

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES JUNE 16, 2020

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, June 16, 2020. This will be a virtual call-in meeting only. Those wishing to call in please dial 1-866-845-1266 (Passcode: 52769596#)

Board members present were Bradley C. Lambert (Chairman), Bill Harris (Public Representative), Bruce A. Prather (Oil and Gas Industry Representative), Donald Lewis Ratliff (Coal Industry Representative), Donnie W. Rife (Public Representative), Mary Addington Quillen (Public Representative) and Rita Surratt (Public Representative).

Also present were Jerald Hess (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 First Bank and Trust Company, Escrow Agent for the Virginia Gas and Oil Board, will address the Board on the Quarterly/End of Year 2019 Report and the January – March 2020 Quarterly Report.

The Quarterly/End of Year 2019 Report and the January – March 2020 Quarterly Report was presented to the Board by Jody Maney with First Bank and Trust Company.

2. A petition from Pocahontas Gas LLC, for re-pooling under Oakwood Coalbed Methane Gas Field I. Unit O4. Docket Number VGOB 92-0915-0257-03.

The docket item was approved. Escrowing required.

3. A petition from Pocahontas Gas LLC, for re-pooling under Oakwood Coalbed Methane Gas Field I. Unit Y35. Docket Number VGOB 97-0916-0601-03.

The docket item was approved. Escrowing required.

4. A petition from Pocahontas Gas LLC, for re-pooling under Nora Coalbed Methane Gas Field I. Unit BG-98. Docket Number VGOB 06-0919-1714-02.

The docket item was approved. Escrowing required.

5. A petition from Pocahontas Gas LLC, for pooling under Oakwood Coalbed Methane Gas Field I. Unit CC35. Docket Number VGOB 20-0421-4230.

The docket item was approved. No escrowing required.

6. A petition from Pocahontas Gas LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 2, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to H-W Financial, LLC. Unit Z8. Docket Number VGOB 91-0430-0114-02.

The docket item was approved. The account will close. 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 Tracts 1C, 1E1, and 1E2, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Connie Burke. Unit S53. Docket Number VGOB 99-1019-0758-03.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. Funds for this payment are to be mailed to T. Shea Cook, PC. The check is to be written to Connie Burke.

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 6, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to H-W Financial, LLC. Unit Y7. Docket Number VGOB 01-0821-0918-02.

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

9. 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 13, 16, a portion of 19, 34, and 39, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Hugh MacRae Land Trust (Rockport Oil & Gas, Chisos LTD), Yukon Pocahontas Coal Company, LLP, Buchanan Coal Company, LLP, Sayers-Pocahontas Coal Company, LLP, Weyerhaeuser NR Company, Emmanuel Wade, Nick Deskins, Valmy Shannon, Inez Kimbrell, Wanda Griffith, Allene Smith, Sherman Baldwin, Mary Katharine Arnold, Nancy Baldwin Komp, Sandra Baldwin Cranmer, Donna Foote, Pamela Ginger Case, Rufus Baldwin, David Baldwin, Tammy Baldwin Muir, Sharon G. Baldwin, Eddie Baldwin, Kathy Whitt, Lisa Shaver, Patti Gilbert, Michael T. Boyd, Hassell Newberry, Jr., Timothy K. Martin, Virginia Edith Smith, Scotty Bond, David Smith, Donald Smith, Judy Tiedemann, Jo-Ann Perkins Smith, Peggy Smith, James Elwood Keen, Mary Lou Webb, Estate of Harman M. Webb, John Webb, Carol Cole Ownbey, Barbara Cole Maxwell, Bill Chambers, Sherri Collins, Wanda Waite, Gary Wells, Mark Wells, Deborah Sopenski, Cynthe Colgrove, Pauline Cole Casey, Chadwick Michael Casey, Robert Brian Casey, Tina Hall, Karen Sisk Chandler, and Kell and Linda Vandyke; (3) Dismissal of coal owner(s): Hugh MacRae Land Trust (Rockport Oil & Gas, Chisos LTD), Yukon Pocahontas Coal Company, LLP, Buchanan Coal Company, LLP, Sayers-Pocahontas Coal Company, LLP Co., and Consolidation Coal Company. Unit VP2SGU1. Docket Number VGOB 02-0319-1008-09.

