

VIRGINIA DEPARTMENT OF MINES, MINERALS, AND ENERGY

VIRGINIA GAS AND OIL BOARD HEARING

Tuesday, November 19, 2019

Lebanon, Virginia

BOARD MEMBERS:

Mary Quillen- Public Member

Donnie Rife- Public Member- Dickenson Co.

Donnie Ratliff- Representing Coal Industry

Bill Harris- Public Member

Bradley Lambert- Chairman of the Virginia Gas & Oil Board

APPEARANCES:

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

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

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

Daniel Ingersoll- Virginia Assistant Attorney General

Transcribed by: Darlene Gibson

Agenda Items

<u>Item Number</u>	<u>Docket Number</u>	<u>Page</u>
1	Public Comments	1
2	First Bank & Trust Quarterly Report (July- September)	3
3	VGOB 93-0622-0381-05	5
4	VGOB 98-0324-0625-13	11
5	VGOB 98-0324-0626-13	17
6	VGOB 04-1214-1368-06	21
7	VGOB 08-1118-2367-02	26
8	VGOB 19-1119-4225	31
9	VGOB 19-0917-4222	42
10	VGOB 19-0917-4223	46
11	VGOB 19-1015-4224	48
12	VGOB 19-1119-4226	52
13	Update of Board and Division activities from staff	57
14	Review of September 2019 minutes	69

ITEM NUMBER 1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

Bradley Lambert: Ladies and Gentlemen, if you please take your seats. It is now 9:00 and time to begin our proceedings this morning. I would like to begin by asking if you have cell phones or other communication devices to please turn those off or put them on vibrate. We are recording these proceedings and we will appreciate to not have any interruptions with telephone calls. Also, I would like to begin this morning by asking the Board to please introduce themselves and I will begin with Mr. Ingersoll.

Daniel Ingersoll: My name is Daniel Ingersoll with the Office of the Attorney General.

Bradley Lambert: I am Butch Lambert with the Department of Mines, Minerals, and Energy.

Donnie Ratliff: Donnie Ratliff, representing coal.

Donnie Rife: Donnie Rife, with Dickenson County.

Bill Harris: Bill Harris, a public member.

Mary Quillen: Mary Quillen, public member.

Bradley Lambert: Thank you ladies and gentlemen. First on our docket this morning, we will receive public comments and I have signed up for public comments this morning. First, Mr. Joseph Horne.

Rick Cooper: I think Kelli is working with him Mr. Chairman and I think Patricia would be the next one. Kelli is working with Mr. Horne.

Bradley Lambert: All right, we can save that for later if we need to.

Rick Cooper: Yes.

Bradley Lambert: I also have next on the list, Patricia Stillwell. Would you please come forward and state your name for the record? Good morning.

Patricia Stillwell: Good morning, how are you?

Bradley Lambert: Good this morning, how are you?

Patricia Stillwell: All right. My name is Patricia Stillwell. I am Nancy Stillwell's heir, which is a Linkous Horne heir. She passed away in 2017. There are five heirs for Nancy Stillwell, that's Linkous Horne, John Stillwell, Connie Sparks, myself, Patricia Stillwell, and Tony Stillwell. Okay, on years back, I made a comment that we had been asking for the depletion for the gas wells on our 1099's and we are still not getting those at the end of the year from CNX. We would like that on our taxes because it offsets our royalties. We won't have to pay so much; even though it is a little amount that we're getting from CNX. They got all the money. Okay, also we

1 would like that in writing, fix that up, and have some type of meeting or whatever; to do that.
2 Also, we have a check from Canonsburg Pennsylvania. My brother, Linkous Horne got a \$20
3 check. My brother, John got a \$1 check. My sister, Connie, got a check for \$19.88. My brother,
4 Tony, got a check for \$19.86. I did not get a check at all from CNX from Canonsburg
5 Pennsylvania. One heir did not get no check this time from this packet. All the checks are
6 supposed to be the same amount divided by five (5). Uncle Joe Horne supposed to have gotten a
7 check; he got a \$4 check. Am I correct? [No response] My aunt from Max Meadows, which is an
8 original heir of Linkous Horne from Max Meadows, her name is Martha Smith got a \$4 check.
9 These amounts are not correct. How can you get a total of like, \$20, \$20? I mean \$20, \$19, \$19,
10 and a \$1 and then an original heir gets only \$4? It should have been like sixty (\$60) some for an
11 original heir and then here I am one of five (5) did not even get a check. They need to check in
12 on that, these odd amounts. Even Mary Jane Keene and them, I think they only got like \$12 all to
13 this check this last time. I mean, if they are just going to give a check, write it down; I'm going
14 to give this amount to this one and I'm going to give this amount to this one and this one is not
15 going to get anything. I don't think that is kosher. Also, in the big packet we had to sign for from
16 CNX, they don't have the maps right on two of these maps. There is money missing out of the
17 accounts that they supposed to pay us for after they done the court case and money is supposed
18 to be in these accounts and they are not in there. So where's that money at they are supposed to
19 be paying this Linkous Horne heirs? We want to know where that money is.

20 **Bradley Lambert**: Ms. Stillwell, we can't do anything with this Board today but what we will
21 do is ask Mr. Cooper and staff to work with you and to address your concerns and to also work
22 with CNX and at least try to get you some answers.

23 **Patricia Stillwell**: Well, I wanted it on record. I mean this has been going on for years, not just
24 today. I mean we give it handed the buck, it's not just the Linkous Horne heirs, but it's
25 everybody in Buchanan County. I mean these CNX and not only CNX and probably the rest of
26 them, I mean they walk over all these people like we are nothing but we are humans and we
27 deserve our share, Okay?

28 **Bradley Lambert**: Yes, ma'am.

29 **Patricia Stillwell**: They need to get their property lines right, instead of taking word over
30 somebody's instead of people that lives on that property and just say this is what we are going to
31 give them. I mean the court case is already and over with but fair is fair. I mean they make their
32 money, yea, but they don't have to put it in their pocket and say we're going to keep this amount
33 and other people don't get their money.

34 **Bradley Lambert**: I understand, again Ms. Stillwell we will ask Mr. Cooper and his staff to
35 work with you and address your concerns.

36 **Patricia Stillwell**: Thank you. I mean it's not just us; it's everybody in Buchanan County. Okay?

1 **Bradley Lambert**: Thank you for your time.

2 **Patricia Stillwell**: I think we've been railroaded enough.

3 **Bradley Lambert**: Mr. Horne, do you have comments?

4 **Joseph Horne**: I think that lady over there done took care of me.

5 **Bradley Lambert**: Okay, all right. Thank you, sir.

6 **Joseph Horne**: A check was all I wanted; it was \$3500 difference in what they sent me and the
7 rest of the heirs.

8 **Bradley Lambert**: Okay, so you're taken care of.

9 **Joseph Horne**: I think it is.

10 **Bradley Lambert**: Okay, thank you.

11 **Joseph Horne**: Thank you.

12

ITEM NUMBER 2

13 **Bradley Lambert**: Thank you, yes sir. The next item on our docket is the Board will hear from
14 First Bank and Trust Company, the Escrow Agent for the Virginia Gas and Oil Board. Please
15 come forward, good morning.

16 **Jody Maney**: Good morning, doing well. Are you? I think we are a month or so behind. This is
17 as of September. So this is our 3rd quarter report for 2019. On page 3, we had a beginning
18 balance for the quarter, \$9,874,944.08. We had deposits for the quarter, a little over \$58,000.
19 Interest earned were a little over \$12,000. Fees deducted from the individual accounts were
20 \$2,468.52. We had disbursements for the quarter at \$87,000. This gives us an ending balance of
21 \$9,855,837.30. The next several pages are all of our outstanding checks and these are ones that
22 have been issued that have not been cashed yet, that goes to page 59. So we have a total a little
23 over \$58,000 in uncashed checks right now.

24 **Donnie Ratliff**: Mr. Chairman.

25 **Bradley Lambert**: Mr. Ratliff?

26 **Donnie Ratliff**: Some of these goes back to 2016, is there a cut-off?

27 **Jody Maney**: We escheat after five (5) years. You'll see that on the next page as well.

28 **Donnie Ratliff**: Okay, thank you.

1 **Jody Maney:** On page 60, the ones listed at the top that are grayed, these have been escheated to
2 the state. These were from 2014 so the five-year limit ended, these have been escheated as of
3 November 1, and that was a little less than \$300. On the bottom of that page are the ones that
4 will be escheated next year if we don't have contact with these people or they have not cashed
5 the checks so \$4500 will be escheated next year based upon the outstanding checks. The next
6 several pages are the funded units' spreadsheet, these are all the individual sub accounts with
7 their beginning balance, any deposits received for the month of September, what interest each
8 account earned, the fees that were deducted from each sub account and the ending balance on the
9 far right hand column for each account. This is as of September so it's only for one month. Then
10 starting on page 78, this is a list of no W-9. These are listed individually for people that have not
11 submitted a W-9 and once they submit a W-9, then we can issue a check based upon what they
12 show as their balance. There's EnerVest, there's a few Diversified, and I think there's maybe a
13 couple of CNX, unless we've cleared those up in the last couple of months. So the total no W-9
14 is \$39,904.95. There's 426 lines on this but as you can see, some of these people have several
15 checks that could be issued to them. Any questions on this? [No response] The next page; page
16 90 shows our annual distributions since First Bank and Trust took over as Escrow Agent in 2010.
17 We have the royalty and working income, the deposits received in the account for the year, and
18 distributions paid out so we've paid \$473,000 in distributions for the year. The next page is how
19 your investments are broken out. All of the money is in an ICS Money Market account right
20 now. The annual percentage yield is 40 basis points, so your estimated annual income is \$39,000.
21 The last page is our rate comparisons, this will give you a breakdown of the CDARS; one (1)
22 month, three (3) month, six (6) months, one (1) year and two (2) year CDARS rates. It shows
23 you what it was in July and what it was a few days ago. Then we have treasury rates broken
24 down the same way and brokerage CD's.

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

26 **Donnie Ratliff:** Very good explanation Mr. Chair.

27 **Bradley Lambert:** Any other questions from the Board? [No response] Okay, thank you and I'll
28 ask you to stay just a minute so we can talk about your RFP and ask the Board to take a vote
29 after we hear a report from Mr. Cooper. Also, Mr. Ratliff was on that review committee and
30 we'll ask if he has any comments. Mr. Cooper?

31 **Rick Cooper:** Yes, what we have in front of us today is we've talked the last couple of Board
32 meetings about the renewal of the contract with First Bank and Trust. Originally, it was a five (5)
33 year contract that expires in December of this year. I think all parties involved wanted to do an
34 annual contract so the contract that was submitted out to all bidders is actually one (1) year
35 contracts for five (5) years. So it can be renewed annually in the fall of every year, so you have
36 five 1-year contracts. We had a committee of DMME people, Mr. Ratliff also served on that,
37 we've reviewed the package that was submitted and had an evaluation of the questions and by
38 far, they came in excellent. So First Bank and Trust exceeded everything in all categories and the

1 thing I know the Board was concerned about is not going under water on the interest rate so there
2 is a clause in the contract that the bank will not charge more than the interest rate that the
3 account is bearing unless the Board approves it. So if for some reason the interest rate the
4 account is receiving is less than their charge is, they would have to get that approved through the
5 Board. I will take any questions or Mr. Ratliff could any questions? [No response] So I guess the
6 question to the Board today is to renew the contract for another year is where we are. We can
7 have any discussion you want to have if there are any questions.

8 **Donnie Rife**: And the outcome of Miss Wachovia, we had a little bit more excitement with
9 them?

10 **Rick Cooper**: We've just about cleaned Wachovia up; it has been a major process.

11 **Donnie Rife**: And I really appreciate that too. Do we need a motion Mr. Chair?

12 **Bradley Lambert**: I was just going to ask Mr. Ratliff if he had any comments since he was on
13 the committee that reviewed the RFP.

14 **Donnie Ratliff**: I thought the RFP was put together very well; you guys have always been
15 professional. You've been accurate. You gave us more information than anybody else did and its
16 information that we've learned that we can trust. With that Mr. Chairman, I make a motion that
17 we approve the contract.

18 **Donnie Rife**: I second that Mr. Chair.

19 **Bradley Lambert**: I have a second, any further discussion. [No response] All in favor of
20 continuing with First Bank and Trust as our Escrow Agent, please signify by saying yes.

21 **Board**: Yes.

22 **Bradley Lambert**: Opposed, no? [No response] Thank you folks. Thank you all for another
23 good relationship for taking care of the Gas and Oil Board escrow account.

24 **Jody Maney**: Thank you.

25 **ITEM NUMBER 3**

26 **Bradley Lambert**: We're calling the next item on the docket. A petition from Pocahontas Gas,
27 LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow
28 Agent, attributable to a portion of Tracts 2, 3 and 4, as depicted upon the annexed table; (2)
29 authorization to begin paying royalties directly to the parties listed in the petition. All those
30 wishing to testify, please come forward.

31 **Mark Swartz**: Mark Swartz and Kelli Berry.

32 **Bradley Lambert**: Good morning.

1 **Mark Swartz**: Good morning.

2 **Kelli Berry**: Good morning.

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

4 **Sarah Gilmer**: Ms. Berry, do you swear or affirm your testimony is the truth, the whole truth
5 and nothing but the truth?

6 **Kelli Berry**: I do.

7 **Mark Swartz**: State your name for the record.

8 **Kelli Berry**: Kelli Berry.

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

10 **Kelli Berry**: CNX Resources.

11 **Mark Swartz**: And are you here today on behalf of Pocahontas Gas Partnership, LLC?

12 **Kelli Berry**: Yes.

13 **Mark Swartz**: And that is the petitioner in this case, right?

14 **Kelli Berry**: Yes.

15 **Mark Swartz**: And we're asking for a disbursement from escrow regarding Unit U16?

16 **Kelli Berry**: Yes.

17 **Mark Swartz**: And we are going to address some dismissal of some coal owners as well?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: The reason for the disbursements or reasons are we have a split agreement and
20 we've got a ton of people that qualify as gas owners under the house bill.

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: And one complicating or not complicating factor but something that we need to
23 bring to the Board's attention is the production from this unit is currently being paid out of
24 sealed gob unit, right?

25 **Kelli Berry**: That's correct.

26 **Mark Swartz**: And which unit is that?

27 **Kelli Berry**: VP8SGU3.

1 **Mark Swartz**: Previously CNX Gas gave the required notice to conflicting claimants and you
2 were here on a prior disbursement of HW Financial was dismissed except to the extent that they
3 had a split agreement, correct?

