

VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

VIRGINIA GAS AND OIL BOARD HEARING

Tuesday, August 18, 2015

Lebanon, Virginia

BOARD MEMBERS:

Bill Harris—Public Member

Bruce Prather—Oil and Gas Industry Representative

Donnie Ratliff—Coal Industry Representative

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

Paul Kugelman, Jr.—Senior Assistant Attorney General

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

Sally Ketron—Staff Member of the Division of Gas & Oil

Prepared by: Margaret Linford

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1 **Bradley Lambert:** Good morning, ladies and gentlemen. It's now 9:00. It's time to begin our
2 proceedings for the morning. First of all, I'd ask if you have cell phones or other communication
3 devices, please turn those off or put them on vibrate. If you do need to take a call, please do so
4 out in the hall. We'll begin, this morning, by asking the Board members to please introduce
5 themselves. I'll begin with Ms. Surratt.

6 **Rita Surratt:** I'm Rita Surratt, public member. I'm from Dickenson County.

7 **Paul Kugelman:** Paul Kugelman, Board Counsel from the Virginia Attorney General's Office.

8 **Bradley Lambert:** I'm Butch Lambert, with the Department of Mines, Minerals and Energy.

9 **Donnie Ratliff:** I'm Donnie Ratliff, representing coal.

10 **Bill Harris:** I'm Bill Harris, a public member. I'm from Wise County.

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

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

13 **Bradley Lambert:** Thank you.

14 **Items Number 1 and 2**

15 **Bradley Lambert:** We'll begin this morning with public comments. I have no one signed up
16 for public comment this morning, so we'll move on to Docket Item Number 2. A petition from
17 EQT Production Company, for disbursement of funds and authorization for direct payment on
18 behalf of the known owners on Tract 4. Well VC-508826. Docket Number VGOB-01-1120-
19 0987-01. All parties wishing to testify please come forward. Mr. Cooper.

20 **Rick Cooper:** I would like to point out to everyone that we do have a new sound system, today.
21 This is our first live test, in our effort to improve sound quality. If we have to stop at any time,
22 I'll let you know.

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

25 **Rita Barrett:** I do.

26 **Bradley Lambert:** You may proceed, Mr. Kaiser.

27 **Jim Kaiser:** Ms. Barrett, is this a disbursement request?

28 **Rita Barrett:** It is.

29 **Jim Kaiser:** Have all parties been notified, as required by statute?

1 **Rita Barrett:** Yes.

2 **Jim Kaiser:** What unit are we disbursing from?

3 **Rita Barrett:** VC-508826.

4 **Jim Kaiser:** What tract?

5 **Rita Barrett:** 4.

6 **Jim Kaiser:** Is this a partial or full disbursement?

7 **Rita Barrett:** It's a full disbursement.

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

9 **Rita Barrett:** We have a court order, dated July 10, 2014.

10 **Jim Kaiser:** Is that included in our petition for disbursement?

11 **Rita Barrett:** It is.

12 **Jim Kaiser:** Have the figures been reconciled between the Escrow Agent and EQT?

13 **Rita Barrett:** They have, as of May 13, 2015.

14 **Jim Kaiser:** Will you direct the Board to our Table 1 that is attached to our petition and point
15 them out to the next to last column on the right the percent of escrowed funds to be disbursed
16 and to the rest of the information in that table as to who should receive the disbursement and
17 what amounts?

18 **Rita Barrett:** Yes.

19 **Jim Kaiser:** Have we provided the Board with Exhibits E and EE to reflect the facts of this unit
20 after this disbursement?

21 **Rita Barrett:** We have.

22 **Jim Kaiser:** Would you ask that each of these petitioners be paid the royalty directly, going
23 forward?

24 **Rita Barrett:** Yes.

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

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

1 **Jen Shaver:** Mr. Chairman, we have affidavits from all of my clients that are being disbursed
2 here, directing that the royalties should be paid to Don Barrett, P.A. We addressed this last
3 month, again, with Sarah.

4 **Bradley Lambert:** Have you submitted that?

5 **Sarah Gilmer:** Yes, they have been uploaded to the system. They aren't on your all's iPad's, but
6 they have been uploaded.

7 **Bradley Lambert:** Okay. Thank you. Anything further, Mr. Kaiser?

8 **Jim Kaiser:** We would ask that the application be approved as submitted, Mr. Chairman.

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

10 **Donnie Ratliff:** Motion to approve, Mr. Chairman.

11 **Bill Harris:** Second.

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

14 **Board:** Yes.

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

16 **Jim Kaiser:** These are actually all the same parties in these first five. We were going to
17 combine them. Ms. Shaver didn't have any problem with that, but we've got different
18 reconciliation dates on them, so we'll just go through each of them. It would probably be less
19 confusing.

20 **Item Number 3**

21 **Bradley Lambert:** We're calling Docket Item Number 3. A petition from EQT Production
22 Company, for disbursement of funds and authorization for direct payment on behalf of the
23 known owners on Tract 2. This is Well VC-508827. Docket Number VGOB-01-1120-0988-01.
24 All parties wishing to testify please come forward.

25 **Jim Kaiser:** Ms. Barrett, again, is this a disbursement request filed on behalf of the petitioners,
26 by EQT?

27 **Rita Barrett:** It is.

28 **Jim Kaiser:** Have all parties been notified?

29 **Rita Barrett:** Yes.

1 **Jim Kaiser:** What unit is this disbursement from?

2 **Rita Barrett:** This is VC-508827.

3 **Jim Kaiser:** What tract?

4 **Rita Barrett:** Tract 2.

5 **Jim Kaiser:** Is this a partial or full disbursement?

6 **Rita Barrett:** This is a full disbursement.

7 **Jim Kaiser:** Again, the reason for this disbursement?

8 **Rita Barrett:** We have a court order, dated July 10, 2014.

9 **Jim Kaiser:** That court order directs that the coalbed methane royalties be paid to the gas
10 owner, in this case?

11 **Rita Barrett:** It does.

12 **Jim Kaiser:** Have the figures been reconciled between the Escrow Agent and the bank?

13 **Rita Barrett:** They have, as of May 13, 2015.

14 **Jim Kaiser:** Would you direct the Board to Table 1 of our petition, as to the percentage of funds
15 that should be disbursed and as to who they should be disbursed to?

16 **Rita Barrett:** Yes.

17 **Jim Kaiser:** Have you provided the Board with Exhibits E and EE to reflect the status of this
18 unit after this disbursement?

19 **Rita Barrett:** Yes.

20 **Jim Kaiser:** Would you ask that any order provide that these petitioners be paid their royalties
21 directly, going forward?

22 **Rita Barrett:** Yes.

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

24 **Bradley Lambert:** Questions from the Board? [No response] Ms. Shaver

25 **Jen Shaver:** We just ask that, pursuant to the affidavits, that the royalties be disbursed to Don
26 Barrett.

27 **Bradley Lambert:** And, that's also been received?

1 **Sarah Gilmer:** Yes.

2 **Bradley Lambert:** Okay. Thank you. Anything further, Mr. Kaiser?

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

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

5 **Bill Harris:** Motion for approval.

6 **Donnie Ratliff:** Second.

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

9 **Board:** Yes.

10 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Kaiser. That's approved.

11 **Jim Kaiser:** Thank you.

12 **Rita Barrett:** Thank you.

13 **Item Number 4**

14 **Bradley Lambert:** We're calling Docket Item Number 4. A petition from EQT Production
15 Company, for disbursement of funds and authorization for direct payment on behalf of the
16 known owners on Tracts 1 and 3. Well VC-509263. Docket Number VGOB-02-1015-1086-01.
17 All parties wishing to testify please come forward.

18 **Jim Kaiser:** Ms. Barrett, again, is this a disbursement request filed on behalf of the petitioners,
19 by EQT?

20 **Rita Barrett:** Yes.

21 **Jim Kaiser:** Have all parties been notified, as required by statute?

22 **Rita Barrett:** They have.

23 **Jim Kaiser:** What unit is this one?

24 **Rita Barrett:** This is VC-509263.

25 **Jim Kaiser:** What tracts are we disbursing from?

26 **Rita Barrett:** Tracts 1 and 3.

1 **Jim Kaiser:** Again, this is a full disbursement?

2 **Rita Barrett:** It is.

3 **Jim Kaiser:** The reason for the disbursement?

4 **Rita Barrett:** Again, we have a court order dated July 10, 2014.

5 **Jim Kaiser:** Have the figures been reconciled between the Escrow Agent and EQT?

6 **Rita Barrett:** They have, as of June 11, 2015.

