

VIRGINIA DEPARTMENT OF MINES, MINERALS & ENERGY
VIRGINIA GAS AND OIL BOARD
July 21, 2009

Pursuant to Sections 45.1-361.9B and 45.1361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held a hearing commencing at 9 a.m. on Tuesday, July 21, 2009, at the Conference Center, Russell County Office Building, and Highland Drive, Lebanon, Virginia.

Board members present at the hearing included Bradley C. Lambert, Chairman, Peggy Barber, Katie Dye, Bill Harris, Bruce Prather, and Mary Quillen.

Also present were Sharon M. B. Pigeon, Sr. Assistant Attorney General, David E. Asbury Jr., Principal Executive to the staff of the Board, and Diane Davis of the Division of Gas and Oil.

The board heard the following items:

1. The Board will receive public comments. Comments were received from
 - 1) Ms. Sara Day - Regarding possible split agreement with Hurt McGuire Land Trust and questions regarding the agreement format.
 - 2) Ms. Catherine Jewell – comments regarding 2008 annual production statistics.
 - 3) Ms. Juanita Sneeuwjagt – comments on behalf of David Delaney and pooling issue.

2. The Board will receive a semi-annual report from Wachovia Bank, Escrow Agent for the Board.

Quarterly Statement of Account

Wachovia Bank, Escrow Agent for:
 Virginia Oil and Gas Board (VGOB)

	2007 Year-End	2008 Year-End	2009 1st Qtr	2009 2nd Qtr
1 Beginning Value	\$ 15,942,163	\$ 18,514,685	\$ 23,983,291	\$ 24,576,736
2 Contributions	2,880,421	5,374,604	678,181	373,130
3 Income (net)	754,937	346,885	4,993	(11,791)
4 Realized Gain / (Loss)	-	-	-	-
5 Unrealized Gain / (Loss)	-	-	-	-
6 Fees and Expenses	-	-	-	-
7 Withdrawals / Disbursements	(1,062,837)	(252,883)	(89,730)	(287,368)
8 Ending Value	\$ 18,514,685	\$ 23,983,291	\$ 24,576,736	\$ 24,650,707

3. The Board, on its own motion, will consider the investment risk assessment from the Board's escrow Agent, Wachovia Corporation.
Wachovia – Wells Fargo representatives Patrick Dixon, Rob Weiss, and Jay Smith discussed the revised Investment Policy Statement (IPS) relative to investment decisions by the Board and addressed the Escrow Account and new / alternative investment opportunities. After due consideration, a motion was made to take accept an alternative investment strategy and move 50% of the Evergreen Account (representing 21% of the current balance) into the Wachovia Money Market Account. The motion was seconded. Motion carried and Mr. Asbury was instructed to prepare necessary documents to allow Wachovia - Wells Fargo to complete the transfer.
4. 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 item was continued from June.
The Board went into executive session to discuss the RFP. After the executive session, the item was continued to August to allow additional time for review and comment. Mr. Asbury was instructed to provide each board member with an email copy of the RFP and to receive comments from each member on or before August 10, 2009. The Board will consider all comments and revised draft at its August 18, 2009 meeting.
5. 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 item was continued from June.
Applicant requested and the Board approved a continuance to August 2009.
6. 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 item was continued from June.
Applicant requested a continuance to August 2009. Continuance was granted by the Board with a word of encouragement to settle the matter, preventing the necessity of further continuances.
7. 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 item was continued from June.
Applicant requested a continuance to August 2009. Continuance was granted by the Board with a word of encouragement to settle the matter, preventing the necessity of further continuances.
8. 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 item was continued from June.
Applicant requested a continuance to August 2009. Continuance was granted by the Board with a word of encouragement to settle the matter, preventing the necessity of further continuances.