4 **Kelli Berry**: That's correct.

5 **Mark Swartz**: So that took care of the coal dismissal.

6 **Kelli Berry**: Yes.

7 **Mark Swartz**: Then we come down to the tables; we actually have two tables here. We've got
8 an exact dollar amount table and then a percentage table.

9 **Kelli Berry**: Yes.

10 **Mark Swartz**: Let's start with Table 1, which is PDF page 11. Who gets paid?

11 **Kelli Berry**: That would be Ann Lilly.

12 **Mark Swartz**: And it's a specific amount, correct?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: So what amount or amounts should Anne Lilly receive?

15 **Kelli Berry**: \$30.72 and that would be times two (2) for an interest that she deeded to family
16 members.

17 **Mark Swartz**: Okay. That will square up that transaction.

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: After that disbursement is made, the escrow agent should follow the direction in
20 Table 2, correct?

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: And Table 2 is a percentage disbursement?

23 **Kelli Berry**: Yes.

24 **Mark Swartz**: In Table 2, have you listed the names of all the people, companies, and estates
25 who are to receive checks?

26 **Kelli Berry**: Yes.

27 **Mark Swartz**: Have you provided an address for everybody?

1 **Kelli Berry**: Yes.

2 **Mark Swartz**: In the third column from the right hand edge of the table, have you given a
3 percentage for everybody?

4 **Kelli Berry**: Yes.

5 **Mark Swartz**: Should the Escrow Agent use that percentage multiply it times the balance on
6 hand as of the date the disbursement checks are being cut and that percentage in that column will
7 then generate the correct dollar amount for everybody?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: And the reason it needs to be done at the time the checks are cut is because
10 money continues to go into that account, potentially anyway, whether its interest fees and the
11 balance could change slightly?

12 **Kelli Berry**: Interest accrues, yes.

13 **Mark Swartz**: At the end of Table 2, I think you have listed on PDF 33, you have listed or
14 indicated directly that or confirmed that you make the dollar payment, the specific payment first
15 then the percentage payments and you've identified the wells that have contributed to this
16 account?

17 **Kelli Berry**: Yes.

18 **Mark Swartz**: Will there continue to be an escrow requirement?

19 **Kelli Berry**: Yes.

20 **Mark Swartz**: Have you provided a revised Exhibit E in that regard?

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: Have you also provided the Board revised Exhibit EE, which is kind of the going
23 forward payment plan, right?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: And that starts at PDF 74, I think, the EE?

26 **Kelli Berry**: Yes.

27 **Mark Swartz**: Just as an indication of what remains in escrow in terms of acreage, we've got a
28 summary at the end of Exhibit E and the acreage still in escrow is what?

29 **Kelli Berry**: 3.8632.

1 **Mark Swartz**: As a percentage of the unit, what's the percentage?

2 **Kelli Berry**: 4.8289.

3 **Mark Swartz**: So we are roughly at 95% of the people we are paying currently.

4 **Kelli Berry**: Yes.

5 **Mark Swartz**: I'm looking for Exhibit J.

6 **Kelli Berry**: You'll get there.

7 **Mark Swartz**: The page that Exhibit J starts at .pdf page 137. In Exhibit J, did you go back and
8 try to identify all the deposits that had been made into the escrow account?

9 **Kelli Berry**: Yes.

10 **Mark Swartz**: Did you compare the checks that you've written depositing money to the actual
11 deposits booked by the bank to see if there were differences?

12 **Kelli Berry**: Yes.

13 **Mark Swartz**: Did you find some differences?

14 **Kelli Berry**: Yes.

15 **Mark Swartz**: On your Exhibit J, did you highlight in yellow the differences that occurred that
16 you really weren't able to resolve?

17 **Kelli Berry**: Yes.

18 **Mark Swartz**: Then in some instances, you found differences but you were able to resolve
19 those, correct?

20 **Kelli Berry**: Yes.

21 **Mark Swartz**: And those are in darker black lines?

22 **Kelli Berry**: That's correct.

23 **Mark Swartz**: At the end of Exhibit J, did you compare your estimate of what you thought the
24 bank balance out of be compared to the balance that the bank reported as of July 2019?

25 **Kelli Berry**: Yes.

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

27 **Kelli Berry**: \$27.27.

1 **Mark Swartz**: In your calculation, did you account for prior disbursements?

2 **Kelli Berry**: Yes.

3 **Mark Swartz**: We've had four disbursements in the past from this account.

4 **Kelli Berry**: Yes.

5 **Mark Swartz**: Then you have some supplement affidavit in regard to mailing? This was mailed

6 basically four years ago to Harrison Wyatt and we've commented on this but no harm in

7 repeating Harrison Wyatt has a split agreement that they're going to be paid under in this unit,

8 but to the extent they don't have split agreements, that company being dismissed or has been

9 dismissed?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: What did you do to notify people that we were going to have a hearing today?

12 **Kelli Berry**: We sent everyone a copy of the petition package by certified mail.

13 **Mark Swartz**: When did that occur?

14 **Kelli Berry**: Roughly, September 9 is when we mailed the additional package and several since

15 then.

16 **Mark Swartz**: Have you provided the division with the certifications with regards to mailing

17 and so forth?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: Do we need to do any revisions because of people have not signed?

20 **Kelli Berry**: No, we have already made all of our revisions.

21 **Mark Swartz**: So all the documents are current with regard to receipt.

22 **Kelli Berry**: Yes.

23 **Mark Swartz**: I believe that's I have Mr. Chairman.

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

25 **Donnie Ratliff**: Mr. Swartz, on Table 2.

26 **Mark Swartz**: Okay?

27 **Donnie Ratliff**: If you look at Exhibit E there are several no w-9's or unresolved heirships so

28 there's no one in Table 2 that's in that category?

1 **Kelli Berry**: Correct.

2 **Donnie Ratliff**: On page 146 of our PDF on the disbursements, the first three have negatives in
3 them. The fourth one has a bracket, is that also a negative?

4 **Kelli Berry**: Yes, it's just a difference in the formatting of those cells. Yes the brackets indicate
5 a subtraction also.

6 **Donnie Ratliff**: That's all I have Mr. Chairman.

7 **Bradley Lambert**: Any other questions? [No response] Anything further Mr. Swartz?

8 **Mark Swartz**: No.

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

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

11 **Donnie Rife**: Second Mr. Chair.

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

14 **Board**: Yes.

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

16 **Item Number 4**

17 **Bradley Lambert**: Docket item number four (4). A petition from Pocahontas Gas LLC, for (1)
18 the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent,
19 attributable to a portion of Tracts 3A1 & 3A2, as depicted upon the annexed table. This is docket
20 number VGOB 08-1118-2367. All parties wishing to testify please come forward.

21 **Mark Swartz**: Mark Swartz and Kelli Berry.

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

23 **Mark Swartz**: State your name again for us Kelli.

24 **Kelli Berry**: Kelli Berry.

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

26 **Kelli Berry**: CNX Resources.

27 **Mark Swartz**: And are you here on behalf of the petitioner Pocahontas Gas LLC?

1 **Kelli Berry**: Yes.

2 **Mark Swartz**: This is also another request for disbursement from escrow.

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: What did you do to notify folks who had an interest in today's disbursement
5 request of a hearing?

6 **Kelli Berry**: They were mailed a copy of the petition package by certified mail.

7 **Mark Swartz**: Roughly, when did that go out?

8 **Kelli Berry**: October 22, 2019.

9 **Mark Swartz**: Have you provided the division with updated information concerning people,
10 who received the mail, didn't receive the mail and so forth?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: Have you adjusted the table to reflect or to subtract the people who did not get
13 their mail?

14 **Kelli Berry**: No.

15 **Mark Swartz**: You have not; do we need to make any adjustments?

16 **Kelli Berry**: No.

17 **Mark Swartz**: Everybody got it?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: Perfect. The reasons for the request for a disbursement are I think we've got a
20 royalty split agreement, we've got a circuit court decision in a case, and then we have some
21 dismissals where we have not and didn't get agreements other than split agreements.

22 **Kelli Berry**: Yes.

23 **Mark Swartz**: We go to the tables, I think in this instance we have only one table and it's a
24 percentage?

25 **Kelli Berry**: Yes.

26 **Mark Swartz**: Table 1 begins at PDF page 7 and then goes to PDF page 12?

27 **Kelli Berry**: Yes.

1 **Mark Swartz**: In Table 1, have you given the name of every person, company or an estate that is
2 to receive a check?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: Have you also provided a mailing address for everybody?

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: In the second column from the right hand margin, you've given a percentage,
7 right.

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: Have you given a percentage for every person, company or an estate that the
10 escrow agent should use in calculating the amount of the check?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: At the time, the Escrow Agent calculates the check amount; they should take the
13 balance in the account and use that percentage in the second column from the right hand margin
14 for each person to calculate their dollar amount?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: And we are requesting also; that once those disbursements are made that you, the
17 operator, would be allowed to pay these people directly?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: Table 1 is accurate with regard to mailing and W-9's?

20 **Kelli Berry**: Yes.

21 **Mark Swartz**: Have you provided a revised Exhibit E that would describe what needs to be
22 escrowed after these disbursements are made?

23 **Kelli Berry**: Yes.

24 **Mark Swartz**: At the end of that, you have page 15. You've provided a summary of acres that
25 remain in escrow if these disbursements are made and the percentage and what are the acres and
26 what's the percentage?

27 **Kelli Berry**: 0.42898 acres and 0.5361%.

28 **Mark Swartz**: So we're about 99 ½ % paying here?

1 **Kelli Berry**: Yes.

2 **Mark Swartz**: Then in addition to providing a revised Exhibit E, have you provided a revised
3 Exhibit EE?

4 **Kelli Berry**: Yes.

5 **Mark Swartz**: And that starts at PDF page 16?

6 **Kelli Berry**: Yes.

7 **Mark Swartz**: At PDF page 43, we have another Exhibit J, correct?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: Did you in preparing Exhibit J look for all of the checks that the operator had
10 paid into the account?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: And then did you look for a corresponding deposit?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: And it looks like in some instances you weren't able to match?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: And the ones that you couldn't match and could not resolve with reference to
17 bank records, your records are highlighted in yellow in your spreadsheet?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: And then, there's an example pretty early on this form. The ones that you were
20 not immediately apparent but that you were able to resolve are outlined in a darker black line?

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: As we go through this exhibit, we'll see at various pages, either problems you
23 couldn't resolve or problems that you identified and could resolve, correct?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: If we go to the last page; the summary page, which is PDF 48, you have done a
26 calculation based on your records what you estimate the balance should be in the account and
27 you've compared that to the September, 2019 First Bank and Trust balance and there's a
28 difference?

1 **Kelli Berry**: Yes.

2 **Mark Swartz**: What's the amount of that difference?

3 **Kelli Berry**: \$2669.99.

4 **Mark Swartz**: It's a negative because you've got it in red, correct?

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: Then there is a discussion off on this last page about an overpaid to an Arthur
7 Stillwell?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: There's an indication as well as recoupments?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: To make the account balance again?

12 **Kelli Berry**: Yes.

13 **Mark Swartz**: Did you, on your spreadsheet or on Exhibit J, you've got a \$3279.03 outstanding
14 balance as of the time you prepared this, it looks like?

15 **Kelli Berry**: It's actually probably as of the time that the Arthur Stillwell's overpayment was
16 identified?

17 **Mark Swartz**: Did you, since filing this, did you make inquiries to determine what still needed
18 to be recouped from Mr. Stillwell?

19 **Kelli Berry**: Yes.

20 **Mark Swartz**: What is that as we sit here today?

21 **Kelli Berry**: \$92.18.

22 **Mark Swartz**: So we almost got it all back?

23 **Kelli Berry**: Yes.

24 **Mark Swartz**: Then we have, and this is an odd decision. We have attached a letter from the
25 Circuit Court that was addressing the case, dated October 19, 2015. Which is actually the Circuit
26 Courts decision?

27 **Kelli Berry**: Yes.

1 **Mark Swartz**: And then there is a brief order dated July 10, no that was the court date. Yes,
2 dated July 10, 2019, a Circuit Court order that essentially adopted the discussion and dismissed
3 the case?

4 **Kelli Berry**: Yes.

5 **Mark Swartz**: And have you relied on those with regard to payments as a results of a court
6 decision when you prepared Table 1?

7 **Kelli Berry**: Yes.

8 **Mark Swartz**: This is something you discussed with the Division before today, obviously?

9 **Kelli Berry**: Yes.

10 **Mark Swartz**: The last thing is, we've gave notice to Hurt McGuire and to the extent that they
11 don't have a split agreement, their interest is being dismissed or having dismissed?

12 **Kelli Berry**: Yes.

13 **Mark Swartz**: I think that is all I have Mr. Chairman.

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

15 **Rick Cooper**: Mr. Chairman, I have one question.

16 **Bradley Lambert**: Mr. Cooper?

17 **Rick Cooper**: We had a Robert Eller, that was unclaimed and you did a remailing? Did we
18 receive?

19 **Kelli Berry**: Yes, he was delivered to yesterday. So we have notification of that, we're waiting
20 on the green card to come back.

21 **Rick Cooper**: Okay, thank you.

22 **Kelli Berry**: You're welcome.

23 **Bradley Lambert**: You'll submit that too?

24 **Kelli Berry**: Yes.

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

26 **Donnie Rife**: Motion made for approval Mr. Chair.

27 **Donnie Ratliff**: Second.

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

3 **Board**: Yes.

4 **Bradley Lambert**: Opposed, no? [No response] Thank you Mr. Swartz.

5 **Item Number 5**

6 **Bradley Lambert**: We're calling docket item number five (5), a petition from Pocahontas Gas,
7 LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow
8 Agent, attributable to a portion of Tract 3C1, as depicted upon the annexed table. This is docket
9 number VGOB 98-0324-0626-13, all parties wishing to testify, please come forward.

10 **Mark Swartz**: Mark Swartz and Kelli Berry.

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

12 **Mark Swartz**: State your name once again, please.

13 **Kelli Berry**: Kelli Berry.

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

15 **Kelli Berry**: CNX Resources.

16 Mark Swartz: You're here on behalf of Pocahontas Gas, LLC today?

17 **Kelli Berry**: Yes.

18 **Mark Swartz**: This is another disbursement request, correct?

19 **Kelli Berry**: Yes.

20 **Mark Swartz**: It pertains to drilling unit S36?

