

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding a section numbered 45.1-361.21:1, relating to coalbed*
3 *methane gas; conflicting claims of ownership.*

4 [H 1179]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding a section numbered 45.1-361.21:1 as follows:**8 *§ 45.1-361.21:1. Coalbed methane gas; ownership.*

9 *A conveyance, reservation, or exception of coal shall not be deemed to include coalbed methane gas.*
10 *Nothing in this section shall affect a coal operator's right to vent coalbed methane gas for safety*
11 *purposes or release coalbed methane gas in connection with mining operations. The provisions of this*
12 *section shall not affect any settlement of any dispute, or any judgment or governmental order, as to the*
13 *ownership or development of coalbed methane gas made or entered prior to the enactment of this*
14 *provision.*

15 **2. That the Auditor of Public Accounts shall conduct an operational and performance review of**
16 **the accounting policies and procedures for the collection and disbursement of the escrow accounts**
17 **established pursuant to §§ 45.1-361.21 and 45.1-361.22 of the Virginia Gas and Oil Act**
18 **(§ 45.1-361.1 et seq.) of the Code of Virginia. The review shall determine the best practices for the**
19 **collection of funds from gas operators to ensure that the Virginia Gas and Oil Board receives all**
20 **moneys owing under law and allocates such moneys to entitled owners. The review shall also**
21 **determine the best management practices for the disbursement of funds to ensure that entitled**
22 **owners are promptly notified and able to access their funds. The review shall also include any**
23 **recommendations for statutory or regulatory changes governing the management and accounting**
24 **of all escrow funds under the control of the Virginia Gas and Oil Board. The Auditor of Public**
25 **Accounts shall not perform detailed reviews of any corporate entity or individual escrow accounts,**
26 **or comment on any matters pending adjudication. However, if the Auditor of Public Accounts**
27 **finds any errors, he shall notify the Virginia Gas and Oil Board for correction. The Auditor of**
28 **Public Accounts, by December 1, 2010, shall submit a report of his findings and recommendations,**
29 **including any discrepancies and errors found in the administration or collection of funds in the**
30 **account, to the Governor and to the Chairmen of the House Committee on Agriculture,**
31 **Chesapeake and Natural Resources and the Senate Committee on Agriculture, Conservation and**
32 **Natural Resources.**

33 **3. That an emergency exists and this act is in force from its passage.**

ENROLLED

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