The docket item was approved. The 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 Tract 5, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to H-W Financial, LLC. Unit Z7. Docket Number VGOB 02-0416-1020-01.

The docket item was approved. The account will close. 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 a portion of Tract 1B, a portion of Tract 1D, a portion of Tract 3, and a portion of Tract 4A, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to H-W Financial LLC, Nancy Kathleen Helton, Vivian Jean Stuart, Kenny E. Helton, Linda Lou McGinnis, Gaynell Green, Rickey D. McGinnis, Kenneth D. McGinnis, Constance M. Tucker, Betty Jean Stiltner, Shirley Fuller, Lola Gay Hardin, Christopher Travis Sage, Norma Jean Hibbitts, Joshua Cordle, Teresa Hampton, Christopher Cordle, Michael D. Collins, Sandra Goodwin Green, Canon Beach Bible Conference Center, Bethel Louise Fields, Dennis H. Fields, Ronald Duncan, Cindy Patricia Mullins, Donna Ledford, Roberta Green, Ollie Dudley, Margie Quinley Davis, Jason Sanford, Deborah Camacho, Kenny Helton, Nancy Kathleen Helton, Vivian Jean Stuart, Orié Wangler, Wainoke Sanders, La'Trenda Sanders, Beatrice Jane MacCormac, Betty Sanders Fletcher and Edith Sanders. Unit AX99. Docket Number VGOB 04-1116-1358-04.

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

12. A petition from Pocahontas Gas LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 3, as depicted upon the annexed table. (Royalties currently being paid under VP8SGU5, Docket #VGOB 07-1113-2083). Unit X8. Docket Number VGOB 05-0816-1491-04.

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

13. A petition from Pocahontas Gas LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1L1, 1L2, 1M, 1N, 1O, 1Q, 1S1 and 1S2, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Elizabeth and James Day, Jr., James H. Sweet, Fred and Dorothy McGlothlin, and Jimmy C. Day, Sr. and Myrna Day. Unit R54. Docket Number VGOB 08-0415-2195-03.

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

14. A petition from Diversified Production LLC, requesting 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, as well as any petitions currently pending before the Board, from Diversified Southern Production, LLC and Core Appalachia Operating, LLC, to Diversified Production LLC. Docket Number VGOB 19-1119-4227.

The docket item was approved. Jessica Greathouse and Tim Scott spoke on behalf of Diversified Production LLC.

15. A petition from EnerVest Operating, LLC, for pooling. Unit VCI-530621. Docket Number VGOB 20-0218-4228.

The docket item was withdrawn.

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

Mr. Cooper sought approval from the Board to close the escrow account for docket # 07-1016-2048 (Unit: 537890) and forward the remaining balance to EnerVest Operating LLC. The pooling petition was withdrawn by Equitable Production Company on October 16, 2007. The Board approved this request.

Mr. Cooper sought approval from the Board to close the "Gregory" escrow account listed at the bottom of the bank spreadsheet (shown in green) and transfer the funds currently in that account to the account for docket # 96-0716-0546 (Unit: COGC2). The Board approved this request.

Mr. Cooper sought approval from the Board to close the "Henry Sutherland" escrow account listed at the bottom of the bank spreadsheet (shown in green) and transfer the funds currently in that account to the account for docket # 93-0119-0317 (Unit: VC-2277). The Board approved this request.

Mr. Cooper sought approval from the Board to close the escrow account for docket 07-1016-0405 (Unit: XXX34) and forward the funds back to the original applicant now doing business as Ashland, LLC. The pooling order expired and the well was never drilled. The Board approved this request.

Mr. Cooper sought guidance from the Board on the money amount they would like to give the Division of Gas and Oil authority to approve internally when the account does not balance to the penny. The Board granted the Division of Gas and Oil the authority to make this decision.

17. The Board will review the November 2019 minutes for approval.

The docket item was approved.

The hearing adjourned at 11:46 a.m.