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: In addition to the disbursement request, we're also seeking the right to pay the
23 folks who are being paid out of escrow directly in the future?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: And we're going to address the dismissal of coal owners, correct?

26 **Kelli Berry**: Correct.

1 **Mark Swartz**: The reasons we are here on this petition are we have a royalty's split agreement,
2 right?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: We've got a court case that was resolved, a Circuit Court case?

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: And we have conflicting claimants of gas owners of being paid under the Act?

7 **Kelli Berry**: Yes.

8 **Mark Swartz**: And previously when we were here on this case, we addressed the dismissal of
9 Hurt McGuire interest to the extent that they weren't protected by a royalty split agreement,
10 right?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: We go to Table 1 at pdf page 6, right? This table is a percentage table?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: In Table 1, have you provided the Board with the name of every person that
15 you're seeking a payment for?

16 **Kelli Berry**: Yes.

17 **Mark Swartz**: For each person or company or estate that you've identified, have you also
18 provided a mailing address?

19 **Kelli Berry**: Yes.

20 **Mark Swartz**: Is this Table 1 list current in terms of redacting people who didn't pick up their or
21 who did not receive their mail?

22 **Kelli Berry**: Yes.

23 **Mark Swartz**: And it only contains a list of names that you have w-9 for?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: You indicated it is a percentage table when the Board enters its order it should
26 instruct the Escrow Agent to use the percentages listed in the second column from the right hand
27 side with regard to each person, company or trust when it calculates the dollar amount payable?

28 **Kelli Berry**: Yes.

1 **Mark Swartz**: And that calculation should be done on the day that check is cut?

2 **Kelli Berry**: Yes.

3 **Mark Swartz**: After that point in time, your requesting the Operator be allowed to pay the
4 people directly?

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: You've provided revised Exhibit E?

7 **Kelli Berry**: Yes.

8 **Mark Swartz**: And in that regard at the end of that Exhibit E, have you once again indicated
9 what acreage is in escrow and percentage of the unit that remains in escrow?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: And what are those numbers?

12 **Kelli Berry**: 0.32684 acres and 0.4085%.

13 **Mark Swartz**: So we're at 99%+ that we're paying directly?

14 **Kelli Berry**: Yes.

15 **Mark Swartz**: You provided the Board with a revised Exhibit EE that it starts at pdf page 11?

16 **Kelli Berry**: Yes.

17 **Mark Swartz**: And that's the going forward plan if these disbursements are made?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: Exhibit J starts at pdf page 31 and once again did you attempt to identify all
20 royalty checks that were paid to the Escrow Agent?

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: Did you go looking for corresponding deposits?

23 **Kelli Berry**: Yes.

24 **Mark Swartz**: And this looks like a situation where you weren't able to account for?

25 **Kelli Berry**: Yes.

26 **Mark Swartz**: You've highlighted those in yellow?

1 **Kelli Berry**: Yes.

2 **Mark Swartz**: And some that; on the first page is an example some that looked like a problem
3 but you were able to resolve the issues?

4 **Kelli Berry**: Yes.

5 **Mark Swartz**: And those are outlined in a darker outline?

6 **Kelli Berry**: Yes.

7 **Mark Swartz**: Pages 35 and 36 are a recap of deposits and previous disbursements, right?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: At page 36 you got a comparison of your calculation with regard to an estimated
10 balance and the September 2019 First Bank and Trust balance and there's a slight difference?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: And what's the difference?

13 **Kelli Berry**: \$131.32.

14 **Mark Swartz**: That's a negative, right?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: If I'm not mistaken, let's go back to the end of Table 1. The only well
17 contributing to this account is S36?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: And that is now being paid as part of BUCH1 sealed GOB Unit 2?

20 **Kelli Berry**: That's correct.

21 **Mark Swartz**: So the only changes going forward should be interest and expenses?

22 **Kelli Berry**: Yes.

23 **Mark Swartz**: But never the less, it's going into that sealed GOB unit at present, the production?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: This is the same situation that we discussed in the prior case where we have a
26 circuit court decision in a letter dated October 19, 2015, that was subsequently adopted in a brief
27 court order entered July 10, 2019, correct?

1 **Kelli Berry**: Yes.

2 **Mark Swartz**: And you've relied on that in preparing Table 1?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: And then we've got the coal dismissal documentation we mailed to Hurt
5 McGuire in 2015, so we're way past that deadline and to the extent that Hurt McGuire doesn't
6 have a split agreement, they're being dismissed?

7 **Kelli Berry**: Yes.

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

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

10 **Rick Cooper**: Mr. Chairman, I have the same question again on Robert Eller issue.

11 **Kelli Berry**: Yes, his mailing was received yesterday and we will forward the proof once it's
12 received.

13 **Rick Cooper**: Thank you.

14 **Bradley Lambert**: Any other questions? [No response] Do I have a motion?

15 **Donnie Rife**: Motion made for approval Mr. Chair.

16 **Donnie Ratliff**: Second.

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

19 **Board**: Yes.

20 **Bradley Lambert**: Any opposed? [No response] Thank you Mr. Swartz that one is approved.

21 **Mark Swartz**: Thank you.

22 **Item Number 6**

23 **Bradley Lambert**: We're calling docket item number six (6), a petition from Pocahontas Gas,
24 LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow
25 Agent, attributable to Tracts 1F, 1G, & 2, as depicted upon the annexed table; and (2)
26 authorization to begin paying royalties directly to the parties listed in the petition. This is docket
27 number VGOB 04-1214-1368-06. All parties wishing to testify, please come forward.

28 **Mark Swartz**: Mark Swartz and Kelli Berry.

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

2 **Mark Swartz**: Thank you. Kelli, can you state your name for us again?

3 **Kelli Berry**: Kelli Berry.

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

5 **Kelli Berry**: CNX Resources.

6 **Mark Swartz**: And are you here on behalf of the petitioner CNX Gas LL or Pocahontas Gas,
7 LLC?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: This petition pertains to Drilling Unit B, b as in boy; F, f as in Frank; 100,
10 correct?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: And we're asking for some disbursements from escrow, authorization for some
13 direct payment, if and when that occurs and then we are going to address dismissal of coal
14 owners, correct?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: The reasons or the actual basis, did we straighten that out and get it uploaded? Is
17 this the one with a partial for the Board?

18 **Kelli Berry**: Yes.

19 **Sarah Gilmer**: Yes, and we've got copies if anybody wants to see them?

20 **Mark Swartz**: Actually I lost mine.

21 **Kelli Berry**: Here you go.

22 **Mark Swartz**: Oh I got one, Kelli had an extra.

23 **Sarah Gilmer**: It actually didn't come through properly, electronically. So if you want a copy?

24 **Mark Swartz**: Thank you. The reason you all are getting this is because for some reason or
25 other, the pdf that you received and that I received did not upload the reasons. It was in the e-
26 forms but it just didn't come through email.

27 **Bradley Lambert**: Okay.

1 **Mark Swartz**: And the reason that we are here today is we have a gas claimant under the Act,
2 right?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: Mr. Harris?

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: Okay, and we or acknowledging a prior dismissal with regard to Harrison Wyatt?

7 **Kelli Berry**: Yes.

8 **Mark Swartz**: We have a Table 1, which is a percentage table, correct?

9 **Kelli Berry**: Yes.

10 **Mark Swartz**: and it is mercifully short?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: Have you identified the tracts that Mr. Harris has an interest in?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: You've provided his mailing address?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: With regard to each of interest in the several tracts, have you provide a
17 percentage?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: and should the Board order the Escrow Agent to use those six percentages and
20 apply them to the escrow balance on hand when the checks are being cut?

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: And that will generate the correct number or dollar amount for those checks?

23 **Kelli Berry**: Yes.

24 **Mark Swartz**: Once those disbursements are made to Mr. Harris, we're asking for the ability to
25 pay him directly in the future?

26 **Kelli Berry**: Yes.

1 **Mark Swartz**: You've identified the well contributing to this account and it's just the one well,
2 BF100?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: You've provided a revised Exhibit E; I think?

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: And at the end of that exhibit, you indicate once again what the acreage in escrow
7 and the percentage of the unit in escrow?

8 **Kelli Berry**: 2.09 acres and 3.5556% remaining in escrow.

9 **Mark Swartz**: So we're a little more than 96% of the people we are paying directly?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: And have you provided an Exhibit EE?

12 **Kelli Berry**: Yes.

13 **Mark Swartz**: That would be the going forward plan?

14 **Kelli Berry**: Yes.

15 **Mark Swartz**: Once again, we have an Exhibit J?

16 **Kelli Berry**: Yes.

17 **Mark Swartz**: And when you prepared Exhibit J, did you first go looking for all your royalty
18 checks?

19 **Kelli Berry**: Yes.

20 **Mark Swartz**: And then did you look for corresponding deposits?

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: In some instances, you didn't find corresponding deposits that matched?

23 **Kelli Berry**: Correct.

24 **Mark Swartz**: And those are highlighted in yellow?

25 **Kelli Berry**: Yes.

1 **Mark Swartz**: And in some instances, you identified potential problems but you were able to
2 resolve those and those in the first pages is an example are indicated by the darker outlines
3 surround the cells?

4 **Kelli Berry**: Yes.

5 **Mark Swartz**: And at the end of Exhibit J, pdf page 34. Did you do your usual calculation?

6 **Kelli Berry**: Yes.

7 **Mark Swartz**: You accounted for; it looks like five (5) prior disbursements, right?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: Is there a difference?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: Is it a positive or negative?

12 **Kelli Berry**: Positive.

13 **Mark Swartz**: And what amount?

14 **Kelli Berry**: \$15.12.

15 **Mark Swartz**: Okay, then we have proof of our coal notice and that was mailed in 2015?

16 **Kelli Berry**: Yes.

17 **Mark Swartz**: I think that was previously addressed one of the prior disbursements of Harrison
18 Wyatt that they didn't have split agreements.

19 **Kelli Berry**: Yes.

20 **Mark Swartz**: This one we've got a court order; that's an actual order, it's not just a decision?

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: Okay, that order looks like it was entered July 25, 2018.

23 **Kelli Berry**: Yes.

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

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

26 **Mark Swartz**: No.

1 **Bradley Lambert**: Do I have a motion?
2 **Donnie Rife**: Motion made for approval Mr. Chair.
3 **Donnie Ratliff**: Second.
4 **Bradley Lambert**: I have a motion; I have a second, any further discussion? [No response] All
5 in favor signify by saying yes.
6 **Board**: Yes.
7 **Bradley Lambert**: Opposed, no? [No response] Thank you Mr. Swartz, that one is approved.
8 We're going to take about a 10-minute recess.
9 **Mark Swartz**: Okay.

10 [Break]

11 **Item Number 7**

12 **Bradley Lambert**: Ladies and Gentlemen, it is now time to get back into our proceedings this
13 morning. Okay, hopefully everyone can hear. Let us know if you have trouble hearing and we'll
14 see if we can turn it up a little bit more. We're calling docket item seven (7), a petition from
15 Pocahontas Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the
16 Board's Escrow Agent, attributable to a portion of Tract 26C and 26D, as depicted upon the
17 annexed table; and (2) authorization to begin paying royalties directly to the parties listed in the
18 petition. This is docket number VGOB 08-1118-2367-02. All parties wishing to testify please
19 come forward.

20 **Mark Swartz**: Mark Swartz and Kelli Berry.

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

22 **Mark Swartz**: Thank you. Kelli state your name for us again.

23 **Kelli Berry**: Kelli Berry.

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

25 **Kelli Berry**: CNX Resources.

26 **Mark Swartz**: And you're here today on behalf of petitioner, Pocahontas Gas, LLC?

27 **Kelli Berry**: Yes.

28 **Mark Swartz**: And we're here with regard to a request for disbursement from a sealed gobbed
29 unit?

1 **Kelli Berry**: Yes.

2 **Mark Swartz**: And it's Buchanan Number 1, sealed gobbled unit 2?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: In addition to a disbursement, we're looking for permission to pay the people
5 who receives these disbursements if it's approved directly in the future.

6 **Kelli Berry**: Yes.

7 **Mark Swartz**: and we're going to address dismissal of coal owners?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: And the reasons we're here are at PDF page 2; first of all, we have some folks
10 who can now receive royalties under a court decision?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: We have a royalty split agreement as well?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: And I think that's it in terms of reasons?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: In going to Table 1, this Table 1 is a percentage disbursement.

17 **Kelli Berry**: Yes.

18 **Mark Swartz**: Did you notify the people listed on Table 1?

19 **Kelli Berry**: Yes.

20 **Mark Swartz**: And how did you do that?

21 **Kelli Berry**: They were sent a copy of the package by certified mail.

22 **Mark Swartz**: In Table 1, are all of the people listed there today in what the Board is looking at
23 commencing at PDF page 16? Did all those people receive their mail?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: So you've updated the list that only people who got their mail are on Table 1?

26 **Kelli Berry**: Yes.

1 **Mark Swartz**: And with regard to Table 1 and the disbursement request, have you provided the
2 name of every person, company or estate that you're asking receive a disbursement?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: For each person, company and estate, have you given a mailing address?

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: And for each person, company or estate, have you provided a percentage in the
7 2nd column from the right hand margin of the table that the Escrow Agent should use in
8 calculating the amount of their checks?

9 **Kelli Berry**: Yes.

10 **Mark Swartz**: Should the Board direct the Escrow Agent to use that percentage for each person
11 and apply to the balance on hand on the day the checks are cut and will that generate the right
12 number?

13 **Kelli Berry**: That is correct.

14 **Mark Swartz**: Okay and you are asking for the ability to pay those people directly in the future?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: Then at the end of the Table 1; you've provided a list of the wells that have
17 contributed to this escrow account?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: Because it's a sealed gob unit?

20 **Kelli Berry**: Yes, it is.

21 **Mark Swartz**: Then you've provided a revised Exhibit E?

22 **Kelli Berry**: Yes.

23 **Mark Swartz**: Which would deal with escrow requirements after these disbursements were
24 made and I think; yes, at PDF page 37, you've provided a recap of what's going on in the escrow
25 account. How many acres remain in escrow and what's the percentage?

26 **Kelli Berry**: 103.5461 acres, which is 3.0576%.

27 **Mark Swartz**: So we are roughly at 97% of the people that are being paid?

28 **Kelli Berry**: Yes.

1 **Mark Swartz**: As opposed to escrow?

2 **Kelli Berry**: Yes.

3 **Mark Swartz**: Then you've given us a revised Exhibit EE which is the kind of going forward
4 program if these disbursements are made?

