

**VIRGINIA GAS & OIL BOARD
WORK COMMITTEE MEETING**

NOVEMBER 20, 2008

The following is a summary of the November 20, 2008 Committee Meeting:

Members present: Chairman Bruce Prather, Katie Dye, Peggy Barber, Mary Quillen, Donnie Ratliff and Bill Harris. Also present were David Asbury and Gloria Clark, Office of the Attorney General.

The meeting was called to order by Chairman Prather at 2:05 PM.

The Committee continued to discuss the recommendation previously submitted to the full Board regarding a statute change which would require operators of coalbed methane wells to control a minimum of 25 percent of the surface, coal and gas rights before requesting the establishment or pooling of a unleased party.

Extensive discussion was had regarding the escrow account and auditing of this account by the Board. Discussion was also had regarding AFE's and use by companies for reporting post production costs.

Jerry Grantham of Virginia Gas and Oil Association was invited by the committee to make a presentation regarding the post production costs and how these costs are defined and determined by a company.

Discussion was had regarding the possibility of providing educational outreach to the citizens of Southwest Virginia to obtain a better understanding of the process of forced pooling and escrow account information. Further discussion of this topic will be presented at the December meetings.

There being no further business to discuss, motion was made and seconded that meeting be adjourned.

There next meeting of the Committee will be December 18, 2008.

Meeting was adjourned at 4:05 PM.

Respectfully submitted,

Gloria Clark
November 21, 2008