

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARINGS
MINUTES AUGUST 21, 2012

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, August 21, 2012 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Present were Rita Surratt, Allen Compton, Bill Harris, Bruce Prather, Mary Quillen, Bradley Lambert (Chairman).

Sharon M. B. Pigeon, Sr. Assistant Attorney General, Rick Cooper, Principal Executive to the Board and Diane Davis, Division of Gas and Oil.

1. The board will receive public comments.
Juanita Sneeuwaght
Kenneth Mitchell
Kathy Selvage

2. A petition from CNX Gas Company, LLC for the disbursement of funds from Tracts 2 & 3 on behalf of Harrison Wyatt, LLC and Ada W. Hamilton, Ella Ruth Cook and CNX Gas Company for Unit T-15, Buchanan County, Virginia. Docket Number VGOB 92-1215-0306-02. Continued from June.

The petition was approved for disbursement.

3. A petition from CNX Gas Company, LLC for the disbursement of funds from escrow from Tracts 5, 6, 7 & 8 on behalf of Harrison Wyatt, LLC and Ada Hamilton, Ella Ruth Cook and CNX Gas Company for Unit T-16, Buchanan County, Virginia. Docket Number VGOB 94-1024-0476-02. Continued from June.

The Board voted that the disbursement would proceed based on the balance that CNX has. The Operator and DGO will investigate to correct the discrepancy in the account.

4. A petition from CNX Gas Company, LLC for the disbursement of funds from escrow and authorization of direct payment of royalties for Tract 1D on behalf of Swords Creek Land Partnership and Donald Richardson, et ux for Unit AZ-122, Russell County, Virginia. Docket Number VGOB 05-0315-1414-01. Continued from June.

The petition was approved.

5. On the Board's own motion consideration for the disbursement of funds from Unit P-46 is being placed on the docket. This unit should have been closed when the last disbursement was executed. Further action is needed by the Board to pay out remaining monies. Docket Number VGOB 99-0518-0722.

The petition was approved to pay out the remaining balance with a 50/50 split.

6. A petition from CNX Gas Company, LLC for disbursement of funds from escrow regarding Tract 2E and authorization for direct payment of royalties on behalf of Swords Creek Land Partnership and Nellie J. Stilwell, Unit FF35, New Garden District, Russell County, Virginia. Docket Number VGOB 02-0820-1057-01.

The petition was approved using the bank balance for payment and DGO will work with CNX to determine the missing checks.

7. A petition from CNX Gas Company, LLC for disbursement of funds from escrow regarding Tracts 1B & 1C and authorization for direct payment of royalties on behalf of Swords Creek Land Partnership and Nellie J. Stilwell, Unit FF34, New Garden District, Russell County, Virginia. Docket Number VGOB 02-0618-1033-01.

The petition was approved by the Board.

8. A petition from CNX Gas Company, LLC for refund of escrow balance and to vacate order for Unit Z-56, Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB 09-0616-2525-02.

The petition was approved by the Board for disbursement of funds back to the operator and vacating the unit as it is 100% leased.

9. A petition from CNX Gas Company, LLC for disbursement of funds from Tract 3 and the authorization for direct payment of royalties on behalf of CNX for Unit AV-109, New Garden/Hurricane District, Buchanan/Russell County, Virginia. Docket Number VGOB 01-0821-0907-01.

The petition was approved by the Board for disbursement of funds and closing of the account.

10. A petition from EQT Production Company for disbursement of escrowed funds from escrow for unit VC-3047 for Tract 4 to EQT located in the Kenady District, Dickenson County, Virginia. Docket Number VGOB 99-0420-0719-02.

Continuance granted to September 2012.

11. A petition from EQT Production Company for disbursement of escrowed funds from escrow for unit VC-4511 for Tract 7 to Laura and Leroy Cole located in the Kenady District, Dickenson County, Virginia. Docket Number VGOB 00-0620-0813-02.

Continuance granted to September 2012.

12. A petition from EQT Production Company for disbursement of escrowed funds for unit VC-531472 for Tract 2 to Range Resources and Lydia Victoria Newberry located in the Prater District, Buchanan County, Virginia. Docket Number VGOB 10-0316-2679-01.