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: PDF page 118, that's where you're Exhibit J starts?

7 **Kelli Berry**: It is.

8 **Mark Swartz**: Once again, did you make a list or accumulate a list of all royalty checks that had
9 been paid into escrow?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: Then did you look for corresponding deposits?

12 **Kelli Berry**: That's correct.

13 **Mark Swartz**: Does Exhibit J report the results of those efforts?

14 **Kelli Berry**: Yes.

15 **Mark Swartz**: The stuff that is highlighted in yellow is issues that arose that you were unable to
16 resolve.

17 **Kelli Berry**: Yes.

18 **Mark Swartz**: And things that are outlined in or the cells that are outlined in a darker outline;
19 those were issues that arose but you were able to satisfy yourself that the money got there?

20 **Kelli Berry**: Yes.

21 **Mark Swartz**: And this exhibit ends at PDF page 120, and have you done a calculation to
22 estimate your number for the escrow balance and compared that to the September 20, 2019 First
23 Bank and Trust balance?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: And is there a difference?

26 **Kelli Berry**: Yes.

27 **Mark Swartz**: it's a negative number?

1 **Kelli Berry**: It is.

2 **Mark Swartz**: And what amount?

3 **Kelli Berry**: \$62.04.

4 **Mark Swartz**: Okay. It looks like we mailed to the coal owners in 2015.

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: And except to the extent that there was a split agreement; Hurt McGuire, Yukon
7 Buchanan, Sayers Coal, Buchanan Mining and some individuals that should be dismissed,
8 correct?

9 **Kelli Berry**: Yes.

10 **Mark Swartz**: And you've got proof of mailing with regard to those folks?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: Again it's the October 19, 2015, letter decision from the Circuit Court?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: You've got a copy of that again and the brief order that was entered opting that
15 decision as the order?

16 **Kelli Berry**: That's correct.

17 **Mark Swartz**: That's the basis for some of the disbursements that we've talked about previously
18 and I think that's all I have Mr. Chairman.

19 **Bradley Lambert**: Any questions from the Board? [No response] Anything further Mr. Swartz?

20 **Mark Swartz**: No.

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

22 **Donnie Rife**: Motion made for approval Mr. Chair.

23 **Donnie Ratliff**: I'll second that.

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

26 **Board**: Yes.

27 **Bradley Lambert**: Opposed, no? [No response] Thank you Mr. Swartz, that one is approved.

1 **Item Number 8**

2 **Bradley Lambert:** We're calling docket item number eight (8), a petition from Pocahontas Gas,
3 LLC, for creation of a sealed gob drilling unit and pooling. Docket number VGOB 19-1119-
4 4225. All parties wishing to testify please come forward.

5 **Mark Swartz:** Mark Swartz and Kelli Berry.

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

7 **Mark Swartz:** Thank you. Kelli, we need your name again.

8 **Kelli Berry:** Kelli Berry.

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

10 **Kelli Berry:** CNX Resources.

11 **Mark Swartz:** And you're here on behalf on the applicant Pocahontas Gas, LLC?

12 **Kelli Berry:** Yes.

13 **Mark Swartz:** This is a little different, we are actually asking the Board to create a gob unit for
14 us today and then pool that unit?

15 **Kelli Berry:** Yes.

16 **Mark Swartz:** What mine is this going to be located at?

17 **Kelli Berry:** Buchanan # 1.

18 **Mark Swartz:** If approved, it's going to be 5th sealed gob unit in that mine?

19 **Kelli Berry:** That's correct.

20 **Mark Swartz:** The Board has just received a map which shows the outline of the unit, overlaid
21 the long wall panels in the mine, correct?

22 **Kelli Berry:** Yes.

23 **Mark Swartz:** We will come back to the description of the boundaries but the darker line that
24 has the red dots occasionally is the outline of the unit?

25 **Kelli Berry:** Yes.

26 **Mark Swartz:** And the red dots indicate the sealed locations, correct?

27 **Kelli Berry:** Yes.

1 **Mark Swartz**: They are either installed or to be installed to isolate this unit from the rest of the
2 mine?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: Once those seals are in place, the general mine ventilation will not be taking air
5 from this seal gob unit but the wells that we will talk about later, will be actually extracting
6 coalbed methane that is pipeline quality?

7 **Kelli Berry**: Yes.

8 **Mark Swartz**: What did you do to tell people that we were going to have this hearing today?

9 **Kelli Berry**: We published a notice in *The Virginia Mountaineer* as well as mailing a copy of the
10 package to each owner by certified mail.

11 **Mark Swartz**: In this case, we're creating a sealed gob unit that is larger than the typical unit
12 that would be anticipated by a lease agreement, right.

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: You also, which is not common in pooling; but in this instance it is required, we
15 also notified all of our lessors?

16 **Kelli Berry**: Yes.

17 **Mark Swartz**: So if they objected to the size of the unit that the Board was creating they would
18 have an opportunity to come in and address those concerns.

19 **Kelli Berry**: That's correct.

20 **Mark Swartz**: So we mailed to the respondents and people that we have leased.

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: Go to; let me work through a little bit of the application here, you have I think
23 have provided exhibit that actually list the 174 wells that are in this acreage?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: We're only going to use some of them to produce.

26 **Kelli Berry**: Yes.

27 **Mark Swartz**: You've given us an estimate of total production, which is what.

28 **Kelli Berry**: 2.5 to 12 BCF.

1 **Bradley Lambert**: I'm sorry. I missed that. I couldn't hear that number.

2 **Kelli Berry**: 2.5 to 12 BCF.

3 **Bradley Lambert**: Okay, thank you.

4 **Mark Swartz**: This unit that we have in the map contains how many acres?

5 **Kelli Berry**: 1,532.22 acres.

6 **Mark Swartz**: The code and the regulations require that we provide a state plane coordinate
7 outline in addition to a map.

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: And have you done that?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: That outline or Virginia State Plan Coordinate outline of the boundaries are
12 actually set forth in paragraph 4A of the relief sought, correct?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: As I mentioned, the people that we listed in Exhibit D are actually lessors that we
15 have noticed.

16 **Kelli Berry**: That's correct.

17 **Mark Swartz**: Which is an exhibit we don't typically use in a pool?

18 **Kelli Berry**: Yes.

19 **Mark Swartz**: There's a notice of hearing and in that notice of hearing you listed the people you
20 were notifying, correct?

21 **Kelli Berry**: Yes.

22 **Mark Swartz**: Do you want to add any people to that list today?

23 **Kelli Berry**: No.

24 **Mark Swartz**: Do you want to dismiss any people?

25 **Kelli Berry**: No.

26 **Mark Swartz**: PDF page 9, is a smaller version of Exhibit 1A; correct?

27 **Kelli Berry**: Yes.

1 **Mark Swartz**: In which you have tracts identified.

2 **Kelli Berry**: Yes.

3 **Mark Swartz**: And then the following pages sort of break out pieces to disclose instances of
4 where you have a lot of small tracts?

5 **Kelli Berry**: Yes.

6 **Mark Swartz**: Those are PDF pages 9, 10 and 11, right?

7 **Kelli Berry**: Yes.

8 **Mark Swartz**: The location of the merid of wells is shown on PDF page 12?

9 **Kelli Berry**: Yes.

10 **Mark Swartz**: You've got a tract index for all the various tracts you've listed and that tract
11 index commences at PDF page 14?

12 **Kelli Berry**: Yes.

13 **Mark Swartz**: In Exhibit B is a list of everybody.

14 **Kelli Berry**: That's correct.

15 **Mark Swartz**: And that's PDF page 23. Okay, in Exhibit B3, which commences at PDF page
16 68, is a list of the people that we're seeking to pool?

17 **Kelli Berry**: That's correct.

18 **Mark Swartz**: If we go to the end of Exhibit B3, it shows the acreage that is owned by the
19 people we are seeking to pool and then restates that as a percentage of the unit, so how many
20 acres are we seeking to pool, and what's the percentage?

21 **Kelli Berry**: 15.86 acres, which is 1.0348%.

22 **Mark Swartz**: So we're almost at 98% that we do not need to pool that we have agreements.

23 **Kelli Berry**: Yes.

24 **Mark Swartz**: At PDF page 72, you have a series of well-cost estimates, correct.

25 **Kelli Berry**: Yes.

26 **Mark Swartz**: You've used those to create a number which we will get to later with regard to an
27 allocated percentage or an allocated number for participation.

1 **Kelli Berry**: Yes.

2 **Mark Swartz**: In addition to; we will talk about the seals later as well. The next exhibit though
3 is Exhibit E, which is your indication of what would be required to escrow in this unit if it were
4 created and pooled, correct.

5 **Kelli Berry**: That's correct.

6 **Mark Swartz**: You've listed the folks there and then we get to the end. Exhibit EE starts at, I
7 think PDF page 89, correct?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: Exhibit D, those are the people that are being voluntarily who will not get option
10 to participate?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: The people identified in B3 will, however; will have the option of participating?

13 **Kelli Berry**: That's correct.

14 **Mark Swartz**: PDF page 140 is Exhibit I and in that you've listed all of the wells?

15 **Kelli Berry**: That's correct.

16 **Mark Swartz**: 174 wells?

17 **Kelli Berry**: Yes.

18 **Mark Swartz**: At Exhibit L, you've identified all of the units and the pooling associated with
19 those units or the units that were pooled that will be a part of the sealed gob and you've
20 identified the docket numbers?

21 **Kelli Berry**: That's correct.

22 **Mark Swartz**: So that the Board would know and the Division would know the order; the prior
23 orders that would be affected by this?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: Then at PDF page 144, you have done an estimate of allowable cost, it basically
26 tells us how you did that but the Board previously has allowed us to use three gob wells per
27 panel and there's six panels here. You used your average well cost and you came up with a
28 number of what?

29 **Kelli Swartz**: \$5,631,861.00.

1 **Mark Swartz**: For the wells?

2 **Kelli Berry**: Yes.

3 **Mark Swartz**: Then the cost of sealing the panels are how many seals?

4 **Kelli Berry**: 46 seals.

5 **Mark Swartz**: And the estimated cost of how much?

6 **Kelli Berry**: \$40,000 each.

7 **Mark Swartz**: And those seals are the red dots on this map?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: You've got that at 50% as an allocable cost?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: Half of \$1,840,000 or \$920,000?

12 **Kelli Berry**: That's correct.

13 **Mark Swartz**: The total cost then is what?

14 **Kelli Berry**: \$6,551,861.00.

15 **Mark Swartz**: If someone wanted to figure out what their cost would be, they would look at
16 their percentage in Exhibit B3?

17 **Kelli Berry**: Yes.

18 **Mark Swartz**: Opposite their name and they would apply that to the \$6 million dollar number
19 and that would be their participation cost?

20 **Kelli Berry**: Yes.

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

22 **Bradley Lambert**: Okay, I have a few questions then we will see if there is any from the Board.
23 My first question is for Mr. Cooper. Have you verified with our Division of Mine inspectors on
24 these sealed locations?

25 **Rick Cooper**: I have worked with them and this is where they anticipated to be placed. Yes.

26 **Bradley Lambert**: Anticipated?

27 **Rick Cooper**: They're not built at this time.

1 **Bradley Lambert**: I understand. Through their ventilation plans that they have now, can they
2 possibly say, 'yes, this is correct'?

3 **Rick Cooper**: Yes, sir. They can say these seals would be adequate to seal this off. I'm not sure
4 what you're asking?

5 **Bradley Lambert**: That's a location in our Division of Mines, you know they have to have a
6 ventilation plan and would these seal locations be accurate enough?

7 **Rick Cooper**: These seal locations would be accurate enough to comply with the ventilation plan
8 but I don't think the Division of Mines had approved it as we sit here today. I think these seals
9 would be adequate to be approved in their ventilation plan and in MSHA ventilation plan also.

10 **Bradley Lambert**: I would ask that you work with the Division of Mines on their ventilation
11 plan and verify with our Division of Mines and their approved ventilation plan would match
12 these seal locations.

13 **Rick Cooper**: We will do that.

14 **Mark Swartz**: In regard to your question, I would point out and I'm glad that you all did this.
15 You can see the vent shafts on the larger map, which is pertinent to your question that we want
16 to, make sure we don't have mine ventilation being impacted or isolated because of these seals,
17 because it looks like that's probably not the case. Which is a good thing.

18 **Bradley Lambert**: Yes, that's why we want to work with our Division of Mines and make sure
19 that there's no ventilation impact and these seals are where the map represents because Mr.
20 Cooper works with our Division of Mines pretty good on these things so that's what I expect to
21 do. Next question I have, I think you testified the average cost of each well and I'm not sure
22 exactly what that final number was but were you using the AFE's that are in here to create that
23 average cost?

24 **Kelli Berry**: That's correct.

25 **Bradley Lambert**: And one other question I have, on page 12, which is a map, showing the
26 wells. We heard testimony that you're not going to be using all the wells.

27 **Kelli Berry**: Correct, some of the wells have previously been plugged.

28 **Bradley Lambert**: Okay, that was my question. So those wells aren't on this map or are they?

29 **Kelli Berry**: They are shown with a red circle and a strike through around them.

30 **Bradley Lambert**: Those are the wells that have been plugged and will not be used?

31 **Kelli Berry**: That's correct.

1 **Bradley Lambert**: Good. Now my final question, we heard testimony that some folks will have
2 the option to participate and some wouldn't, can you explain that Mr. Swartz?

3 **Mark Swartz**: People that we have leases from can't participate.

4 **Bradley Lambert**: We didn't hear that in testimony, we just heard some could and some
5 couldn't.

6 **Mark Swartz**: I had intended to convey that message, okay. So the Exhibit, I think it's D.

7 **Bradley Lambert**: The lessors?

8 **Mark Swartz**: D list people that we have leases with and agreements with and they do not have
9 a right to participate because when they leased to us, they gave us the right to do that. So we
10 notified our lessors because most of the leases that we have, the lessors have agreed to allow us
11 to create standard unit without their input. So an 80 acre unit in the Oakwood field or a Nora
12 unit, whatever; will be something their leased consents too. But if you create a unit of a 1,000
13 acre or 1,200 acres there's no implied consent so we've noticed them. So Exhibit D included
14 those people because we felt we should notice them even we have leases but because of their
15 leases they can't participate. The people in B3 we do not have agreements with and those people
16 listed in B3 would have a participation right and the order needs to sort that out. That's why we
17 did those lists.

18 **Bradley Lambert**: Okay, great. We had to have that in the record so everybody could
19 understand.

