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VIRGINIA OIL AND GAS BOARD

HEARING OF APRIL 18, 1995

11:15 A.M.

AT THE SOUTHWEST VIRGINIA

4-H CENTER

ABINGDON, VIRGINIA

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1 April 18, 1995

2 This matter came on to be heard before the Virginia Gas  
3 and Oil Board on this the 18th day of April, 1995 at the  
4 Southwest Virginia 4-H Center, Hillman Highway, Abingdon,  
5 Virginia pursuant to Section 45.1-361.19.B and 45.1-361.22.B  
6 of the Code of Virginia

7 MR. CHAIRMAN: Good morning. My name is Benny Wampler. I'm  
8 Deputy Director for the Department of Mines, Minerals  
9 and Energy and Chairman of the Gas and Oil Board. I'll  
10 ask the members to introduce themselves starting with  
11 Max.

12 (MEMBERS INTRODUCED.)  
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ITEM I

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3 MR. CHAIRMAN: The first item on today's agenda is a  
4 petition from Equitable Resources Exploration, docket  
5 number VGOB-94/08/16-0461. That will be continued to  
6 May's hearing.  
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ITEM II

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3 MR. CHAIRMAN: The next item on today's agenda is a petition  
4 from Pocahontas Gas Partnership under Section 45.1-  
5 361.22 to modify the South Longwall Units 8, 9, 10, 11  
6 and 12 established for the production of coalbed  
7 methane gas and coalbed methane gas from active and  
8 unsealed gob areas previously established as panel  
9 units under docket number VGOB-92/01-21-0180 and  
10 modified by docket number VGOB-93/06/22-0385. This is  
11 today's docket number VGOB-95/04/18/-0498. We'd ask  
12 the parties that wish to address the Board in this  
13 matter to come forward at this time.

14 MS. McCLANNAHAN: Elizabeth McClannahan. I represent  
15 Pocahontas Gas Partnership.

16 MR. CHAIRMAN: The record will show there are no others to  
17 appear. You may proceed.

18 MS. McCLANNAHAN: The exhibits that Mr. Arrington is handing  
19 out, if you'll look at Exhibit 6 in that packet, I'll  
20 provide you with an opening to explain what we're here  
21 today to accomplish. You'll see on this map that there  
22 are units South Longwall 5 through 12 as they're  
23 designated there and those run north to south and are  
24 outlined in red. We have essentially mined in the  
25 South Longwall 5, 6 and 7 and at this point have

1 determined that the mine plans change needs to be made  
2 in South Longwall 8 through 12 area. As a result of  
3 that we're requesting that the Board modify the South  
4 Longwall 8, 9, 10, 11 and 12 panel units that were  
5 previously established under docket number 92/01/21-  
6 0180. That was done in February of 1992 and then was  
7 later amended by VGOB 3/85, also in 1992. We would  
8 request that those panel units be converted to the 80  
9 acre units which have already previously been designat-  
10 ed by this particular Board when it designated the  
11 Oakwood Field I and the Oakwood Field II. You'll see  
12 on this map that we've listed each of the -- the 80  
13 acre units are also shown on this particular map and  
14 the grid here running 27 to 32 and then W to BB shows  
15 you the designations of those units. Those include the  
16 W-29, X-29, Y-29, Z-29, AA-29, W-30, X-30, Y-30, Z-30,  
17 AA-30, W-31, X-31, Y-31, Z-31 and AA-31. These were  
18 established pursuant to those Oakwood orders in 1990  
19 and then later amended in 1991. Those docket numbers  
20 for purposes of the record are VGOB-93/03/25-0335, 348,  
21 162, 336, 348 and 249. Pocahontas Gas Partnership  
22 controls 100 percent of the Pocahontas #3 seam under-  
23 lying this entire unit area, 93.143 percent of the oil  
24 and gas and 96.10 percent of the coalbed methane gas  
25 lease hold estate.

1 MS. RIGGS: Elizabeth, would you repeat the coalbed methane  
2 -- or the gas interests again?

3 MS. McCLANNAHAN: The oil and gas interest?

4 MS. RIGGS: Uh-huh.

5 MS. McCLANNAHAN: 93.143 percent.

6 MS. RIGGS: And coalbed?

7 MS. McCLANNAHAN: 96.10 percent. So essentially by this  
8 application we're requesting -- if you'll remember, the  
9 South Longwall 5 through 12 was established as an  
10 exception to the Oakwood Field I and II. And we're  
11 simply requesting that that exception be released and  
12 that the Oakwood I and Oakwood II field rules will now  
13 apply to all of these 80 acre units. Now, we also have  
14 force pooled a number of these longwall panel units  
15 because there were interests that were unleased. When  
16 we change these into 80 acre units obviously that's  
17 going to produce different sizes of pooling units. It  
18 also creates a number of voluntary units which, of  
19 course, would not be subject to the Board's approval.  
20 However, the other items that are on the docket, Y-29  
21 through X-31, today are applications for force pooling  
22 of the 80 acre units that are involved in these  
23 previous longwall panels that now need to be force  
24 pooled.

