

VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

VIRGINIA GAS AND OIL BOARD HEARING

Tuesday, March 18, 2014

Lebanon, Virginia

BOARD MEMBERS:

Bruce Prather – Gas & Oil Industry Representative

Donald Ratliff - Coal Industry Representative

Donnie Rife – Public Member

Mary Quillen – Public Member

Rita Surratt – Public Member

APPEARANCES:

Bradley Lambert – Chairman of the Virginia Gas & Oil Board

Rick Cooper – Director of the Division of Gas & Oil and
Principal Executive to the Staff of the Board

Matthew Gooch – Assistant Attorney General

Diane Davis – Staff Member of the Division of Gas & Oil

Sarah Gilmer – Staff Member of the Division of Gas & Oil

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1 **Bradley Lambert:** Good morning ladies and gentlemen, it's now after nine o'clock and it is
2 time to begin our proceedings this morning. First on the agenda, I would ask our Board
3 Members to please introduce themselves and first of all I will begin with our new Board Member
4 Mr. Donnie Rife, from Clintwood. He is our new public member this morning and I will ask
5 Donnie to introduce himself and tell us a little bit about himself. Donnie....

6 **Donnie Rife:** Donnie Rife, I am Chairman of the Board of Supervisors for Dickenson County. I
7 am also a representative of VCEDA. I am very pleased to be here this morning and I hope that I
8 can be of assistance to this Board and to the people that come and have any type of questions
9 about this Board. Thank you.

10 **Bradley Lambert:** Ms. Surratt.

11 **Rita Surratt:** I'm Rita Surratt. I am a public member from Dickenson County.

12 **Matthew Gooch:** Matt Gooch, Office of the Attorney General.

13 **Bradley Lambert:** Butch Lambert, Deputy Director of the Department of Mines, Minerals and
14 Energy.

15 **Donnie Ratliff:** Donnie Ratliff, Alpha Natural Resources representing coal.

16 **Bruce Prather:** I'm Bruce Prather. I represent the oil and gas industry on the Board.

17 **Mary Quillen:** Mary Quillen, public member.

18

19 **Item Number 1**

20 **Bradley Lambert:** Thank you ladies and gentlemen. The first item on the agenda is public
21 comment. We have no one signed up for public comment this morning.

22

23 **Item Number 2**

24 **Bradley Lambert:** We will move on to our second item on the agenda. A petition from EQT
25 Production Company, for the disbursement of escrowed funds and authorization for direct
26 payment of royalties on behalf of Eva Mae Adkins for her interest in Tract 3 in Drilling Unit
27 Number VC-504248. This was continued from February. This is Docket Number 04-1116-
28 1363-03. All parties wishing to testify, please come forward.

1 **Jim Kaiser**: Mr. Chairman, Board Members, Jim Kaiser and Rita Barrett on behalf of EQT
2 Production.

3 **Jennifer Shaver**: Jen Shaver on behalf of Ms. Eva Mae Adkins.

4 **Bradley Lambert**: Good morning.

5 **Jim Kaiser**: Good morning.

6 **Rita Barrett**: Good morning.

7 **Sarah Gilmer**: Ms. Barrett, do you swear or affirm that your testimony is the truth the whole
8 truth and nothing but the truth?

9 **Rita Barrett**: Yes ma'am.

10 **Bradley Lambert**: You may proceed Mr. Kaiser.

11 **Jim Kaiser**: Ms. Barrett if you would state your name for the record, who you are employed by
12 and in what capacity.

13 **Rita Barrett**: Yes my name is Rita Barrett. I am employed by EQT as a contract land man.

14 **Jim Kaiser**: Have all parties been notified of this disbursement hearing?

15 **Rita Barrett**: We notified counsel.

16 **Jim Kaiser**: And that's what you were asked to do?

17 **Rita Barrett**: Yes sir.

18 **Jim Kaiser**: And what unit are we disbursing from today?

19 **Rita Barrett**: The well number is VC-504248.

20 **Jim Kaiser**: And what tract?

21 **Rita Barrett**: Tract 3.

22 **Jim Kaiser**: And is this a partial or full disbursement?

23 **Rita Barrett**: It's partial.

24 **Jim Kaiser**: And it has a little bit of a different twist to it. Can you explain why we have
25 provided the Board with two Table 1s in this matter?

26 **Rita Barrett**: Yes. Eva Mae Adkins conveyed her interest in this tract to Timothy Redden in
27 June or July of 2009.

1 **Jim Kaiser**: And so what we are asking the Board to do by way of disbursing these funds in
2 escrow is disburse the monies that went into the escrow account between the date that the well
3 went into production and July 30, 2009, to Eva Mae Adkins and then going forward from July 1,
4 2009, the money that has accrued and any additional money would be....any additional royalty
5 would be disbursed to Timothy Redden. Is that correct?

6 **Rita Barrett**: Yes. Eva Mae Adkins should be disbursed through June 30, 2009, and Timothy
7 Redden should be disbursed after July 1, 2009.

8 **Jim Kaiser**: And what's the reason for the disbursement?

9 **Rita Barrett**: We have a letter dated February 14, 2014, wherein Range Resources relinquishes
10 their claim to the coalbed methane royalties in this well.

11 **Jim Kaiser**: Now have the figures been reconciled between the escrow agent and EQT?

12 **Rita Barrett**: Yes. As of....looks like...June 30, 2009.

13 **Jim Kaiser**: And the Board for disbursement purposes when they make their actual
14 disbursement should they use the figure that's in the next to last column on the right, percentage
15 of escrow of funds to be disbursed that can be found in both Table 1s in this case?

16 **Rita Barrett**: Yes.

17 **Jim Kaiser**: And who should receive those disbursements?

18 **Rita Barrett**: Eva Mae Adkins through June 30, 2009, and Timothy Redden after July 1, 2009.

19 **Jim Kaiser**: And have you provided the Board with Exhibits E and EE to reflect the facts of this
20 disbursement?

21 **Rita Barrett**: Yes we have.

22 **Jim Kaiser**: Would you ask that any order direct that any additional royalty going forward be
23 paid directly to Timothy Redden?

24 **Rita Barrett**: Yes. And I do note a correction on Timothy Redden. I sent EQT an e-mail
25 yesterday and she is going to correct this Diane. There's a wrong address for him on this table.
26 His correct address is 5406 Dickenson Highway, Clintwood, Virginia, 24228.

27 **Diane Davis**: Could you repeat it one more time please?

28 **Rita Barrett**: 5406 Dickson Highway, Clintwood, Virginia, 24228.

29 **Diane Davis**: Thank you.

30 **Jim Kaiser**: Nothing further from this witness at this time, Mr. Chairman.

1 **Bradley Lambert**: Ms. Barrett would you back up and explain when Mr. Kaiser asked you was
2 all parties notified and you said that you notified counsel. Could you explain that for us please?

3 **Rita Barrett**: Well I think everyone is aware there's a class action law suit in federal court in
4 Abingdon, and Ms. Shaver represents the parties in the class and we were told going forward that
5 we needed to notify counsel being Ms. Shaver.

6 **Bradley Lambert**: Who instructed you to notify counsel and not the parties?

7 **Rita Barrett**: Our counsel in the suit.

8 **Bradley Lambert**: Okay. Ms. Shaver, do you have anything?

9 **Jennifer Shaver**: Yes Mr. Chairman. I would just like to clarify one point that as to Ms.
10 Adkins' interest that is being disbursed, the reason for that disbursement is a court order which
11 Mr. Kaiser has provided me and I have you all a supplemental signed verification and a copy of
12 that order to go with this petition to be incorporated.

13 **Bradley Lambert**: We have that copy of that order Ms. Shaver. Anything further?

14 **Jennifer Shaver**: I ask that on behalf of Ms. Adkins, she has requested that the check be written
15 in her name but mailed to my office. I have a copy of that request.

16 **Bradley Lambert**: Can you provide a copy of that to us?

17 **Jennifer Shaver**: Sure.

18 **Mary Quillen**: Is this different that the one that you distributed previously?

19 **Jennifer Shaver**: No ma'am. It is the same one.

20 **Mary Quillen**: Okay.

21 **Bradley Lambert**: Oh it's the same letter that you....we have those.

22 **Jennifer Shaver**: Yes.

23 **Bradley Lambert**: Thank you Ms. Shaver. Anything further? Ms. Shaver do you have
24 anything further?

25 **Jennifer Shaver**: No.

26 **Bradley Lambert**: Mr. Kaiser anything further?

27 **Jim Kaiser**: We ask that the petition be approved as submitted Mr. Chairman.

28 **Bradley Lambert**: Do I have a motion?

1 **Rick Cooper**: Mr. Chairman, could I ask one question here for clarity?

2 **Bradley Lambert**: Go ahead.

3 **Rick Cooper**: So the check for Mr. Adkins goes to....where do the checks go for both of these
4 parties? One of them goes to Mr. Redden and the other one goes to Ms. Shaver directly. Is that
5 what we are testifying to here?

6 **Jim Kaiser**: That is correct.

7 **Rick Cooper**: Okay.

8 **Bradley Lambert**: Anything further Mr. Cooper?

9 **Rick Cooper**: No.

10 **Bradley Lambert**: Do I have a motion?

11 **Mary Quillen**: Motion to approve.

12 **Bruce Prather**: Second.

13 **Bradley Lambert**: I have a motion and a second. Any further discussion? [No response] All in
14 favor signify by saying yes.

15 **Board**: Yes.

16 **Bradley Lambert**: Opposed, no. [No response] Thank you Mr. Kaiser, that is approved.

17 **Jim Kaiser**: Thank you.

18 **Rita Barrett**: Thank you.

19

20

Item Number 3

21 **Bradley Lambert**: We are calling Docket Item Number 3. A petition from EQT Production
22 Company, for the disbursement of escrowed funds and authorization for direct payment of
23 royalties on behalf of Eva Mae Adkins for her interest in Tracts 1 and 3 for drilling unit VC-
24 505241. This is Docket Number VGOB-04-0817-1325-03. All parties wishing to testify, please
25 come forward.

26 **Jim Kaiser**: Mr. Chairman, Board Members, Jim Kaiser and Rita Barrett again on behalf of
27 EQT Production.

28 **Jennifer Shaver**: Jen Shaver on behalf of Ms. Eva Mae Adkins.

1 **Bradley Lambert**: You may proceed Mr. Kaiser.

2 **Jim Kaiser**: Again Ms. Barrett, this is a disbursement request that EQT [Inaudible]

3 **Rita Barrett**: Yes.

4 **Jim Kaiser**: And again you notified the counsel for Ms. Adkins and also Mr. Redden?

5 **Rita Barrett**: Yes.

6 **Jim Kaiser**: And this is a disbursement for the well that services unit VC-505241?

7 **Rita Barrett**: That's correct.

8 **Jim Kaiser**: And what tracts are we disbursing from here?

9 **Rita Barrett**: Looks like Tracts 1 and 3.

10 **Jim Kaiser**: Okay. And there's....is this going to be a partial or full disbursement?

11 **Rita Barrett**: It looks like a 100% disbursement on Tract 1, and a partial on Tract 3.

12 **Jim Kaiser**: Okay. And we also have the Adkins/Redden situation so Tract 1 will be disbursed
13 completely and close out that tract to Ms. Adkins. Is that correct?

14 **Rita Barrett**: Yes sir.

15 **Jim Kaiser**: And then Tract 3 will be the split that we just saw on the previous hearing which is
16 Ms. Adkins receives the monies accrued up until June 30, 2009, and then from July 1, 2009
17 forward it would be Mr. Redden's royalties?

18 **Rita Barrett**: That's correct.

19 **Jim Kaiser**: Okay. And in this case, the reasons for disbursement would be both the court order
20 and the split agreement from Range Resources?

21 **Rita Barrett**: Well it's....Range relinquished their claim to the coalbed methane royalty, yes.

22 **Jim Kaiser**: Alright. Which is a split agreement?

23 **Rita Barrett**: Yes sir.

24 **Jim Kaiser**: And have the figures been reconciled with the bank and EQT?

25 **Rita Barrett**: Yes, as of July 2013.

1 **Jim Kaiser**: Okay. And the percentage the Board should use for purposes of disbursement can
2 be found in the next to last column to the right on both of the Table 1s that have been provided
3 with the petition?

4 **Rita Barrett**: Yes.

5 **Jim Kaiser**: And who should receive those disbursements?

6 **Rita Barrett**: Eva Mae Adkins 100% for Tract 1 and Eva Mae Adkins and Timothy Redden for
7 Tract 3.

8 **Jim Kaiser**: And have you provided the Board with Exhibits E and EE to reflect the facts for
9 this disbursement?

10 **Rita Barrett**: We have.

11 **Jim Kaiser**: And would you ask that any royalty for Tract 1 going forward be paid directly to
12 Ms. Adkins and for Tract 3 going forward be paid directly to Mr. Redden?

13 **Rita Barrett**: Yes. For Tract 3 for Eva Mae Adkins up to June 30, 2009, and Timothy Redden
14 after July 1, 2009.

15 **Jim Kaiser**: But going forward Tract 1 would be all Ms. Adkins and Tract 3 would be all Mr.
16 Redden?