20 **Mark Swartz**: Fair enough.

21 **Bradley Lambert**: Any other questions from the Board?

22 **Bill Harris**: Mr. Chairman, let me just ask something. I'm not sure if anyone here can answer
23 this but the next to the last page; so that's 144 I believe where it has the estimated cost. I noticed
24 the cost of ceiling panels is \$1.84 million. Then it has at 50%, is there some agreement or what?
25 Why is it that we take 50% of that value and apply that?

26 **Mark Swartz**: Well we would like to take 100% of it but in prior hearings, the history is that the
27 Board was concerned; and this goes way back. The Board was concerned that the seals actually
28 benefit the coal operator as well as allow production of merchantable gas and benefits the Oil
29 and Gas Operator. A long time ago; I don't remember all the details but at some point a record
30 was made as to what would be a reasonable allocation.

31 **Bill Harris**: That makes sense.

32 **Mark Swartz**: This is not a pick a number thing, it's historically; because of encouragement
33 from the Board I think and a reality check on our part. These seals benefit the coal operator, they

1 benefit the oil and gas operator, they benefit the royalty owners and we've had a history of
2 making them charge a 100% of the cost.

3 **Bill Harris**: That makes sense, I was just curious.

4 **Mark Swartz**: That's the basis of that and similarly we could have a lot more wells in the mix
5 here but you want to balance what is a reasonable number of wells to drain this gas to not
6 pressurize the seals from a safety stand point but also a reasonable number of wells to drain this
7 gas at a reasonable dollar as opposed to what we've got 174 wells, let's use all of them and we
8 have a \$20 million dollar participation cost. So the three (3) gob wells per panel is also a
9 compromised number in terms of assigning cost.

10 **Bill Harris**: Yes, it makes sense. Thank you.

11 **Mary Quillen**: I have just one question, tell us how this benefits the coal operators?

12 **Mark Swartz**: They don't have to ventilate that piece of the mine.

13 **Mary Quillen**: Okay.

14 **Mark Swartz**: It's less air to move.

15 **Mary Quillen**: Okay, I remember when all of this was going on and we talked about this but I
16 don't think we have addressed it in recent years and just why would it benefit the coal operator.

17 **Mark Swartz**: Once the seals are up, it's a large area that does not have to walk in and be
18 inspected so all of this; maintenance cost, the inspector for safety purposes, the ventilation and
19 all of those costs associated in keeping this open to the mine in general, all those costs go away.

20 **Mary Quillen**: Right.

21 **Mark Swartz**: So it is a significant benefit to coal operator.

22 **Mary Quillen**: Yes, very good. Thank you.

23 **Bradley Lambert**: Going on that question just a little bit more, I know you got to estimate the
24 cost of \$50,000.

25 **Mark Swartz**: \$40,000 I think.

26 **Kelli Berry**: \$46... \$40,000 yes.

27 **Bradley Lambert**: Yea, okay. Did you see that cost increase as time goes on and these aren't
28 filled and it could further down the road. How good is that number, I guess?

29 **Mark Swartz**: Where did that number come from?

1 **Bradley Lambert**: We're passing that number onto people that want to participate. I guess
2 where I'm going, as we do the AFE's and I'll ask the Board to weigh in as we do the AFE's to
3 certify an estimated cost on the seals.

4 **Mark Swartz**: Where did that number come from Kelli?

5 **Kelli Berry**: The seal cost was provided to us by an accountant from Coronado.

6 **Mark Swartz**: Currently?

7 **Kelli Berry**: Yes.

8 **Mark Swartz**: It's not some historical cost?

9 **Kelli Berry**: No.

10 **Bradley Lambert**: From an accountant?

11 **Kelli Berry**: Yes, for Coronado; the coal operator.

12 **Bradley Lambert**: I don't know. I'll ask the Board their opinion on that.

13 **Mary Quillen**: Is there an expectation of this will change or what's weight?

14 **Mark Swartz**: I'm sure the cost go up over time. Like everything else, that's why we get a
15 current number.

16 **Mary Quillen**: How did an accountant come up this?

17 **Mark Swartz**: He works for the coal company.

18 **Kelli Berry**: Yes.

19 **Mary Quillen**: So it's the Coal Company.

20 **Mark Swartz**: Coronado is mining here.

21 **Mary Quillen**: Got you, Okay.

22 **Mark Swartz**: Good question, it's not some random accountant. It's within the Coronado Coal
23 Company in terms of what they anticipate what these seals are going to cost.

24 **Mary Quillen**: Yes, thank you. That clarifies a whole lot.

25 **Donnie Ratliff**: Mr. Chairman, we require a certified AFE signed off by several, maybe not
26 certified but signed off by folks that have the authority to generate the AFE and execute. This is
27 just a plain report with no signature and nothing binding. That's the question I have is, do we

1 something signed by a PE or if it's an accountant, that's fine but it needs to be notarized saying
2 this is the real number. I don't know.

3 **Donnie Rife**: Pretty hard to make it a real number when it's estimated to begin with, isn't it?

4 **Bradley Lambert**: That's pretty much what our AFE's are as well. They're just estimated well
5 cost but we have PE or other folks that have looked at these and say 'yea, we've looked at these
6 and we think these are accurate numbers'. I understand where Mr. Ratliff is coming from, two
7 years down the road when we start building seals; okay maybe the cost now is increased to
8 \$60,000 and we sat here and yea we say it's \$40,000 and that's what we are going to pass along.

9 **Donnie Ratliff**: When do you anticipate sending out letters to see if they want to participate in
10 the well?

11 **Mark Swartz**: The order is the participation offer.

12 **Kelli Berry**: Right, once the order.

13 **Donnie Ratliff**: So this locks this number in?

14 **Kelli Berry**: Yes.

15 **Mark Swartz**: Right.

16 **Donnie Ratliff**: So that locks that \$40,000 per seal in?

17 **Bradley**: Okay, that's where we're at.

18 **Mark Swartz**: No this is not a moving target.

19 **Bill Harris**: The word estimate is the problem.

20 **Mary Quillen**: That sort of threw us.

21 **Mark Swartz**: Your participation cost is that number times your percentages. I think we were on
22 completely different wave lengths. I thought you were does stuff cost more 10 years later and my
23 answer to that question is almost always does. Okay, the participation cost; your order will lock
24 in a participation dollar.

25 **Mary Quillen**: Okay, that answers my question.

26 **Bradley Lambert**: Okay, any other questions from the Board? [No response] Anything further
27 Mr. Swartz? [No response] Do I have a motion?

28 **Donnie Rife**: Motion made for approval Mr. Chair.

29 **Bill Harris**: Second.

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

3 **Board**: Yes.

4 **Bradley Lambert**: Opposed, no? Thank you Mr. Swartz. Mr. Scott, how long do you think it
5 will take us to run through these three of yours?

6 **Tim Scott**: ***** (inaudible)

7 **Item Number 9**

8 **Bradley Lambert**: Okay, good. We're calling docket item number 9, a petition from EnerVest
9 Operating, LLC, for pooling. Unit V-536897. Docket Number VGOB 19-0917-4222. All parties
10 wishing to testify please come forward.

11 **Tim Scott**: Tim Scott, Gus Janson and Aaron Anderson for EnerVest Operating, LLC.

12 **Sarah Gilmer**: Mr. Janson, Mr. Anderson, do you swear and affirm that your testimony is the
13 truth, the whole truth and nothing but the truth?

14 **Gus Janson**: Yes, I do.

15 **Aaron Anderson**: Yes.

16 **Bradley Lambert**: You may proceed Mr. Scott, you've got 97 seconds.

17 **Tim Scott**: Mr. Anderson, please state your name, by whom you're employed and job
18 description please.

19 **Aaron Anderson**: Aaron Anderson, employed by EnerVest Operating, LLC, as an Associate
20 Landman.

21 **Tim Scott**: And you're familiar with this application, is that correct?

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

23 **Tim Scott**: And is this unit subject to statewide spacing?

24 **Aaron Anderson**: It is.

25 **Tim Scott**: So we're asking the Board today to not only pool but to establish a drilling unit, is
26 that correct?

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

28 **Tim Scott**: How many acres does this unit contain?

1 **Aaron Anderson**: 112.69.

2 **Tim Scott**: And EnerVest does have a significant portion of this unit under lease, is that correct?

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

4 **Tim Scott**: Do we have any party respondents that we're going to dismiss today?

5 **Aaron Anderson**: No.

6 **Tim Scott**: How was notice of this hearing provided to party respondents listed on Exhibit B3?

7 **Aaron Anderson**: By certified mail with return receipt requested.

8 **Tim Scott**: And you've provided proof of mailing to the Board?

9 **Aaron Anderson**: We have.

10 **Tim Scott**: Do we have any unknown owners or un-locatable?

11 **Aaron Anderson**: No sir.

12 **Tim Scott**: And is EnerVest authorized to transact business in the Commonwealth?

13 **Aaron Anderson**: We are.

14 **Tim Scott**: Is there a blanket bond on file?

15 **Aaron Anderson**: There is.

16 **Tim Scott**: And if you were able to reach an agreement with those parties listed on Exhibit B3,
17 what lease term would you offer?

18 **Aaron Anderson**: \$25 per acre for a 5-year paid up lease with a 1/8 royalty.

19 **Tim Scott**: Is that considered to be fair compensation for a lease in this area?

20 **Aaron Anderson**: It is.

21 **Tim Scott**: What percentage of the unit does EnerVest presently have under lease?

22 **Aaron Anderson**: 48.29.

23 **Tim Scott**: And your efforts to lease is still ongoing, is that right?

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

25 **Tim Scott**: And that also includes tracts that EnerVest is the simple ownership, is that right?

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

2 **Tim Scott**: What percentage of the unit are you seeking to pool today?

3 **Aaron Anderson**: 51.71.

4 **Tim Scott**: And with regard to this unit, is there an escrow requirement?

5 **Aaron Anderson**: There is not.

6 **Tim Scott**: And you're asking the Board to not only pool these parties but to also to name
7 EnerVest the Operator, is that correct?

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

9 **Tim Scott**: What would be address used for any orders sent to bring elections entered by the
10 Board?

11 **Aaron Anderson**: EnerVest Operating, LLC, 408 West Main Street Abingdon VA 24211,
12 attention: Chuck Akers, ***** (inaudible)

13 **Tim Scott**: And that should be the address for all communication with the applicant is that
14 correct?

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

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

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

18 **Tim Scott**: Mr. Janson, your name, by whom you're employed and your job description please.

19 **Gus Janson**: My name is Gus Janson, employed by EnerVest Operating, LLC, as a Geology
20 advisor.

21 **Tim Scott**: And you participated in the preparation of the application, is that right?

22 **Gus Janson**: I did.

23 **Tim Scott**: Are you familiar with the proposed depth of this well?

24 **Gus Janson**: Yes, the proposed depth is 5,831 feet.

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

26 **Gus Janson**: The estimated reserves for this unit are 950 million cubic feet of gas.

27 **Tim Scott**: And you did participate and sign off on the AFE, is that right?

1 **Gus Janson**: I did.

2 **Tim Scott**: And are you familiar with the cost of this well?

3 **Gus Janson**: Yes, the estimated dry hole cost is \$268,900 and the estimated completed well cost
4 is \$553,450.

5 **Tim Scott**: In your opinion, if the Board grants our application today. Would it prevent waste,
6 promote conservation and protect correlative rights?

7 **Gus Janson**: Yes, it would.

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

9 **Bradley Lambert**: Any questions from the Board? [No response] Anything further Mr. Scott?

10 **Tim Scott**: That's all I have on this one Mr. Chairman.

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

12 **Donnie Rife**: Motion made for approval Mr. Chair.

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

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

16 **Board**: Yes.

17 **Bradley Lambert**: Opposed, no? [No response]

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

19 **Bradley Lambert**: One abstention Mr. Ratliff. Thank you Mr. Scott, that one is approved.

20 **Tim Scott**: Thank you Mr. Chairman.

21

22

23

Item Number 10

24 **Bradley Lambert**: We're calling docket item number 10, if I can find it. A petition from
25 EnerVest Operating, LLC, for a well location exception, Unit V-536897. Docket Number VGOB
26 19-0917-4223. All parties wishing to testify please come forward.

27 **Tim Scott**: Tim Scott, Gus Janson and Aaron Anderson for EnerVest Operating, LLC.

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

2 **Tim Scott**: Thank you, Mr. Anderson. This is the same well that we just did the pooling
3 application, is that correct?

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

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

6 **Aaron Anderson**: I am.

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

8 **Aaron Anderson**: Yes, sir.

9 **Tim Scott**: Are those owners set forth on Exhibit B to the application?

10 **Aaron Anderson**: They are.

11 **Tim Scott**: Who operates the well or will operate from which this well location is requested?

12 **Aaron Anderson**: EnerVest Operating, LLC.

13 **Tim Scott**: And again EnerVest is both an owner and an operator, is that correct?

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

15 **Tim Scott**: And how was notice of Hearing provided to the parties listed on Exhibit B?

16 **Aaron Anderson**: By certified mail.

17 **Tim Scott**: And we've provided proof of mailing to the Board, is that correct?

18 **Aaron Anderson**: Yes, we have.

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. Chairman. Mr. Janson, your name, by whom you're employed and
22 your job description please.

23 **Gus Janson**: My name is Gus Janson, employed by EnerVest Operating, LLC, as a Geology
24 Advisor.

25 **Tim Scott**: And your familiar with this application, is that correct?

26 **Gus Janson**: I am.

1 **Tim Scott**: And would you please explain to the Board why we are seeking a well location
2 exception for this particular well.

3 **Gus Janson**: Yes, the Board has been provided Exhibit K which shows the location of proposed
4 Well 536897, this well has been positioned based on the existing pre-law mining areas on a strip
5 area to maximize recovery of the natural gas resources relationship offsetting wells. So we're
6 just barely in the limits of the Unit 536923 to the southeast. In the event that we're unable to drill
7 this well at this location, we're required to move it to some other location. We will expand
8 approximately 109.89 acres of reserves.

9 **Tim Scott**: What is the proposed depth of this well Mr. Janson?

10 **Gus Janson**: 5,830 feet.

11 **Tim Scott**: What would be the potential loss of reserves if the application is not approved today?

12 **Gus Janson**: Estimated reserves 950 million cubic feet of gas.

13 **Tim Scott**: Then if the Board approves our application today, again it would prevent waste,
14 protect correlative rights and promote conservation, is that correct?

