

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES NOVEMBER 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, November 21, 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), 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.

Lee Davis and Floyd Davis spoke to the Board individually regarding their concerns with Unit AX99. Fred Brown also addressed the Board regarding issues that he has with Well V-530331.

2. A petition from CNX Gas Company, LLC, for Re-Pooling under the Nora Coalbed Methane Gas Field. Unit AX99. Docket Number VGOB 04-1116-1358-02. Continued from October 2017.

The docket item was approved. Escrowing required.

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 1 and 12, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to: Valmy Shannon, Allene Smith, Marty Baldwin, Timothy Martin, Lillie Marie Smith, Anna Brown, David Smith, Donald Smith, Peggy Smith and the Estate of Walter Keen. Unit U28. Docket Number VGOB 97-0218-0564-06.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. The check for the Estate of Walter Keen will be mailed to T. Shea Cook but made payable to: The Estate of Walter Keen, C/O Angela Bailey, Executrix. All parties involved will be notified when the check is released.

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 Exhibit A-1; and (2) authorization to begin paying royalties directly to the party/parties previously listed as unlocatable: Cary Bowles, Carolyn Gaik, and Lawrence Snyder. Unit A32. Docket Number VGOB 12-0417-3047-02.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. James Ellenburg was removed from the petition due to a pending request for heirship information.

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 Tract 4, as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the party/parties previously listed as unlocatable: Carolyn Gaik and Lawrence Snyder. Unit B33. Docket Number VGOB 12-0417-3049-03.

The docket item was approved. The account will continue. Authorization for direct payment of royalties. James Ellenburg was removed from the petition due to a pending request for heirship information.

6. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. 900122. Docket Number VGOB 17-1121-4145.

The docket item was approved.

7. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. 900126. Docket Number VGOB 17-1121-4146.

The docket item was approved.

8. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. 900124. Docket Number VGOB 17-1121-4147.

The docket item was approved.

9. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. V-530324. Docket Number VGOB 17-1121-4148.

The docket item was approved. Mr. Fred Brown spoke to the Board regarding the concerns that he has with this well and the production provided to him versus the production reported to the Division of Gas & Oil.

10. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. V-530331. Docket Number VGOB 17-1121-4149.

The docket item was approved.

11. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. V-530329. Docket Number VGOB 17-1121-4150.

The docket item was approved.

12. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. 900042. Docket Number VGOB 17-1121-4151.

The docket item was approved.

13. A petition from EnerVest Operating, LLC, for a Well Location Exception for Well No. V-530344. Docket Number VGOB 17-1121-4152.

The docket item was approved.

14. The Board received an update of Board and Division activities from the staff.

Mr. Cooper reported to the Board that there is a link on the VGOB Agenda that allows petition attachments to be available to the public.

Mr. Cooper also described to the Board the new eForms feature which allows citizens and operators to submit objections and appeals electronically to the Division of Gas & Oil.

Mr. Cooper presented to the Board a request from CNX Gas Company, LLC, to close the escrow account for Unit CC-38 (Docket 2825). The only deposit that was ever made into the account was for a bonus payment when the Board Order was issued. The well was never drilled to depth and has been abandoned with no production. The Board approved the request and the remaining balance will be refunded to CNX Gas Company, LLC.

Mr. Cooper reported to the Board that \$18,189,907.47 has been disbursed thus far since July 1, 2015, when the House Bill 2058 was enacted. Of which, \$4,359,749.41 was from the Yellow Poplar disbursements. Mr. Cooper also discussed with the Board that the Division of Gas & Oil is working to come up with a total amount in the escrow account that is attributable to unknown/unlocatable ownership.

15. The Board reviewed the October 2017 minutes for approval.

The docket item was approved.

The hearing adjourned at 11:00 a.m.