

COMMONWEALTH OF VIRGINIA  
VIRGINIA GAS AND OIL BOARD HEARING  
MINUTES JUNE 20, 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, June 20, 2017 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bradley C. Lambert (Chairman), Bill Harris (Public 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), Sarah Gilmer (Division of Gas and Oil) , and Bradley Boyd - (Division of Gas and Oil).

1. The Board received public comments.

There were no public comments.

2. A petition from CNX Gas Company, LLC, for (1) Disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 5, as depicted upon the annexed table. (Inactive Account - Royalties currently being paid under VP8SGU1, Docket #VGOB 95-1024-0526). Unit W20. Docket Number VGOB 92-0721-0240-08.

The docket item was approved. The account will close. Authorization for direct payment of royalties. The check for the W. S. Ellis Estate will be made payable to the estate but mailed to T. Shea Cook.

3. A petition from CNX Gas Company, LLC, for (1) Disbursement from escrow regarding Tract 1A; and (2) Dismissal of surface owners. Unit U14. Docket Number VGOB 93-0622-0379-01.

The docket item was continued to July, 2017.

4. A petition from CNX Gas Company, LLC, for (1) Disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tract 3, and a portion of Tracts 5 & 8, as depicted upon the annexed table; (2) authorization to begin paying royalties directly to Phyllis McKeon, Joyce Hawkins Jones, Charles Hawkins, Nancy Louise Agee, Yvonne King, Donald R. Sampson, Darvin G. Sampson, Jerry L. Sampson, Kenneth Sampson, James H. Webb, Gloria Poe, Mark S. Shupe; and (3) Dismissal of coal owner: H-W Financial LLC (previously Harrison-Wyatt LLC). (Royalties currently being paid under VP8SGU3). Unit T16. Docket Number VGOB 94-1024-0476-05.

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

5. A petition from CNX Gas Company, LLC, for (1) Disbursement of escrowed funds attributable to royalty interest only, heretofore deposited with the Board's Escrow Agent, attributable to Tracts 2B and 4C, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Howard Russell Dye. Unit BA110. Docket Number VGOB 02-0917-1072-04.

The docket item was approved. The royalty interest portion of the account will close. Authorization for direct payment of royalties.

6. A petition from CNX Gas Company, LLC, for Pooling under the Nora Coalbed Methane Gas Field. Unit U80. Docket Number VGOB 17-0620-4125.

The docket item was approved. Escrowing required.

7. A petition from CNX Gas Company, LLC, for Pooling under Oakwood Coalbed Methane Gas Field I. Unit J33. Docket Number VGOB 17-0620-4126.

The docket item was approved. No escrowing required.

8. A petition from CNX Gas Company, LLC, for Pooling under Oakwood Coalbed Methane Gas Field I. Unit R48. Docket Number VGOB 17-0620-4127.

The docket item was approved. Escrowing required.

9. A petition from EnerVest Operating, LLC, to disburse funds from the escrow account for Unit V-825524, to all known owners in Tract 4. Docket Number VGOB 06-0516-1641-01.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. EnerVest to re-appear in August 2017 to report on production for this unit.

10. A petition from EnerVest Operating, LLC, for a Well Location Exception for Unit V-550512, located in the Clintwood Quad, Dickenson County, Virginia. Docket Number VGOB 17-0620-4128.

The docket item was approved.

11. A petition from EnerVest Operating, LLC, for a Well Location Exception for Unit V-530341, located in the Duty Quad, Dickenson County, Virginia. Docket Number VGOB 17-0620-4129.

The docket item was approved.

12. A petition from EnerVest Operating, LLC, for a Well Location Exception for Unit V-530405, located in the Prater Quad, Dickenson County, Virginia. Docket Number VGOB 17-0620-4130.

The docket item was approved.

13. A petition from EnerVest Operating, LLC, for pooling of Well No. V-530399, Pound Quad, Wise County, Virginia. Docket Number VGOB 17-0620-4131.

The docket item was approved. Escrowing required.

14. A petition from EnerVest Operating, LLC, for pooling of Unit V-550512, Clintwood Quad, Dickenson County, Virginia. Docket Number VGOB 17-0620-4132.

The docket item was approved. No escrowing required.

15. A petition from EnerVest Operating, LLC, for pooling of Unit VC-531514, Big A Mtn. Quad, Buchanan County, Virginia. Docket Number VGOB 17-0620-4133.

The docket item was approved. Escrowing required.

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

Mr. Cooper reported to the Board the VGOB escrow disbursement amounts that have been disbursed thus far. For the fiscal year 2017, \$5,822,288.62 has been disbursed. Since House Bill 2058 was enacted, \$12,800,545.08, has been disbursed. This totals over 10,000 checks that have been written by the escrow agent.

Mr. Cooper also reported to the Board that the new Virginia Gas and Oil Board Regulation changes become effective July 27, 2017. Mr. Cooper will go over these changes with the Board at the July 2017 hearing.

Mr. Kugelman provided the Board an update on the status of the Yellow Poplar court case. The court case has now been resolved. This should close 62 accounts which totals approximately 4.3 million dollars. The Board voted and approved to allow the Division of Gas and Oil to process these disbursement petitions internally without being brought back before the Board. Mr. Cooper will report back to the board after the disbursements have been processed.

17. The Board reviewed the May 2017 minutes for approval.

The docket item was approved.

The hearing adjourned at 11:16 a.m.