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

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

17 **Bradley Lambert**: I guess from the Mine Id numbers, it looks like those are old mines and
18 probably not active, are they?

19 **Gus Janson**: Yes, that's correct.

20 **Bradley Lambert**: Any other questions from the Board? [No response] Anything further Mr.
21 Scott?

22 **Tim Scott**: That's all I have on this one Mr. Chairman.

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

24 **Donnie Rife**: Motion made for approval Mr. Chair.

25 **Bill Harris**: Second.

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

28 **Board**: Yes.

29 **Bradley Lambert**: Opposed, no?

1 **Donnie Ratliff**: I abstain.

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

3 **Item Number 11**

4 **Bradley Lambert**: We're calling docket item number 11. A petition from EnerVest Operating,
5 LLC, for pooling, Unit VCI-530597. Docket number VGOB 19-1015-4224. All parties wishing
6 to testify please come forward.

7 **Tim Scott**: Tim Scott, Gus Janson and Aaron Anderson for EnerVest Operating, LLC.

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

9 **Tim Scott**: Thank you Mr. Chairman. Mr. Anderson, again your name, by whom you're
10 employed and your job description please.

11 **Aaron Anderson**: Aaron Anderson, employed by EnerVest Operating LLC, as an Associate
12 Landman.

13 **Tim Scott**: This is a CBM well, is that correct?

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

15 **Tim Scott**: It's in the Nora coalbed gas field?

16 **Aaron Anderson**: It is.

17 **Tim Scott**: And how many acres does this unit contain?

18 **Aaron Anderson**: 58.77.

19 **Tim Scott**: Okay. EnerVest has both drilling rights and owns fee simple interest in this unit as
20 well, is the correct?

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

22 **Tim Scott**: Are there any party respondents that we are going to dismiss today?

23 **Aaron Anderson**: No, sir.

24 **Tim Scott**: Have you provided proof of mailing to the parties who received notice of this
25 hearing?

26 **Aaron Anderson**: We have via email and an affidavit of the party respondents.

27 **Tim Scott**: Have you provided the mailing to the Board?

1 **Aaron Anderson**: We have.

2 **Tim Scott**: Do we have any unknown owners in this unit?

3 **Aaron Anderson**: No.

4 **Tim Scott**: And is EnerVest authorized to transact business in the Commonwealth?

5 **Aaron Anderson**: We are.

6 **Tim Scott**: There's a blanket bond on file, is that right?

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

8 **Tim Scott**: What would be the lease terms you would offer to any of the unleased parties listed
9 on Exhibit B3?

10 **Aaron Anderson**: That would be \$25 per acre for a 5-year paid up lease with 1/8 royalty.

11 **Tim Scott**: And is this fair compensation for a lease?

12 **Aaron Anderson**: It is.

13 **Tim Scott**: What percentage of the unit does EnerVest have under lease presently?

14 **Aaron Anderson**: 99.5241667.

15 **Tim Scott**: So we're almost to the top, right?

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

17 **Tim Scott**: What percentage are you seeking to pool today?

18 **Aaron Anderson**: .4745333.

19 **Tim Scott**: Do we have an escrow requirement?

20 **Aaron Anderson**: No, sir.

21 **Tim Scott**: And you're asking the Board to pool the unleased parties listed on Exhibit B3?

22 **Aaron Anderson**: Yes.

23 **Tim Scott**: And also that EnerVest be named the operator this unit, is that right?

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

25 **Tim Scott**: If the Board grants our application today, what would the address used to make any
26 elections of the order entered by the Board?

1 **Aaron Anderson**: EnerVest Operating, LLC, 408 West Main Street, Abingdon, VA 24210,
2 Attention: Chuck Akers, Land Manager.

3 **Tim Scott**: That would be the address for all correspondence regarding an order entered by the
4 Board, is that right?

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

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

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

8 **Tim Scott**: Thank you. Mr. Janson, your name, by whom you're employed and your job
9 description please.

10 **Gus Janson**: My name is Gus Janson, employed by EnerVest Operating, LLC, as a Geology
11 Advisor.

12 **Tim Scott**: And you're familiar with this application, is that right?

13 **Gus Janson**: I am.

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

15 **Gus Janson**: The proposed well depth is 2,440 feet.

16 **Tim Scott**: What are the estimated reserves?

17 **Gus Janson**: The estimated reserves are 825 million cubic feet of gas.

18 **Tim Scott**: And you did sign the AFE, is that correct as submitted?

19 **Gus Janson**: I did.

20 **Tim Scott**: And you're familiar with the well cost?

21 **Gus Janson**: I am, the estimated dry hole cost is \$187,500 and estimated completed well cost is
22 \$502,200.

23 **Tim Scott**: In your opinion, would the granting of this application prevent waste, promote
24 conservation and protect correlative rights?

25 **Gus Janson**: Yes, it would.

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

27 **Bradley Lambert**: Any questions from the Board? [No response] Again Gus, that job has been
28 heavily mined but it looks like the Id numbers are completed or finished?

1 **Gus Janson**: Correct.

2 **Bradley Lambert**: Anything further Mr. Scott?

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

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

5 **Bill Harris**: Mr. Chairman, let me ask a question. We're on the well 19-10-4224, is that correct?

6 **Bradley Lambert**: Yes.

7 **Tim Scott**: Yes.

8 **Bill Harris**: When I look at the AFE I see the total is \$402,200, I'm not sure that was the
9 testimony?

10 **Gus Janson**: The completed cost I believe I said \$402,200, is that what I said?

11 **Bill Harris**: I thought I heard 500 something, because I was looking at that and I thought....

12 **Tim Scott**: I think the dry hole cost was \$187,500.

13 **Bill Harris**: I knew that but I mean.

14 **Gus Janson**: The completed well cost should \$402,200.

15 **Bill Harris**: I just wanted to make sure, I thought I heard 5.

16 **Gus Janson**: Okay, I'm sorry.

17 **Bill Harris**: One other real quick question, I've noticed that all these Glen Phillips is there's a
18 stamp on the well plats, shouldn't these be signed at some point?

19 **Gus Janson**: Their digitally signed and his stamp is there.

20 **Bill Harris**: Yea, it has his name.

21 **Donnie Rife**: Is he actually doing it or is it a firm?

22 **Gus Janson**: There's a little stamp there that says it's digitally signed by Glen Phillips down in
23 the lower right hand corner, is that on yours?

24 **Bill Harris**: Yes, I do. Okay.

25 **Bradley Lambert**: Rick, do you want to explain that?

1 **Rick Cooper**: What we do with all the e-forms, we take electronic signatures now on all the
2 plats that's been in effect for a year and a half to 2 years, I guess. So we verify the electronic
3 signature when they submit those.

4 **Bill Harris**: Okay.

5 **Rick Cooper**: And we do that also on the permitting side also. We do electronic signatures.

6 **Bill Harris**: Okay, I was just curious because I know we used to get signatures. Okay, thank you.

7 **Bradley Lambert**: Any other questions? [No response] Anything further Mr. Scott?

8 **Tim Scott**: That's all I have on this one Mr. Chairman.

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

10 **Donnie Rife**: Motion made for approval Mr. Chair.

11 **Bill Harris**: Second.

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

14 **Board**: Yes.

15 **Bradley Lambert**: Opposed, no?

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

17 **Bradley Lambert**: One abstention, Mr. Ratliff.

18 **Item Number 12**

19 **Bradley Lambert**: We're calling docket item number 12. A petition from EnerVest Operating,
20 LLC, for pooling all unleased interests or estates of all persons or entities owning oil, gas or
21 coalbed methane interests in the formations underlying the tracts encompassed by the drilling
22 unit support well number VCI-530622. Docket Number VGOB 19-1119-4226. All parties
23 wishing to testify please come forward.

24 **Tim Scott**: Tim Scott, Gus Janson and Aaron Anderson for EnerVest Operating, LLC.

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

26 **Tim Scott**: Thank you. Mr. Anderson, again your name, by whom you're employed and your job
27 description please.

1 **Aaron Anderson**: Aaron Anderson, employed by EnerVest Operating, LLC, as Associate
2 Landman.

3 **Tim Scott**: This is a Nora coalbed gas field unit, is that right?

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

5 **Tim Scott**: How many acres does this unit contain?

6 **Aaron Anderson**: 58.77.

7 **Tim Scott**: And again, EnerVest owns rights and fee simple ownership of the minerals
8 underlying this unit, is that correct?

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

10 **Tim Scott**: Are we going to dismiss any party respondents today?

11 **Aaron Anderson**: No, sir.

12 **Tim Scott**: And we do have unknown owners, is that right?

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

14 **Tim Scott**: In fact that's the only parties listed on Exhibit B3, is that right?

15 **Aaron Anderson**: Yes.

16 **Tim Scott**: How was notification of this hearing affected?

17 **Aaron Anderson**: By publication in the *Dickenson County Star* on October 30, 2019.

18 **Tim Scott**: And we've provided proof of publication to the Board, is that right?

19 **Aaron Anderson**: We have.

20 **Tim Scott**: We've also provided a letter to Mr. Cooper indicating our efforts to locate these
21 individuals, is that correct?

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

23 **Tim Scott**: And as always your efforts are ongoing, is that correct?

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

25 **Tim Scott**: So if we do find them, then we would supplement and try to obtain leases from those
26 parties, is that correct?

27 **Aaron Anderson**: Yes, sir.

1 **Tim Scott**: And again, is EnerVest authorized to transact business in the Commonwealth?

2 **Aaron Anderson**: We are.

3 **Tim Scott**: And there's a blanket bond on file, is that right?

4 **Aaron Anderson**: There is.

5 **Tim Scott**: And what lease terms would you offer if you locate and/or negotiate with these
6 parties listed on B3?

7 **Aaron Anderson**: \$25 per acre for a 5-year paid up lease with a 1/8 royalty.

8 **Tim Scott**: And again this is a fair compensation for a lease in this area?

9 **Aaron Anderson**: That's right.

10 **Tim Scott**: What percentage of the unit does EnerVest presently have under lease?

11 **Aaron Anderson**: 8.557***** (inaudible)

12 **Tim Scott**: Does this include ownership in EnerVest, is that right?

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

14 **Tim Scott**: What percentage of the unit are you seeking to pool today?

15 **Aaron Anderson**: 19.442222.

16 **Tim Scott**: And with regard of this unit we do have an escrow requirement, is that right?

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

18 **Tim Scott**: And what tract or tracts does that affect?

19 **Aaron Anderson**: That's going to be tract ** (inaudible)

20 **Tim Scott**: What's the total percentage of the unit that will be subject to escrow?

21 **Aaron Anderson**: ***** (inaudible)

22 **Tim Scott**: I did in fact.

23 **Aaron Anderson**: ** (inaudible) .44222 %.

24 **Tim Scott**: You're asking the Board to pool the unleased parties listed on B3?

25 **Aaron Anderson**: That's right.

1 **Tim Scott**: And that EnerVest be named the operator of this unit, is that right?

2 **Aaron Anderson**: Yes, sir.

3 **Tim Scott**: If the Board grants our application and enters an order based upon our application,
4 what would be the address used for making any elections under the provisions of that order?

5 **Aaron Anderson**: EnerVest Operating, LLC, 408 West Main Street, Abingdon, VA, 24210,
6 attention Chuck Akers, Land Manager.

7 **Tim Scott**: That would be communication or the address for all communications regarding this
8 order, is that right?

9 **Aaron Anderson**: That's right.

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

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

12 **Tim Scott**: Thank you. Mr. Janson, one last time; your name, by whom you're employed and
13 your job description.

14 **Gus Janson**: My name is Gus Janson, employed by EnerVest Operating, LLC, as a Geology
15 Advisor.

16 **Tim Scott**: And you participated in the preparation of this application, is that correct?

17 **Gus Janson**: I did.

18 **Tim Scott**: So you're familiar with the proposed depth of this well?

19 **Gus Janson**: Yes, the proposed depth is 2,530 feet.

20 **Tim Scott**: And also the estimated reserves for this unit?

21 **Gus Janson**: The estimated reserves of this unit is 850 million cubic feet of gas.

22 **Tim Scott**: And again you did sign off in the participation of the AFE submitted with the
23 application, is that right?

24 **Gus Janson**: I did.

25 **Tim Scott**: So your familiar with the well cost?

26 **Gus Janson**: I am.

27 **Tim Scott**: What's the dry hole cost?

1 **Gus Janson**: The estimated dry hole cost is \$181,500.

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

3 **Gus Janson**: \$371,350.

4 **Tim Scott**: And again, if the Board grants our application today and in your opinion, would it
5 prevent waste, promote conservation and protect correlative rights?

6 **Gus Janson**: Yes, it would.

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

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

9 **Donnie Rife**: Motion made for approval Mr. Chair.

10 **Bill Harris**: Second.

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

13 **Board**: Yes.

14 **Bradley Lambert**: Opposed, no? [No response] Thank you Mr. Scott, I think you went more
15 than 97 seconds.

16 **Tim Scott**: Pardon? Pardon me?

17 **Bradley Lambert**: A little more than 97 seconds.

18 **Tim Scott**: That's true.

19

20

21

Item Number 13

22 **Bradley Lambert**: We have the next agenda item on the docket is receiving comments and
23 updates from the Board and Division activities from the staff, we're going to deviate from that a
24 little bit. We have, I know from the last long time, we've been discussing the unknown un-
25 locatable account that's now being held and that's approaching \$3.5 or over a million dollars.
26 Recently, I think I have a copy of it; just recently, myself, Mr. Cooper and the Director of our
27 Agency Mr. John Warren, received a letter from the Treasury Department with the
28 Commonwealth and I'll not read the letter word for word but in a nutshell, Treasury Department
29 is now demanding payment and the letter says \$3.5 million dollars or a little bit more. We know

1 that amount will change but I guess the Board... we need to hear from Mr. Cooper some follow-
2 up discussions that he has had and some information he has looked at as far as the unknown un-
3 locatable and then after he does that, then we are going to have to... this Board is going to have
4 to make a decision and probably issue a Board order to each and every company to have all those
5 disbursements ready. We have, according to the letter that we received from Treasury. Their
6 demanding payment by January 2, 2020; however, in speaking with the Deputy up at Treasury,
7 she has let me know this Board can request a 60-day extension by submitting a letter and we
8 have done that. Actually it was last week, no two weeks ago we submitted a letter to Treasury
9 requesting a 60-day extension. The bad side of that is we haven't heard back from Treasury so
10 we'll be calling them tomorrow on our request for an extension, but the bottom line is if we are
11 granted an extension we have 60-days from January 2 to send Treasury \$3.5 or whatever it works
12 out to be as of that date. The issue we have is that it's not as simple for this Board to write a
13 check and send that money or request the Escrow Agent to write a check and send that money to
14 Treasury. There's all kinds of accounting issues and disbursements we have to go through in
15 order for the accounting of those accounts stays correct so Mr. Cooper if you want to explain and
16 tell us a little bit of some of the work you've been doing since we've gotten this letter. I don't
17 know the Board is going to have to have a discussion on how to best deliver this money. I can
18 tell you that and I'll ask Dan to jump in if he needs to, but the penalties on our Agency, the
19 Department of Mines, Minerals and Energy, if we don't comply with this letter is Dan, about
20 \$20,000 a month?