25 MR. MASON: I'm looking at the map, 6-B. I'm just curious.

1           The double lines and the little blocks, is that where  
2           you've mined and that single blue line is where you  
3           have not?  
4   MR. ARRINGTON: Correct.  
5   MR. MASON: I was just trying to get some idea of where the  
6           mine is and --  
7   MS. McCLANNAHAN: Right.  
8   MR. MASON: So you all are actually longwalling two panels  
9           at a time?  
10   MR. MORGAN: No.  
11   MR. MASON: They just stop. The one that's under 29, would  
12           they stop there and shift over to 30 -- over to well  
13           number 30?  
14   MR. MORGAN: This is the development that's coming up this  
15           way.  
16   MR. MASON: Are they doing both of these?  
17   MR. MORGAN: Yeah. There's panel development going on 1  
18           through 4.  
19   MS. McCLANNAHAN: In order to issue, of course, new force  
20           pooling orders on each individual 80 acre unit we also  
21           are requesting in this application that those longwall  
22           panel force poolings be released contingent upon the  
23           force poolings for the 80 acre units being approved.  
24           All of those are on the docket today after this  
25           particular application. In addition there is a permit

1 application for well number 122-A and it's permit  
2 application number 2035 which has been determined to be  
3 subject to the stay as a result of us filing this  
4 application. And we would request that that stay be  
5 released as of today so that that permit can be issued  
6 because it's critical to PGP's current operations.

7 MR. MASON: What was the number?

8 MS. McCLANNAHAN: 122-A.

9 MR. ARRINGTON: 122-A is not shown on this map.

10 MR. MASON: Oh, it's not?

11 MR. ARRINGTON: No.

12 MR. MASON: I see 121-A.

13 MS. McCLANNAHAN: Which panel would it be?

14 MR. ARRINGTON: It's in 4-East. It's the same site, same  
15 location.

16 MS. McCLANNAHAN: It's in the southern part of South  
17 Longwall 8.

18 MR. MASON: It would be approximately where, like if you  
19 took 116 over?

20 MR. ARRINGTON: There's a well 122 on the map.

21 MR. MASON: Yes, I see that.

22 MR. ARRINGTON: It's on the same site as that well.

23 MS. McCLANNAHAN: I was just giving that as an opening  
24 statement. Now we'll swear our witnesses.

25 COURT REPORTER: (Swears witnesses.)

1 MS. McCLANNAHAN: Les Arrington is the first witness we'd  
2 like to call.

3  
4 LESLIE K. ARRINGTON

5 a witness who, after having been duly sworn, was examined  
6 and testified as follows:

7  
8 DIRECT EXAMINATION

9  
10 BY MS. McCLANNAHAN:

11 Q. Les, would you please state your full name and address  
12 for the record?

13 A. Yes. Leslie K. Arrington, 26 Mountaintop Drive,  
14 Princeton, West Virginia.

15 Q. Could you identify the exhibit that's marked for  
16 identification as Exhibit #1 as submitted?

17 A. Yes. That's my work history and resume.

18 Q. Does this also reflect your educational background and  
19 qualifications?

20 A. Yes, it does.

21 Q. Have you been qualified as an expert witness before  
22 this Gas and Oil Board?

23 A. Yes, I have.

24 MS. McCLANNAHAN: Mr. Chairman, I submit Mr. Arrington as an  
25 expert witness.

1 MR. CHAIRMAN: It's accepted.

2 Q. (Ms. McClannahan continues.) Mr. Arrington, can you  
3 explain the purpose of PGP's application filed under  
4 docket number 95/04/18-0498?

5 A. Yes. This is to modify the South Longwall 8 through 12  
6 panel units back to the 80 acre Oakwood field units.  
7 These units were previously established under docket  
8 number 0180 and modified under 0385.