7 **Jim Kaiser:** Would you direct the Board to Table 1 to the petition, as to the percentage of
8 escrowed funds to be disbursed and as to who these disbursements should be made to?

9 **Rita Barrett:** Yes.

10 **Jim Kaiser:** Have you provided the Board with Exhibits E and EE to reflect the status of this
11 unit after this disbursement?

12 **Rita Barrett:** Yes.

13 **Jim Kaiser:** Would you ask that any order direct that these parties be paid their royalty directly,
14 going forward?

15 **Rita Barrett:** Yes.

16 **Jim Kaiser:** Nothing further of this witness, Mr. Chairman.

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

18 **Jen Shaver:** Just ask that, pursuant to the affidavits, the royalties be disbursed to Don Barrett.

19 **Bradley Lambert:** These have been received, Mr. Cooper?

20 **Rick Cooper:** Yes.

21 **Bradley Lambert:** Thank you. Anything further, Mr. Kaiser?

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

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

24 **Donnie Ratliff:** Motion made, Mr. Chairman, for approval.

25 **Bill Harris:** I'll second that.

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

1 **Board:** Yes.
2 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Kaiser. That is approved.
3 **Rita Barrett:** Thank you.

4 **Item Number 5**

5 **Bradley Lambert:** We're calling Docket Item Number 5. A petition from EQT Production
6 Company, for disbursement of funds and authorization for direct payment on behalf of the
7 known owners on Tracts 1 and 2. Well VC-509270. Docket Number VGOB-02-1119-1100-01.
8 All parties wishing to testify please come forward.

9 **Jim Kaiser:** Ms. Barrett, again, this is a disbursement request filed by EQT?

10 **Rita Barrett:** It is.

11 **Jim Kaiser:** Have all parties been notified?

12 **Rita Barrett:** They have.

13 **Jim Kaiser:** What unit are we disbursing from?

14 **Rita Barrett:** VC-509270.

15 **Jim Kaiser:** What tract or tracts?

16 **Rita Barrett:** Tracts 1 and 2.

17 **Jim Kaiser:** The reason for this disbursement?

18 **Rita Barrett:** Again, we have a court order, dated July 10, 2014.

19 **Jim Kaiser:** Have the figures been reconciled between the Escrow Agent and EQT?

20 **Rita Barrett:** They have, as of May 13, 2015.

21 **Jim Kaiser:** Would we direct the Board to Table 1 to the application, as to the percentage of
22 escrowed funds to be disbursed and as to who they should be disbursed to?

23 **Rita Barrett:** Yes.

24 **Jim Kaiser:** Have you provided the Board with Exhibits E and EE to reflect the status of this
25 unit after this disbursement?

26 **Rita Barrett:** We have.

1 **Jim Kaiser:** Would you ask that the parties be paid their royalties directly, going forward?

2 **Rita Barrett:** Yes.

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

4 **Bradley Lambert:** Questions from the Board?

5 **Mary Quillen:** Just one question. Ms. Barrett, could you repeat the date of the court order?

6 **Rita Barrett:** The court order is dated July 10, 2014.

7 **Mary Quillen:** Okay.

8 **Rita Barrett:** This is a full disbursement, also.

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

10 **Jen Shaver:** Request that, pursuant to the affidavit, that the royalties be disbursed to Don
11 Barrett.

12 **Bradley Lambert:** Has that been received?

13 **Rick Cooper:** We have it.

14 **Bradley Lambert:** Okay. Anything further, Mr. Kaiser?

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

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

17 **Donnie Ratliff:** Motion made for approval, Mr. Chairman.

18 **Bill Harris:** I'll second.

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

21 **Board:** Yes.

22 **Bradley Lambert:** Opposed no.

23 **Donnie Ratliff:** I'll abstain, Mr. Chairman.

24 **Bradley Lambert:** One abstention. Mr. Ratliff. Thank you, Mr. Kaiser. That's approved.

Item Number 6

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Bradley Lambert: We're calling Docket Item Number 6. A petition from EQT Production Company, for disbursement of funds and authorization for direct payment on behalf of the known owners on Tract 2. This is Well VC-024870. Docket Number VGOB-02-0115-1001-01. All parties wishing to testify please come forward.

Jim Kaiser: Ms. Barrett, this is also a disbursement request filed by EQT?

Rita Barrett: It is.

Jim Kaiser: Have all parties been notified?

Rita Barrett: Yes.

Jim Kaiser: What unit does this disbursement affect?

Rita Barrett: This is VC-024870.

Jim Kaiser: And what tract?

Rita Barrett: Tract 2.

Jim Kaiser: Is this a full disbursement, also?

Rita Barrett: Yes, it is.

Jim Kaiser: The reason for the disbursement?

Rita Barrett: A court order, dated July 10, 2014.

Jim Kaiser: Have all figures been reconciled between EQT and the Escrow Agent?

Rita Barrett: They have, as of May 13, 2015.

Jim Kaiser: Would you direct the Board to Table 1 to the petition as to what percentage of escrowed funds should be disbursed and as to who they should be disbursed to?

Rita Barrett: Yes.

Jim Kaiser: Have we provided the Board with Exhibits E and EE to reflect the status of this unit after this disbursement?

Rita Barrett: We have.

Jim Kaiser: Would you ask that any order provide that these owners be paid their royalty directly, going forward?

1 **Rita Barrett:** Yes.

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

3 **Bradley Lambert:** Questions from the Board? [No response] Ms. Shaver?

4 **Jen Shaver:** Ask, pursuant to the affidavit, that the royalties be disbursed to Don Barrett

5 **Rick Cooper:** We do have that.

6 **Bradley Lambert:** Anything further, Mr. Kaiser?

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

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

9 **Donnie Ratliff:** Motion made for approval, Mr. Chairman.

10 **Bill Harris:** Second.

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

13 **Board:** Yes.

14 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Kaiser.

15 **Jim Kaiser:** Thank you.

16 **Rita Barrett:** Thank you.

17 **Item Number 7**

18 **Bradley Lambert:** We're calling Docket Item Number 7. A petition from CNX Gas Company,
19 LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow
20 Agent, attributable to Tracts 1C, 3C & 3D to the persons identified in the table; (2) authorization
21 to begin paying royalties directly to the parties to the agreement or court order; and (3) dismissal
22 of coal owner(s)/claimant(s) named in the Notice of Hearing and identified in Exhibit B2. This
23 is Docket Number VGOB-02-0820-1055-02. All parties wishing to testify please come forward.

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

25 **Bradley Lambert:** Good morning.

26 **Mark Swartz:** Good morning.

1 **Sarah Gilmer:** Anita, do you swear and affirm that your testimony is the truth, the whole truth
2 and nothing but the truth?

3 **Anita Duty:** Yes.

4 **Bradley Lambert:** You may proceed, Mr. Swartz.

5 **Mark Swartz:** Thank you. Anita, you need to state your name for us.

6 **Anita Duty:** Anita Duty.

7 **Mark Swartz:** Who do you work for?

8 **Anita Duty:** CNX Land, LLC.

9 **Mark Swartz:** This first docket item, we're here on a request for disbursement. Correct?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** Pertaining to Unit EE-34?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Which tracts?

14 **Anita Duty:** Tracts 1C, 3C & 3D.

15 **Mark Swartz:** The reasons for the disbursement request are what?

16 **Anita Duty:** There's a court order and, then, the House Bill 2058.

17 **Mark Swartz:** Okay. With regard to the Richardsons, there's a court order and you've attached
18 a copy of that order to the application?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** With regard to Dolly Absher, there was a coal conflict, which House Bill 2058
21 has resolved.

22 **Anita Duty:** Yes.

23 **Mark Swartz:** Did you provide notice of this hearing, today?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** By mail?

26 **Anita Duty:** Yes.

1 **Mark Swartz:** Did the coal owner or coal claimant sign for that mail?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** And you've provided proofs with regard to your mailing to the Board by filing it
4 on the website. Correct?

5 **Anita Duty:** We have.

6 **Mark Swartz:** With regard to the disbursement, have you prepared a table that discloses the
7 names of the people that should be receiving the disbursements and, then, the percentages that
8 the Escrow Agent should use?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** And that's Table 1?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** Could you identify, for the Board, with regard to the three tracts at issue, the
13 names of the people who are getting the disbursements and the percentages that the Escrow
14 Agent should use in preparing the checks?

15 **Anita Duty:** For Tract 1C, Dolly Absher should receive 5.4422%. For Tract 3C, Paul
16 Richardson, Shelby Richardson and Loretta Richardson should each receive 2.0408%. For Tract
17 3D, Paul Richardson, Shelby Richardson and Loretta Richardson should each receive 29.4785%.

