver, Patti Gilbert, Michael T. Boyd, Venia Wade Newberry, Virginia Edith Smith, Yukon Pocahontas Coal Company, Buchanan Coal Company, Sayers-Pocahontas Coal Company, Highland Resources/North American Resources Corp, Janet Weatherford, William Tickle, Jr., Commonwealth of Virginia, Rockport Oil & Gas and Chisos, LTD; (3) Dismissal of Coal owner(s): Hugh MacRae Land Trust (Torch Oil & Gas). Unit BUNE1. Docket Number VGOB 91-1119-0161-07.

The docket item was approved. The account will continue.

8. 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 3A & 4, as depicted upon the annexed table. (Inactive Account - Royalties currently being paid under VP8SGU1, Docket #VGOB 95-1024-0526). Unit V20. Docket Number VGOB 92-0721-0243-04.

The docket item was approved. The account will close. The checks are to be made payable to W. S. Ellis Estate c/o James Huffman, Agent, and mailed to T. Shea Cook, Attorney.

9. 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 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, and a portion of 124 and 126, as depicted upon the annexed table; and (2) Dismissal of Coal Owner: Coal Mountain Mining Company. (Royalties currently being paid under BUCH1SGU1, Docket #VGOB 98-1117-0697). Unit SLW12. Docket Number VGOB 92-0818-0249-01.

The docket item was approved. The account will continue.

10. 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 and a portion of 13, as depicted upon the annexed table; and (2) Dismissal of Coal Owners: Hugh MacRae Land Trust (Torch Oil & Gas), Rockport Oil & Gas, and Chisos (LTD). (Royalties currently being paid under VP2SGU, Docket #VGOB 02-0319-1008). Unit V29. Docket Number VGOB 96-0116-0531-02.

The docket item was approved. The account will continue.

11. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tracts 1A & 1B, as depicted upon the annexed table. (Royalties currently being paid under Buchanan No.1 SGU2, VGOB 08-1118-2367). Unit T37. Docket Number VGOB 98-0421-0650-07.

The docket item was approved. The account will continue.

12. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tracts 2 & 3, as depicted upon the annexed table. (Royalties currently being paid under Buchanan No.1 SGU2, VGOB 08-1118-2367). Unit S35. Docket Number VGOB 98-0915-0681-08.

The docket item was approved. The account will continue.

13. 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 4 and a portion of Tract 6, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Victoria Elkin, Charles Stevenson, Milfred Roberts, Mildred Juanita Pendergrass, Lillian R. Bales, Johnny Roberts, Lavina Rye, Shona M. Hudson, James Roberts, Goldie Locklear, Richard D. Roberts, Pardee Royalty/Minerals, and White Wolfe Energy, Inc. Unit W46. Docket Number VGOB 98-1020-0689-03.

The docket item was approved. The account will continue.

14. 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 1A-1, 1A-2, 1B, 2A-1, 2A-2, 2A-3, 2B-1, 2B-2, 2C, 2D, 2E, 2F, 2G, 2H, 3A, and 3B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Rockport Oil & Gas, LLC; Chisos, LTD; CNX Gas Company, LLC; Elmer & Evelyn Jackson; and James D. Hale; (3) Dismissal of Coal Owner(s): Hugh MacRae Land Trust (Torch Oil & Gas); Rockport Oil & Gas, LLC; and Chisos, LTD. Unit DD25. Docket Number VGOB 00-1017-0825-01.

The docket item was approved. The account will close.

15. 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 2N, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Coal Mountain Mining Company, Wilma D. Johnson, John Gregory Bostic and Danny Osborne. Unit EE38. Docket Number VGOB 02-0521-1029-08.

The docket item was approved. The account will continue.

16. 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, 1F, 1G, 1H, and 3B as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Swords Creek Land Partnership, Jerry Lee Plaster, and Ellen Jay Vance; (3) Dismissal of Coal Owner: Swords Creek Land Partnership. Unit FF31. Docket Number VGOB 03-0318-1131-02.

The docket item was approved. The account will continue.