9 Q. What are the Oakwood unit designations for the panel  
10 units that are proposed to be converted?

11 A. It will be W-29 through 31, X-29 through 31, Y-29  
12 through 31, Z-29 through 31 and AA-29 through 31.

13 Q. Were the 80 acre units that you've just designated the  
14 same units as set forth and established by the Board  
15 pursuant to the Oakwood I and II fields?

16 A. Yes, it is.

17 Q. How much of the coal, oil and gas and coalbed methane  
18 estate does PGP obtain control of within the area of  
19 the 80 acre units?

20 A. 100 percent of the Pocahontas #3 seam. 93.143 percent  
21 of the oil and gas and 96.10 percent of the coalbed  
22 methane. We claim 100 percent claim to produce and  
23 explore the coalbed methane.

24 Q. Are these the same ownership control percentages that  
25 were listed on the application?

1 A. No.

2 Q. Can you please explain the changes that have been made  
3 since the filing of the application?

4 A. Yes. We have acquired additional leases and we did  
5 have some minor errors in our application as filed,  
6 which we've made those corrections in our exhibits.

7 MS. RIGGS: Which exhibits would those changes modify?

8 THE WITNESS: Exhibit #2 which would be application Page 2  
9 and 3 and then we have also some additional corrections  
10 to the Exhibit #C which is for W-29, W-30, X-29, X-31  
11 and Exhibit #C to Y-29.

12 Q. (Ms. McClannan continues.) And those changes are all  
13 submitted on your Exhibit #3, is that correct?

14 A. Yes, they are.

15 Q. Do the plat and acreage totals on the exhibits as you  
16 have submitted them and revised them reflect the  
17 relative contribution that each tract is expected to  
18 make to each of the 80 acre units to be converted?

19 A. Yes, it is.

20 Q. Did PGP provide a notice of hearing to the parties  
21 contained in the application for modification of the  
22 South Longwall 8 through 12 panel units to be converted  
23 to 80 acre units?

24 A. Yes, we did. The notice was sent by certified mail,  
25 return receipt requested.

1 Q. Is that list of returned receipts at Exhibit #4?  
2 A. Yes. It's a copy of the list of returned receipts.  
3 The returned receipts and publication have previously  
4 been supplied to the Inspector.  
5 Q. And the publication notice that you referred to, where  
6 and when was that?  
7 A. It was published in the Bluefield Daily Telegraph on  
8 March 25th, 1995.

9 MS. McCLANNAHAN: Those are all the questions I have of Mr.  
10 Arrington.

11 MR. CHAIRMAN: Any questions of this witness, members of the  
12 Board?

13 (Witness stands aside.)

14 MR. CHAIRMAN: Call your next witness, please.

15 MS. McCLANNAHAN: Claude Morgan.

16  
17 CLAUDE MORGAN

18 a witness who, after having been duly sworn, was examined  
19 and testified as follows:

20  
21 DIRECT EXAMINATION

22  
23 BY MS. McCLANNAHAN:

24 Q. Would you please state your full name for the record?

25 A. Claude Dale Morgan.

1 Q. Can you identify Exhibit #5, please, for the Board?  
2 A. Exhibit #5 is my resume.  
3 Q. Does this resume at Exhibit #5 reflect your educational  
4 background, work history and qualifications?  
5 A. Yes.  
6 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
7 Exhibits #1 through #5 at this point.  
8 MR. CHAIRMAN: They're accepted.  
9 Q. (Ms. McClannahan continues.) Have you ever been  
10 qualified as an expert witness before the Gas and Oil  
11 Board?  
12 A. Yes.  
13 Q. Are you requesting that the exceptions to the Oakwood  
14 fields for the South Longwall 8 through 12 panel units  
15 as modified be released?  
16 A. Yes.  
17 MS. McCLANNAHAN: Mr. Chairman, I also submit Mr. Morgan as  
18 an expert witness.  
19 MR. CHAIRMAN: He's accepted.  
20 Q. (Ms. McClannahan continues.) Could you please explain  
21 the Board the need for releasing these exceptions to  
22 the Oakwood fields?  
23 A. Looking at Exhibit 6-A you'll see the mine plan as it  
24 existed when we applied for this exception to the  
25 Oakwood rules. You will see that the unit boundaries