17 **Rita Barrett**: Tract 3 would be Ms. Adkins and Mr. Redden. No...you are correct. I am sorry.
18 Going forward it would be Mr. Redden after July 1, 2009.

19 **Jim Kaiser**: Okay. No further questions at this time Mr. Chairman.

20 **Bradley Lambert**: Mr. Kaiser and Ms. Barrett, on your Table 2 that we have in front of us, your
21 listing for Tract 3 Timothy Rudden R-U-D-D-E-N and you have that as unknown.

22 **Rita Barrett**: We have....it's correctly spelled Redden R-E-D-D-E-N on our exhibits.

23 **Rick Cooper**: Mr. Chairman you are correct. It does say Rudden and it does have unknown.
24 They need to revise that table and submit that.

25 **Mary Quillen**: But the same address that you gave us before applies to him, that Dickenson
26 Highway in Clintwood?

27 **Jim Kaiser**: That's got the correct address on it.

28 **Rita Barrett**: Yeah, she corrected the address on some and on others they did not.

29 **Diane Davis**: The part of the Board Order Petition is correct. It's their Exhibit that they
30 submitted that has the wrong address on it.

1 **Bradley Lambert**: We will have to have that corrected.

2 **Diane Davis**: Yeah. We will have to fix that internally and we can do it with this.

3 **Bradley Lambert**: Okay.

4 **Rita Barrett**: I thought she downloaded those yesterday afternoon but I will confirm that.

5 **Diane Davis**: Well she may have but it's not on our....

6 **Bradley Lambert**: We got these several days ago so...

7 **Rita Barrett**: I understand.

8 **Bradley Lambert**: So it couldn't be updated on ours. Okay, just for clarification, we will
9 receive a new Table 2 with the correct name Timothy Redden with the correct address.

10 **Rita Barrett**: Yes sir.

11 **Bradley Lambert**: Okay thank you. Ms. Shaver anything...

12 **Jennifer Shaver**: I would just ask that the Board incorporate the verification and the order that
13 Mr. Kaiser has provided today and also request that Ms. Adkins' check be sent to my office in
14 her name.

15 **Bradley Lambert**: Okay. Anything further Mr. Kaiser?

16 **Jim Kaiser**: We'd ask that the application be approved as submitted with the revised Table 1 to
17 reflect the correct spelling and address of Mr. Redden's name.

18 **Mary Quillen**: Just one question.

19 **Bradley Lambert**: Ms. Quillen.

20 **Mary Quillen**: You did say that there was a court order for this right?

21 **Jennifer Shaver**: Yes ma'am, as to Ms. Adkins.

22 **Mary Quillen**: Thank you. I thought that's what you said.

23 **Bradley Lambert**: We do have a copy of that order Ms. Quillen. Anything further Mr. Kaiser.

24 **Jim Kaiser**: No.

25 **Bradley Lambert**: Do I have a motion?

26 **Mary Quillen**: Motion to approve.

27 **Bruce Prather**: Second.

1 **Bradley Lambert:** I have a motion and a second. Any further discussion? [No response] All in
2 favor signify by saying yes.

3 **Board:** Yes.

4 **Bradley Lambert:** Opposed, no. [No response] Thank you folks, that is approved.

5

6

Item Number 4

7 **Bradley Lambert:** We are calling Docket Item Number 4. A petition from EQT Production
8 Company, for the disbursement of funds and authorization for direct payment of royalties on
9 behalf of Eva Mae Adkins in Tract 2 in Drilling Unit VC-504484. Docket Number VGOB-01-
10 0821-0919-03. All parties wishing to testify, please come forward.

11 **Jim Kaiser:** Again Mr. Chairman, Jim Kaiser and Rita Barrett on behalf of EQT Production.
12 This is another Adkins/Redden case but for some reason we met yesterday afternoon to go
13 through these and tried to contact the folks in Pittsburg to get another Table 1 but for some
14 reason we don't have a Table 1 and have not submitted a Table 1 and I guess it hasn't been
15 downloaded to the DGO website for Mr. Redden's interest. So we can handle this however you
16 all want to, we probably since Ms. Shaver is here and Ms. Adkins rightfully wants her royalty,
17 maybe we can disburse as to her and come back for Mr. Redden next month.

18 **Bradley Lambert:** We can do that or I am not opposed to...it's kind of running along the same
19 lines as the first two.

20 **Jim Kaiser:** Yes. All we need to do is supplement it with the sheet for him and we could get
21 him done too.

22 **Rita Barrett:** He is depicted on the EE they just didn't do a Table 1 for him.

23 **Mary Quillen:** Could we include in the motion that you will provide an updated Table 1 for Mr.
24 Redden?

25 **Rita Barrett:** That would...yeah. I'm agreeable to that.

26 **Jim Kaiser:** That would be fine with us. Then we don't have to put it back on the docket.

27 **Rita Barrett:** And get him his money.

28 **Bradley Lambert:** We do have him in EE so my suggestion is that we move forward with the
29 testimony from Ms. Shaver and Mr. Kaiser and go ahead and dispense of this one if that's okay
30 with Ms. Shaver.

31 **Jennifer Shaver:** I have no objection.

1 **Rita Barrett**: Okay. Thank you.

2 **Bradley Lambert**: Let's do that then.

3 **Rita Barrett**: Okay.

4 **Bradley Lambert**: You may go ahead and proceed Mr. Kaiser.

5 **Jim Kaiser**: Again Ms. Barrett, this is a disbursement request filed by EQT Production?

6 **Rita Barrett**: Yes sir.

7 **Jim Kaiser**: And it's for the unit that includes well number VC-504484?

8 **Rita Barrett**: Yes sir.

9 **Jim Kaiser**: And what tract are we disbursing from?

10 **Rita Barrett**: Tract 2 for Eva Mae Adkins and Tract 2 for Timothy Redden.

11 **Jim Kaiser**: And this is a partial disbursement?

12 **Rita Barrett**: Yes sir.

13 **Jim Kaiser**: And again the reasons for disbursement would be a court order as to Ms. Adkins
14 and a royalty split agreement as to Mr. Redden?

15 **Rita Barrett**: Yes.

16 **Jim Kaiser**: And have all figures been reconciled between the bank and EQT?

17 **Rita Barrett**: Yes as of September 13, 2013.

18 **Jim Kaiser**: And we would direct the Board as to the percentage of escrowed funds to be
19 disbursed to the next to the last column on the right of Table 1?

20 **Rita Barrett**: Correct.

21 **Jim Kaiser**: And who should receive those disbursements?

22 **Rita Barrett**: Eva Mae Adkins up to June 30, 2009, and Timothy Redden from July 1, 2009.

23 **Jim Kaiser**: And we are going to supplement this petition with a Table 1 to reflect Mr.
24 Redden's interest in the amount that he should be disbursed?

25 **Rita Barrett**: Yes.

26 **Jim Kaiser**: Okay. And you've provided the Board with Exhibits E and EE to reflect the facts
27 of this disbursement including Mr. Redden's interest?

1 **Rita Barrett**: Yes sir.

2 **Jim Kaiser**: And would you ask that any royalty be paid going forward they ought to provide
3 that any royalty going forward be paid directly to Mr. Redden?

4 **Rita Barrett**: Yes sir.

5 **Jim Kaiser**: Nothing further of this witness at this time Mr. Chairman.

6 **Bradley Lambert**: Any questions from the Board? [No response] Ms. Shaver...

7 **Jennifer Shaver**: Yes, Ms. Shaver on behalf of Ms. Adkins. I just ask that the Board
8 incorporate a verification and order to this petition.

9 **Bradley Lambert**: Okay. Anything further Mr. Kaiser?

10 **Jim Kaiser**: No. We would ask that the petition be approved with the addition of a Table 1 to
11 reflect Mr. Redden's interest in Tract 2.

12 **Jennifer Shaver**: Mr. Chairman if I may also request that Ms. Adkins check be sent in her name
13 to my office.

14 **Bradley Lambert**: Okay. For the record. Anything from the Board? [No response] Do I have a
15 motion?

16 **Donnie Rife**: Motion made Mr. Chairman.

17 **Donnie Ratliff**: Second.

18 **Bradley Lambert**: I have a motion and a second. Any further discussion? [No response] All in
19 favor signify by saying yes.

20 **Board**: Yes.

21 **Bradley Lambert**: Opposed, no. [No response] Thank you folks, that one is approved.

22

23

Item Number 5

24 **Bradley Lambert**: We are calling Docket Item Number 5. A petition from EQT Production
25 Company, for the disbursement of funds and authorization for direct payment on behalf of
26 known owners on tracts 2, 4, 5, 6, 7, 8 and 9. This is Docket Number VGOB-97-0520-0586-01.
27 All parties wishing to testify, please come forward.

28 **Jim Kaiser**: Again Mr. Chairman, Jim Kaiser and Rita Barrett for EQT Production.

1 **Bradley Lambert**: You may proceed Mr. Kaiser.

2 **Jim Kaiser**: Before we get started Ms. Barrett has an updated reconciliation. Apparently when
3 we filed this petition it did not include some monies that had been escrowed. I think up until
4 2000 maybe there was about \$21,000.00, short so this should be accurate now and include all of
5 the monies. So that's....I guess we've only got one copy of it?

6 **Bradley Lambert**: That's the reconciliation?

7 **Jim Kaiser**: That's an updated reconciliation as of yesterday.

8 **Bradley Lambert**: As of yesterday. So the funds....

9 **Jim Kaiser**: So the funds should now be correct. Whereas, the reconciliation that was filed with
10 the original petition is about \$20,000.00, short.

11 **Rita Barrett**: Well I think there was \$20,000.00, that was ah.....what December of....

12 **Diane Davis**: It was prior to when their reconciliation started. And I found \$20,000.00, existing
13 beginning balance that was paid into the account a long time ago. So they just failed to pick up
14 that dollar amount and include it in their reconciliation.

15 **Rita Barrett**: And it's been added to that corrected reconciliation sheet.

16 **Bradley Lambert**: Okay. You may proceed Mr. Kaiser.

17 **Jim Kaiser**: Okay. Again Ms. Barrett this is a disbursement request filed by EQT?

18 **Rita Barrett**: Yes sir.

19 **Jim Kaiser**: Have all of the parties been notified as required by statute?

20 **Rita Barrett**: Well here's where we have a problem. We were sending this to counsel again as
21 a result of the law suit.

22 **Bradley Lambert**: Who's counsel Ms. Barrett?

23 **Rita Barrett**: Ms. Shaver's office.

24 **Bradley Lambert**: Okay.

25 **Rita Barrett**: She was sent the names and addresses of the parties for notification purposes and
26 W-9 purposes. We noticed counsel. I can't say that all of these parties....I don't know if they
27 received notice. But I guess the thinking is that since we noticed counsel....I know it's
28 convoluted guys....

1 **Jennifer Shaver**: Um...Jen Shaver I am happy to speak on counsel's position on this as I am
2 part of the class counsel for some class action law suits that these individuals are class members
3 of. The class has been certified the notice and opt-out period for these people to choose to not
4 participate in this litigation has not happened. So they have been certified as they are technically
5 class members but they have not had the opportunity yet to opt-out of the litigation so they, in
6 theory, have no idea that I exist or this litigation exists. I am not here representing them
7 individually. I did receive a copy of the petition.

8 **Rita Barrett**: And the names and address for all the parties. Correct?

9 **Jennifer Shaver**: Yes.

10 **Mary Quillen**: So you don't know if these people have been notified of this?

11 **Jennifer Shaver**: Correct.

12 **Mary Quillen**: Is that what you are saying? You didn't notify them and you didn't.

13 **Rita Barrett**: We are not allowed to contact the property owners.

14 **Mary Quillen**: Right...right...yeah so you all couldn't. Okay.

15 **Rita Barrett**: We noticed counsel.

16 **Mary Quillen**: When is the opt-out date?

17 **Jennifer Shaver**: The court has not yet approved the notices and so that is unknown at this
18 point.

19 **Mary Quillen**: So these people are being penalized and are not getting their money because....

20 **Donnie Rife**: Somebody didn't follow through.

21 **Donnie Ratliff**: Well we've got a notice problem.

22 **Jennifer Shaver**: I mean I can't sit here and present to the Board that these individuals know
23 that I represent them. That's not accurate.

24 **Mary Quillen**: Right...right...right. And you can't do that until they either declare that they are
25 part of the class action suit or they opt-out.

26 **Jennifer Shaver**: Until the opt-out period has expired.

27 **Mary Quillen**: Oh so they can....they can't um...they have to wait until the end of that opt-out
28 period?

29 **Jennifer Shaver**: Correct. Before I would officially tell this Board that I represent them.

1 **Mary Quillen**: So...how can these people be notified?

2 **Jennifer Shaver**: I will be happy to give EQT permission to contact them for this purpose.