17. A petition from CNX Gas Company, LLC, for 1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tracts 1B, 2E and 2K, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Coal Mountain Mining Company, Wilma D. Johnson, Hermas Ball, Greg Bostic, Danny Osborne, Freddie E. Casey, Camille Lee, Victoria Quaid, George Larry Short, Dennis Simmons, Jack Simmons, Sandra Spruell, Renee Simmons and the Commonwealth of Virginia. Unit FF38. Docket Number VGOB 03-1021-1207-06.

The docket item was approved. The account will continue.

18. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tract 1B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Loeita Lambert, Edward Tiller, Christa Hess, Ronnie Tiller, Harley Sanders, and Allen Sanders; (3) Dismissal of Coal Owner: H-W Financial, LLC (formerly Harrison-Wyatt, L.L.C.). Unit AZ99. Docket Number VGOB 04-0120-1250-03.

The docket item was approved. The account will continue.

19. 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 1A, 1B, 1C, 1D, 1H, 1L, 1M, 1N, 1O, 1P, 1Q, 1R, 1U, 1V, 2A, and 2B, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Swords Creek Land Partnership, Daniel Keen, Virginia Resources, LLC, Raymond Slate, Jr., Jackie Dale Slate, Daniel and Rebecca Tucker, Shelia Slate Lofton, John and Teresa Farmer, Timothy and Kathy Chafins, Larry Wayne Plaster, Frances Plaster, Gerald R. Newberry, Connie Richardson, Wilma Keen, Gerald T. Francis (c/o Verlin Dye, Conservator), Kenneth Vance, Harvey Vance, Leslie Vance, Linda Guill, Emma J. Childress, Shelvie J. Barton, Ellen Kay Vance, Barbara Vance Lester, Rita Carol Jackson, Grover Jackson, Victoria Hyatt, Carolyn Flinchem, Ershell Vance, Jr., Nealy William Christian, Henrietta Joyce Jarrett, Madeline Richardson, and Terry and Kathy Casey; (3) Dismissal of Coal Owner: Swords Creek Land Partnership. Unit BD122. Docket Number VGOB 04-1214-1366-01.

The docket item was approved. The account will continue.

20. A petition from EnerVest Operating, LLC, for re-pooling of Well No. VC-504527, Hurricane District, Buchanan County, Virginia. Docket Number VGOB 00-1121-0848-02.

The docket item was approved. No escrowing required.

21. A petition from EnerVest Operating, LLC, for re-pooling of Well No. VC-503721, Hurricane District, Buchanan County, Virginia. Docket Number VGOB 05-0621-1467-02.

No escrowing required.

22. A petition from EnerVest Operating, LLC, for re-pooling of Well No. VCI-531608, Hurricane District, Buchanan County, Virginia. Docket Number VGOB 16-0816-4095-01.

The docket item was approved. No escrowing required.

23. A petition from EnerVest Operating, LLC, for pooling of Well No. VCI-530432-Nora Grid AT-83, Hurricane District, Buchanan County, Virginia. Docket Number VGOB 17-0117-4108. Continued from January 2017.

The docket item was approved. No escrowing required.

24. A petition from EnerVest Operating, LLC, for pooling of Well No. VCI-530459, Nora Grid 67AP, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 17-0321-4111.

The docket item was continued to April, 2017.

25. A petition from EnerVest Operating, LLC, for pooling of Well No. VCI-530472, Nora Grid 67AO, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 17-0321-4112.

The docket item was continued to April, 2017.

26. A petition from EnerVest Operating, LLC, to Disburse Funds from the escrow account for well VC-702966, to all known owners in Tracts 2 and 3, VGOB 94-0816-0467-05, pursuant to court order and to vacate Disbursement VGOB 94-0816-0467-04. Docket Number VGOB 94-0816-0467-05.

The docket item was approved. The account will close.

27. A petition from EnerVest Operating, LLC, to disburse funds from the escrow account for well V-536721, to all known owners in Tract 2, VGOB 05-0419-1435-01, pursuant to court order. Docket Number VGOB 05-0419-1435-01.

The docket item was approved. The account will close.

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

Mr. Cooper reported to the Board an update of the amounts that have been disbursed thus far from the VGOB escrow account. As of today, approximately 11.2 million dollars have been disbursed since the House Bill 2058 passed. Over 400 accounts have been closed. There is approximately 17 million dollars left in the account.

29. The Board reviewed the January 2017 minutes for approval.

The docket item was approved.

The hearing adjourned at 12:14 p.m.