1 were established to coincide with the development  
2 panels for each longwall panel. At that time the  
3 Buchanan #3 Mine was operating with a 600 foot wide  
4 longwall face. No plans at that time to do anything  
5 other than a 600 foot longwall face. Looking at that  
6 plan you will see the dotted lines which would be the  
7 mine plan and the solid lines were the unit boundaries.  
8 If you look -- moving on to -- the next mark and this  
9 is Exhibit 6-B, you'll see there the same unit boundar-  
10 ies and you will see the unit boundaries for SLW-6 and  
11 7 still match the mine plan as the mine was developed,  
12 but as you move from 8 through 12 the mine plan has  
13 changed. The change is that the longwall face has been  
14 widened to a 750 foot wide face. Progressively as you  
15 go east the longwall panels no longer match with the  
16 boundaries which were established for the longwall  
17 units. If you get over to what was SLW-10 and SLW-11  
18 you will see that the longwall panel units are actually  
19 going down through the middle of the longwall panels.  
20 This would result in an improper allocation of the  
21 production. If you look at, say, SLW-10 all of the  
22 wells except the one in that panel are in the SLW-10  
23 unit, although production from that panel would be  
24 included from the area in the SLW-11 we you stayed with  
25 this allocation. So it would be an improper allocation

1 of the production. It would be producing from SLW-11  
2 through wells that are all on SLW-10.

3 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
4 Exhibit #6-A and #6-B.

5 MR. CHAIRMAN: They're accepted.

6 A. (The witness continues.) We chose to start with the  
7 Oakwood units with the completion of the SLW-7 unit for  
8 two reasons. Number one is that SLW-5, SLW-6 and SLW-7  
9 are actively mined areas. We are presently mining in  
10 the SLW-7 area. And we will finish that up probably  
11 in the next month or month and a half of mining.  
12 Primary production out of those areas has already been  
13 allocated in the course of those units and those units  
14 properly allocated that production. There was also a  
15 break point where the SLW unit almost matched an  
16 Oakwood unit at that boundary of the SLW-7 to SLW-8.  
17 So we chose that as a break point for going to the 80  
18 acre units. We have to modify that row of units there  
19 on 29 such that there is a very minor difference in the  
20 acreage. It's not all true 80 acres for those five  
21 units. It may go down to like 78 point some acres in  
22 the unit to make it match with the boundary of the  
23 SLW-7. From that point on for the panels moving to the  
24 east we have proposed the allocation of costs and  
25 royalties in accordance with the Oakwood II units.

1 Q. Would you identify Exhibit #6-C for the Board?  
2 A. 6-C is the existing mine plan with the works. And the  
3 work that are shown are here are as of December of  
4 1994. There's actually been additional workings going  
5 on. When this exhibit was made we had already started  
6 on this application in December. So what you see here  
7 is the actively mined area as of December, 1994. I'll  
8 show you on the exhibit that's on the wall here, the  
9 longwall in the SLW-7 unit which is shown here on the  
10 exhibit you have in your book, has progressed to this  
11 point at this time.

12 MR. CHAIRMAN: That's Exhibit #C you're referring to?

13 MS. McCLANNAHAN: Exhibit #6-C.

14 THE WITNESS: Exhibit #6-C, yes.

15 MR. MASON: What are the diagonal shaded areas? What are  
16 those?

17 THE WITNESS: That designated areas that have been longwall  
18 mined as of that date which was December of 1994.

19 MS. RIGGS: So you're referring to X-28 of South Longwall 7  
20 then?

21 THE WITNESS: Yes. We have about 1,100 feet of mining left  
22 on that panel.

23 Q. (Ms. McClannahan continues.) What kind of production  
24 is contemplated by these 80 acre units as previously  
25 designated under the Oakwood field I and II rules?

1 A. It will be the same production as are noted in those  
2 rules. It would be production from conventional  
3 fracked wells as well as production from additional  
4 wells drilled in those units, short hole production and  
5 gob hole production.

6 MR. MASON: Just for my edification again about this, the  
7 diagonal lines where they switch back and go the other  
8 way, what do those designate?

9 THE WITNESS: That is usually -- and I'm not sure that that  
10 is on here, but usually that is a end of one month,  
11 beginning of another month.

12 MR. MASON: I was just curious as to what the designation.

13 THE WITNESS: That usually shows a break from one month to  
14 the next.

15 MR. MASON: Just your production area for a given period of  
16 time?

17 THE WITNESS: Yes.

18 MR. MASON: Some are a lot more productive than others.

19 THE WITNESS: Well, this mine is a two longwall operations.  
20 And sometimes we would be moving one longwall and we'll  
21 be concentrating on this one as opposed to swinging  
22 back and forth between the two longwalls.

23 Q. (Ms. McClannahan continues.) Will some of the units  
24 that are to be modified be actually less than or more  
25 than 80 acre units?