9. 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 item was continued from June.
Applicant requested a continuance to August 2009. Continuance was granted by the Board with a word of encouragement to settle the matter, preventing the necessity of further continuances.
10. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-199 (F-37), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2517. This item was continued from June.
Applicant requested a continuance to August 2009. Continuance was granted by the Board with a word of encouragement to settle the matter, preventing the necessity of further continuances.
11. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-241 (F-33), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2518. This item was continued from June.
Applicant requested a continuance to August 2009. Continuance was granted by the Board with a word of encouragement to settle the matter, preventing the necessity of further continuances.
12. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-237 (F-36), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2519. This item was continued from June.
Applicant requested a continuance to August 2009. Continuance was granted by the Board with a word of encouragement to settle the matter, preventing the necessity of further continuances.
13. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-245 (F-35), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2520. This item was continued from June.
Applicant requested a continuance to August 2009. Continuance was granted by the Board with a word of encouragement to settle the matter, preventing the necessity of further continuances.
14. A petition from Appalachian Energy Inc. for pooling of coalbed methane Unit AE-243 (F-34), Garden District, Buchanan County, Virginia. Docket Number VGOB-09-0421-2521. This item was continued from June.
Applicant requested a continuance to August 2009. Continuance was granted by the Board with a word of encouragement to settle the matter, preventing the necessity of further continuances.
15. 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 item was continued from June.
The board approved the petition.

16. 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 item was continued from June.
The board approved the petition.
17. 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 item was continued from June.
The board approved the petition.
18. A petition from GeoMet Operating Company for pooling of coalbed methane unit Rogers 211 VA Unit ZZZ-39, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0616-2528. This item was continued from June.
The petition was approved by the Board.
19. A petition from GeoMet Operating Company for pooling of coalbed methane unit Rogers 281 Unit A-43, North Grundy/Garden Districts, Buchanan County, Virginia. Docket Number VGOB-09-0616-2531. This item was continued from June.
The applicant requested and the Board approved a continuance to September 2009.
20. A petition from Equitable Production Company for re-pooling of conventional gas unit V-502028, Kenady District, Dickenson County, Virginia. Docket Number VGOB-05-0816-1492-02. This item was continued from June.
The applicant requested and the Board approved a continuance to August 2009.
21. A petition from Equitable Production Company for pooling of coalbed methane unit VCI-531389, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0616-2538. This item was continued from June.
The petition was approved by the Board.
22. A petition from Equitable Production Company for pooling of coalbed methane unit VCI-537521, Castlewood District, Russell County, Virginia. Docket Number VGOB-09-0616-2541. This item was continued from June.
The petition was approved by the Board.
23. A petition from Equitable Production Company for a well location exception for proposed well VH-539991, Gladeville District, and Wise County, Virginia. Docket Number VGOB-09-0616-2542. This item was continued from June.
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 **BD-72, BE-71, BE-72, BE-74, BF-71**, Ervinton/Garden Districts, Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-52. This item was continued from June.
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 **BI-66, BI-68, BJ-67, BM-63, BN-62, BP-59, BP-60**, Ervinton/Sandlick Districts, Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-53. This item was continued from June.
The petition was approved by the Board.
26. 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 **AX-56 and AU-54**, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-54. This item was continued from June.
The petition was approved by the Board.
27. A petition from Range Resources-Pine Mountain Inc. for the establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas well(s) (RR-2544), Kenady District, Dickenson County. Docket Number VGOB-09-0616-2544. This item was continued from June.
The petition was approved by the Board.
28. A petition from Range Resources-Pine Mountain Inc. for the establishment of a provisional drilling unit consisting of 320 acres for the drilling of horizontal conventional gas well(s) (RR-2545), Ervinton District, Dickenson County. Docket Number VGOB-09-0616-2545. This item was continued from June.
The petition was approved by the Board.
29. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed well V-530109, Kenady District, and Dickenson County, Virginia. Docket Number VGOB-09-0616-2547. This item was continued from June.
The petition was approved by the Board.
30. A petition from Range Resources-Pine Mountain Inc. for a well location exception for proposed well V-530193, Kenady District, and Dickenson County, Virginia. Docket Number VGOB-09-0616-2548. This item was continued from June.
The petition was approved by the Board.
31. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit Rogers 210 VA Unit ZZZ-40, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0721-2549.
The petition was approved by the Board.
32. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit K-3, South Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0721-2550.
The petition was approved by the Board.
33. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit L-3, South Grundy District, Buchanan County, Virginia. Docket Number VGOB-09-0721-2551.
The petition was approved by the Board.

34. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit AX-91, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-09-0721-2552.
The petition was approved by the Board.
35. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit BK-109, New Garden District, Russell County, Virginia. Docket Number VGOB-09-0721-2553.
The petition was approved by the Board.
36. A petition from CNX Gas Company, LLC for disbursement of funds from escrow and authorization for direct payment of royalties for Tract 2D, Unit AY-112, New Garden District, Russell County, Virginia. Docket Number VGOB-01-0320-0873-02.
The petition was approved by the Board.
37. A petition from EQT Production Company for pooling of horizontal conventional drilling unit VH-531094, Roberson District, Wise County, Virginia. Docket Number VGOB-09-0721-2555.
The petition was approved by the Board.
38. A petition from EQT Production Company for pooling of coalbed methane unit VC-537891, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-09-0721-2556.
The petition was approved by the Board.
39. A petition from EQT Production Company for pooling of coalbed methane unit VC-531259, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2557.
The petition (with revised exhibits) was approved by the Board.
40. A petition from EQT Production Company for a well location exception for proposed well V-504778, Gladeville District, and Wise County, Virginia. Docket Number VGOB-09-0721-2558.
The petition was approved by the Board.
41. A petition from EQT Production Company for modification of the Nora Coalbed Gas Field Order to allow for drilling of an additional well in units **AU-61, BF-55, BG-83, BH-81, BH-82, BL-49, BL-50, BL-51, BL-52, BL-53, BM-33, BM-42, BN-32, BN-33, BN-38, BN-55, BO-30, BO-31, BO-33, BP-30, BP-38, BQ-25, BQ-26, BQ-27, BQ-37, BQ-38, BQ-63, BR-25, BR-26, BR-27, BS-24, BS-25, BS-26, BS-27, BS-38, BS-39, BT-23, BT-24, BT-38, BU-24, BO-38, BX-31.** Docket Number VGOB-89-0126-0009-55.
The petition was approved by the Board.
42. A petition from EQT Production Company for disbursement of funds from escrow and authorization for direct payment of royalties for Tract 1, Unit 535601, Kenady District, Dickenson County, Virginia. Docket Number VGOB-04-1214-1372-01.
The petition was approved by the Board.
43. A petition from EQT Production Company for disbursement of funds from escrow and authorization for direct payment of royalties for Tract 3, Unit 703169, Kenady District, Dickenson County, Virginia. Docket Number VGOB-98-0616-0670-02.
The petition was approved by the Board.

44. A petition from EQT Production Company for disbursement of funds from escrow and authorization for direct payment of royalties for Tract 10, Unit VC-2942, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-94-0621-0455-02.

The petition was approved by the Board.

45. A petition from Range Resources-Pine Mountain, Inc. for the establishment and pooling of conventional gas unit V-530068, Castlewood District, Russell County, Virginia. Docket Number VGOB-09-0721-2559.

The petition was continued to August.

46. A petition from Range Resources-Pine Mountain, Inc. for the establishment and pooling of conventional gas unit V-530122, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2560.

The petition was continued to August.

47. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal gas unit VH-530148, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2561.

The petition was withdrawn by the applicant.

48. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal gas unit VH-530195, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2562.

The petition was continued to August.

49. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal gas unit VH-530196, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2563.

The petition was approved by the Board.

50. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal gas unit VH-530185, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2564.

The petition was continued to August.

51. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal gas unit VH-530181, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2565.

The petition was continued to August.

52. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal gas unit VH-530139, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2566.

The petition was approved by the Board.

53. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal gas unit VH-530095, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2567.

The petition was continued to August.

54. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional gas well V-536736, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2568.

The petition was continued to August.

55. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional gas well V-530192, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2569.

The petition was continued to August.

56. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional gas well V-536737, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2570.

The petition was continued to August.

57. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional gas well V-530055, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2571.

The petition was continued to August.

58. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional gas well V-530110, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-09-0721-2572.

The petition was approved by the Board.

59. A petition from Appalachian Energy, Inc. for modification of the Oakwood 1 Coalbed Gas Field Rule to allow for the drilling of an additional well in units **E-38, F-31, G-29, G-38, H-29, H-30, H-31, I-33, J-34 and J-38**. Docket Number VGOB-93-0216-0325-19.

The applicant requested a continuance to August 2009.

The deadline for filing of petitions to the Board for the August Hearing was 5 p.m., July 17, 2009. The August Hearing is scheduled to commence at 9 a.m. on Tuesday, August 18, 2009 at the Conference Center, Russell County Office Building, and Highland Drive, Lebanon, Virginia.