18 **Mark Swartz:** In terms of the check, who is to be made payable? Does one of these checks
19 need to go to...

20 **Anita Duty:** For Paul Richardson, Shelby Richardson and Loretta Richardson, they should all
21 go to Shea Cook.

22 **Mark Swartz:** Should they be made payable to those people, but mailed to Mr. Cook?

23 **Anita Duty:** Yes, I'm sorry.

24 **Mark Swartz:** Okay. Have you filed or has someone filed something with Mr. Cooper, to that
25 effect, or is that just a request that we have?

26 **Anita Duty:** No, we actually have the.... Do you have them?

27 **Rick Cooper:** We do not.

28 **Mark Swartz:** So, if you provide that in the next day or two, that will work. Otherwise, it will
29 go out without that caveat. Does that work for you?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Okay. Did you, in the course of preparing this petition, did you also prepare a
3 revised Exhibit E?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** And that indicates that all conflicts have been resolved and there's no escrow
6 requirement, going forward. Is that correct?

7 **Anita Duty:** Correct.

8 **Mark Swartz:** So, this account can be closed?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** The people that are receiving these payments can receive their payments, in the
11 future, directly?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Did you also prepare a revised Exhibit EE, with regard to split agreements and
14 so forth?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Lastly, did you do an account reconciliation?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** That's Exhibit J?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** You did that through what date?

21 **Anita Duty:** March 31, 2015.

22 **Mark Swartz:** When you compared the royalty checks that the operator had submitted to the
23 banks for deposit to the deposits that the banks had booked, did you account for all of the
24 checks?

25 **Anita Duty:** Yes, we did.

26 **Mark Swartz:** Then, did you run a balance to compare what you paid in, over the years, to what
27 is currently on deposit at First Bank and Trust?

28 **Anita Duty:** Yes.

1 **Mark Swartz:** What was the difference?

2 **Anita Duty:** \$79.51

3 **Mark Swartz:** And that is \$79.51 less than you paid in. Correct?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Would your explanation be that that's probably accounted for by the bank fees?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** I believe that's all I have, Mr. Chairman.

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

9 **Mary Quillen:** Mr. Chairman, just one. What was the date of that court order? Did you tell me
10 that?

11 **Anita Duty:** February 11, 2015.

12 **Mary Quillen:** I'm sorry.

13 **Anita Duty:** February 11, ~~2015~~-2015.

14 **Mary Quillen:** Thanks.

15 **Anita Duty:** Execution date.

16 **Bradley Lambert:** Any other questions from the Board? [No response] Mr. Swartz, I noticed
17 on your Affidavit of Mailing, it's dated May 29, 2015. Also, related to that, you're asking for (3)
18 dismissal of coal owners.

19 **Mark Swartz:** Right.

20 **Bradley Lambert:** It appears that that mailing to the coal owner was done prior to July 1.

21 **Mark Swartz:** But, today is way after July 1.

22 **Anita Duty:** We had, originally, scheduled it to be on last month's docket. Mr. Kugelman
23 wouldn't allow it, so it was continued to this month. They called me, yesterday, to make sure
24 that it was going to be heard today.

25 **Mark Swartz:** And we gave them notice, specifically, that they needed to show up today and
26 explain if they had a claim.

27 **Bradley Lambert:** Also, on your Certified Mail Receipt to Coal Mountain Mining Company,
28 LLP, there's no date of delivery on that one, either.

1 **Bill Harris:** Mr. Chairman, I believe there is a USPS stamp with the date. You cannot read the
2 date. I don't know if you see.

3 **Anita Duty:** It's June 3.

4 **Bill Harris:** There's a faint date in the middle of that.

5 **Bradley Lambert:** I can't make it out. All the others has a delivery date on them, except for
6 that one.

7 **Anita Duty:** If you actually go to their website and type that certified mail number in, it will
8 give you a date. Not everybody will write the date on there. There's nothing we can do about
9 that. We can always look up the date that the post office says that it was signed, the date that
10 they stamp it signed.

11 **Mary Quillen:** Mr. Chairman, did you say this item was originally scheduled for last month's
12 agenda and because of the requirement for July 1.... Is that right?

13 **Anita Duty:** Mr. Kugelman wouldn't allow it to be on the docket.

14 **Mary Quillen:** Okay. So, they were, then, re-notified?

15 **Anita Duty:** They were here last month. We didn't re-notify them. They were here. They
16 knew.

17 **Mary Quillen:** So, you didn't have to.

18 **Mark Swartz:** Correct.

19 **Anita Duty:** They actually called, yesterday, and verified that it was on the docket.

20 **Mary Quillen:** Okay. I just wanted to make sure that...

21 **Bradley Lambert:** Could you take that outside, please? We're picking you up. I'm sorry. I
22 didn't mean to interrupt.

23 **Mark Swartz:** So, the bottom line is we mailed. They signed for the mail on June 3. Today is
24 the 18th of August, which means they've had 2 1/2 months, basically, to react to this. It was set
25 for last month. They appeared. Nothing happened last month. We're back this month and we're
26 asking for a dismissal. I just don't see how this does not give them their due process rights,
27 under the law. The law took effect on June 30.

28 **Bradley Lambert:** They had 45 days after that.

29 **Mark Swartz:** That's your lawyer's take on that. They have had....

30 **Bradley Lambert:** We have to go on the advice of our Counsel.

1 **Mark Swartz:** I understand that, but I'm saying, "We are here. We've been here twice, now, on
2 this. We have notified these people. They had 2 1/2 months to react. We have absolutely
3 nothing from them that shows an agreement or a court case." It seems appropriate to take care of
4 this case today.

5 **Anita Duty:** Just as an additional note, Mrs. Absher was part of a court decision, also. She had
6 been in previous months. Mr. Cook happened to leave this tract out of the court order. That's
7 why this tract falls under the House Bill, rather than the court order. She's been paid for all of
8 her other tracts. This tract is just one outstanding tract that was missed in the court order.

9 **Mary Quillen:** Who did you say left it out?

10 **Anita Duty:** Shea Cook. It was left out of the original order, where they were in a lawsuit with
11 Commonwealth Coal.

12 **Mary Quillen:** Right. Just wanted to clarify that.

13 **Anita Duty:** Coal Mountain. I'm sorry. Coal Mountain.

14 **Bradley Lambert:** Any other questions from the Board? [No response] Anything further, Mr.
15 Swartz?

16 **Mark Swartz:** No.

17 **Mary Quillen:** Just one more question. Mr. Prather and I are just discussing. Would that not
18 have to be corrected on that court order or a separate court order?

19 **Mark Swartz:** The House Bill solved the problem. The House Bill took care of the coal
20 company.

21 **Mary Quillen:** Okay. It's covered. Okay. That was my question. Would it have to have a
22 separate court order or is it covered?

23 **Mark Swartz:** Absent the House Bill, there would need to be a court order or an agreement.

24 **Mary Quillen:** Okay. Thanks. I'm good.

25 **Bradley Lambert:** Any other questions from the Board? [No response] Nothing further, Mr.
26 Swartz?

27 **Mark Swartz:** No.

28 **Bradley Lambert:** Then, I'll call for a motion.

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

30 **Bill Harris:** Second.

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

3 **Board:** Yes.

4 **Bradley Lambert:** Opposed no.

5 **Donnie Ratliff:** I'll abstain, Mr. Chairman.

6 **Bradley Lambert:** One abstention. Mr. Ratliff. Thank you, Mr. Swartz. That is approved.

7 **Item Number 8**

8 **Bradley Lambert:** We're calling Docket Item Number 8. A petition from CNX Gas Company,
9 LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow
10 Agent, attributable to Tracts 1D, 1E, 1J, & 1L, as depicted upon the annexed table; and (2)
11 authorization to begin paying royalties directly to the parties to the prevailing plaintiffs. This is
12 Docket Number VGOB-04-1214-1368-03. All parties wishing to testify please come forward.

13 **Mark Swartz:** Mark Swartz and Anita Duty

14 **Lawrence Moise:** My name is Lawrence Moise. I'm the County Attorney for Buchanan
15 County. I probably don't plan to talk much, today.

16 **Bradley Lambert:** Please have a seat, Mr. Moise. You may proceed, Mr. Swartz.

17 **Mark Swartz:** Thank you. Anita, you're still under oath?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** State your name for us.

20 **Anita Duty:** Anita Duty.

21 **Mark Swartz:** Who do you work for?

22 **Anita Duty:** CNX Land.