3 **Rita Barrett**: As a matter of fact at 5:20 last night, an e-mail was sent from Ms. Shaver to Mr.
4 Wade Massey who represents EQT in the class action saying that opposing counsel was giving
5 EQT permission to contact the landowners in writing to obtain their W-9s. It was our
6 understanding that opposing counsel was going to try and get the social security numbers and W-
7 9s from all of these folks. Um...there's where we have another problem in that the letters will
8 go out to these folks to get their socials if we have them on a lease, I think the bank has agreed
9 that they will take the socials. Um...but in that EQT is not allowed to directly talk to these
10 parties when the letter goes out, who are they going to call? I mean, I don't know if this is
11 something that Judge Jones needs to rule on. We haven't had time....I talked to Mr. Massey this
12 morning and he hasn't had time to talk to EQT's legal counsel about this, but again, I don't
13 know....we want these people to get their money.

14 **Mary Quillen**: Right...right. And that's why we are here.

15 **Rita Barrett**: Right.

16 **Mary Quillen**: And ah....

17 **Bradley Lambert**: Ladies and Gentlemen, we are going to take about a ten minute recess. We
18 kind of need to discuss this and take a break. So let's do that about ten minutes and we will get
19 back together.

20 [BREAK]

21 **Bradley Lambert**: Okay ladies and gentlemen. It is time to resume.

22 **Diane Davis**: Mr. Chairman before you begin, I wanted to let the Board know that EQT staff
23 has uploaded the revised J into the system, reconciliation on this one.

24 **Bradley Lambert**: Okay.

25 **Rita Barrett**: Thank you Diane.

26 **Diane Davis**: You're welcome.

27 **Bradley Lambert**: Thank you for that. Okay. We were having a discussion just before break on
28 whether or not these folks that are listed in Tract 2 for disbursement have been properly noticed.

29 **Jim Kaiser**: We'd ask that this matter be continued. I think that EQT's counsel and the
30 plaintiff's counsel is going to have to get together and probably seek an order from the federal
31 judge as to how we handle this type of situation going forward. Even probably try to go forward
32 from here could possibly be in violation of the existing orders. So we are going to continue it

1 and we will let the judge put down an order as to how this process will go forward. I think that's
2 the only thing we can do.

3 **Bradley Lambert**: And how long would you like for that to be continued, Mr. Kaiser?

4 **Jim Kaiser**: You better give it two months. You better roll it back to....

5 **Bruce Prather**: Does the federal judge set the schedule? Does the federal judge set the
6 schedule on this?

7 **Jim Kaiser**: On these hearings?

8 **Bruce Prather**: Yeah.

9 **Jim Kaiser**: No.

10 **Bruce Prather**: For these people. I mean for their signing...

11 **Jim Kaiser**: No.

12 **Bruce Prather**: Do you think two months would take care of it?

13 **Jim Kaiser**: I would hope.

14 **Jennifer Shaver**: I...honestly would be skeptical.

15 **Jim Kaiser**: Oh really?

16 **Jennifer Shaver**: But I mean, it is a possibility that we could get that done in two months.
17 But...

18 **Bruce Prather**: Okay.

19 **Bradley Lambert**: Continue until May? June?

20 **Jim Kaiser**: Let's try May.

21 **Bradley Lambert**: Okay.

22 **Rita Barrett**: Do you agree with that Jen?

23 **Jennifer Shaver**: Sure.

24 **Bradley Lambert**: Okay that docket item will be continued until May. Thank you folks.

25 **Rita Barrett**: Thank you.

26

1 **Item Number 6**

2 **Bradley Lambert:** We are calling Item Number 6. A petition from CNX Gas Company, LLC,
3 for the disbursement of funds held by the Escrow Agent for Tract 1G, Unit W-35, and the
4 payment of royalties directly for the parties identified in Exhibit A-1. This is Docket Number
5 VGOB-98-0324-0627-09. All parties wishing to testify, please come forward.

6 **Mark Swartz:** Mark Swartz and Anita Duty.

7 **Kenneth Osborne:** Kenneth Osborne.

8 **Martha Guilliams:** Martha Guilliams.

9 **Ronnie Osborne:** Ronnie Osborne.

10 **Shirley Keene:** Shirley Keene.

11 **Bradley Lambert:** Good morning folks.

12 **Kenneth Osborne:** Good morning.

13 **Martha Guilliams:** Morning.

14 **Sarah Gilmer:** Ms. Guilliams do you swear or affirm that your testimony is the truth, the whole
15 truth and nothing but the truth?

16 **Martha Guilliams:** I do.

17 **Sarah Gilmer:** Do you swear or affirm that your testimony is the truth, the whole truth and
18 nothing but the truth?

19 **Kenneth Osborne:** Yes.

20 **Sarah Gilmer:** Do you agree Mr. Osborne?

21 **Ronnie Osborne:** Yes.

22 **Sarah Gilmer:** Ms. Keene, do you agree?

23 **Shirley Keene:** Yes.

24 **Sarah Gilmer:** Ms. Duty, do you swear or affirm that your testimony is the truth, the whole
25 truth and nothing but the truth?

26 **Anita Duty:** Yes.

27 **Bradley Lambert:** You may proceed Mr. Swartz.

1 **Mark Swartz**: I think we are here to confirm that we've deposited \$122,934, or at least
2 tendered a check for deposit of \$122,943.46, regarding a title conflict that has come to our
3 attention between Daisy Burke and Hurt-McGuire. My understanding is that the DGO actually
4 has the check and they are waiting to deposit. To save time and effort, I would ask that you hold
5 that check, that they hold the check.

6 **Diane Davis**: We don't have it. The bank has it.

7 **Mark Swartz**: Well it's at the bank. Well tell the bank not to put it in the account then, if they
8 can. Because the percentages are all going to be wrong and we're going to have to come back
9 again.

10 **Diane Davis**: I think she might have already put it in.

11 **Mark Swartz**: Well then they need to take it out. So if you know, if they take that money out of
12 the account, temporarily or do the math then the percentages that we testified to last month are
13 all accurate. But if you put this money back in we have to re-do the percentages because we will
14 be dealing with a much larger balance. So...if you want us to come back with an amended
15 exhibit next month we can do that if you want to be done today in theory, then just pull that
16 money out of the account and the percentages are all correct. And put the money back in after the
17 disbursements occur.

18 **Bradley Lambert**: Are the percentages that we have in our exhibit in Table 1, are those correct?

19 **Mark Swartz**: They are correct if there is not an additional \$122,934.46 in the account. Right?

20 **Anita Duty**: We were originally...we were asking if we could take that because of that being
21 paid out already. The Daisy Burke and Hurt-McGuire Land Trust tract and take care of that
22 internally and because of the issue I guess we just decided that rather than do that we will just
23 put that back on the Exhibit E, put the money back in, and just let it just be done with on that
24 end. So...if we put the Daisy Burke and the Hurt-McGuire Land Trust tract back in the percent
25 of escrow is different because it is thirty some acres. So the percent to pay out will be different.

26 **Mark Swartz**: And the money is different. Both...

27 **Anita Duty**: Right.

28 **Mary Quillen**: So this is a tract...you are adding a tract to this. Am I understanding this right?
29 You are adding a tract and....

30 **Mark Swartz**: And money because of that tract.

31 **Mary Quillen**: Okay...okay. So you are adding a tract so that...that's what changes the
32 percentage. If it was just that you were putting money in the percentages wouldn't change
33 because we don't look at the [inaudible] you are adding a tract.

1 **Mark Swartz**: Well within applying those percentages to that...but applying those percentages
2 to that money would generate an error too.

3 **Mary Quillen**: Right.

4 **Mark Swartz**: So it ah...it's two things.

5 **Mary Quillen**: Because this percentage that we have now....

6 **Mark Swartz**: Correct. Would not include this tract.

7 **Mary Quillen**: Would not include this tract.

8 **Mark Swartz**: Because it wasn't in the calculation when we did the percentages and that was
9 appropriate okay?

10 **Mary Quillen**: Okay.

11 **Mark Swartz**: And the deposit wasn't made either. So if we are going to leave this money in
12 there for a disbursement to occur we need to re-do the percentages because we have another tract
13 to make sure that the money which has been added and the tract that has been added isn't
14 disbursed to people [inaudible].

15 **Mary Quillen**: Right. Now what is this tract that was added?

16 **Mark Swartz**: It's a Daisy Burke, Hurt-McGuire tract that has a title conflict. Which one is it?

17 **Anita Duty**: It is tract 1E. And it is 33.56 acres.

18 **Mary Quillen**: And what's the tract did you say?

19 **Anita Duty**: Tract 1E.

20 **Mark Swartz**: 1E.

21 **Mary Quillen**: 1E. Okay.

22 **Anita Duty**: And what we'd originally petitioned when we filed was to have that tract escrowed
23 internally so that we could recoup the money that \$122,000.00, that was paid out. And I think
24 that caused a problem so what I asked our company to do is just let me put that money back into
25 the escrow account and just do it that way and then recoup some other way. Just to keep the
26 confusion down.

27 **Bradley Lambert**: I really hate to continue this for one more month but....

28 **Mark Swartz**: I understand, I mean...it's...it's...

1 **Bradley Lambert**: But since the money has already been deposited and it's going to be so
2 difficult....

3 **Mark Swartz**: It is going to be two months actually.

4 **Bradley Lambert**: Yeah that will be two months so...

5 **Mark Swartz**: So it will be May.

6 **Bradley Lambert**: In order to cause a lot of confusion of pulling the money out, paying out the
7 percentages that we have, coming back again and doing another order and adjusting the
8 percentages.

9 **Mark Swartz**: That's cool. I mean I understand. You had a choice and that seems to be a
10 reasonable one to me.

11 **Bradley Lambert**: Any discussions from the Board?

12 **Mary Quillen**: So you are thinking if they just send a corrected list with the percentages....

13 **Bradley Lambert**: What I was suggesting that we do Mrs. Quillen, is continue it for one more
14 month....two more months rather than pretending like the money never was deposited; the
15 \$122,000.00, and paying out on the percentages that we have and then come back and have to re-
16 do it all one more time.

17 **Mary Quillen**: Gotcha. I thought that you were saying not to continue.

18 **Bradley Lambert**: Oh I'm sorry.

19 **Mary Quillen**: Yes. I agree...I agree. I think it should be continued.

20 **Bradley Lambert**: You are shaking your head Ms. Duty.

21 **Anita Duty**: We won't have to do it again. I mean, if you do it the way it is right now and
22 just...if you just subtract the check that we sent in from the balance that's currently there and use
23 the percentages that we have, everything is fine. We are not going to have to come back
24 afterwards. There is only one disbursement that needs to be made and has nothing to do with
25 this tract that we have paid back in. The only reason that we cut that check and put the money
26 back in is because it appeared that the Board didn't want us to internally recoup that money from
27 them and we just decided to make the account a whole and match the order and be done with it.
28 The only difference from last time we were here until now is that we deposited that money. That
29 money has nothing to do with the people that are being paid. So if we just take that amount off
30 the balance and pay it as the table says then there is no difference.

31 **Donnie Ratliff**: So you need to approve Mr. Chairman, you need to approve the table and
32 disbursement as of a certain date and date it before the check was deposited.

1 **Mark Swartz**: You need to direct the bank to deduct the \$122,934.46, from the balance on hand
2 when they make the disbursement that was approved at the last meeting using the percentage that
3 was approved at the last meeting. That would be the order that would get it correct.

4 **Bradley Lambert**: Okay.

5 **Anita Duty**: As if the tract was never re-deposited, because according to the percentages on the
6 table and everything the tract was never there or wasn't there. Therefore if the money is not
7 there, the tract is not there and everything is the same. Everything's...

8 **Bradley Lambert**: But you put them back in. Right?

9 **Anita Duty**: But what I am saying, the table that you currently have is minus the Daisy Burke
10 tract because we were wanting to handle that one internally.

11 **Bradley Lambert**: Yeah. I think that is where we got off track the last time when we talked
12 after that you were going to handle it internally. How does this Board know what actions you
13 are going to do to take care of Daisy Burke?

14 **Anita Duty**: Right. And that's why we just re-deposited it the money rather than it be a
15 problem we just re-deposited the money. The total amounts that were disbursed from the escrow
16 account for those two owners is that total of \$122,000.00. So rather than us taking care of that
17 internally we just re-deposited the money again and we will figure out how to get it back from
18 the landowners.

19 **Bradley Lambert**: Ms. Davis, how is that going to work with our accounting?

20 **Diane Davis**: I made notes on this. I know this has been a hassle and we've beat it around and
21 beat it to death. I recognize that. But the very...for the cleanest record they've put the money
22 back in and we got notified by the bank yesterday that the \$122,000.00, had come through and
23 was being deposited. Um...the very best thing would either be to continue it and get the correct
24 percentages based on what is in the bank or allow them to do...my notes here said to verify that
25 the money is in there, do a revised E and EE and a revised table if the percentages change. So
26 my two options would be either to continue it and re-do all of the exhibits or provide us with
27 revised exhibits. Because I did not know if...when we build the order we need to list those
28 percentages I didn't know if they were based on what the balance should have been because if
29 you will recall they re-pooled this one and put the tract back in but not the money. So that would
30 have thrown everything off based on the acreage. You have a lot more acreage in there and less
31 money. So when you take one out you know all of that changes. You've got less money but a
32 higher percent. Am I correct?

