

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARINGS
MINUTES MARCH 19, 2013

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, March 19, 2013 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bradley C. Lambert (Chairman), Bruce A. Prather (Oil and Gas Industry Representative), Donald Lewis Ratliff (Coal Industry Representative), Mary Addington Quillen (Public Representative), Rita Surratt (Public Representative)

Also present were Diane Davis (Division of Gas and Oil), Rick Cooper (Principal Executive to the Board) Sharon Pigeon, representing the Office of the Attorney General

1. The board will receive public comments.

No parties signed up for comments.

2. A petition from EQT Production Company for disbursement of funds from escrow in Tracts 2-7 on behalf of Range Resources-Pine Mountain for well VC-504659, Kenady Magisterial District, Dickenson County, Virginia. Docket No. 02/05/21-1030. Docket Number VGOB 02-0521-1030-01.

The petition was Continued to April, 2013. Continued to April at the request of the applicant.

3. A petition from EQT Production Company for the disbursement of funds and authorization of direct payment to Cheryl Fields, Teresa Campbell and Range Resources-Pine Mountain, Inc. in Tract 3 for Well VC-551315, Castlewood District, Russell County, Virginia. To resolve the conflict, a letter dated November 7, 2006 signed by Jerry Grantham, VP of Range Resources-Pine Mountain was provided. Docket Number VGOB 06-0620-1653-01.

The petition was Continued to April, 2013. Continued to April at the request of the applicant.

4. A petition from EQT Production Company for disbursement of funds from Escrow on behalf of Edward Galyon and Rebecca J. Galyon fin Tract 6 for well VC-537869, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 07-1016-2046-01.

The petition was Continued to April, 2013. Continued to April at the request of the applicant.

5. The Board, on its own motion, will ask EQT Production Company, LLC to withdraw previously approved disbursement petition on March 2012 for well VC-536636, docket number 09-1117-2635-01. A re-pooling is required prior to this disbursement being processed.

The petition was Withdrawn. EQT was granted a withdrawal of petition 2635-01 but instructed to place the re-pooling and disbursement (as two separate petitions) on the May docket.

6. A petition from CNX Gas Company LLC for Disbursement of funds from escrow regarding a portion of Tract 5 to Tania Hess, Wesley Perkins and Hurt McGuire Land Trust resulting from a 50/50 split agreement. Docket Number VGOB 98-0421-0649-06.

The petition was Granted. Current royalties are being paid direct from sealed gob unit. This account will continue.

7. A petition from CNX Gas Company LLC for the disbursement of escrowed funds from escrow attributable to Tracts 1A, 1F, & 1G and authorization to begin paying royalties directly to the parties based on the royalty split agreement between Swords Creek Land Partnership & Jackie Richardson, Phyllis Richardson, and Jerry Lee Plaster. Docket Number VGOB 03-0415-1142-02.

The petition was Granted. The disbursement petition was granted.

8. A petition from CNX Gas Company LLC for the disbursement of funds from escrow attributable to Tracts 1E, 1G & 1I and authorization to begin paying royalties directly to the parties resulting from the royalty split agreement between Swords Creek Land Partnership & Jackie Richardson, Phyllis Richardson, and Jerry Lee Plaster. Docket Number VGOB 03-1118-1219-01.

The petition was Granted. The disbursement petition was granted.

9. A petition from CNX Gas Company LLC for Re-Pooling under Oakwood Coalbed Methane Gas Field I for Unit it YYY21, North Grundy & Garden Districts, Buchanan County. The reason for the re-pool is due to acreage change on all tracts. Docket Number VGOB 00-1219-0851-01.

The petition was Granted. The petition was approved with no escrowing required.

10. The Board, on its own motion, will ask CNX Gas Company to withdraw a petition for disbursement for well W-35, docket number VGOB-98-0324-0627-08 which was approved June 2012. It has been discovered that corrections are needed before any further action is taken on this docket.

The petition was Continued to June, 2013. The petition was withdrawn and will be re-submitted in June 2013.

11. A petition from Range Resources-Pine Mountain for a Well Location Exception for proposed Well V-530341, Ervinton District, Dickenson County, Virginia. Docket Number VGOB 13-0319-4005.

The petition was Granted. The petition was approved.

12. A petition from Range Resources-Pine Mountain for a Well Location Exception for proposed Well V-530315, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 13-0319-4004.

The petition was Granted. The petition was approved.

13. A petition from Range Resources-Pine Mountain for a pooling of well no. 900091, Sandlick District, Buchanan County, Virginia. Docket Number VGOB 13-0319-4007.

The petition was Granted. The petition was approved.

14. A petition from Range Resources-Pine Mountain for pooling of conventional gas well V-530315, Sandlick District, Dickenson County, Virginia. Docket Number VGOB 13-0319-4006.

The petition was Granted. The petition was approved.

15. A petition from Royce Rasnake appealing the decision of the Director of the Division of Gas and Oil relative to IFFH 221 regarding application 17362, Well V-530066, Range Resources-Pine Mountain, Inc., Castlewood District, Duty Quadrangle, Russell County, Virginia. Docket Number VGOB 13-0219-4003. Continued from February 2013.

The petition was Affirmed. The DGO Director's decision was upheld by the Board.

16. The board will receive an update of Board and Division activities from the staff.

Rick Cooper, Director of the Division of Gas and Oil informed the Board of the following:

1. Shirley Ball was very close to hitting the target date of March 31, 2013 for scanning of Board files and would be waiting on the IT Division to convert the Tif's to searchable PDF's and posting.

2. Mr. Cooper requested the Board to close an EQT account which had 37 cents in it. The permit and order had expired. This was approved by the Board.

3. Reported in response to a question from Ms. Mary Quillen in February, research was conducted and the two unfunded Chesapeake accounts 0803 and 2182 were closed.

4. Mr. Cooper encouraged the Board and general public to be patient as we continue with the learning curve of the new E-forms for the Board.

17. The board will review the February 2013 minutes for approval.

The minutes were approved.

The hearing adjourned at 10:31 a.m.