23 **Mark Swartz:** We're here on Docket Item 8, which is a petition for disbursement. Correct?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** Pertaining to what unit?

26 **Anita Duty:** BF-100.

27 **Mark Swartz:** The tracts in that unit that we're going to be talking about are?

1 **Anita Duty:** 1D, 1E, 1J & 1L.

2 **Mark Swartz:** The reasons for this petition are what?

3 **Anita Duty:** A court order.

4 **Mark Swartz:** Have you attached a copy of that court order?

5 **Anita Duty:** Yes, the court order and the House Bill.

6 **Mark Swartz:** Did you provide notice, by mail, to the folks that have an interest here?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** Have you submitted the mailing certificate, with regard to mailing, along with
9 this application?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** Have you prepared a table that identifies the people to receive the disbursements
12 and, then, provides a percentage that the Escrow Agent can use to calculate the payment that's
13 due?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** With regard to the tracts that we're talking about today, would you go through
16 and identify the people to receive the payments and the percentages?

17 **Anita Duty:** For Tract 1D, Carson Austin should receive 7.6651%. For Tract 1E, Carson
18 Austin should receive 46.7518%. For Tract 1J, Buchanan County should receive 1.9842%. For
19 Tract 1L, Buchanan County should receive an additional 0.598%.

20 **Mark Swartz:** And the well that contributed to this account was?

21 **Anita Duty:** BF-100.

22 **Mark Swartz:** Have you provided a revised Exhibit E?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Is there also a revised Exhibit EE or do we not have any split agreements?

25 **Anita Duty:** Yes, we do.

26 **Mark Swartz:** Okay. So, there's also a revised Exhibit EE?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** With regard to the folks that you've just identified proposed to receive these
2 escrow disbursements, after the disbursements have been made and, if this order is approved, are
3 you also requesting that the operator be able to pay them directly?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** This is a situation where the escrow account is going to have to continue to be
6 maintained after today.

7 **Anita Duty:** It will.

8 **Mark Swartz:** Have you done a reconciliation of the deposits and payments?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** Is that Table J?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** What date did you do that through?

13 **Anita Duty:** May 31, 2015.

14 **Mark Swartz:** In doing that reconciliation, did you identify all of the royalty checks that the
15 operator had paid and compare that to the list of deposits?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** When you made a comparison, did you find all checks having been deposited?

18 **Anita Duty:** We did.

19 **Mark Swartz:** Did you compare the total that you paid in to the total on balance as of May 31?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** When you did that, was there a difference?

22 **Anita Duty:** There was \$15.12 more.

23 **Mark Swartz:** Which could be, presumably, accounted for by the interest actually exceeded the
24 costs of the bank?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** You provided the Board with a copy of the order?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** I believe that's all I have, Mr. Chairman.

2 **Bradley Lambert:** Any questions from the Board? [No response] Mr. Moise?

3 **Lawrence Moise:** No questions.

4 **Bradley Lambert:** Anything further, Mr. Swartz?

5 **Mark Swartz:** No.

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

7 **Donnie Ratliff:** Motion made for approval, Mr. Chairman.

8 **Bill Harris:** Second.

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

11 **Board:** Yes.

12 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. That's approved.

13 **Item Number 9**

14 **Bradley Lambert:** We're calling Docket Item Number 9. A petition from CNX Gas Company,
15 LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow
16 Agent, attributable to Tracts 1 & 3, as depicted upon the annexed table; and (2) authorization to
17 begin paying royalties directly to the parties to the prevailing plaintiffs. This is Docket Number
18 VGOB-12-0417-3047-01. All parties wishing to testify please come forward.

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

20 **Jen Shaver:** Jen Shaver, on behalf of T.G. Rogers, Derek Browning Rogers, Kevin Rogers,
21 Shaun Rogers, Gregory Poulos, Jason Poulos and Pamela Poulos, also referred to as "the
22 cousins."

23 **Bradley Lambert:** Cousins. You may proceed, Mr. Swartz.

24 **Mark Swartz:** Anita, state your name for us.

25 **Anita Duty:** Anita Duty.

26 **Mark Swartz:** You're still under oath. Right?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** Who do you work for?

2 **Anita Duty:** CNX Land, LLC.

3 **Mark Swartz:** This is a petition for a disbursement from an escrow account that was established
4 pertaining to Unit A-32. Is that correct?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** It pertains to what tracts?

7 **Anita Duty:** Tracts 1 & 3.

8 **Mark Swartz:** The reason for this disbursement request is?

9 **Anita Duty:** Court order.

10 **Mark Swartz:** Have you attached a copy of that court order?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** It was an order in Case Number 550-13. Correct?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** It was entered July 10, 2014?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** It determined title and, also, allowed CNX to pay directly to the people that
17 you've identified in Exhibit EE. Correct?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Have you prepared a Table 1, with regard to the payments?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** Rather than have you read all of this, I'm going to ask you, does your Table 1
22 address Tracts 1 & 3?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Does it identify the people for whose account the payments are to be made?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** Does it state, in the second column from the right-hand margin, the percentage
27 that the Escrow Agent should use when it calculates the payments to be made?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Is there a special arrangement, with regard to these payments?

3 **Anita Duty:** They should be made payable to the individuals, but mailed to Don Barrett.

4 **Mark Swartz:** That information is on file with DGO. Correct?

5 **Rick Cooper:** Yes, it is.

6 **Mark Swartz:** The well that contributed to these accounts was what?

7 **Anita Duty:** A-32.

8 **Mark Swartz:** Have you provided the Board with a revised Exhibit E?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** There is going to continue to be an escrow account here because we have some
11 people that are unknown or unlocatable. Correct?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Have you also provided an Exhibit EE?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Lastly, have you done a reconciliation of the deposits and royalty payments
16 tendered?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** Through what date?

19 **Anita Duty:** May 31, 2015.

20 **Mark Swartz:** Were you able to locate a deposit for each royalty check the operator sent in?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** When you compared the amount that you paid in to the balance currently on
23 hand, as of May 31, what did you determine?

24 **Anita Duty:** It was the same.

25 **Mark Swartz:** You've attached a copy of the order.

26 **Anita Duty:** Yes.

1 **Mark Swartz:** And you provided notice and you attached a copy of your information, with
2 regard to those?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** I think that's all I have, Mr. Chairman.

5 **Bradley Lambert:** Any questions from the Board? [No response] Ms. Duty, on Exhibit E, just
6 for information purposes, on Exhibit E, under Tract 4, there's some yellow writing underneath
7 that. I can't make it out.

8 **Anita Duty:** We don't really want you to.

9 **Bradley Lambert:** You did a good job. It must be a scanned document, but it's all...

10 **Anita Duty:** It's just a note to us that the address is bad and we've re-mailed a request or we're
11 trying to find a new address. We really didn't want you to know that, but we didn't want to
12 delete our note, either.

13 **Bradley Lambert:** Probably shouldn't put it on there, then. Just for clarification...

14 **Anita Duty:** We didn't want you to read it. If it's yellow, we don't want you to read it.

15 **Bradley Lambert:** Mr. Rife can't read it, either.

16 **Donnie Ratliff:** I've got it magnified and we can't read it.

17 **Bradley Lambert:** That's what I did.

18 **Anita Duty:** There's a date and, then it tells you the address is bad. Any time it's yellow, we
19 don't want you to read it.

20 **Bradley Lambert:** Well, thank you.

21 **Anita Duty:** Sorry. We could put it out there, but we don't really think you want to know.

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

23 **Jen Shaver:** I just want to clarify a point about the affidavit. I believe Ms. Duty stated that the
24 checks should be made payable to the clients, but sent to Don Barrett. The affidavits read that
25 the checks should be written to Don Barrett and mailed to Don Barrett. I spoke with Sarah and
26 there's apparently some problems with the Escrow Agent in doing that. What the Escrow Agent
27 said they could do was write it to the clients and put "In Care of Don Barrett." That's what we
28 agreed to do. I just want to clarify that for the record.

29 **Rick Cooper:** That's correct.

1 **Bradley Lambert:** Okay. Thanks.

2 **Mark Swartz:** That's what Anita suggested.

3 **Bradley Lambert:** That's what she said.

4 **Jen Shaver:** I just wanted to clarify it.

5 **Mark Swartz:** Okay, but it is inconsistent with the document that you're describing. We get it.

6 **Bradley Lambert:** Any other questions from the Board? [No response] Anything further, Mr.

7 Swartz?

8 **Mark Swartz:** No.

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

10 **Donnie Ratliff:** Motion made for approval, Mr. Chair.