33 **Anita Duty**: The only thing that wasn't put back in was the money that Daisy Burke and Hurt-
34 McGuire was paid. The re-pooling the reversal of all of the acreages and all of that, that was

1 deposited. That was done. We just didn't reimburse the account for payment that Daisy Burke
2 and Hurt-McGuire was paid.

3 **Diane Davis**: Exactly...exactly. But it is in there now and I did not know if the percentages
4 would change. My recommendation would be if you wanted to know, would be continue it and
5 just get all new exhibits and we have no doubt.

6 **Bradley Lambert**: That's kind of where I would like to go too. Any comments from the Board
7 about doing it that way?

8 **Mary Quillen**: Since there has been so much that has gone on and so much history with this,
9 um...rather than make a mistake and find out down the road that somehow the depositing and
10 taking deposits out and I really just...I don't feel comfortable with that. I really feel like that it
11 would be much better to have as you commented a clean exhibit. And it would take care of
12 everything. Even though, I know that we need to get this taken care of. I mean I really feel like
13 it's in everybody's best interest to have the clean exhibit.

14 **Mark Swartz**: We can re-do a table. I mean that's all...I was telling Anita just do it...I mean
15 she can't get in the system so you will have to do it. You understand?

16 **Diane Davis**: Right.

17 **Mark Swartz**: Okay. But I mean it's just....

18 **Diane Davis**: But I don't want that responsibility.

19 **Mark Swartz**: Well...but we're just adding acreage to reflect the money.

20 **Anita Duty**: I mean we can't change it. If we've already submitted a table we can't change it.
21 So there is no other option but for you to change it. I mean we could tell you what the
22 numbers...

23 **Diane Davis**: You can do another...you can withdraw.

24 **Anita Duty**: I am not doing another....I'm not doing another petition.

25 **Diane Davis**: Why not? I mean it's....

26 **Anita Duty**: Why? All we have to do is change a table. Just revise a table.

27 **Diane Davis**: But that is not what the Board is saying.

28 **Mark Swartz**: I think it is what the Chairman is saying. I mean...

29 **Diane Davis**: No. I didn't say saying. I said seeing. Excuse me. That's not what you have in
30 front of you.

1 **Bradley Lambert**: No it is not. What we have in front of us.

2 **Diane Davis**: And if you give it to me and I put it in, then I become responsible for putting that
3 data in and preceding on and I'm personally not comfortable with that with this big issue. I can
4 do it...

5 **Mark Swartz**: That's bologna...that's bologna. You know we are going to have to come back
6 here and she is going to have to testify that that table is correct. So I don't understand where you
7 are saying that you don't want to do it because you are assuming some liability. We can't edit
8 the form, so if we have to come back with a new form, you need to edit it for us. Anita will be
9 back here and she will look at the form as edited and either say this is correct now that we've got
10 the additional acreage in there or it's not.

11 **Diane Davis**: I will be glad to do it that way as long as they take the final....

12 **Bradley Lambert**: If Ms. Duty will come back and testify to that what you did was correct.

13 **Diane Davis**: Yes....yes.

14 **Bradley Lambert**: You are comfortable with that?

15 **Diane Davis**: Yes.

16 **Bradley Lambert**: Okay.

17 **Diane Davis**: If they provide me with what it needs to be yes.

18 **Mary Quillen**: So you are saying that if we approve this, with the understand that the Exhibit E
19 and table....

20 **Diane Davis**: Primarily the table. I think the E and the EE are correct.

21 **Mary Quillen**: Okay. Just the table....just the table.

22 **Diane Davis**: It's the table that....

23 **Mary Quillen**: Has been corrected and Anita is going to testify that it is correct.

24 **Anita Duty**: And the only reason that we haven't corrected it is because e-Forms won't let us. I
25 mean that's another problem that we...I mean once something is submitted we can't ever
26 change it unless we call and ask her to change it for us. I mean....

27 **Bradley Lambert**: Yes there is a reason for that. That's the way we set it up we don't want
28 anybody going back and changing....

29 **Anita Duty**: Right and I understand that too. Instead of fixing the table she would prefer that
30 we file a whole new petition.

1 **Diane Davis**: No. I just did not want to take responsibility without your affirmation that it is
2 correct and I think that is only fair on my part.

3 **Bradley Lambert**: No I agree that Ms. Duty will come back and testify that it is correct and I
4 think you should be okay.

5 **Diane Davis**: Yes. I will be perfectly comfortable with that.

6 **Mary Quillen**: So it will be a corrected table?

7 **Anita Duty**: Uh Huh.

8 **Diane Davis**: And if they will send that to me, as soon as they send it to me I will be glad to fix
9 it.

10 **Mark Swartz**: Make sure it is corrected. It's new...I mean stuff has happened since the last
11 one.

12 **Diane Davis**: Right. Whatever it is, I will fix it.

13 **Bradley Lambert**: Okay.

14 **Mary Quillen**: And you said how many acres was in that one E, did you say?

15 **Mark Swartz**: 33.58 is it?

16 **Mary Quillen**: 33.58?

17 **Mark Swartz**: Well let's make sure. 33.58.

18 **Anita Duty**: 33.56

19 **Diane Davis**: The acreage is already in there it's just we need to recalculate percentages and the
20 money. They put the acreage back in when they re-pooled it.

21 **Bradley Lambert**: Oh that's right. We covered that last time.

22 **Diane Davis**: Yes. So...

23 **Bradley Lambert**: So what's the wish of the Board of how we proceed?

24 **Donnie Rife**: The only thing we can do is let them come back and give affirmation that
25 everything is squared away. She will have to come back.

26 **Diane Davis**: The only other suggestion I have is if I do it and she will provide something in
27 writing that it is correct that I can present to the Board, I don't have a problem with that. If you

1 want to proceed with it, and handle it that way. As long as I have their sign off on this. I am
2 fine.

3 **Bradley Lambert**: Okay.

4 **Diane Davis**: If the Board is...

5 **Mark Swartz**: Well obviously we are going to send it to you and we are going to send you
6 something that we believe is correct, so if that works, can we do that?

7 **Bradley Lambert**: Yes. I think we can do that.

8 **Mark Swartz**: Okay.

9 **Bradley Lambert**: I hope that's what we've been talking about.

10 **Mark Swartz**: I would hope so. Okay...alright, just give her the means to revise the table and
11 we are good to go.

12 **Diane Davis**: And then I will revise the table and let her look at it and she will say it is good.

13 **Mark Swartz**: Right.

14 **Diane Davis**: I don't have a problem if I've got something that they've affirmed.

15 **Bradley Lambert**: Okay. So we are going to proceed with this one today.

16 **Diane Davis**: With a revised table.

17 **Bradley Lambert**: With a revised table that she is going to send you the information to revise
18 the table. You will revise it and she will give you confirmation that it is correct.

19 **Diane Davis**: I won't have a problem with that.

20 **Bradley Lambert**: Okay. Anything further Mr. Swartz?

21 **Mark Swartz**: No.

22 **Bradley Lambert**: Ladies and gentlemen, who is going to speak for you?

23 **Ronnie Osborne**: Can I ask one question? If I'm out of line just let me know, who is
24 responsible for reading the meters on this?

25 **Bradley Lambert**: On this one?

26 **Ronnie Osborne**: Yeah.

27 **Bradley Lambert**: The company does that.

1 **Ronnie Osborne:** CNX company?

2 **Bradley Lambert:** As far as I know. Mr. Cooper do you....

3 **Rick Cooper:** That would be correct. CNX has the responsibility to read the meters and report
4 their production.

5 **Ronnie Osborne:** Okay.

6 **Kenneth Osborne:** Mr. Chairman, Kenneth Osborne. I am confused. I am here today to object
7 to disbursements from Unit 35 on Tract G. They are talking about Daisy Burke, what's that got
8 to do with Tract G number one? Number two, this ah...the paper...the re-pooling they send us
9 on W-35 across the top it states this order is being re-recorded to correct prior order by adding
10 Exhibit 1A and B3. I have been trying for a couple of months to get Exhibit 1A. What is exhibit
11 1A?

12 **Diane Davis:** May I see that a moment? Do you mind? Can I see that a moment? Thank you.
13 This was a re-pooling and actually what 1A on this re-pooling was, was the Tract ID. It is not
14 the one....this is your 1A right here. Back...your called your plat A and then the attachment I
15 believe was often referred to as A1 or whatever. And that was your Tract ID. And that's what
16 this is and it was missed being recorded with the original order. So this is...this table right here,
17 this exhibit right here, is why we had to re-record it. That....and that page. Does that make
18 since?

19 **Kenneth Osborne:** Well, yeah and no. I mean, if it was missed being recorded then what is
20 1A?

21 **Diane Davis:** That exhibit right there is the 1A.

22 **Rick Cooper:** The Tract ID.

23 **Diane Davis:** It's the Tract ID.

24 **Rick Cooper:** The Tract ID identifies the owners on the plat, the Tract ID.

25 **Diane Davis:** The plat was recorded but not the Tract ID and we re-recorded it.

26 **Kenneth Osborne:** So you are saying that Exhibit 1A was or was not recorded?

27 **Diane Davis:** In the original order it was not recorded and we had to go back and re-record the
28 order and add the Tract ID to the order which did not change any other aspect of the order. It
29 just identified the owner's on the plat that had the tract numbers on it.

30 **Kenneth Osborne:** Okay. Well again it brings me back to being here to object to disbursements
31 because again the paperwork is not correct and today as I said we were here to object to
32 disbursements on Tract 1G, which is the O. H. Keene and so far I haven't heard anything about

1 1G, I mean they have been talking about Daisy Burke. What does that have to do tract...what
2 does Daisy Burke have to do with Tract 1G? I mean if you all...if you let this order go through
3 then the way I am reading it, you are allowing the disbursement for Tract 1G for Unit 35 and I
4 mean we haven't even discussed it yet. And obviously with the Daisy Burke deal, on this W-35,
5 the paperwork is not correct which means the percentage is not correct. I mean I don't care how
6 Mr. Swartz tries to paint it, it is not correct. I don't see how you all can allow a disbursement
7 until this paperwork is correct.

8 **Bradley Lambert**: Well I think we've just corrected it for 1E.

9 **Kenneth Osborne**: But that's not...as I've been told so many times when I talk about
10 something, that's not what we are discussing today. What we are discussing today....

11 **Mary Quillen**: It is part of the tract.

12 **Kenneth Osborne**: And I will read it right here. A petition from CNX Gas Company, LLC, for
13 the disbursement of funds held by the Escrow Agent for Tract 1G, in Unit W35, and the payment
14 of royalties directly for the parties identified in Exhibit 1-A, in the Garden District. I see nothing
15 in here about Daisy Burke and Exhibit 1A is the O. H. Keene heirs which is us.

16 **Mark Swartz**: And you neglected to read continued from February of 2014, when we covered
17 the disbursement from 1G in detail and the Board made a record and we are here on a completely
18 unrelated which is putting the money back in. That's why we haven't talked about 1G today.

19 **Kenneth Osborne**: You all were getting ready to take a vote on this disbursement and I haven't
20 heard the first thing about 1G yet. I mean, am I wrong?

21 **Mark Swartz**: They heard it last month.

22 **Bradley Lambert**: Well you haven't heard it during this hearing.

23 **Kenneth Osborne**: Excuse me?

24 **Mark Swartz**: They voted last month.

25 **Kenneth Osborne**: Mr. Chairman, was this not carried over from last month?

26 **Bradley Lambert**: This has been carried over for....

27 **Martha Guilliams**: February of 2013.

28 **Bradley Lambert**: Probably longer than that. It has been several months that this has been
29 carried over which we were trying to correct the discrepancies with Hurt-McGuire and Daisy
30 Burke. 1G we had dealt with a long time ago but this Board would not disburse because of
31 discrepancies with Ms. Burke and Hurt-McGuire.

1 **Kenneth Osborne**: Okay. Well I mean if Ms. Davis has to bring up an argument about this that
2 she wants the paperwork to be correct, before she...you know, gets caught in the middle. I
3 mean, I think you ought to take that into consideration before you allow this disbursement. I
4 mean, regardless, just about every month I travel from Roanoke down here, I mean I don't
5 think...I don't see where it is going to hurt Mr. Swartz and them just traveling from Bluefield
6 down here. I mean, I will come back in here a hundred times as long as I know the stuff is right.
7 I just...I just can't understand how you guys can allow this disbursement with all the paperwork
8 that continues to be wrong. I mean, every time we come in here there is always issues that the
9 paperwork is wrong.

10 **Bradley Lambert**: Mr. Osborne, are you talking about Tract 1E or 1G? When you said the
11 paperwork is wrong.

12 **Kenneth Osborne**: I am talking about 1G.

13 **Mary Quillen**: There is no paperwork wrong with 1G. It is 1E.

14 **Kenneth Osborne**: You are trying to get a disbursement from 1G.

15 **Mary Quillen**: No not today, this is...the 1G was addressed at last month's meeting.

16 **Kenneth Osborne**: Excuse me? Ma'am you wasn't even here last month.