The petition was approved by the Board. The account will remain open.

13. A petition from EQT Production Company for disbursement of escrowed funds for unit 550453 for Tracts 1, 3 & 7 to Pauline McCoy located in the Kenady District, Dickenson County, Virginia. Docket Number VGOB 09-0616-2535-01.

The petition was approved by the Board. The account will remain open.

14. A petition from EQT Production Company for disbursement of escrowed funds for unit 536448 for Tract 3 to Marshall Johnson located in the Ervinton District, Dickenson County, Virginia. Docket Number VGOB 06-1017-1739-01.

The petition was approved by the Board. The account will remain open.

15.A petition from EQT Production Company for disbursement of escrowed funds for unit 536070 for Tract 4 to Marshall Johnson located in the Castlewood District, Russell County, Virginia. Docket Number VGOB 04-0921-1337-05.

The petition was approved by the Board. The account will remain open.

16.A petition from EQT Production Company for disbursement of escrowed funds for unit 751313 for Tract 4 to Marshall Johnson located in the Ervinton District, Dickenson County, Virginia. Docket Number VGOB 93-0113-0309-05.

The petition was approved by the Board. The account will remain open.

17.A petition from EQT Production Company for disbursement of escrowed funds for unit 501853 for Tract 1 to Marshall Johnson located in the Castlewood District, Russell County, Virginia. Docket Number VGOB 00-0516-0815-06.

The petition was approved by the Board. The account will remain open.

18.A petition from EQT Production Company for disbursement of escrowed funds for unit 537521 for Tract 5 to Marshall Johnson located in the Castlewood District, Russell County, Virginia. Docket Number VGOB 09-0616-2541-04.

The petition was approved by the Board. The account will remain open.

19.A petition from EQT Production Company for disbursement of escrowed funds for unit 502832 for Tract 5 to Marshall Johnson located in the Castlewood District, Russell County, Virginia. Docket Number VGOB 02-1217-1109-02.

The petition was approved.

20.A petition from CNX Gas Company, LLC for pooling of coalbed methane unit ZZZ-32, Garden/North Grundy Districts, Buchanan County, Virginia. Docket Number VGOB 12-0515-3065. Continued from June.

The petition was approved with escrowing required. A revised plat showing one well will be submitted.

21. On the Board's own motion the petition from CNX Gas Company, LLC for pooling of coalbed methane unit C-20, Garden District, Buchanan County, Virginia will be placed back on the docket for review of election options for a second well in the unit. Docket Number VGOB-12-0515-3059. Continued from May.

Continued to September.

22. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit BA-118, New Garden District, Russell County, Virginia. Docket Number VGOB 12-0821-3083.

The petition was approved with escrowing required.

23. A petition from CNX Gas Company, LLC for modification of the Nora Coalbed Gas Field Order to allow a second well in Unit V82, Buchanan County, Virginia. Docket VGOB 89-0126-0009-77.

The petition was approved. This is a voluntary unit.

24. A petition from CNX Gas Company, LLC for re-pooling of Unit B-31, Garden District, Buchanan County, Virginia. Docket Number VGOB 01-0320-0880-01.

The petition was approved. The L. B. Holdings will have a new chance for an election because their percentages changed.

25. A petition from CNX Gas Company, LLC requesting the Board to allow for election rights in Well C39A, Garden District, Buchanan County, Virginia. Docket Number VGOB 12-0117-3023-01.

The petition was approved by the Board.

26. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for well 900119, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 12-0821-3084.

The petition was approved by the Board.

27. A petition from Range Resources-Pine Mountain, Inc. for pooling for conventional well 900119, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 12-0821-3085.

Continued to September at the request of the Board.

28. The Board will receive an update of board and division activities from the staff.

Rick Cooper updated the Board on the status of the data collection on the sub-accounts. Mr. Cooper also requested the Board approve a letter to be attached to the sub-account findings for each operator certifying that they agree to the findings. The letter will be sent to each operator with their sub-account findings in September 2012. The certification will be due from the operators by December 2012.

The Board moved the November Board Hearing November 13th.

29. The Board will review the July 2012 minutes for approval.

The hearing adjourned at 1:48.