11 **Bill Harris:** I'll second that.

12 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No

13 response] All in favor signify by saying yes.

14 **Board:** Yes.

15 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. That is approved.

16 **Item Number 10**

17 **Bradley Lambert:** We're calling Docket Item Number 10. A petition from CNX Gas

18 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the

19 Board's Escrow Agent, attributable to Tract 3, as depicted upon the annexed table; and (2)

20 authorization to begin paying royalties directly to the parties to the prevailing plaintiffs. Docket

21 Number VGOB-11-1115-3004-02. All parties wishing to testify please come forward.

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

23 **Bradley Lambert:** You may proceed, Mr. Swartz.

24 **Mark Swartz:** Anita, state your name for us.

25 **Anita Duty:** Anita Duty.

26 **Mark Swartz:** I'll remind you that you're still under oath.

27 **Anita Duty:** Yes.

1 **Mark Swartz:** Who do you work for?

2 **Anita Duty:** CNX Land, LLC.

3 **Mark Swartz:** This is a petition for a disbursement with regard to drilling Unit ZZZ-31.
4 Correct?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** Which tract or tracts?

7 **Anita Duty:** Tract 3.

8 **Mark Swartz:** This is, essentially, a re-run of Docket Item Number 9. Correct?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** We have the same decision affecting the cousins, the same situation.

11 **Anita Duty:** Yes.

12 **Mark Swartz:** Let's go to Table 1, then. Have you provided, in Table 1, with regard to Tract 3,
13 the names of the folks for whose account the payments should be made?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Have you also given addresses for them?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** Here, again, are we going to be making the checks out to them, but the Escrow
18 Agent is to mail them to Don Barrett?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** In the column, second from the right-hand margin, the percentages that the
21 Escrow Agent is to use when calculating the payments?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** What wells contributed to this account?

24 **Anita Duty:** ZZZ-31 and ZZZ-31A

25 **Mark Swartz:** Have you provided an Exhibit E?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** In that, you indicate that escrow is no longer going to be required?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Are you also asking the ability to pay the cousins directly, in the future?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** There is an amended EE. Correct?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** Lastly, with regard to exhibits, Exhibit J. Did you do a reconciliation with
7 regard to this unit?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** Through what date?

10 **Anita Duty:** May 31, 2015.

11 **Mark Swartz:** Did you attempt to locate all royalty checks sent to the Escrow Agent as
12 deposits?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** Were you able to do that?

15 **Anita Duty:** We were.

16 **Mark Swartz:** Then, did you compare the balance that you sent in and the balance on hand, to
17 see if there was any difference?

18 **Anita Duty:** Yes. They were the same.

19 **Mark Swartz:** You provided a copy of the court order, again, which we've looked at many
20 times. I think that's all I have, Mr. Chairman.

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

22 **Jen Shaver:** That the checks be written, "In Care."

23 **Bradley Lambert:** Thank you. Anything further, Mr. Swartz?

24 **Mark Swartz:** No.

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

26 **Donnie Ratliff:** Motion made for approval, Mr. Chair.

27 **Bill Harris:** Second.

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

3 **Board:** Yes.

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

5 **Item Number 11**

6 **Bradley Lambert:** We're calling Docket Item Number 11. A petition from CNX Gas
7 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the
8 Board's Escrow Agent, attributable to Tracts 3 & 5, as depicted upon the annexed table; and (2)
9 authorization to begin paying royalties directly to the parties to the prevailing plaintiffs. This is
10 Docket Number VGOB-12-0515-3065-02. All parties wishing to testify please come forward.

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

12 **Bradley Lambert:** You may proceed, Mr. Swartz.

13 **Mark Swartz:** Thank you. Anita, state your name for us.

14 **Anita Duty:** Anita Duty.

15 **Mark Swartz:** You're still under oath.

16 **Anita Duty:** Yes.

17 **Mark Swartz:** Who do you work for?

18 **Anita Duty:** CNX Land, LLC.

19 **Mark Swartz:** This petition is for disbursement from Tract Number ZZZ-32. Correct?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** It pertains to Tracts 3 & 5?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** The reason is the same that we've heard in the last couple of docket items, the
24 fact that the cousins prevailed in a court case?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** And you've attached a copy of the opinion to this petition, as well.

27 **Anita Duty:** Yes.

1 **Mark Swartz:** Have you prepared a Table 1, identifying the folks that should receive the
2 benefit of the payments and how to calculate the payments?

3 **Anita Duty:** I have.

4 **Mark Swartz:** Table 1 shows, with regard to both Tracts 3 & 5. It identifies the names of the
5 people for whom the payments are going to be made. Right?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** And the second column from the right-hand margin lists a percentage that the
8 Escrow Agent is to use when calculating the payments to be made to these folks?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** In this instance, we have a directive to the Escrow Agent that, although the
11 checks be made payable to these people, they actually be sent to or "In Care Of" Don Barrett.

12 **Anita Duty:** Yes.

13 **Mark Swartz:** And that directive has been on file?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** The wells that have contributed to this escrow account are?

16 **Anita Duty:** ZZZ-32 and ZZZ-32A.

17 **Mark Swartz:** After these payments are made, we won't need an escrow account?

18 **Anita Duty:** Correct.

19 **Mark Swartz:** And you have provided an Exhibit E, to that effect?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** And you've also asked to be able to pay these folks directly, in the future?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** We have a revised Exhibit EE?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** Is there a Table J with a reconciliation?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** As of what date?

1 **Anita Duty:** May 31, 2015.

2 **Mark Swartz:** Were you able to locate all royalties paid and confirm that they were, indeed,
3 deposited?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Did you compare what you had paid to the balance on hand?

6 **Anita Duty:** We did.

7 **Mark Swartz:** And the difference?

8 **Anita Duty:** Zero.

9 **Mark Swartz:** Okay. That's all I have, Mr. Chairman.

10 **Bradley Lambert:** Any questions from the Board? [No response] Ms. Shaver? [No response]
11 Anything further, Mr. Swartz?

12 **Mark Swartz:** No.

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

14 **Donnie Ratliff:** Motion made for approval, Mr. Chair.

15 **Bill Harris:** Second.

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

18 **Board:** Yes.

19 **Bradley Lambert:** Opposed no. [No response] Thank you folks. That one is approved. We're
20 going to take about a ten-minute recess.

21 **Item Number 12**

22 **Bradley Lambert:** Ladies and gentlemen, if you will please take your seats, we'll resume our
23 proceedings. We're calling Docket Item Number 12. A petition from CNX Gas Company, LLC,
24 for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent,
25 attributable to Tract 2, as depicted upon the annexed table; and (2) authorization to begin paying
26 royalties directly to the parties to the prevailing plaintiffs. This is Docket Number VGOB-12-
27 0619-3074-01. All parties wishing to testify please come forward.

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

1 **Bradley Lambert:** You may proceed, Mr. Swartz.

2 **Mark Swartz:** Anita, would you state your name for us, please?

3 **Anita Duty:** Anita Duty.

4 **Mark Swartz:** And you're still under oath?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** Who do you work for?

7 **Anita Duty:** CNX Land, LLC.

8 **Mark Swartz:** This is a petition for a disbursement from an escrow account pertaining to
9 drilling Unit F-46? Right?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** And it pertains to Tract 2 in that unit?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** The reason for this request is the same reason that we have seen, previously, in
14 some other docket items, with regard to the Rogers cousins?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** It's a court decision in their favor. You've attached a copy of the decision to this
17 petition, as well?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Have you prepared a table listing the folks for whose benefit the payments are to
20 be made and telling the Escrow Agent how to calculate those payments?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** And that's Table 1?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Does Table 1 identify all of the persons to whom the checks should be made
25 payable?

26 **Anita Duty:** Yes.

1 **Mark Swartz:** Is it true that those checks, although payable to these people, should be mailed to
2 their Attorney Don Barrett?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** In cutting the checks, the Escrow Agent should use the percentages in the second
5 column from the right. Correct?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** What wells have contributed to this account?

8 **Anita Duty:** F-46

9 **Mark Swartz:** Have you provided a revised Exhibit E?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** Does that show that there's going to be no escrow required, going forward?

12 **Anita Duty:** Correct.

13 **Mark Swartz:** Are you also asking the Board to allow you to pay these folks directly, in the
14 future?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Did you provide notice, by mail?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** Have you attached proof of that?

19 **Anita Duty:** We have.

20 **Mark Swartz:** Is there also a revised Exhibit EE?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** Lastly, in terms of exhibits, have you prepared a reconciliation exhibit?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Through what date?