17 **Bradley Lambert**: Well before last month, Mrs. Quillen, this has been several months ago that
18 we dealt with 1G.

19 **Kenneth Osborne**: Mr. Chairman, once again, I am here to object any disbursements from the
20 W-35.

21 **Bradley Lambert**: Okay. Thank you for your comment. Anybody else have a comment?

22 **Shirley Keene**: I making objections to anything taken from W-35 at all until everything is fixed
23 and we know that it is fixed. Because I am a part of W-35.

24 **Bradley Lambert**: Thank you for those comments.

25 **Ronnie Osborne**: I make an objection too.

26 **Bradley Lambert**: Anything further Mr. Swartz?

27 **Mark Swartz**: No.

28 **Bradley Lambert**: Okay to summarize for 1G this Board has already taken action on 1G several
29 months ago. The question is, tract 1E and the discrepancy we've had for a couple of months
30 related to Daisy Burke and Hurt-McGuire and their recoupment of funds out of 1E related to
31 Daisy Burke. The testimony we've had today is that \$122,934.46, has been deposited back into

1 1E to cover those funds that have been recouped for a lack of a better word at this point from
2 CNX to those parties in 1E. We have testimony that Ms. Duty will send in the information for
3 Ms. Davis to correct Table 1E and then once it is corrected from Ms. Davis, Ms. Duty will
4 review the table and send a verification that she agrees with the revisions. I think I've captured
5 that pretty well, right Ms. Davis?

6 **Diane Davis**: Yes.

7 **Bradley Lambert**: Any further discussion from the Board? [No response] Do I have a motion?

8 **Donnie Ratliff**: Move to approve Mr. Chairman with understanding that Anita will forward the
9 corrected Table 1 on Tract 1E.

10 **Donnie Rife**: I will second that Mr. Chairman.

11 **Bradley Lambert**: I have a motion and I have a second, as the amended table will be corrected.
12 All in favor say yes.

13 **Board**: Yes.

14 **Bradley Lambert**: Opposed, no. [No response] Thank you folks that is approved for
15 disbursement.

16

17 **Additional Items discussed with CNX**

18 **Bradley Lambert**: Okay. While Ms. Duty and Mr. Swartz are here we have a few more items
19 we want to clear up with you all while we've got you. First of all, Ms. Duty as you recall back
20 last month there was an issue with \$4,134.77, for well W-20 this was VGOB-92-0721-0240-04,
21 and I would ask if you have an update for that item that we discussed?

22 **Anita Duty**: Yes. We...after the hearing I went back in and kind of asked our accounting people
23 to...well first of all I asked my group to go and like work on some accounts that were close to
24 this account and during the same time period and things to see if maybe the funds should have
25 belonged somewhere else. But what we found was that those two months those accountings
26 were missing from all of our data...from all of our data pools. And it turns out that that was the
27 transition period between where Conoco was taking care of our wells...our royalty and the
28 transition to ILM. So that information was on a separate table so we did end of finding the data
29 that accounted for these deposits so these deposits are good and they do belong there. So we did
30 send an e-mail to the DGO office and let them know that we did find the money and it did belong
31 in that account and asked them...I think we revised the table and re-loaded the Exhibit J to show
32 that those deposits are valid and they just...Mr. Cooper asked me to just clear it up with the
33 Board that those deposits did belong there. There is no reason to move those to a different
34 account or subtract it from the account prior to the disbursement.

1 **Diane Davis**: I confirm.

2 **Bradley Lambert**: Ms. Davis?...Mr. Cooper?

3 **Rick Cooper**: We confirm. We agree with Ms. Duty on that.

4 **Bradley Lambert**: Okay, so that one is okay. We don't...I don't think we need to take any
5 Board action on that one. It has been taken care of.

6 **Rick Cooper**: No. I guess the only thing is that the Board had asked us to bring that back up
7 this month so with the resolution that Ms. Duty just mentioned, we have resolved that issue.

8 **Bradley Lambert**: Okay.

9 **Bruce Prather**: That's Wachovia money isn't it?

10 **Rick Cooper**: Yes.

11 **Bruce Prather**: Yes. Okay.

12 **Bradley Lambert**: Okay. Ms. Davis, we also talked about VGOB-92-0721-0244-02, this
13 should relate to wells P3D and R3C. I think we needed some follow-up testimony on that was
14 why CNX should receive \$136,130, for disbursements [Inaudible]

15 **Anita Duty**: Well we tried to explain this one last month. We had those two...the production
16 for those two wells tied to the VP6 division of interest, like internally. And those wells
17 actually...they don't belong there. They belong in ...you know...I guess in the panels, the P3
18 and the R3 unit. So...when we move that over and we put it to the right division of interest, then
19 this money is sitting over here that needs to be either transferred or re-paid. So internally, I
20 mean, we have already done the reversal to take it off of our...the VP6 and to put it where it
21 belongs but the problem is that we can't...we won't make another deposit to VP6 until that
22 money is recouped, so internally we are putting any production toward that overpayment. So
23 that was the reason for us asking for...asking for the refund.

24 **Bradley Lambert**: So as I recall, what you have determined is that those two wells didn't belong
25 in that unit.

26 **Anita Duty**: They are not in the VP6, correct.

27 **Bradley Lambert**: Okay. Mr. Cooper, were you able to verify that?

28 **Rick Cooper**: Yes. I agree with Ms. Duty and so that's her testimony. I guess last time under
29 the previous testimony, we were a little unsure if the wells were drilled or not. Both of those
30 wells were drilled and they are outside of the sealed gob.

31 **Bradley Lambert**: Okay. Thank you for verifying that one, Mr. Cooper for verifying for us.

1 Item Number 7

2 **Bradley Lambert:** The last item that we need to clean up today, relates to VGOB-13-1217-
3 4029, and this was a Buchanan No. 1 SGU4. We were talking about the seal issue, Mr. Swartz,
4 and you asked us to continue so that you can have an engineer here to testify.

5 **Mark Swartz:** Well actually I asked you to continue it because I wanted to examine the concern
6 that you had raised. And I have...ah...Anita and I have...well let me say what the concern is.
7 Apparently there was some discussion subsequent to the hearing about why the gob in this mine
8 area that we were dealing with the Sealed Gob 4 was sealed. Was it safety? Was it to have
9 marketable quality gas? I mean what was the reason or reasons and Chairman Lambert brought it
10 to Anita's attention and my attention that that was a question that he felt was important with
11 regard to allocation of costs. So having received that information, Anita and I then met
12 with...we spent a fair amount of time with mining engineers for Consol with regard to longwall
13 mining and ventilation issues. I'm just going to share with you what I learned. When we...what
14 I learned was there actually two reasons why we are sealing those gobbled areas in the mine at
15 present. One reason is mine safety that the mine safety rules have changed over the years and at
16 present the mining companies are required to seal gobbled areas to proceed with their mining
17 which was not the case when we started developing sealed gobs and the reason that we were
18 sealing these areas in the beginning was you cannot produce marketable gas from a gob area of a
19 mine if you have general mine ventilation going through it. Without getting to technical for
20 many many years longwall mining ventilation plans would allow you to ventilate mining areas
21 by pulling air across a gob area and pulling that out of the mine. Over time because of safety
22 concerns, MSHA and the Commonwealth over time there have been more and more restrictions
23 on how you ventilate gobbled areas of the mine and at present you would absolutely have to seal
24 that area I've determined whether or not you are producing gas from it. So my report to you Mr.
25 Chairman and Board generally is on the one hand we couldn't produce gas from that area if it
26 wasn't sealed because the gas would be contaminated with oxygen and we wouldn't have a
27 marketable product. So it needs to be sealed but I cannot represent to you and Anita can't either
28 now that we've done our research in terms of the changes in safety requirements, we cannot
29 represent to you that that's the only reason that that area is sealed. I mean the primary reason it's
30 sealed at present is for mine safety. In fact, the seals that are put in at present are required to
31 withstand 120 pounds of pressure so the blow out issues that we had in the past that you would
32 need to depressurize that with wells have been sort of addressed by those requirements as well.
33 The seals are now roughly \$45,000 a piece because of all of those constraints. So in fairness,
34 you know, I think that there should be some assignment of costs but I don't think it is reasonable
35 and I think that is the question that the Board was asking. I don't think it is reasonable to sign
36 100% of those costs so I sort of leave it to you to um...do something reasonable in that order.

37 **Bradley Lambert:** That's a question that the Board will have to decide is giving the change in
38 the ventilation plans because of differences in mine laws now that we didn't have a few years

1 ago, those seals that would cost \$45,000 today, back ten years ago may have cost half that or
2 even less than that.

3 **Mark Swartz:** Well they weren't free, it was substantial but it was clear it's a lot more money
4 today, absolutely.

5 **Bradley Lambert:** So when asking for the sealed gob unit and the percentage of cost to be
6 passed along, I guess the Board has to decide what's a reasonable cost for those seals. It is
7 \$45,000 a piece, or what it might be given that the primary reason is to ventilate the mines. The
8 secondary reason, which is just as important and that's the responsibility of this Board as well is
9 to maximize production of gas resources. So coming before the Board, which do we decide is
10 most important as the Gas and Oil Board. Is it to maximize production of gas or is it to enhance
11 the recovery of coal? Which Mr. Swartz touched on briefly is that those gas wells, those gob
12 wells play a very important piece in future mining because at times when methane levels rise to a
13 dangerous level those wells can be depressurized thus taking off some of the dangers to the coal.
14 So here the Board is left with the question, how much percentage do we charge or do we allow a
15 charge for the construction of those seals? That's where we are.

16 **Mark Swartz:** That's the question. I mean, what's a fair outcome there because obviously
17 you've got two roles and ah....

18 **Mary Quillen:** Just hypothetically if ten years ago what is the difference in....what is the
19 percentage and increase of cost from ten years ago. I mean just a ball park figure.

20 **Mark Swartz:** I could find out. I mean I don't know today.

21 **Bradley Lambert:** Well I've asked our Chief Engineer for mine safety Mike Willis to be with
22 us today to hopefully help us answer some questions. So Mike if you can come forward please
23 and I guess since you are going to provide some testimony in this case we better have you sworn
24 in.

25 **Sarah Gilmer:** Mr. Willis, do you swear or affirm that your testimony is the truth, the whole
26 truth, and nothing but the truth?

27 **Mike Willis:** I do.

28 **Bradley Lambert:** Mike in your experience, you've heard us discuss the issue with the seals
29 that are required to be put in today. They have to meet a certain pressure. To follow up on Mrs.
30 Quillen's question, in your experience based upon the cost of that seal today that they have to use
31 at the Buchanan Number 1 mine, how does that relate to seals that were being built and I will use
32 Mrs. Quillen's figure, ten years ago?

33 **Mike Willis:** Ten years ago. Ten years ago they were putting in 20 psi seals. The seals they are
34 putting in today are 120 psi. So they are five times stronger but the cost is probably more on a

1 range from eight to ten times more than what they were ten years ago. They are significantly
2 higher in cost.

3 **Bradley Lambert**: So if it wasn't for the safety issue of ventilating the mining as it advanced or
4 controlling the gas going across those working places, would you need to build those 120 pound
5 psi seals if it wasn't for the safety issue and we were just building the seals to ventilate the gob
6 area I guess if we looked at it that way?

7 **Mike Willis**: Well if the coal mine safety federal regulations in particular call for you know,
8 you've got to build a minimum of 50 psi seals. They've got two types of seals, 50 and 120. The
9 50 psi seals require a lot of monitoring and if they get to a point where they're at in gas again
10 you get an explosive mixture behind the seals then you've got to withdraw the mine. So you
11 know it makes much more practical since to put in the 120 psi seals. That's what I would do if I
12 were...

13 **Mark Swartz**: Right. I mean the cost to confirm what he is saying from my inquiries, the cost
14 of any alternative method involves a lot of additional man power and a lot of [inaudible], I mean
15 there's all sorts of reasons to go with the 120, I mean, they are both theoretically safe but to keep
16 the 50's safe you've got to do a lot of monitoring.

17 **Mike Willis**: It's a lot of monitoring.

18 **Mark Swartz**: And it's a lot of other money that is not in the seals and so from the stand point
19 of what's the safest most cost effective way to protect the miners, the 120 at least from what I'm
20 getting from our engineering people is that you know, that's the preferred route that they have.

21 **Mike Willis**: Yes. I agree. I am much in favor of the 120s because they require a lot less
22 attention. You know a point of fact also for example, the Sago Mine Explosion I believe
23 theoretically, the people think it was a 96 psi explosion or something along that range. And the
24 120s were designed to hopefully withstand anything that could happen. Any type of explosion,
25 you know, nothing is certain, but the one thing that is not known is the 120 psi also have a 1.5
26 safety factor. So theoretically they could probably handle 180 psi explosion. Which is very
27 important in my mind.

28 **Bradley Lambert**: So the alternative in today's mining activities especially for Buch 1, the
29 alternative to a 120 psi seal is a 50 psi seal and the cost of the seal is much less but I think I
30 understand the resources to take care of the gas monitoring, ventilating, those things adds to the
31 cost of the seal which could make it as costly as the 120.

32 **Mike Willis**: Correct. That's right, and it takes it....

