

VIRGINIA GAS AND OIL BOARD
Minutes and Results of Hearings
May 12, 2009

Board members present included: Bradley C. Lambert (Chairman), Mrs. Peggy Barber, Mrs. Katie Dye, Mr. Bruce Prather.

Also present were: Ms. Sharon M.B. Pigeon, Sr. Assistant Attorney General; Mr. David E. Asbury Jr., Principal Executive to the Staff of the Board; Mrs. Diane J. Davis, Division of Gas and Oil.

Pursuant to Sections 45.1-361.9.B and 45.1-361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held hearings that commenced at 9 a.m. on Tuesday, May 12, 2009, at the Conference Center of the Russell County Office Facility, Highland Drive, Lebanon, Virginia. The board heard and took the following actions:

1. The Board will receive public comments.
Public comments were received from Ms. Katherine Jewell, Mr. Tom Mullins and Mr. Mark Swartz.
2. The Board, on its own motion, will discuss the procedural rule of January 5, 1991. This docket item was continued from April.
The rule requires the applicant for a “forced pooling order” for a coalbed methane gas unit, pursuant to Section 45.1-361.22 of the Code of Virginia, to provide consent of the coal operator to the stimulation of coal seams applicant intends to develop as a condition of making application.
The Board, on its own motion, continued this item to June 2009.
3. The Board, on its own motion, will consider the revised scope of work and Request for Proposals (RFP) related to an audit of the Board’s Escrow Fund. This docket item was continued from April 2009.
A draft RFP with changes were distributed to board for review and comment. Comments are to be submitted prior to the June hearing at which time the Board will consider the document.
4. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit A-32, Rogers Well 286, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0217-2466. This docket item was continued from March, 2009. This docket item was continued from April 2009
GeoMet provided testimony regarding questions raised by the Board on the AFE presented at the April 2009 hearing. Ms. Donna Walker explained GeoMet’s line item costs as they relate to a standard AFE used by other operators in Virginia.
The petition was approved by the Board.

5. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit A-33, Rogers Well 438, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0217-2467. This docket item was continued from April 2009.

A revised package of exhibits and an AFE were submitted by GeoMet. Escrowing will be required by the Board for Tracts 1, 2, 3, 5 and 7 for conflicting owners and Tract 4 for unlocatables.

The petition was approved by the Board.

6. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit A-37, Rogers Well 277, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0217-2468. This docket item was continued from April 2009.

A revised package of exhibits and AFE were submitted by GeoMet. There are unknown and unlocatables in tract 3 and conflicting owners in tracts 2 and 5 requiring escrowing.

The petition was approved by the Board.

7. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit ZZZ-35, Rogers Well 591, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0217-2470. This docket item was continued from April 2009.

A revised package of exhibits and AFE were submitted by GeoMet. There are unknown and unlocatables in tract 3 and conflicting owners in tracts 1, 2 and 4 requiring escrowing.

The petition was approved by the Board.

8. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit ZZZ-36, Rogers Well 213, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0217-2471. This docket item was continued from April 2009.

A revised package of exhibits and AFE were submitted by GeoMet. There are unknown and unlocatables in tract 3 and conflicting owners in tract 4 requiring escrowing.

The petition was approved by the Board.

9. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit ZZZ-37, Rogers Well 212, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0217-2472. This docket item was continued from April 2009.

A revised package of exhibits and AFE were submitted by GeoMet. There are unknown and unlocatables in tract 2 requiring escrowing.

The petition was approved by the Board.

10. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 420 VA Unit F-37, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2504. This docket item was continued from April 2009. The petition was continued to June 2009.

11. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 419 VA Unit F-36, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2505. This docket item was continued from April 2009. The petition was continued to June 2009.
12. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 418 VA Unit F-35, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2506. This docket item was continued from April 2009. The petition was continued to June 2009.
13. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 417 VA Unit F-34, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2507. This docket item was continued from April 2009. The petition was continued to June 2009.
14. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit 416 VA Unit F-33, Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2508. This docket item was continued from April 2009. The petition was continued to June 2009.
15. A petition from Equitable Production Company, for pooling of coalbed methane Unit VC-537108, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0421-2515. This docket item was continued from April 2009.