25 **Anita Duty:** May 31, 2015.

26 **Mark Swartz:** Did you undertake to identify all royalty checks that the operator had paid?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Then, did you look at the bank records to determine whether or not a deposit
3 corresponded for each check?

4 **Anita Duty:** We did.

5 **Mark Swartz:** When you did that, what did you determine?

6 **Anita Duty:** They were all accounted for.

7 **Mark Swartz:** And you came up with a comparison of what you deposited and what the bank
8 has and they were in agreement in the total amount of?

9 **Anita Duty:** \$1.02.

10 **Mark Swartz:** That's all I have on this one.

11 **Bradley Lambert:** Any questions from the Board? [No response] Ms. Duty, is this just not a
12 producing well? To have \$1.52 in the account...

13 **Anita Duty:** I think their acreage is very small, here. I think they only have...

14 **Bradley Lambert:** 1/64 and 1/48.

15 **Anita Duty:** They have 0.05 acres in the unit.

16 **Mark Swartz:** So, they've got .0625% of the total revenue.

17 **Anita Duty:** Then, they only have 1/4 of that. It's very small interest.

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

19 **Jen Shaver:** Just that, pursuant to the affidavits, the checks be written "In Care of Don Barrett."

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

21 **Mark Swartz:** No.

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

23 **Donnie Ratliff:** Motion made for approval, Mr. Chair.

24 **Bill Harris:** Second.

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

27 **Board:** Yes.

1 **Bradley Lambert:** Opposed no. [No response] Thanks, folks. That's approved.

2 **Item Number 13**

3 **Bradley Lambert:** We're calling Docket Item Number 13. A petition from CNX Gas
4 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the
5 Board's Escrow Agent, attributable to Tract 6, as depicted upon the annexed table; and (2)
6 authorization to begin paying royalties directly to the parties to the prevailing plaintiffs. This is
7 Docket Number VGOB-12-0515-3064-01. All parties wishing to testify please come forward.

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

9 **Jen Shaver:** Jen Shaver.

10 **Bradley Lambert:** You may proceed, Mr. Swartz.

11 **Mark Swartz:** State your name for us.

12 **Anita Duty:** Anita Duty.

13 **Mark Swartz:** Are you still under oath?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Who do you work for?

16 **Anita Duty:** CNX Land, LLC

17 **Mark Swartz:** This is a petition for a disbursement from escrow. Correct?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** It pertains to Unit YYY-32?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** And Tract 6 in that unit?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** The reason is the same court order that we've seen, affecting the cousins, in prior
24 hearings today and other days?

25 **Anita Duty:** Yes.

1 **Mark Swartz:** Have you prepared a Table 1 to assist the Escrow Agent in identifying the
2 people to whom the checks should be made payable and, also, to assist the Escrow Agent in the
3 amounts due?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Does the table, with regard to Tract 6, identify by name and address, each person
6 who is to receive a check?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** In the second column from the right-hand margin, does it give the percentages
9 that the Escrow Agent is to use when calculating the amount of those checks?

10 **Anita Duty:** It does.

11 **Mark Swartz:** All of these checks should be made payable to these folks, but mailed to Don
12 Barrett at the address that's on file with the DGO?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** The well that contributed here?

15 **Anita Duty:** YYY-32.

16 **Mark Swartz:** Have you provided an Exhibit E?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** There's a requirement for escrow, going forward here, because we have some
19 unknowns and unlocatables. Correct?

20 **Anita Duty:** We do.

21 **Mark Swartz:** But, we've resolved all conflicts?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** Have you provided a revised Exhibit EE?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** Do we have a reconciliation of payments made and deposits?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** That's Exhibit J?

1 **Anita Duty:** It is.

2 **Mark Swartz:** As of what date?

3 **Anita Duty:** May 31, 2015.

4 **Mark Swartz:** Were you able to find a deposit for each royalty payment made?

5 **Anita Duty:** We were.

6 **Mark Swartz:** When you compared the total that the operator paid to the balance on hand, what
7 did you determine?

8 **Anita Duty:** It was zero.

9 **Mark Swartz:** The difference was zero?

10 **Anita Duty:** The difference was zero.

11 **Mark Swartz:** That's all I have, Mr. Chairman.

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

13 **Jen Shaver:** Pursuant to the affidavits, we request that the checks be made payable to the
14 clients, "In Care of Don Barrett."

15 **Bradley Lambert:** Anything further, Mr. Swartz?

16 **Mark Swartz:** No.

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

18 **Donnie Ratliff:** Motion made for approval, Mr. Chair.

19 **Bill Harris:** Second.

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

22 **Board:** Yes.

23 **Bradley Lambert:** Opposed no. [No response] Thank you folks. That's approved.

24 **Mark Swartz:** Thank you.

1 **Item Number 14**

2 **Bradley Lambert:** We're calling Docket Item Number 14. A petition from Range Resources-
3 Pine Mountain, for Modification of Nora Coalbed Gas Unit Numbers: 69AZ, 69BA, 69BB,
4 70AZ, 70BA, 70BB, 71AZ, 71BA, 71BB, 72AZ, 72BA, 72BB, 73AZ, 73BA, 73BB, 58AU,
5 58AV, 58AW, 59 AU, 59AV, 59AW, 60AU, 60AV, 60AW, 61AV, 61AW, 70BM, 70BN,
6 70BO, 71BM, 71BN, 71BO, 72BM, 72BN, 72BO, 82AW, 82AX, 82AY. This is Docket
7 Number VGOB-89-0126-0009-84. All parties wishing to testify please come forward.

8 **Jim Kaiser:** Mr. Chairman, Jim Kaiser, Phil Horne and Gus Janson, on behalf of Range
9 Resources.

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

12 **Phil Horne:** I do.

13 **Gus Janson:** I do.

14 **Bradley Lambert:** You may proceed, Mr. Kaiser.

15 **Jim Kaiser:** Mr. Horne, if you would state your name for the Board, who you are employed by
16 and in what capacity.

17 **Phil Horne:** My name is Phil Horne. I'm Land Manager for Range Resources-Pine Mountain,
18 Inc.

19 **Jim Kaiser:** And your duties would include the units that are involved in this request for
20 increased-density.

21 **Phil Horne:** That's correct.

22 **Jim Kaiser:** Have all parties been notified, as required by statute?

23 **Phil Horne:** Yes, they have.

24 **Jim Kaiser:** We don't have any unknowns in any of these units. Correct?

25 **Phil Horne:** That's correct.

26 **Jim Kaiser:** And we have filed an Affidavit of Mailing, showing that everyone has received
27 notice.

28 **Phil Horne:** Yes, you have.

29 **Jim Kaiser:** Nothing further of this witness, Mr. Chairman.

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

2 **Bruce Prather:** I have one question.

3 **Bradley Lambert:** Mr. Prather.

4 **Bruce Prather:** Is this increased density, is this going to one well per unit or is going to be
5 multiple wells, maybe two or three?

6 **Phil Horne:** Two wells per unit.

7 **Bruce Prather:** Two wells per unit. In other words, these are single-well units that we're
8 looking at?

9 **Phil Horne:** Yes.

10 **Mary Quillen:** Are there wells on all of the units, currently?

11 **Gus Janson:** We'll cover that.

12 **Phil Horne:** Mr. Janson will be able to answer that better than me.

13 **Mary Quillen:** Okay.

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

16 **Jim Kaiser:** Mr. Janson, if you'd please state your name, who you are employed by and in what
17 capacity.

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

20 **Jim Kaiser:** And part of your duty is the coalbed methane increased density drilling?

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

22 **Jim Kaiser:** And you've testified before the Board on these petitions on numerous occasions?

23 **Gus Janson:** I have.

24 **Jim Kaiser:** Have you prepared a package of information to illustrate your testimony today?

25 **Gus Janson:** I have.

26 **Jim Kaiser:** If you'd go through that, now, for the Board.

1 **Gus Janson:** I'll check and make sure that the Board did get their Exhibit K attachment and you
2 do have that available on your iPads? Exhibit K would be the bulk of it.

3 **Bradley Lambert:** What exhibit?