33 **Mark Swartz**: Or more because depending on how long you're in the mining I mean, it's an
34 ongoing labor expense, and ongoing utility expense, so I wouldn't even stop there. You know,

1 the 50 seal could ultimately wind up costing more when you put in all in the basket, than the
2 120s.

3 **Mike Willis**: If it's a twenty-five year you are correct. You know, you've got to make it and
4 monitor every week and also if you get an explosive mixture behind a seal you've got to pull the
5 mine. So you know a couple of days like that....

6 **Bradley Lambert**: Talking about the 50 seals?

7 **Mark Swartz**: The 50s.

8 **Mike Willis**: The 50 psi seals.

9 **Bradley Lambert**: So would the Mine Safety and Health Administration and our Division of
10 Mines, would we consider a 50 psi seal in that mine?

11 **Mike Willis**: I would sure do everything that I could to discourage it if they proposed that.
12 They've never proposed that and I don't think they ever will.

13 **Mark Swartz**: And they have good reasons not too.

14 **Mike Willis**: Yes. There are a bunch of reasons not to. If they come in and said we want to put
15 50 psi seals we would do everything we could to talk them out of it. Maybe even you know, I
16 can't speak for the Chief, but it possibly could be denied.

17 **Bradley Lambert**: Okay.

18 **Mark Quillen**: Mr. Willis, did you mention or did Mr. Swartz mention like the improving the
19 quality of the product of the gas earlier?

20 **Mark Swartz**: I did. I mean that is an effect of you know, in the past you would be ventilating
21 a mine by pulling air through it and you would tend to contaminate the methane with just general
22 mine air which had oxygen in it. So the....but we are not ventilating those areas we are sealing
23 them to keep for several reasons.

24 **Mary Quillen**: So you are...you are recouping that gas and are able to sell it because the quality
25 is high?

26 **Mark Swartz**: Right. If we didn't seal the gob, we couldn't sell it.

27 **Mary Quillen**: Because of the...of the...the...um seals. So, if you didn't have the seals then
28 the...you would not be able to recoup the gas because it would be contaminated.

29 **Mark Swartz**: Correct.

1 **Mary Quillen**: So you are making some profit from that, so I think that's a factor that should
2 also be included in that. You are able to recoup some of the...you are able to recoup the gas and
3 sell that so that helps to offset the cost of that....so I think that should be a factor in it.

4 **Mark Swartz**: I guess, you know, my argument or theory is, you know, none of the pipelines
5 that we deal with would accept gas with those kinds of oxygen concentrations. I mean, we can't
6 sell it. So.....

7 **Mary Quillen**: Right...right...I mean that's a given.

8 **Mark Swartz**: So we spend money to have gob wells or wells in the sealed gob and we spend
9 money to apply some kind of extraction to them and compression, and as to get the gas under the
10 ground. In addition, there is money spent to make sure that what we are pulling out of the
11 ground is it of quality that we can sell. So, my view is to be fair, there is some beneficial effect
12 of these mine seals on gas production. We wouldn't have it if we didn't and my point is you
13 know, looking at this historically in terms of cost, growth over time, or comparing seals,
14 whatever there is, some piece of this that I think that is fair to assign as a cost of gas production.
15 And you know, if you want to participate in the unit, just like you were assigning those wells,
16 and we're not taking all of the wells but we are taking, you know, a number of wells not 100% of
17 them, we are saying that we are going to allocate those costs. So, the question really is...what is
18 a reasonable snap shot of costs with regard to seals that a person wants to participate in this unit
19 ought to step up to the plate and say I am benefiting from this and I'm willing to pay a piece of
20 it.

21 **Mary Quillen**: So the cost side of the ledger, there are costs with extracting that gas out of the
22 sealed gob. So that's a factor that you would want to address and does that balance out with the
23 amount of gas that you've recouped and the money that you would get from that gas you would
24 recoup. I mean what percentage of that recouped gas is the...is the cost?

25 **Mark Swartz**: What we are talking about is not really an operating cost on an ongoing basis, we
26 are talking about you know, what is the total dollars that is being assigned to this sealed gob unit
27 as a development cost?

28 **Mary Quillen**: Right.

29 **Mark Swartz**: Combining mines and seals. And what we're looking at is what is a reasonable
30 piece of the seals to be part of that cost which is...then you apply your percentage in the unit to
31 that cost it's not an ongoing operation cost it's a development cost.

32 **Mary Quillen**: Right.

33 **Donnie Ratliff**: Mr. Chairman, I don't think it's, I mean you look at pre Sago and the cost was a
34 fixed number but we can't play by those rules anymore. We have to upgrade and we don't have
35 any choice. It's a trade off. You are getting....you either ventilate it or you seal it. I mean, it's

1 pretty simple, and you can't ventilate it because you will dilute the gas and for mine safety you
2 don't want to ventilate that anyway, you want to seal it. I'm not sure if there is a way to figure
3 out a scientific number but I think if you...both sides benefit deeply as far as I'm concerned and
4 I think if you look at a 50/50 split that that should be acceptable.

5 **Bradley Lambert**: Thank you Mr. Ratliff, that is exactly what I was going to suggest that we
6 consider just a 50/50 split since we are dealing with both resources coal and gas, we are required
7 or mandated to maximize production of both resources. So, I guess that Mr. Ratliff if you will
8 put that in the form of a motion, unless there is further discussion.

9 **Bruce Prather**: Yeah Mr. Chairman, when these mines are abandoned and these seals are left in
10 here, these \$45,000 seals don't have a possibility of ever giving any problems once one of these
11 mines is sealed and abandoned. I assume if you have the lesser seals you might have a problem
12 when you find the abandoned mine.

13 **Mike Willis**: I think that's a true statement that the lesser seals that we used to put in actually
14 we had occurrences where they would crush out sometimes. But these seals that they are putting
15 in today, you know I'm pretty comfortable one hundred years down the road, they will still be in
16 place. I think that answers your question.

17 **Bruce Prather**: So that's another benefit for usage.

18 **Mike Willis**: Yes.

19 **Donnie Ratliff**: Mr. Chairman, I make a motion that we do a 50/50 split on the cost share on the
20 seals.

21 **Mary Quillen**: Second.

22 **Bradley Lambert**: I have a motion and a second, any further discussion? [No response] All in
23 favor signify by saying yes.

24 **Board**: Yes.

25 **Bradley Lambert**: Opposed, no. [No response] Thank you folks, and going forward we will be
26 allowed to split 50/50.

27 **Mark Swartz**: We'll show you 100% of the costs so that you can do the 50/50.

28 **Bradley Lambert**: Sure. We appreciate it.

29 **Mark Swartz**: That seems like a reasonable outcome. Thank you.

30 **Rick Cooper**: So if I could Mr. Chairman, we haven't processed this order at this time, we have
31 not processed this.

1 **Bradley Lambert**: I think this will apply to those since we haven't processed it. What we voted
2 on is cost share 50/50 for seals and that would apply to those seals and this one as well.

3 **Mark Swartz**: Right. So just to make sure that we are all on the same page as to what happened
4 today, we have only revisited how to allocate costs of the seals to the participation costs and
5 ruling of the Board is that it is now going to be 50% not 100% which is what happened at the last
6 hearing.

7 **Bradley Lambert**: Yes. That is correct.

8 **Mark Swartz**: And so we are going to have to revise the exhibit?

9 **Bradley Lambert**: Right, yes.

10 **Rick Cooper**: Yes.

11 **Mark Swartz**: And tender that to you all.

12 **Rick Cooper**: Yes. That is what I was leading to.

13 **Bradley Lambert**: Thank you Mike, I appreciate it.

14 **Mary Quillen**: Does he need to amend his...to include the revised exhibit?

15 **Bradley Lambert**: We can do that just to make sure that it is clear that this applies to SGU4.

16 **Mark Swartz**: And when we do that, we are going to provide you well you may or may
17 not...when Anita testified that we weren't sure if we had captured all of the sealed costs. So we
18 were estimating them at two million which is the number that we used [inaudible]. The number
19 actually comes in [inaudible] and we have a spreadsheet and I thought that when we do this if we
20 are going to be amending that, lets provide you with the backup because we will have a new
21 number that we will be providing which will be slightly less than what we had.

22 **Bradley Lambert**: Sure.

23 **Mark Swartz**: Does that make since?

24 **Bradley Lambert**: Yes. Mr. Ratliff could you amend your motion to include...

25 **Donnie Ratliff**: I will amend my motion with what...this applies to SGU4 and it will be from
26 this date forward not retroactive to any other one.

27 **Mark Swartz**: Right.

28 **Bradley Lambert**: Okay.

29 **Mark Swartz**: Very good.

1 **Bradley Lambert**: Do I have a motion on the amendment?
2 **Donnie Rife**: Motion made Mr. Chairman.
3 **Mary Quillen**: Motion to approve.
4 **Bradley Lambert**: Do I have a second?
5 **Mary Quillen**: Second.
6 **Bradley Lambert**: I have a motion and a second. All in favor signify by saying yes.
7 **Board**: Yes.
8 **Bradley Lambert**: Opposed no. [No response] Thank you folks that is approved.
9 **Mark Swartz**: Thank you all. We appreciate it.
10 **Bradley Lambert**: We are going to take about a five minute break.

11

12

Item Number 8

13 **Bradley Lambert**: Ladies and gentlemen we will continue on with our proceedings this
14 morning. We are calling Docket Item Number 8. A petition from Range Resources-Pine
15 Mountain, for a Well Location Exception for Well Number V-530393. This is Docket Number
16 VGOB-14-0318-4038. All parties wishing to testify, please come forward.

17 **Tim Scott**: Tim Scott, Gus Janson and Aaron Anderson for Range Resources-Pine Mountain,
18 Inc.

19 **Sarah Gilmer**: Mr. Janson, do you swear or affirm that your testimony it the truth, the whole
20 truth and nothing but the truth?

21 **Gus Janson**: I do.

22 **Sarah Gilmer**: Mr. Anderson, do you swear or affirm that your testimony it the truth, the whole
23 truth and nothing but the truth?

24 **Aaron Anderson**: I do.

25 **Bradley Lambert**: You may proceed Mr. Scott.

26 **Tim Scott**: Thank you Mr. Chairman. Mr. Anderson, please state your name, by whom you are
27 employed and your job description.

1 **Aaron Anderson**: Aaron Anderson, I am with Range Resources-Pine Mountain, and I am a
2 Land Tech.

3 **Tim Scott**: Are you familiar with this application?

4 **Aaron Anderson**: I am.

5 **Tim Scott**: And are you also familiar of the ownership of the minerals underlying this unit?

6 **Aaron Anderson**: Yes.

7 **Tim Scott**: Have we set forth the owners of the minerals on Exhibit B to our notice? Is that
8 right?

9 **Aaron Anderson**: You did.

10 **Tim Scott**: Who operates well number V-530284?

11 **Aaron Anderson**: Our partner, EQT Production.

12 **Tim Scott**: Now in this particular situation, Range is both an owner and an operator. Is that
13 right?

14 **Aaron Anderson**: That's correct.

15 **Tim Scott**: Okay. How was notice of this hearing provided to the parties listed on Exhibit B?

16 **Aaron Anderson**: Certified mail.

17 **Tim Scott**: And we have provided proof of our mailing to the Board?

18 **Aaron Anderson**: That is correct.

19 **Tim Scott**: That's all I have for Mr. Anderson.

20 **Bradley Lambert**: Any questions from the Board? [No response] You may continue Mr. Scott.

21 **Tim Scott**: Thank you. Mr. Janson, your name by whom you are employed and your job
22 description please.

23 **Gus Janson**: My name is Gus Janson. I'm employed by Range Resources-Pine Mountain, Inc.
24 and I am the Manager of Geology.

25 **Tim Scott**: Any you are familiar with this application, is that correct?

26 **Gus Janson**: I am.

27 **Tim Scott**: And you've provided the Board with two exhibits. Is that correct?

1 **Gus Janson**: That's correct.

2 **Tim Scott**: Would you please tell the Board why we are seeking a Well Location Exception for
3 this particular one today?

4 **Gus Janson**: Yes. I have passed out two exhibits to the Board, Exhibit H2 and Exhibit K, and
5 these exhibits have also been uploaded into the e-Forms system. I am calling your attention to
6 Exhibit H2, you will see the location of proposed well 530393. The position of this well in the
7 relationship to the offsetting existing wells as well as the steep topography in the area to
8 maximize the recovery resources in this area. If we were unable to drill a well at this location it
9 would be stranding approximately 112.5 acres of reserved.

10 **Tim Scott**: What's the proposed depth of this well?

11 **Gus Janson**: 5,059 feet.

12 **Tim Scott**: And what would be the potential loss of reserves if the Board does not grant the
13 application today?

14 **Gus Janson**: 525 million cubic feet of gas.

15 **Tim Scott**: And in your opinion if the application is granted, then it will prevent waste, promote
16 conservation, is that right?

17 **Gus Janson**: That is correct.

18 **Tim Scott**: We had no correlative rights issues here, is that correct?

19 **Gus Janson**: We do not.

20 **Tim Scott**: That's all I have for Mr. Janson.