21 **Dan Ingersoll**: Yes.

22 **Bradley Lambert**: I think the penalty will be toward our Agency so in a nutshell, we don't have
23 any option but to transfer this unknown unlocatable money to Treasury. It's just we have to
24 figure out how we are going to do it. So Mr. Cooper, if you want to pick up on that?

25 **Rick Cooper**: I'll just give a little overview of what we have, so we have about \$3.5 million and
26 we can break it down by company and we can break it down by county but that money is
27 assigned. We track it both ways but to let you know how that money breaks down and I'm going
28 to use approximate numbers, \$1.8 million is Dickenson County and \$683,000 of that money is
29 Buchanan County and \$626,000 is Wise County and Tazewell County with \$38,000, Russell
30 County with \$62,000, Lee County with \$55,000. Again, that's to break down of where the
31 money is associated to what counties it goes into. When you break it down to a number of
32 accounts, we have 402 accounts of the 672 or so that we have 402 of them have unknown
33 unlocatable in it. We have broken that down by companies also so Pocahontas has 150 unknown
34 unlocatable in their account. EnerVest has 181 and Diversified has 56. That's the largest three
35 and the rest of them are broken down Appalachian, Summit, Atlas, Appalachian and NYTIS and
36 Magnum Hunter and Virtex are the last remaining ones. Virtex just has one (1) account in it,
37 Magnum Hunter has four (4), NYTIS has four (4) and Atlas has three (3) or Atlas-Summit has
38 three (3). Appalachian Energy has five (5), is that correct Melissa? [No response] Just to let you
39 all know everyone sitting in here today represent these companies we're talking about so they all

1 know this issue is a subject of discussion for the Board today and we've tried to do a little overall
2 view of how many people are involved in this; so there's 402 accounts and we've looked at this
3 and we can safely say probably 3,000 people, Sarah? [No response] We probably think there
4 2,000-3,000 people involved in these 402 accounts. One of them has a 1,000 people in it,
5 unknown unlocatable. You're talking 3 and 4 maybe in some situations maybe 5 generations of
6 people so we think and a pretty fair average there's 3,000 people involved in these 402 unknown,
7 unlocatable.

8 **Donnie Rife**: Can I have a copy of that please?

9 **Rick Cooper**: I can give you a copy of that, yes.

10 **Donnie Ratliff**: What's the aging?

11 **Rick Cooper**: Pardon me?

12 **Donnie Ratliff**: These are how old?

13 **Rick Cooper**: Some started in 1991 and some as recent as probably this year and last year. I
14 don't have the aging right in front of me but we have done that aging of the accounts. Again,
15 some of them are from 1991 until relatively current.

16 **Donnie Ratliff**: ***** (inaudible) and not release that?

17 **Dan Ingersoll**: The Unclaimed Property Act is when unclaimed properties held by a state
18 agency, the State Agency has a time limit of one year to report and remit those funds to Treasury.
19 For a long period of time, there's little discussion as to what one year becomes payable and
20 there's a little question in my mind as to when these funds become payable.

21 **Donnie Ratliff**: Has the reg's of the administration changed? I mean some of these go back to 06
22 you said? What's the oldest ones?

23 **Rick Cooper**: When it established, probably 1992.

24 **Donnie Ratliff**: We've gone since 1992, and then this has not been an issue and all of a sudden,
25 it's a red flag.

26 **Dan Ingersoll**: Well that I can't answer, I don't know if the reg's have changed from then and
27 now.

28 **Mary Quillen**: Well one of the things, if we don't... if things as he has mentioned the seven (7)
29 years, anything that's older than 7 years I can understand but are you not overstepping or
30 crossing over into the current procedure that we are using today as soon as you reach that 7
31 years? If they're less than 7 years, I just can't see that we could legally release. I mean I just....

32 **Rick Cooper**: Now what is the seven (7) years, may I ask?

1 **Mary Quillen**: For the escheatment that if any of these, are they not still be entitled to that
2 same?

3 **Bradley Lambert**: We would have those that have just been in the last year that's now just
4 become unknown unlocatable.

5 **Rick Cooper**: Yes.

6 **Bradley Lambert**: Do we know what that number might be?

7 **Rick Cooper**: This year not right off I don't but this year it would be a lesser amount for sure
8 than previous years.

9 **Bradley Lambert**: Dan, the question being, even those accounts that haven't reached a year, we
10 still wouldn't submit those?

11 **Dan Ingersoll**: Right, I think we can hold on to it for a year before it has to be turned over to
12 Treasury and once it's turned over to Treasury it just doesn't become property of the state, they
13 hold onto and process claims from there on. I think maybe the 5-year requirement is the
14 unclaimed properties statute does talk how property.....

15 **Mary Quillen**: Sorry, five years.

16 **Dan Ingersoll**: There is a five (5) year property that can be deemed abandoned if it is unclaimed
17 for 5 years. But that's a separate requirement from how long a state agency can hold unclaimed
18 property.

19 **Bradley Lambert**: As you can tell just from a brief discussion, there's a lot of unanswered
20 questions. Now I wanted to wait until we had this hearing today and tomorrow I am going to call
21 Treasury and request that they send some of their folks down just to view how complicated these
22 really are and how we can make the transition easily and also I certainly want the bank involved
23 when we have that meeting but I don't know today if we can make any decision of how that
24 process should work other than to let the companies know how important this is that our agency,
25 the Department of Mines, Minerals and Energy cannot take a \$20,000 a month of penalty so we
26 have to be very diligent in getting these in and I would propose here today at this hearing that
27 rather than.. even though it's going to be a complicated process and once it's figured out we're
28 going to disburse and transfer the money, I would like to ask this Board probably because we're
29 not going to have a December Hearing, is that correct Rick?

30 **Rick Cooper**: That would be correct.

31 **Bradley Lambert**: We've only got two items for the docket so we probably won't have that so I
32 would ask the Board today if we're comfortable in allowing Rick and his staff to work with
33 Treasury and the companies to make the transition of this money instead of every company
34 having to come before this Board to request disbursements from every account.

1 **Donnie Rife**: What about we include the counties also that's affected with this money?

2 **Bradley Lambert**: I'm sorry Donnie, I didn't understand what you were asking.

3 **Donnie Rife**: Whenever we bring in the companies and everybody, why can't we bring Wise,
4 Buchanan, Dickenson, Russell, Lee and Tazewell also, because my personal opinion the monies
5 belong to the counties which the gas was drilled from. I don't know who else would have a claim
6 to any of it except for the counties that the gas come from.

7 **Bradley Lambert**: I'll refer to Dan and his legal opinion on that.

8 **Dan Ingersoll**: As to whether we invite the Board of Supervisors from the counties or whether..?

9 **Donnie Rife**: Probably a County Administrator.

10 **Bradley Lambert**: What Mr. Rife was saying he felt the counties owns this money since it was
11 generated in the county more than anybody else.

12 **Donnie Rife**: I don't know of who else would have more of a right to it than the counties that it
13 comes from.

14 **Dan Ingersoll**: It belongs to the owners of property from where the oil and gas was extracted
15 and not the counties. I know that there is a moral argument that is made that is money that came
16 from this area and it needs to stay in the area but at the same time it derived from property that is
17 owned except we just do not know where those people are. I'll leave to the Board whether to
18 invite their input but in my opinion they do not have an ownership stake in the money.

19 **Donnie Rife**: But if all these landowners are delinquent like 10-12 years in the payment of the
20 taxes then it goes back to the county or actually they put it up for bid. They put the property up
21 for bid.

22 **Dan Ingersoll**: I'm not sure I understand the question.

23 **Donnie Rife**: The property where this gas is drilled from, what if these people are 5-10 years
24 delinquent in their back taxes and the county decides to put it up for bid or actually the land
25 temporarily goes to the county so they can put it up for bid.

26 **Dan Ingersoll**: If they are delinquent in back taxes counties can do tax sale of the property after
27 two years of delinquency and they can sell the property in order to satisfy that delinquency.
28 However, the royalties made from the extraction of gas from these properties is personal
29 property and counties would not have any sort of tax liens over the personal property and a tax
30 sale. The personal property would not be subject to that as far as I know.

31 **Donnie Rife**: If these people don't claim this, which is already considered unknown, unclaimed
32 wouldn't the county have more of a right to the money than anybody involved in this situation?

1 **Dan Ingersoll**: That I couldn't answer, so if I don't know what of the money is after a certain of
2 time once it goes to the unclaimed property account in Treasury. I don't know their processes
3 and I can't think of a way unless the county has some sort of judgment against an individual that
4 was reduced to a judgment lien I can't think of how. They probably could execute it against
5 personal property.

6 **Donnie Rife**: The only thing I can see with the money is from what we saw on the film
7 preparation from Mr. Chafin is his suggestion was to give to anybody that don't deserve a penny
8 of it and I don't think that's right.

9 **Bill Harris**: I think I'm afraid and I hate to use the phrase the ship has already sailed but I think
10 a year ago if we saw this coming we needed to start ask the congress people from Virginia,
11 maybe petition or something, I'm not sure if we can do anything at this point.

12 **Donnie Rife**: I've been asking for it for 3 years, 4 years. But I don't guess we ever took it before
13 our representatives but I'll tell you what I'll bet you a dollar to a hole in a donut, you get a hold
14 of our Representatives from these regions right here, that they will fight for their areas and I
15 think that is exactly what we need to do.

16 **Mary Quillen**: The one thing that concerns me is to make sure when and I know I would feel
17 comfortable with Rick and his staff overseeing and doing this rather than somebody that has no
18 connection whatsoever to the region that its coming in and their going too.. I mean, we do not
19 want to have anybody question the disbursement of this money. If someone comes ten (10) years
20 from now and has all the documentation that they were the owners of this and they want to sue
21 the DMME because they gave the... and this Board I guess to the authority to disburse this
22 money. I mean I just want to be sure that and I feel like they would be the **** (**inaudible**) to
23 entrust this.

24 **Rick Cooper**: The way I understand this is they would come forward just like they do now and
25 the money that would be disbursed would go to its final destination like it does now. Now it goes
26 to royalty owners but the way I understand it the final destination is this particular scenario
27 would be the Treasurer. Once we actually follow the petition and disbursed it to Treasury then
28 we file these in the courthouse, we would have everything tracked from the beginning to end.

29 **Mary Quillen**: Right, and that's the reason I feel like if this is the route we are going to go. I
30 really, really feel more comfortable if you were, our office and staff was overseeing and I know
31 it's a big job. I mean a really, really big job but I just don't feel comfortable having...

32 **Rick Cooper**: You can feel assured, you're looking at the group that can take of that for you and
33 we've got Ms. Maney over here and you have no worries in that aspect.

1 **Mary Quillen:** I know and that's the reason I feel like it needs to be done here in our locality
2 and not having outsiders coming in that have no clue or understand anything about this whole
3 situation.

4 **Dan Ingersoll:** I do have a little input, if the Board is interested to that question, in the
5 Unclaimed Property Act 55.1-25-26A, once that monies turn over to Treasury, the Agency is
6 relieved of liability of that money.

7 **Mary Quillen:** I'm sorry?

8 **Dan Ingersoll:** Once money is turned over to Treasury, the Agency is relieved of liability for
9 claims against that property under statute.

10 **Donnie Rife:** I don't see what the... I know whenever it goes to Treasury, isn't this money
11 supposed to be designated to education?

12 **Rick Cooper:** I'm not sure, I think that the uncashed checks goes to the literary fund, I think
13 that's the way it currently works. I don't think the dollars we're talking about today is associated
14 with that. Historically, all the uncashed checks that we escheat goes to the literary fund in the
15 State of Virginia.

16 **Donnie Rife:** I'm just saying these counties right here could really, really use this funding and
17 you're probably looking at some of the most depressed areas in Southwest Virginia receiving this
18 funding and I still believe that the money should go to the counties that the gas come from, pure
19 and simple. Give them the money and if somebody comes up and has a claim, let them bring that
20 to this Board. Let this Board, if they prove their claim successfully that this Board notify
21 whichever county that it is and let that county pay for that. You've not had people responding to
22 these things for 15 years. I doubt seriously that everybody's going to come to them all at once
23 now. I think it could be handled by the counties through this Board proves their claim, all they
24 got to do is notify the county, let the county pay for them, if their claim is proved. But I'm telling
25 you right now, these counties could absolutely use this funding better than anybody.

26 **Mary Quillen:** If you have been following the studies that are being done in Southwest Virginia
27 that these counties that are listed are the highest counties are the highest percentage of their
28 residents living in poverty.

29 **Donnie Rife:** Oh yea.

30 **Mary Quillen:** Dickenson County being the first and Buchanan County, I think, was second and
31 Wise County may have been 3rd or 4th. It's critical that, but I don't think unless we would be
32 terribly surprised if the Legislature would become involved that there's any chance that it's
33 going to remain here. That's my concern, when we have people that so desperately need help.

1 **Rick Cooper**: I think the issue today is this letter from Treasury. I think that is the issue at hand
2 today. I don't have an answer for your questions.

3 **Mary Quillen**: I know, I know but I just feel like that these people need help.

4 **Donnie Rife**: I think once these counties realize what's involved, they need to get together and
5 have a come to Jesus meeting with all the powers to be and see where this stuff needs to end up
6 at.

7 **Bradley Lambert**: Donnie, I don't disagree with you and that the counties need the money and
8 could benefit from this money but we have to deal the demand from Treasury and prepare to
9 send that money to Treasury. Now we're getting ready, the session starts the 15th? The General
10 Session starts on the 15th and if legislation wants to be introduced and can be passed, good and
11 we'll follow the wishes of the General Assembly but right now we're face with the letter to send
12 the money to Treasury and I don't see any other way around that at this point.