4 **Gus Janson:** Exhibit K. Okay, so this package of information is similar to what we've
5 presented in the past to the Board. The first four pages of this exhibit show the actual units that
6 were part of the application. It regurgitates the same exhibits. It gives you the units that were
7 involved here, today. We'll move to Page 5, so we get a zoomed-out view of the Nora Field and
8 that will identify all the surrounding units that have been previously approved by the Board,
9 highlighted in gray, with each of these individual units in green that we're seeking the increased
10 density on today. That gives you a perspective of where we are in the field. Moving on to Page
11 6 is the map exhibit, showing the wells which already have an increased density well and have a
12 second well drilled in each unit. That's represented by the red dots. You can see we've had quite
13 a few wells in the Nora Field drilled, to date, and a few up in the corner of the Oakwood Field,
14 also. Moving on to Page 7, you get more detail here. We're zooming back in to each of the
15 individual areas where we're requesting the increased density today for. You'll see which units
16 already have a well in it. On Page 7, in this particular area, you can see where we have a well
17 already drilled in each of these units and we are currently pursuing permits in, at least, two of
18 these units, moving forward, with the intention of permitting in-field wells in each of these units,
19 over the next several months. Moving forward to Page 8, you'll see another one of the areas. All
20 of the units have a first well in it, except for two. We are currently pursuing the first well, as
21 well as a second well, permit in those units, at this point in time. On Page 9 is the third area,
22 again showing each unit already having at least one well in it and the wells we're pursuing
23 permits on. Finally, Page 10 is the fourth area, with a little more detail of where there are wells
24 already existing and proposed and permitting wells, moving forward. That was a lot of areas
25 there to cover. We're sort of spread out to several areas, here. Part of the reason is that is we
26 want to be able to get out and try some new areas that we haven't done, in the past, as you see
27 from the zoomed-out area. Some of these are new areas that we have not done any increased
28 density in. Also, we're sort of working with the coal company to sort of work around where their
29 activity is and we're sort of limited in some of the areas that we already have approval for a
30 second well. There's some current mining activity there.

31 **Bradley Lambert:** What mining operations are these?

32 **Gus Janson:** The majority of it is associated with Deep Mine 41, which is a large area through
33 there. Moving on to Page 11, you'll see the graphs that I've presented here, in the past, that show
34 the production associated with the original well in blue, along with the increased density wells in
35 the pink or red color. Again, you can see as that production is sort of mimicking each other.
36 We're getting the same sort of results from our first well and our second well. You can see at the
37 very tail end here, last year, Range came forward and we actually drilled sixteen increased
38 density wells in the Nora Field. We're now starting to get some of the results in. We got a lot of

1 those completions done at the latter part of 2014 and the early part of 2015. You can see that
2 little up-tick on this production graph. So, that production is starting to come back in line,
3 growing that production through the increased density drilling. Going forward, if we continue to
4 drill more wells, if the market conditions allow us to do that, we should a similar growth pattern,
5 similar to what we had in the original growth that we're seeing back in 2006, when the increased
6 density drilling began. Again, some of the benefits of the increased density drilling, it increases
7 the fracturing network, promoting the gas flow at a low pressure reservoir regime. It also helps
8 to decrease the de-watering timeframe, so that these wells can go into production a little bit
9 quicker. We are, obviously, increasing the recovery factor of the reservoir by doing the
10 increased density drilling. We are achieving production faster and more economically. We're
11 not seeing any significant impact to the first well production. In general, we actually see a little
12 bit of improvement in the existing wells out in the field, if we continue to drill more wells. We'll
13 go on to Page 12. Again, a summary of the in-field drilling, its benefits to the working interest
14 owners and royalty owners, and the State will benefit by maximizing production. This promotes
15 the conservation of the gas resource and prevents waste by more effectively extracting the
16 resource. It allows us to use a shared facility, such as roads and pipelines, to help minimize the
17 environmental impact. Again, we have no correlative rights issues within the proposed units.
18 The last four pages of this exhibit that's been provided at the request of the Board, which gives
19 you a topographic background associated with these areas and also details any information
20 associated with any DMLR mining permits or abandoned mine permits that may be in existence
21 out there, just for your information. The first area on Page 13, there were no mining impacts.
22 On Page 14, in the second area, there was a small amount of abandoned mine works in the
23 Kenady seam, but no active or permitted areas in there. Page 15 had the most activity in it.
24 There is an active DMLR permit, a surface mine permit. There are several seams that have been
25 coal mined with abandon mine works throughout the area. We'll position our wells, hopefully, to
26 minimize going through as many mine works as we can there, old, abandon mine works. We'll
27 case through those as we did in the past. We don't anticipate any issues there. On Page 16, the
28 final area, again, there were no impacts to any mining permits or deep mining areas. I could
29 answer any questions you may have concerning this.

30 **Bradley Lambert:** Questions from the Board? [No response] Anything further, Mr. Kaiser?

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

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

33 **Donnie Ratliff:** Motion for approval, Mr. Chair.

34 **Bill Harris:** Second.

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

1 **Board:** Yes.
2 **Bradley Lambert:** Opposed no. [No response] Thank you, gentlemen. That one is approved.
3 **Donnie Ratliff:** I'll abstain, Mr. Chairman.
4 **Bradley Lambert:** One abstention. Mr. Ratliff.

5 **Item Number 16**

6 **Jim Kaiser:** Could we go from 14 to 16, please?

7 **Bradley Lambert:** If Mr. Scott's okay with that.

8 **Jim Kaiser:** This is just a correction testimony from a prior hearing.

9 **Bradley Lambert:** Okay. We're calling Docket Item Number 16. On the Board's own motion,
10 Range Resources-Pine Mountain, Inc., will approach the Board to revise testimony for the
11 disbursement of funds from the escrow account for Well VC-536260. This is Tracts 3, 4 & 5.
12 Docket Number VGOB-06-0718-1679-01. All parties wishing to testify please come forward.

13 **Jim Kaiser:** Mr. Chairman, Jim Kaiser and Larry Reeves on behalf of Range Resources-Pine
14 Mountain.

15 **Bradley Lambert:** You may proceed, Mr. Kaiser.

16 **Jim Kaiser:** Mr. Reeves, if you could state your name for the Board, who you are employed by
17 and in what capacity?

18 **Larry Reeves:** Larry Reeves, Range Resources.

19 **Jim Kaiser:** And you're here today to revise some testimony on a prior disbursement?

20 **Larry Reeves:** Yes, sir. Do I need to be sworn?

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

23 **Larry Reeves:** Yes. 6260 disbursement we had done, I think it was in June, payment was
24 directed to Adalee Stevens, Donna Owens.... Adalee Stevens Life Estate, Donna Owens and
25 Ricky Stevens, as remaindermen. If you will divert your attention to the second page, you'll see
26 the ratification of oil and gas lease, where Adalee Stevens is named as the Lessor and, in the
27 third paragraph, that they have agreed to pay all rents, royalties, etc., to the Lessor named
28 therein, which is Adalee Stevens. We would like to pay Adalee at the request of her and her
29 children, Donna Willis and Ricky Stevens.

1 **Jim Kaiser:** I think what we had, was we had a life estate/remaindermen situation. In the
2 previous disbursement testimony, we directed that the payments be made to the remaindermen,
3 which is the normal course of the law in a life estate/remaindermen situation. The royalties
4 would go to the remaindermen and the rent would go to the life tenant, unless there's a well
5 already on the property. We won't delve into all that. So, they apparently, in the original lease,
6 had stipulated that the life tenant get the royalty. So, we're just coming back to change that and
7 make sure the right person gets paid, in accordance with our lease.

8 **Bradley Lambert:** Questions from the Board?

9 **Mary Quillen:** What is the relationship? Donna Willis? Is this a daughter?

10 **Jim Kaiser:** Yes, daughter of Adalee.

11 **Mary Quillen:** And Ricky Stevens is the son?

12 **Jim Kaiser:** Yes, ma'am. It's mother and children.

13 **Mary Quillen:** These are their spouses that are on here.

14 **Jim Kaiser:** Yes.

15 **Larry Reeves:** Both her children and their spouses have signed.

16 **Mary Quillen:** Okay.

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

18 **Donnie Ratliff:** Motion made for approval, Mr. Chair.

19 **Bill Harris:** Second.

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

22 **Board:** Yes.

23 **Bradley Lambert:** Opposed no. [No response] Thank you, gentlemen. That is approved.

24 **Jim Kaiser:** Thank you.

25 **Item Number 15**

26 **Bradley Lambert:** We're calling Docket Item Number 15. A petition from Range Resources-
27 Pine Mountain, for a Well Location Exception for Well No. V-530350. This is Docket Number
28 VGOB-15-0818-4072. All parties wishing to testify please come forward.

1 **Tim Scott:** Mr. Chairman, Tim Scott, Gus Janson and Phil Horne for Range Resources-Pine
2 Mountain, Inc.

3 **Bradley Lambert:** Mr. Horne and Mr. Janson, you're still under oath. You may proceed, Mr.
4 Scott.