21 **Bradley Lambert**: Any questions from the Board? [No response] Mr. Janson, Exhibit K that is
22 showing underground mine works those are....

23 **Gus Janson**: Yes for information for the Board just to show that we....

24 **Bradley Lambert**: Those are not active works?

25 **Gus Janson**: These are abandoned underground works in the Upper Banner Seam that will be
26 [inaudible] with the well bore.

27 **Bradley Lambert**: Okay. Thank you. Any other questions from the Board? [No response]
28 Anything further Mr. Scott.

29 **Tim Scott**: That's all I have Mr. Chairman.

1 **Bradley Lambert**: Do I have a motion?
2 **Donnie Rife**: Motion made Mr. Chairman.
3 **Mary Quillen**: Second.
4 **Bradley Lambert**: I have a motion and a second. Any further discussion? [No response] All in
5 favor signify by saying yes.
6 **Board**: Yes.
7 **Bradley Lambert**: Opposed, no.
8 **Donnie Ratliff**: I'll abstain Mr. Chairman.
9 **Bruce Prather**: I'll abstain too.
10 **Bradley Lambert**: Two abstentions Mr. Prather and Mr. Ratliff.
11
12

Item Number 9

13 **Bradley Lambert**: We are calling Docket Item Number 9. A petition from Range Resources-
14 Pine Mountain, for Pooling of Well Number VC-530396, CBM Unit Unit BM-61. Docket
15 Number VGOB-14-0318-4039. All parties wishing to testify, please come forward.
16 **Tim Scott**: Again, Tim Scott, Gus Janson and Aaron Anderson for Range Resources-Pine
17 Mountain, Inc.
18 **Bradley Lambert**: You may proceed Mr. Scott.
19 **Tim Scott**: Thank you Mr. Chairman. Mr. Anderson, one more time, your name, by whom you
20 are employed, and your job description please.
21 **Aaron Anderson**: Aaron Anderson. I'm a Land Tech for Range Resources-Pine Mountain.
22 **Tim Scott**: And are you familiar with this application?
23 **Aaron Anderson**: I am.
24 **Tim Scott**: How many acres does this unit contain?
25 **Aaron Anderson**: 58.8.
26 **Tim Scott**: Okay. And Range does have a significant portion of this unit either under lease
27 which Range is an owner of the minerals. Is that correct?

1 **Aaron Anderson**: That's correct.

2 **Tim Scott**: Are we going to dismiss any respondents on Exhibit B3 today?

3 **Aaron Anderson**: No.

4 **Tim Scott**: Now, how was notice of this hearing provided to the respondents listed on Exhibit
5 B?

6 **Aaron Anderson**: Certified mail.

7 **Tim Scott**: Was there another method of notice for this hearing?

8 **Aaron Anderson**: It was published in the Dickenson County Star.

9 **Tim Scott**: What day was that published?

10 **Aaron Anderson**: February 26, 2014.

11 **Tim Scott**: Now we do have some unknowns in the unit. Is that correct?

12 **Aaron Anderson**: That is correct.

13 **Tim Scott**: And I believe you've got by letter dated February 14, you've provided proof of your
14 efforts to locate these individuals to Mr. Cooper. Is that right?

15 **Aaron Anderson**: Yes.

16 **Tim Scott**: And that letter has been uploaded into the system. Is that right?

17 **Aaron Anderson**: Yes.

18 **Tim Scott**: And in your opinion was due diligence exercised in trying to locate these
19 individuals?

20 **Aaron Anderson**: Yes it was.

21 **Tim Scott**: Have you filed proof of publication, proof of notice of mailing to the Board?

22 **Aaron Anderson**: We have.

23 **Tim Scott**: Is Range authorized to conduct business in the Commonwealth?

24 **Aaron Anderson**: We are.

25 **Tim Scott**: And is there a blanket bond on file with the department?

26 **Aaron Anderson**: Yes.

1 **Tim Scott**: Now if you were able to reach an agreement with those parties listed on Exhibit B3,
2 what lease terms would you offer?

3 **Aaron Anderson**: \$5 per acre for a five-year lease.

4 **Tim Scott**: Is that \$25 per acre?

5 **Aaron Anderson**: Yes. \$25 per acre.

6 **Tim Scott**: \$25 per acre.

7 **Aaron Anderson**: Sorry.

8 **Tim Scott**: And in your opinion is this a reasonable amount for a lease in this area?

9 **Aaron Anderson**: It is.

10 **Tim Scott**: And what percentage of the gas estate does Range have under lease presently?

11 **Aaron Anderson**: 95.56%.

12 **Tim Scott**: And again that does include acreage that Range owns in fee. Is that correct?

13 **Aaron Anderson**: That is correct.

14 **Tim Scott**: And the coal estate, how much of that estate does Range have under lease?

15 **Aaron Anderson**: 100%.

16 **Tim Scott**: And you're seeking to pool the unknown heirs is that correct of Joseph Kiser?

17 **Aaron Anderson**: That is correct.

18 **Tim Scott**: And what is that percentage?

19 **Aaron Anderson**: 4.44%.

20 **Tim Scott**: And we have an escrow requirement of this unit. Is that right?

21 **Aaron Anderson**: That is correct.

22 **Tim Scott**: And this is for unknowns. Is that right?

23 **Aaron Anderson**: Correct.

24 **Tim Scott**: What tract is subject to escrow?

25 **Aaron Anderson**: 4.44%. That is Tract 3.

1 **Tim Scott**: Is it Tract 2? Sorry. Is it Tract 3?

2 **Aaron Anderson**: Is it Tract 2. Sorry.

3 **Tim Scott**: Thank you. And you are requesting the Board to pool the parties listed on Exhibit
4 B3. Is that right?

5 **Aaron Anderson**: That is correct.

6 **Tim Scott**: Are you also requesting that Range be named operator for this unit?

7 **Aaron Anderson**: Yes.

8 **Tim Scott**: Now if the Board grants our petition today and parties want to make an election
9 based on an order that would be entered by the Board, what address would be used?

10 **Aaron Anderson**: It would be 406 West Main Street, P. O. Box 2136, Abingdon, VA 24210.

11 **Tim Scott**: And this is the address for all communications?

12 **Aaron Anderson**: It is.

13 **Tim Scott**: Okay. That's all I have for Mr. Anderson.

14 **Bradley Lambert**: Any questions from the Board? [No response] You may continue Mr. Scott.

15 **Tim Scott**: Thank you Mr. Chairman. Mr. Janson, again your name by whom you are
16 employed.

17 **Gus Janson**: My name is Gus Janson. I am employed by Range Resources-Pine Mountain, Inc.,
18 as the Manager of Geology.

19 **Tim Scott**: You are familiar with this application, is that right?

20 **Gus Janson**: Yes I am.

21 **Tim Scott**: And you did participate in preparation, is that correct?

22 **Gus Janson**: That is correct.

23 **Tim Scott**: What is the proposed well depth for this unit?

24 **Gus Janson**: 2,892 feet.

25 **Tim Scott**: And what are the estimated reserves for this unit?

26 **Gus Janson**: 500 million cubic feet of gas.

27 **Tim Scott**: I believe that your signature is on the AFE. Is that correct?

1 **Gus Janson**: That is correct.

2 **Tim Scott**: So you're familiar with the well costs?

3 **Gus Janson**: I am.

4 **Tim Scott**: What is the estimated dry hole cost for this unit?

5 **Gus Janson**: Dry hole cost is \$156,257.

6 **Tim Scott**: And the estimated completed well cost?

7 **Gus Janson**: \$402,634.

8 **Tim Scott**: Now again you participated in the preparation of the AFE. Is that right?

9 **Gus Janson**: I did.

10 **Tim Scott**: Do you consider those costs to be reasonable?

11 **Gus Janson**: Yes I do.

12 **Tim Scott**: Okay. Is there also a charge on the AFE for supervision?

13 **Gus Janson**: Yes there is.

14 **Tim Scott**: Do you consider that charge to be reasonable?

15 **Gus Janson**: Yes I do.

16 **Tim Scott**: In your opinion, if the Board grants our application today, would prevent wastes,
17 promote conservation, and protect correlative rights?

18 **Gus Janson**: Yes it would.

19 **Tim Scott**: That's all I have for Mr. Janson.

20 **Bradley Lambert**: Questions from the Board? [No response] Anything further Mr. Scott?

21 **Tim Scott**: That's all I have Mr. Chairman.

22 **Bradley Lambert**: Do I have a motion?

23 **Mary Quillen**: Motion to approve.

24 **Bruce Prather**: Second.

25 **Bradley Lambert**: I have a motion and a second. Any further discussion? [No response] All in
26 favor signify by saying yes.

1 **Board**: Yes.

2 **Bradley Lambert**: Opposed, no.

3 **Donnie Ratliff**: I'll abstain Mr. Chairman.

4 **Bradley Lambert**: One abstention Mr. Ratliff. Thank you gentlemen.

5 **Tim Scott**: Thank you.

6 **Item Number 10**

7 **Bradley Lambert**: The next item on our agenda is the Board will receive and update of Board
8 and Division activities from the staff. But before we do that Mr. Cooper, I think Mrs. Quillen
9 has something that she would like to address before the Board.

10 **Rick Cooper**: Okay.

11 **Mary Quillen**: I have been asked to share this with the Board Members. The CPA who does my
12 company's tax work...the CPA also has a number of clients that are either landowners or
13 mineral owners so he does lots of business with these folks. He has been using the DMME and
14 the Division of Gas and Oil's website to help him as he works with his clients over the years and
15 it has been a struggle that is not his exact words. He had a better description for it but I will say
16 a struggle to get all of the information that he needed to help these folks with their tax returns.
17 And last year when our system was just about finished and during tax season and he was using it
18 and he told me what an asset it was and how much it helped him. When I went in this year and
19 he told me, he said I just want to share this with you so that you can share it with your Board,
20 that the website is unbelievable and how much it has helped him. He said that is one of the best
21 tools that he has had to work with his clients. The clients are extremely happy that this has been
22 made available to them and he said you will not believe the thousands of dollars that I have been
23 able to bring back to this region for the clients because of having access to all of this information
24 and the good information on the website. He wanted me to share that with you. And he asked
25 me who developed the program and I told him that it was developed by a number of people who
26 worked on it from the DMME and the Division of Gas and Oil. I told him that the information
27 was entered into the system, collected and entered into the system by four ladies that the Board
28 had hired just for this specific job and they did an outstanding job and I told him, I said, one of
29 the young women that worked on this and was responsible for a lot of the work, when her
30 contract was up with us when this was completed she went to work for one of the technology
31 companies. I said it wasn't exactly what she wanted and when a position opened at the Division
32 of Gas and Oil she applied for that position and she came back to us and that is Sarah Jessee
33 Gilmer. And what a fine job...and he said to tell you what a...congratulations on what a really
34 outstanding job that the Gas and Oil Division has done in making this available. He said that he
35 had lots of colleagues also that use it and they are just thrilled to have this tool.

1 **Rick Cooper**: We appreciate those comments. We always like positive comments.

2 **Mary Quillen**: He asked me if you all would consider going to Washington and straighten out
3 the healthcare.

4 [Laughter]

5 **Rick Cooper**: I don't think we are up to that task. But just to let you know, we do have a lot of
6 items and we hope somewhere around mid-year to have all ten thousand of our well permits on
7 there also. So we are working on that currently. That's our next project for the website.

8 **Mary Quillen**: Well these folks that use it and depend on it particularly in the tax season and
9 the CPAs and all of their folks that are working on this really appreciate having this extra tool.
10 He said that it saved him so much time. He said that it was user friendly. That was one of his
11 comments, that it was so user friendly. So he was most complementary.

12 **Rick Cooper**: Well thank him on behalf of us. We appreciate that.

13 **Mary Quillen**: I certainly will.

14 **Rick Cooper**: We always continue to try to do better.

15 **Bradley Lambert**: Okay. Thank you Ms. Quillen. Mr. Cooper...

16 **Diane Davis**: Anita, do mind to agree with me on this? Remember I talked with Melissa
17 yesterday that the 02 and the 03 disbursement on that docket 0161 which had been previously
18 approved and we paid out the 03 first. Do you remember which one we are talking about? The
19 Board approved an 02 and an 03 and unfortunately the 03 got in front of the 02 which isn't a
20 problem. We can fix that. But in the process of doing that, that was the one they had trouble
21 entering on the e-Forms. I created an exhibit, I mean a...I took the 02 and the 03 and made a 05
22 order out of it combining the two. Which now has everything correct on it. I shared it with
23 Anita and Melissa and I think yesterday Melissa confirmed that we are correct and I guess I
24 would like the Board's permission to take the 02 and the 03 combined and pay it out under the
25 05, and it will reference that it was the 02 and the 03. And I am going to at the suggestion of
26 CNX, put an extra exhibit in there that says you know...what happened. Both of those orders
27 had issues with them, and then we made it even more difficult by paying them out of order. So if
28 that's okay with the Board, we are all in agreement that the 05 is correct and I think we are in
29 agreement with that, correct? Say it out loud. Yes, yes, yes, yes, yes. [Laughter]

30 **Anita Duty**: Yes I mean I didn't know if we were going to do a total new order because it is
31 really just the money that's messed up, so that's....because the other two orders have already
32 been recorded.