13 **Donnie Ratliff**: Are you ready for a motion Mr. Chairman?

14 **Bradley Lambert**: Yes, sir.

15 **Donnie Ratliff**: I make a motion that we authorize the Director and the staff of his choosing, the
16 banks and the companies that he wants to get involved to move forward and to act on our behalf
17 with our blessing to satisfy this situation.

18 **Donnie Rife**: Does that mean to sign the money over to the Treasury?

19 **Donnie Ratliff**: We're going to have to or pay the penalty.

20 **Donnie Rife**: We still got sixty (60) days don't we?

21 **Donnie Ratliff**: We don't know.

22 **Bradley Lambert**: We don't know, we haven't heard back. I requested a 60-day extension on
23 October 28 actually, and we haven't heard back from that. We received the letter from Treasury
24 on October 3 and October 28th we sent the letter. I signed the letter as Chairman of the Board but
25 we have not heard back from the extension so if we don't get that extension, I'm not sure what
26 we do.

27 **Rick Cooper**: Yes, I would say it's virtually impossible to get this money out by January 2nd, it's
28 virtually impossible to do that.

29 **Mary Quillen**: That's what I was thinking.

30 **Bradley Lambert**: I think we all agree with you.

31 **Donnie Rife**: I'm going to say if it goes to Treasurer, we don't have a chance of getting it back.

1 **Bradley Lambert**: Well, if legislation and I'm just thinking out loud here, if some of our
2 representatives wants to introduce legislation, I guess they could ask for a stay on anything
3 happening if they wanted to. Again, I'm just thinking out loud of what could happen.

4 **Donnie Ratliff**: Mr. Chairman, two years ago Delegate Kilgore and Senator Chafin put in a bill
5 that this money for unknown, unlocatable that was of a certain age would go to education to each
6 respective counties where it was extracted from and it got killed in committee.

7 **Donnie Rife**: and then they turned around and tried to give it to Heart of Appalachia and
8 Spearhead Trail, people that don't even or people that don't have a dog in the race. You know
9 they're trying to give the money to people that don't have a claim for it.

10 **Rick Cooper**: And that legislation failed also.

11 **Donnie Rife**: I'm telling you, I.....

12 **Donnie Ratliff**: I think Kilgore stated the Board of Education.

13 **Donnie Rife**: In the counties that it came from?

14 **Mary Quillen**: I think they are being unrealistic and I do think someone needs to open their eyes
15 and educate them a little that it's unrealistic to say January 2nd. I mean it's not realistic and those
16 people need to open their eyes and I don't know if that will make a difference because you're
17 dealing with people that are totally oblivious to anything down here because they don't even
18 consider us part of the state in most of their minds.

19 **Rick Cooper**: Yes, I would think the 60-day extension would be granted but I think a lot of it is
20 depending on you make sure the Board heard the items.

21 **Mary Quillen**: But even that is tight.

22 **Rick Cooper**: It's very tight.

23 **Mary Quillen**: It would be very tight.

24 **Donnie Rife**: It's doable though because you've the legislative session coming up in January and
25 things can happen if we get the information in the hands of the right people.

26 **Mary Quillen**: The thing is that, if we do this, is this going to defeat our request for the 60-day
27 extension?

28 **Bradley Lambert**: I think; and this is just my opinion, for what's its worth. I think as long as
29 Treasury sees some action from this Board that we're working toward the goal of sending
30 unknown, unlocatable up to Treasury. I think they will work with us.

1 **Donnie Rife**: I think one of the things that you need prove to them is how long the money set
2 there and just ask them why all of a sudden it's so crucial.

3 **Rick Cooper**: So we have provided the aging of the accounts. I apologize I don't have that in
4 front of me today but we have provided to them the aging of accounts for every year.

5 **Donnie Ratliff**: Mr. Chairman, you have a motion on the floor.

6 **Bradley Lambert**: Yes, do I have a second on Mr. Ratliff's motion? And the motion is not to
7 send the money, it's a motion to direct Rick and his staff to work with Treasury on coming up a
8 process to deliver the funding, is that stated correctly Mr. Ratliff?

9 **Bill Harris**: Mr. Chairman, I'll go ahead and second that even though I don't necessarily agree
10 with the whole thing but all of us are preaching to the choir so to speak but I'll go ahead and
11 second that because we need to make sure we've done our part to at least well we tried adhere to
12 whatever rules and regulations are presented to us.

13 **Mary Quillen**: One other thing I think we might want to include is this timeframe going to be
14 realistic for the bank?

15 **Bradley Lambert**: It's January 2. We all agree that isn't going to happen. Okay, I can assure the
16 Board that I will call Treasury tomorrow and get an answer on our 60-day extension request and
17 report back. Mr. Cooper?

18 **Rick Cooper**: Just to make sure I understand the motion, are we starting the process for the
19 operators to start submitting these petitions, is that part of the motion today?

20 **Bradley Lambert**: Yes.

21 **Donnie Rife**: Is there a possibility that we can see what the 60 days is going to be like before we
22 make a judgement on this motion?

23 **Rick Cooper**: Could you repeat that again?

24 **Donnie Rife**: Is there a possibility that if we can wait and see if we get the 60-day extension
25 before we make a determination on this motion and second?

26 **Rick Cooper**: I would agree with Mr. Lambert, I'm relatively confident that the 60-day
27 extension is not going to be a problem. I'm pretty confident in that.

28 **Bradley Lambert**: In waiting, Donnie, it would be more of a problem since we're not having a
29 December and our January would be well after.

30 **Donnie Rife**: Well let's have a meeting in December. That's pretty simple, even if it's to come
31 discuss this item.

1 **Bradley Lambert**: Well I've got a motion and a second and if there's no other further
2 discussion, let's take a vote on the motion and a second and then we can ask for a substitute?
3 We've got a motion on the floor and a second, I'll ask for all in favor to say yes.

4 **Board**: Yes.

5 **Bradley Lambert**: All opposed, no?

6 **Donnie Rife**: No, adamantly.

7 **Bradley Lambert**: Donnie, do you want to?

8 **Donnie Rife**: To make a substitute motion?

9 **Bradley Lambert**: Yes.

10 **Donnie Rife**: I would Mr. Chair. I would like to make a motion that we wait and see if we get
11 our 60-day extension and then if we get our 60-day extension, then we can make a motion on
12 this. I don't think time should be that crucial. The money has been setting there forever, there's
13 no reason to jump headlong over the bridge right now. It can't be that crucial. So I'm going to
14 make a motion that we wait until we get our 60-day extension to make a motion on this money.

15 **Donnie Ratliff**: Mr. Chairman, does that tie the agency's hands.

16 **Bradley Lambert**: That would hinder us on getting us along way down the road on developing a
17 process, if we waited until the 3rd week of December, we could be 30-days ahead and Donnie on
18 your motion, to wait until we get the 60-days. Even though I feel very, very confident we will get
19 it, I don't know that until I talk to Treasury tomorrow.

20 **Donnie Rife**: Then we can revise the motion, if we get it, let's make a decision after we get the
21 60-day extension, if don't get it then we go ahead with the motion put in.

22 **Bradley Lambert**: Okay, could you restate your....?

23 **Donnie Ratliff**: I mean even with the 60-day extension, the end results are going to be same.

24 **Bradley Lambert**: Yes, its' going to be the same.

25 **Donnie Rife**: I'm just afraid if the money goes to Treasury, we'll never get it back.

26 **Bradley Lambert**: No, this Board won't and the Escrow Agent won't.

27 **Donnie Rife**: No, I'm just talking about the counties.

28 **Bradley Lambert**: Well, it could be legislation introduce; I'm just saying, you don't know
29 what's going to happen this year with the session that we are getting ready to enter into with the
30 election that just took place. Who knows what could happen.

1 **Donnie Rife**: There's a real good possibility that if we give it back to the Treasurer, Buchanan
2 County is going to lose \$683,244.52, Wise County is going to lose \$625,993.65 and Dickenson
3 County, probably the most economically depressed county in Southwest Virginia is going to lose
4 a \$1,869,440.39 and if we vote to do this without taking all the steps, we just voted to give every
5 one of these counties their money away.

6 **Bradley Lambert**: I have a motion that Donnie made, do I have a second on that motion?

7 **Mary Quillen**: Before we vote on that Mr. Lambert, I don't know if it's permissible to have a
8 vote outside a regularly scheduled Board meeting, is it?

9 **Bradley Lambert**: No, we can't do that and I don't think that's what Donnie's motion is, is it
10 Donnie?

11 **Donnie Rife**: No, no it's not. We're still in this meeting.

12 **Bradley Lambert**: And what you're saying in your motion is that we would go ahead and have a
13 December meeting to further discuss.

14 **Donnie Rife**: If the only thing we've got to discuss is this right here, I say let's have it. Let's
15 give these counties every opportunity that they have to try to recover this money.

16 **Bradley Lambert**: So do I have a second on Donnie Rife's motion?

17 **Mary Quillen**: Can we technically have a meeting with only one or two items on the agenda?

18 **Bradley Lambert**: Yes, as long as it's a public open meeting, yes we can.

19 **Bill Harris**: Mr. Chairman, I don't mean to be difficult but that other motion, did we not have a
20 majority vote of yes?

21 **Bradley Lambert**: We did.

22 **Donnie Rife**: You did.

23 **Bradley Lambert**: And Donnie's was a substitute, so if I don't have a second then Donnie's
24 motion will fail.

25 **Bill Harris**: Is there some way to incorporate that into the first one, oh well we voted on it.

26 **Bradley Lambert**: Yes, we voted on that one. So I'm not hearing a second on Mr. Rife's motion
27 and then the first vote we took will care to direct Rick and his staff to work with the companies
28 and work with the Escrow Agent and in the meantime, I'll do my best to get a meeting scheduled
29 with Treasury where they can come down and understand how difficult this is really going to be
30 for all of us involved. I'll go back to what Donnie asked if this Board wants to invite county
31 leaders, I would not suggest the whole Boards but at least one representative from the counties.

1 I'll leave that up to the Board and see what your feeling is on that? I don't think we need a
2 motion on that but just whether or not this Board feels it's appropriate to include counties in
3 those discussions.

4 **Rick Cooper**: Just to make sure I clearly understand it, is this a directive for the operators to
5 move forward in submitting petitions on unknown, unlocatable?

6 **Bradley Lambert**: Yes, it is and if you start working with them in the meantime and understand
7 it's going to take a while to get those prepared and hopefully we'll get Treasury here to help us
8 work through the issues because when I talked to Treasury, the lady told me they could only
9 accept twenty (20) at a time. Well that's a major problem for us since we got how many did you
10 say? Thousands, three thousand?

11 **Rick Cooper**: We've got 402 accounts, probably 3,000 people.

12 **Bradley Lambert**: And that's what their interested in, is not accounts, but people.

13 **Rick Cooper**: I understand.

14 **Bradley Lambert**: So if they can't accept but twenty (20) at a time then I don't know how?

15 **Unknown attendee**: **** (inaudible)

16 **Bradley Lambert**: Yes, so it's going to be important for us all to sit down and work this out
17 together. It's going to be very complicated but Rick are you understanding, are you okay?

18 **Rick Cooper**: Just to make sure I reiterate this, so what the Board is saying today for us to move
19 forward and you have all the operators of the unknowns, unlocatable sitting here today. Your
20 directive is for the operators to start the petition process through notice and submit the petition
21 for the unknown, unlocatable and while that is happening, we will work with Treasury to make
22 sure we get the process down, the addresses where the money goes and any type of mechanics
23 that goes along with that. Is that correct?

24 **Bradley Lambert**: Yes sir.

25 **Rick Cooper**: I'm clear.

26 **Mary Quillen**: And what you're saying is once these petitions come in then this money is going
27 to be paid? So that, I mean....

28 **Rick Cooper**: As we said here today, what I hear is if these petitions come forward and the
29 Board has granted the authority to the Division of Gas and Oil to process these, we would
30 process these just like we would any other disbursement but the royalty payment or the money
31 itself, we would direct Ms. Maney to forward that to an address yet to be known to Treasury. We
32 would file then in the courthouse like every other disbursement. I would say it would close 200-

1 300 accounts because some of them just have unknown, unlocatable in them. A lot of them don't
2 have multiple issues, some do but not all. It would close the accounts at that point.

3 **Bradley Lambert**: Rick, I would ask you to remind the companies to be diligent in their efforts
4 of getting those in because this Board and our Agency cannot do a \$20,000 a month fine and if it
5 comes to that, this Board may have to take further actions for the companies which can result in
6 a \$10,000 a day fine.

7 **Rick Cooper**: And I hope the audience hears that because every company with exception of
8 Virtex which only has one account is sitting in this room today.

9 **Bradley Lambert**: Thank you Rick, any other updates from staff?

10 **Rick Cooper**: The only thing I would want to update is I think Ms. Gilmer passed out earlier, I
11 won't reiterate what Ms. Maney went over on the no w-9 accounts and the total value. We keep a
12 running total of disbursements that we have sent out since the Coal Dismissal Act was approved
13 in House Bill 2058, so we have far disbursed out \$21,364,254.00 and we continue to do that and
14 a lot of those were in front of the Board today. I won't reiterate anything that Ms. Maney has
15 went over.

16 **Item Number 14**

17 **Bradley Lambert**: The next item on the Agenda is approval of the minutes from our last
18 meeting, any discussion on those minutes? [No response] If not, I'll ask for a motion to approve.

19 **Donnie Ratliff**: So moved Mr. Chairman.

20 **Bradley Lambert**: Do I have a second?

21 **Bill Harris**: Second.

22 **Bradley Lambert**: The minutes are approved. Before we adjourn, I need to let the Board know
23 and audience you don't have to stay for this but this Board is required to take Conflict of Interest
24 and FOIA training every year so I guess lunch is here. So we will probably eat lunch and
25 immediately after lunch, Mr. Ingersoll will provide us with that Conflict of Interest and the FOIA
26 training. So do I have a motion to adjourn?

27 **Rick Cooper**: One thing, Mr. Chairman. So we are not having a December hearing?

28 **Bradley Lambert**: We are not having a December hearing, Mr. Rife's motion did not carry.

29 **Rick Cooper**: Thank you so much.

30 **Bradley Lambert**: A motion to adjourn?

31 **Bill Harris**: Motion to adjourn.

- 1 **Donnie Rife**: Second, Mr. Chair.
- 2 **Bradley Lambert**: All in favor signify by saying yes.
- 3 **Board**: Yes.
- 4 **Bradley Lambert**: We're adjourned, thank you folks.