5 **Tim Scott:** Thank you, Mr. Chairman. Mr. Horne, please state your name, by whom you are
6 employed and your job description.

7 **Phil Horne:** My name is Phil Horne. I'm employed by Range Resources-Pine Mountain, Inc.,
8 as Land Manager. One of my job descriptions is to get wells ready to get drilled and permitted.

9 **Tim Scott:** Are you familiar with the ownership of the minerals underlying this unit?

10 **Phil Horne:** Yes, I am.

11 **Tim Scott:** And those owners are set out on Exhibit B to the application. Is that right?

12 **Phil Horne:** That is correct.

13 **Tim Scott:** Who operates Well No. V-530126?

14 **Phil Horne:** Range Resources-Pine Mountain, Inc.

15 **Tim Scott:** In this particular case, Range is both an owner and an operator. Is that right?

16 **Phil Horne:** That is correct.

17 **Tim Scott:** Can you tell the Board why we have had to move this well?

18 **Phil Horne:** Yes. About a year ago, we permitted this well about 500 feet north of the spot,
19 now. The road for V-530126, which we're getting an exception from today, it went right by this
20 well. It's up above the Cranes Nest River. Once we built the road by the well, we decided that a
21 location there would not be.... It didn't look like it was very safe, so we decided to back up and
22 move the well to a more environmentally safe location.

23 **Tim Scott:** We provided notice of this hearing to the parties listed on Exhibit B. Is that right?

24 **Phil Horne:** That's correct.

25 **Tim Scott:** How was that done?

26 **Phil Horne:** By certified mail.

27 **Tim Scott:** We provided proof of mailing to the Board. Is that correct?

28 **Phil Horne:** Yes, you have.

1 **Tim Scott:** That's all I have for Mr. Horne.

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

3 **Bruce Prather:** I have one question.

4 **Bradley Lambert:** Mr. Prather.

5 **Bruce Prather:** Did you change the location because of flooding?

6 **Phil Horne:** No, sir. We were up above the river. We were scared that the location may slip.
7 We're above the river.

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

10 **Tim Scott:** Thank you, Mr. Chairman. Mr. Janson, please state your name, by whom you are
11 employed and your job description.

12 **Gus Janson:** My name is Gus Janson, employed by Range Resources-Pine Mountain, Inc., as
13 the Manager of Geology.

14 **Tim Scott:** And you participated in the preparation of this application. Is that correct?

15 **Gus Janson:** I did.

16 **Tim Scott:** Would you please tell the Board why we're seeking a Well Location Exception,
17 today?

18 **Gus Janson:** I've handed out to the Board and Exhibit H2, which is a map showing the location
19 of proposed Well 530350 at its new location. This location has been selected due to the steep
20 terrain and the topographic restraints. This helps us to resolve and maximize the recovery of the
21 natural resources in relationship to the offsetting wells. The nearest feasible location, being
22 statewide spacing, is approximately 2,500 feet to the northwest. In the event this well can not be
23 drilled at this location, approximately 105.58 acres [inaudible].

24 **Tim Scott:** What's the proposed depth of this well, Mr. Janson?

25 **Gus Janson:** 5,037 feet.

26 **Tim Scott:** What would be the potential loss of reserves if the application is not granted or
27 approved today?

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

29 **Tim Scott:** If the Board grants our application today, in your opinion, would it prevent waste,
30 protect correlative rights and promote conservation?

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

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

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

4 **Mary Quillen:** Just one question, Mr. Chairman. This well was previously approved in an
5 earlier Board order. Correct?

6 **Gus Janson:** It was previously approved.

7 **Mary Quillen:** But, it was never drilled.

8 **Gus Janson:** Not drilled at that location.

9 **Mary Quillen:** Okay. So, you moved it east?

10 **Gus Janson:** South.

11 **Mary Quillen:** South of the original. Okay. Away from that bend in the river. Correct? Okay.

12 **Donnie Ratliff:** Is it because of environmental impact or something that you moved there?

13 **Gus Janson:** We were concerned. The area was relatively steep in this area. The terrain was
14 relatively steep and we were concerned of potential for rocks to move down into the rivers at that
15 location. We think we have a better location if we move it to the south. After we got in there
16 and got on the ground and physically got our road into the other well, the 530126, we made a
17 better decision on where to drill the well.

18 **Donnie Ratliff:** Good decision.

19 **Bradley Lambert:** Any other questions? [No response] Mr. Scott, I think you're off one day
20 on your Notice of Hearing. It says that the hearing will be held on the 17th of August. Today is
21 the 18th, isn't it?

22 **Tim Scott:** Yes, sir. We didn't get any responses, otherwise, Mr. Chairman. I'm sorry.

23 **Bradley Lambert:** Just so you know. Any other questions from the Board? [No response]
24 Anything further, Mr. Scott?

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

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

27 **Donnie Ratliff:** Motion made for approval, Mr. Chair.

28 **Bill Harris:** Second.

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

3 **Board:** Yes.

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

5 **Donnie Ratliff:** I'll abstain, Mr. Chairman.

6 **Tim Scott:** Thank you.

7 **Bradley Lambert:** One abstention. Mr. Ratliff.

8 **Item Number 17**

9 **Bradley Lambert:** We're calling Docket Item Number 17. A petition from ARP Mountaineer
10 Production, LLC, requesting the Virginia Gas and Oil Board to enter and order, transferring the
11 right to operate all units listed in this application that were established by Board Order, from
12 GeoMet Operating Company, Inc., to ARP Mountaineer Production, LLC. Docket Number
13 VGOB-15-0818-4073. All parties wishing to testify please come forward.

14 **Tim Scott:** You're looking at him. Mr. Chairman, in this particular situation, I've been in close
15 contact with the Director's office. What we had anticipated doing earlier was having all of the
16 orders transferred at one time. As a result, we are three supplemental orders shy of getting the
17 number that we need to do this, completely. So, we're going to continue this to September. At
18 that time, all of those orders and supplemental orders will, then, be transferred from GeoMet to
19 ARP. It's been real complicated.

20 **Bradley Lambert:** That docket item will be continued until September.

21 **Tim Scott:** We'll re-notice.

22 **Bradley Lambert:** Okay. Thank you, Mr. Scott.

23 **Tim Scott:** Thank you.

24 **Item Number 18**

25 **Bradley Lambert:** Docket Item Number 18. The Board will receive an update of Board and
26 Division activities from the staff. Mr. Cooper.

27 **Rick Cooper:** I really just have a couple of items. One, in our continuing effort to update the
28 Board on the new Bill, we have had 27 coal dismissals submitted to us. Hopefully, by the time
29 we review these, order checks, file these in a courthouse and disburse these. Hopefully, by the

1 next Board meeting, we'll report dollars and cents to you. Currently, we have 27 that we're
2 reviewing. The only other thing that I really have, thanks to Ms. Gilmer. During our last Board
3 hearing, we were talking about the outstanding checks. The bank reported about the 13
4 outstanding checks. Ms. Gilmer had sent out a letter to all these people. Credit to her, 12 of
5 those people have been disbursed since our last Board meeting. Currently, we just have one
6 person left there. We're contemplating whether we should drive and knock on their door. This is
7 our third different level of attempt to get these, but we got 12 out of 13. We're sort of waiting
8 and seeing, but we'll try to pursue some avenue to get that.

9 **Bruce Prather:** Did they ever give you an excuse as to why they didn't endorse the check?

10 **Rick Cooper:** Not really. A couple of them had two addresses. So, Sarah had found both of
11 their addresses, mailed letters to both of the addresses and that's how they responded. Over a
12 period of time, I guess people move around. She was very successful at that. The checks have
13 been issued to those 12 out of 13.

14 **Mary Quillen:** Congratulations, Ms. Gilmer! Good job!

15 **Rick Cooper:** That's all.

16 **Bradley Lambert:** Thank you, Mr. Cooper.

17 **Item Number 19**

18 **Bradley Lambert:** How about review of July minutes for approval. Any additions or
19 corrections need to be made to those minutes? If not, do I have a motion to accept?

20 **Donnie Ratliff:** Motion to accept the minutes, as presented, Mr. Chairman.

21 **Donnie Ratliff:** Second, Mr. Chair.

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

23 **Board:** Yes.

24 **Bradley Lambert:** Anything further from the Board? [No response] If not, I'll ask for a motion
25 for dismissal.

26 **Donnie Ratliff:** Motion made for dismissal, Mr. Chair.

27 **Bill Harris:** Second.

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

29 **Board:** Yes.

1 **Bradley Lambert:** Thank you, ladies and gentlemen.