33 **Diane Davis**: Yeah but when I talked with Melissa yesterday we again felt to make it a clean
34 record and make it easier to follow and understand we'd just combine them. And then recoup,

1 we've got to recoup a hundred and some dollars from Torch and a hundred and some dollars
2 from CNX, no a little less than a hundred or right at it, and a hundred and...we owe
3 Mister...what's his name?

4 **Anita Duty**: Mutter.

5 **Diane Davis**: Mutter. We owe him a little bit of money back.

6 **Bradley Lambert**: Let's not take any action after that because I would like for that to be in
7 front of the Board so that we can take a Board vote on that since you are...I mean if it was just
8 for clarification purposes, but I don't want us to do that in discussion when we are updating the
9 Board activities.

10 **Diane Davis**: Okay.

11 **Bradley Lambert**: I'd rather, if you want to call that back and come back before the Board right
12 now under testimony we will do that. But under this back and forth discussion, I don't think that
13 is the proper way for us to handle this.

14 **Diane Davis**: Well do you mind? I'd like to get it paid.

15 **Anita Duty**: Well we have a landowner that's called. She calls every single day she is affected
16 by the [inaudible]

17 **Bradley Lambert**: Well Ms. Duty, why don't you come back up before the Board and let's do
18 this officially instead of having this discussion back and forth across the room.

19 **Diane Davis**: I believe the Docket Number is 0161. I'm sorry I didn't do it the proper way I
20 just...

21 **Bradley Lambert**: That's okay. If Ms. Duty will come back up under testimony, we will see if
22 we can get this one taken care of.

23 **Anita Duty**: 0161?

24 **Diane Davis**: I think that's the one isn't it?

25 **Bradley Lambert**: Do you want to read that into the record please?

26 **Diane Davis**: I don't have the full docket number.

27 **Anita Duty**: It is 91-1119-0161. The 02 and 03.

28 **Diane Davis**: And we're discussing 02 and 03. And we as the Board paid out the 03 before we
29 paid the 02. The 02 had a direct payment on it and then the rest was supposed to be paid
30 percentages. And I believe in testimony that...and correct me if I'm wrong, but I believe that

1 you stated that you had some problems with the e-Forms accepting it the way you wanted it to
2 be. And you ended up doing two orders.

3 **Anita Duty:** That's the reason we did it in...right in two orders.

4 **Diane Davis:** But where we paid it out wrongly we are still coming up with wrong percentages
5 when Melissa and I were trying to fix this. So I took the 02 order and the 03 order and we have a
6 pending 04 order so we've got several we need to get paid. And I did the 05 and just referenced
7 02 and 03 correction shared it with Melissa and I believe Melissa shared it with Anita and as of
8 yesterday we have all the numbers correct. And I know they'd like to just go with the 02 and 03
9 but I was so confused without just creating that 05 and going forward it was very confusing. So I
10 personally would like to request that we just process the 05 and reference that this is a correction
11 of the 02 and 03.

12 **Bradley Lambert:** Now is that going to cause...you said you have an 04 pending that you
13 haven't...so you are going to put one in front of the 04 and disburse again. Is that going to
14 create a [inaudible]

15 **Diane Davis:** I will reference....yeah...no as long as we notate it in the...I'll do a notation in
16 the order that there's a pending 04 that will be paid after this one. Because it is the 02 and the 03
17 being paid under a corrected order. I don't see any problem with it.

18 **Bradley Lambert:** Ms. Duty you are aware of what Ms. Davis just informed the Board and you
19 are okay with that?

20 **Anita Duty:** Well yeah I'm aware of it and I mean we kind of did our own table too to kind of
21 see what the differences in the dollars would have been and based on the way we intended for it
22 to be paid based on what we put into e-Forms but I mean if she wants to do another order I mean
23 to me it is just dollars that's all that's wrong. I mean you just paid the wrong...it's up to I mean
24 it's not my decision in how you want to handle it but...we did a table and we came up with you
25 know the amount.

26 **Diane Davis:** But it doesn't...and I understand and acknowledge but I cannot get the way it was
27 entered my tables to match.

28 **Anita Duty:** That's what I'm saying. However....

29 **Diane Davis:** That's why I would like the 05 to be approved.

30 **Bradley Lambert:** Okay.

31 **Diane Davis:** We match on it according to Melissa. We're within pennies.

32 **Anita Duty:** We just compared it where you put in there the 05 to the table that we generated
33 and just based off of the way [inaudible]

1 **Diane Davis**: Right. And we were off on it a couple of pennies.

2 **Anita Duty**: And it's just rounding as far as what e-Forms does versus...

3 **Diane Davis**: So I can handle it....

4 **Bradley Lambert**: This all has to do with for some reason and some point we need to know
5 what the reason...how come the 03 got paid before the 02?

6 **Diane Davis**: They both went out within five minutes of each other electronically.

7 **Bradley Lambert**: Oh. It wasn't days. It was....

8 **Diane Davis**: It was just a mistake on that. But on the orders I think the confusion has to do
9 when you do a disbursement and direct payment then you have to calculate and put in a dollar
10 amount and I think the wrong dollar amount got entered and it just threw everything off.

11 **Bradley Lambert**: The 02 was the direct payment?

12 **Diane Davis**: I can't remember who the direct payment...

13 **Bradley Lambert**: The direct payment got paid first?

14 **Anita Duty**: We asked for an exact dollar amount to be paid first and then a percentage in the
15 second order. I guess they still need to do some tweaking on e-Forms because if they...I mean I
16 think we could have filed it all together. I don't know what happened that we had to file it
17 separate.

18 **Diane Davis**: Yeah. Because I was able to do it all together.

19 **Anita Duty**: But because the percentage was paid before the direct dollars the percentage
20 amounts were paid based on a bigger dollar amount.

21 **Bradley Lambert**: And that changed the percentages.

22 **Anita Duty**: And that made the payout over.

23 **Bradley Lambert**: Any questions from the Board?

24 **Diane Davis**: And I will mention that on behalf of Debbie and I think even Anita, the system
25 you know, when we disburse, the system automatically sends out notes to everyone, Debbie or
26 Anita and all of the operators, we did not get an e-mail back that both orders did not go. But
27 both Debbie and Anita commented that they did not get the 02, I believe. They only got....

28 **Bradley Lambert**: What can we do to prevent...

1 **Diane Davis**: My suggestion is in the future, if we have an 02 and an 03 or whatever, send out
2 the one, one day, and verify that everybody got it and don't do them that close together. Because
3 I think it...who knows.

4 **Anita Duty**: Or fix e-Forms so that you can do what you need to do all in one.

5 **Diane Davis**: Yes. But anyway I think that we can fix all of this and pay the 04 if the Board
6 will say it is okay for me to combine the 02 and 03 into the 05.

7 **Bradley Lambert**: Okay. Any questions from the Board?

8 **Bruce Prather**: Since you've got an 04 account, you don't have an 05 that's sitting out there
9 somewhere that you'd end up with two 05's?

10 **Diane Davis**: No.

11 **Bruce Prather**: Okay.

12 **Diane Davis**: No. I created the 05.

13 **Bruce Prather**: Okay.

14 **Diane Davis**: I only have it in saved. I haven't done anything else with it because I wanted your
15 approval and their confirmation that my numbers were correct.

16 **Anita Duty**: Well I think that's how we discovered the problem with the other one when we
17 were doing things for the 04.

18 **Bradley Lambert**: Okay. Any other questions from the Board? [No response] Do I have a
19 motion for Ms. Davis to proceed in creating an 05 order to correct the payment?

20 **Donnie Rife**: Motion made Mr. Chairman.

21 **Donnie Ratliff**: Second.

22 **Bradley Lambert**: Okay. All in favor signify by saying yes.

23 **Board**: Yes.

24 **Bradley Lambert**: Opposed, no. [No response] Thank you Ms. Davis. You may proceed.

25 **Diane Davis**: Thank you sir. Thank you Anita.

26 **Bradley Lambert**: Thank you Ms. Duty. Mr. Cooper....

27 **Rick Cooper**: The only thing that I have I think the Board had wanted me to follow up with
28 Debbie Davis during last month's hearing. The issue came up on the time period of escheating

1 and whether it is five years in Virginia or four years in Tennessee. I have followed up with her
2 on that and she would be coming to the next Board hearing and she is still doing her research on
3 that and she will report out during the next hearing.

4 **Bradley Lambert**: Thank you Mr. Cooper, anything else?

5 **Rick Cooper**: No.

6 **Bradley Lambert**: Each of you should have received a draft of the RFP that we would like to
7 publish. Hopefully we are going to publish it for tomorrow. We sent this out about three weeks
8 ago but I understand some of the Board members did not receive that draft RFP. It is pretty big
9 in nature and I am not so sure that we can have time for you folks to review it today those of you
10 that didn't get it. I am going to say that we continue it until next month. I would like and was
11 hoping we could get this out tomorrow.

12 **Donnie Rife**: I don't see a reason that we couldn't Mr. Chairman it is pretty standard.
13 Everything looks to me like it is in order. I don't see...I mean...

14 **Bradley Lambert**: Who did not get it?

15 **Rita Surratt**: I actually got it I'm sure but I didn't have a chance to read all of it.

16 **Bradley Lambert**: Okay.

17 **Mary Quillen**: I didn't get it.

18 **Bradley Lambert**: Mr. Ratliff did you get it?

19 **Donnie Ratliff**: I got it.

20 **Bradley Lambert**: Mr. Prather did you receive it?

21 **Bruce Prather**: Yes sir. I sure did.

22 **Bradley Lambert**: Ms. Quillen, so you did not get it?

23 **Mary Quillen**: I did not.

24 **Bradley Lambert**: Could you take a few minutes just to review it?

25 **Mary Quillen**: That is what I am doing just looking through it.

26 **Bradley Lambert**: Okay. We'll take about a five minute break and give Mrs. Quillen time to
27 review that RFP and then we will...if there is any additions or corrections we will do that. But
28 I'd like to make that public tomorrow if we can vote on that today. So take five minutes please
29 and we will reconvene.

1 [BREAK]

2 **Bradley Lambert**: Folks let's go ahead and reconvene and we have a couple more items to
3 dispense of today. Okay by now everyone should have had an opportunity to review the draft
4 RFP. Are there any questions, comments, concerns, additions, deletions, that we need to make to
5 the RFP? I know Mrs. Quillen, you brought up a question about the dates, would you like to
6 discuss those please?

7 **Mary Quillen**: Are you talking to me?

8 **Bradley Lambert**: Yes ma'am.

9 **Mary Quillen**: Oh, no. The question that I had was the dates that are listed on here the contract
10 period. If we vote on this today and he is going to get it out tomorrow then the contract period is
11 going to run from May 1st through July 29th of 2014.

12 **Bradley Lambert**: That is correct. Yes. We will be making those date changes.

13 **Mary Quillen**: And that was the change from the original that was in the original RFP that we
14 have received. But the proposal receive date will still remain April 30th, correct?

15 **Bradley Lambert**: Yes. That is correct.

16 **Mary Quillen**: Okay. I think I'm good on this.

17 **Bradley Lambert**: And just to clarify this audit will go from January of 2010 through
18 December 2012. It will include all subaccounts. Any other questions before I call for a vote on
19 the RFP?

20 **Donald Ratliff**: I move that we approve and go forward Mr. Chairman.

21 **Donnie Rife**: I will second that Mr. Chairman.

22 **Bradley Lambert**: I have a motion and a second to approve the RFP. Do I have any further
23 discussion? [No response] All in favor, signify by saying yes.

24 **Board**: Yes.

25 **Bradley Lambert**: Opposed, no. [No response] Thank you folks this will be....we will make
26 the date changes this afternoon and this will be published in local media tomorrow morning.
27 Thank you all. Mr. Cooper, anything further?

28 **Rick Cooper**: You just need to approve the previous minutes that's all.

29 **Bradley Lambert**: That's right. So you have nothing further Mr. Cooper?

30 **Rick Cooper**: No.

Item Number 11

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Bradley Lambert: The final thing on our agenda is the approval of the minutes from our February meeting. Has everyone had a chance to review those? Are there any additions or corrections that we need to make to those minutes? [No response] Do I have a motion to approve?

Bruce Prather: Motion to approve.

Bradley Lambert: Do I have a second?

Rita Surratt: Second.

Bradley Lambert: I have a motion and I have a second. Any further discussion? [No response] All in favor signify by saying yes.

Board: Yes.

Mary Quillen: I'll abstain. I was not here last month.

Bradley Lambert: One abstention Mrs. Quillen.

Donnie Rife: I wasn't here either.

Bradley Lambert: And Mr. Rife did not vote because he was not present at the last meeting. Do I have a motion to adjourn?

Donnie Rife: Motion made Mr. Chairman.

Bruce Prather: Second.

Bradley Lambert: I have a motion and a second. All in favor signify by saying yes.

Board: Yes.

Bradley Lambert: Thank you ladies and gentlemen.