

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES APRIL 17, 2018

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, April 17, 2018 at the Russell County Government Conference Center, 133 Highland Drive (Board of Supervisors Meeting Ro.

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 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.

Ms. Jody Maney, with First Bank and Trust Company, presented the quarterly report for the VGOB Escrow Account to the Board.

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 a portion of Tracts 2 & 3, as depicted upon the annexed table; (Royalties currently being paid under VP8SGU3, Docket #VGOB 06-0321-1598). Unit T15. Docket Number VGOB 92-1215-0306-06.

The docket item was approved. The account continues. 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 a portion of Tract 4, as depicted upon the annexed table; (Royalties currently being paid under VP8SGU3, Docket #VGOB 06-0321-1598). Unit U15. Docket Number VGOB 93-0622-0380-02.

The docket item was approved. The account continues. 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 a portion of Tracts 5, 7 & 8, as depicted upon the annexed table; (Royalties currently being paid under VP8SGU3, Docket #VGOB 06-0321-1598). Unit T16. Docket Number VGOB 94-1024-0476-06.

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

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 Tracts 3A, 3B & a portion of Tract 5, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Buckhorn Coal Co., CNX Gas Company LLC, H.C. Bostic Coal Co., Frances Brown, Tom Dye, Donna Hite, Nancy Becker, Julia Hayes, Jacquelyn Walters, and Myrtle Stilton; (3) Dismissal of Coal Owners: Buckhorn Coal Co., Christie Bunker, Bobby Clark, James Clark, Jerry Clark, Douglas Compton, Teresa Conner, Linda Evans, Sandra Honaker, William Maxfield, Carol McGlothlin, Clinton McGlothlin, Debra McGlothlin, Ferrell McGlothlin, Garren McGlothlin, Herman McGlothlin, Rodney McGlothlin, Tonya Munn, Deanna Pinto, David Pinto, Kevin Pinto, Brenda Simpson, Eddie Smith, Shelia Smith, Jack Vandyke, and Sylvia Vandyke. Unit AY113. Docket Number VGOB 01-0821-0915-03.

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

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 11, 23 & 45, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Angela Chandler, Danny Cook, Henry Harman, Estate of Walter Keen (Angela Bailey, Executrix); (3) Dismissal of Coal Owners: Chisos, LTD, Wanda "Connie" Deskins, Gentry Locke, Lida Jaydene Holzgreffe, Hugh MacRae Land Trust, Edith McGlothlin, Rockport Oil & Gas, Patricia Sutter, ICC. Unit VP2SGU1. Docket Number VGOB 02-0319-1008-08.

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

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 Tract 1C, as depicted upon the annexed table. (Royalties currently being paid under VP8SGU5, Docket #VGOB 07-1113-2083). Unit X8. Docket Number VGOB 05-0816-1491-03.

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

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 Tract 4I, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the party to the prevailing plaintiff: Theresa Brents. Unit VP8SGU5. Docket Number VGOB 07-1113-2083-03.

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

10. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. 900120. Docket Number VGOB 18-0417-4167.

The docket item was approved.

11. A petition from EnerVest Operating, LLC, for Pooling of Well No. 900120. Docket Number VGOB 18-0417-4168.

The docket item was approved. No escrowing required.

12. A petition from EnerVest Operating, LLC, for Pooling of Well No. VCI-538581. Docket Number VGOB 18-0417-4169.

The docket item was approved. No escrowing required.

13. A petition from EnerVest Operating, LLC, for Pooling of Well No. VCI-538729. Docket Number VGOB 18-0417-4170.

The docket item was approved. Escrowing required.

14. A petition from EnerVest Operating, LLC, for Pooling of Well No. VC-536553. Docket Number VGOB 18-0417-4171.

The docket item was approved. No escrowing required.

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

Mr. Cooper updated the Board on the amount of money that has been disbursed from the Virginia Gas & Oil Board Escrow Account thus far. Approximately \$19,097,008.70 has been disbursed since the House Bill 2058 began.

2018 Disbursement Amounts by Quarter:

1st Quarter 2018: \$5,080,123.12

2nd Quarter 2018: \$816,244.69

3rd Quarter 2018: \$320,579.87

4th Quarter 2018: \$21,024.53

Account Balance as of March 31, 2018: \$10,652,440 which includes the No W-9 list. The DGO is continuing to locate the payees that have not cashed their disbursement checks.

16. The Board reviewed the February 2018 minutes for approval.

The docket item was approved.

The hearing adjourned at 11:21 a.m.