The are conflicting claims in tracts 1 and 2 requiring escrowing.
The petition was approved by the Board.
16. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-199 (F-37), Garden District, Buchanan County Virginia. Docket VGOB-09-0421-2517. The petition was continued to June 2009.
17. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-241 (F-33), Garden District, Buchanan County Virginia. Docket VGOB-09-0421-2518. This docket item was continued from April 2009. The petition was continued to June 2009.
18. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-237 (F-36), Garden District, Buchanan County Virginia. Docket VGOB-09-0421-2519. This docket item was continued from April 2009. The petition was continued to June 2009.
19. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-245 (F-35), Garden District, Buchanan County Virginia. Docket VGOB-09-0421-2520. This docket item was continued from April 2009. The petition was continued to June 2009.

20. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-243 (F-34), Garden District, Buchanan County Virginia. Docket VGOB-09-0421-2521. Continued from April. The petition was continued to June 2009.

21. A petition from Equitable Production Company for modification of the Nora Coalbed Gas Field Order to allow for drilling of an additional well in Units BK-34 BK-35, BK-36, BL-34, BL-35, BL-36, BN-39, BN-40, BN-41, BO-39, BO-40, and BO-41, Kenady District, Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-47.

The petition was approved by the Board.

22. A petition from Equitable Production Company for modification of the Nora Coalbed Gas Field Order to allow for drilling of an additional well in Units AS-55, AS-56, AS-57, AS-58, AT-55, AT-56, AT-58, AU-57, AV-53, AV-54, AV55 AW53, AW-54 AW-55 AX-53, and AX-54, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-48. This docket item was continued from April 2009.

The petition was approved by the Board.

23. A petition from Equitable Production Company for modification of the Nora Coalbed Gas Field Order to allow for drilling of an additional well in Units BJ-61, BJ-62, BK-60, BK-61, and BK-63, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-49. This docket item was continued from April 2009.

The petition was approved by the Board.

24. A petition from Equitable Production Company for modification of the Nora Coalbed Gas Field Order to allow for drilling of an additional well in Units AV-43, AV-44, AW-43, AW-44, AX42, AX-43, AX-44, AX-45, AY-43, and AY-44, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-50. This docket item was continued from April 2009.

The petition was approved by the Board.

25. A petition from Equitable Production Company for modification of the Nora Coalbed Gas Field Order to allow for drilling of an additional well in Units BP-39, BP-40, BP-41, BQ39, and BQ-40, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-51. This docket item was continued from April 2009.

The petition was approved by the Board.

26. A petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payment of royalties in a portion of Tract 3, Unit VC-551315, Castlewood District, Russell County, Virginia. Docket Number VGOB-06-0620-1653-02. This docket item was continued from April 2009.

The Board approved the petition but will hold the disbursement until such time as a properly executed affidavit is received from Mr. Chris Counts.

27. A petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payment of royalties in a portion of Tract 5, Unit VC-536070, Castlewood District, Russell County, Virginia. Docket Number VGOB-04-0921-1337-04. This docket item was continued from April 2009. The petition was continued to June.
28. A petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payment of royalties in a portion of Tract 4, Unit VC-702835, Castlewood District, Russell County, Virginia. Docket Number VGOB-98-0324-0642-02. This docket item was continued from April 2009. The petition was continued to June.
29. A petition from Equitable Production Company for disbursement of funds from escrow and authorization for direct payment of royalties in a portion of Tract 5, Unit VC-501853, Castlewood District, Russell County, Virginia. Docket Number VGOB-00-0516-0815-04. This docket item was continued from April 2009. The petition was continued to June.

The deadline for filing of petitions to the board for the June 2009 hearing is 5 p.m., May 15, 2009 with the hearing scheduled for 9 a.m. on Tuesday, June 16, 2009 at the Conference Center, Russell County Office Facility, and Highland Drive, Lebanon, Virginia.