1 A. Yes. Those will be the units -- series 29 units which  
2 were modified to match the boundary of the SLW-7 unit.

3 Q. Can you explain the reason for the discrepancies in the  
4 29 series units?

5 A. If you look on Exhibit #6-C you will see that the --  
6 it's such a minute difference you won't see it. But if  
7 you put it out on a larger scale and look at the  
8 coordinates you would see the W-29 which is at the far  
9 top to the unit. The SLW-7 boundary is actually is  
10 very slightly to the west of that 80 acre unit line.  
11 As you come south to AA-29 you will see that the SLW-7  
12 unit boundary has moved slightly east of the 80 acre  
13 unit line. So we started with a minutely larger -- .03  
14 acres larger unit at W-29 and then keeping and matching  
15 with that boundary X-29 within 79.36 acres. Y-29 was  
16 78.48 acres. Z-29 was 77.13 acres with AA-29 the last  
17 unit to the south at 76.76 acres.

18 Q. Looking at Exhibit #6-A that's previously been submit-  
19 ed please identify the wells that were converted  
20 and/or drilled before the South Longwall 8 through 12  
21 panel units were created?

22 A. Three wells were drilled prior to the creation of the  
23 SLW-5 through 12 units. That was CBC PGP 122, 125 and  
24 128.

25 Q. And all the other wells that are on the map except the

1 red color wells were proposed, converted and are  
2 drilled pursuant to the South Longwall 5 through 12  
3 unit orders, is that correct?

4 A. That is correct.

5 Q. On Exhibit #C please identify the additional wells that  
6 are proposed by this application?

7 A. At this time all the wells proposed to date except for  
8 red colored wells have been permitted. These wells are  
9 either VVHs converted to coalbed methane wells or wells  
10 that have been approved pursuant to panel unit orders.  
11 These wells would also be authorized under the Oakwood  
12 II modifications. Applications for all of the red  
13 colored wells except for 147-A have been filed with the  
14 Inspector. In the future additional wells will be  
15 required for gob production in addition to what we've  
16 got shown here. And applications for those additional  
17 wells would be filed with the Inspector in accordance  
18 with the Oakwood II rules.

19 MR. CHAIRMAN: And that's all in reference to Exhibit #6-C?

20 THE WITNESS: 6-C, yes.

21 Q. (Ms. McClannahan continues.) Do the wells that you  
22 have just located on Exhibit #6-A and #6-C represent  
23 all of the coalbed methane wells within the 80 acre  
24 units drilled or contemplated at this time?

25 A. Yes.

- 1 Q. Are these wells currently in production?
- 2 A. Everything except for the red wells and the six wells  
3 in the number 11 panel is in production.
- 4 Q. Has PGP filed a permit application for the 122-A well  
5 that you've described as being in the same site as the  
6 PGP 122 as it's marked on Exhibit #6-C?
- 7 A. Yes. This application number 2035 was filed on  
8 February 22nd, 1995.
- 9 Q. And what is the status of this permit application?
- 10 A. The application was subject to a stay required by  
11 Virginia Code 45.1-361.F pursuant to a letter from Mr.  
12 Fulmer dated March 23rd.
- 13 Q. Is this well critical to PGP's operation plans for the  
14 modification of these units and conversion to 80 acre  
15 units?
- 16 A. This well is extremely critical and especially due to  
17 timing, as I pointed out earlier on the wall map,  
18 mining of the SLW-7 longwall is within 1,100 feet of  
19 the end of that panel. That panel will move to the 3-  
20 East panel which is the first panel subject to this  
21 application. We expect that move to be occurring  
22 within a month to a month and a half and well 122-A  
23 would be the first well on that panel. It's very  
24 critical for mine safety and you'll note that this  
25 longwall panel has now been developed to that point

1 where we can't change the mine plan to match the wells  
2 that are there in that there is probably approximately  
3 300 to 400 feet of longwall panel existing there  
4 without a hole to vent the gob and we desperately need  
5 one within 100 feet of the start of the longwall.

6 Q. As a result of the critical nature of this well for  
7 these plans are you requesting that the Board grant  
8 authority to Mr. Fulmer to remove the stay on this  
9 permit application today pending entry of the order on  
10 the South Longwall 8 through 12 modifications?

11 A. Yes.

12 Q. Will any of the converted 80 acre units require force  
13 pooling?

14 A. Yes. I think we filed six. I think we probably are  
15 down to five. We've cleared up one of the units since  
16 the application.

17 Q. And you intend to request that the Board withdraw the  
18 force pooling application on W-29 today, is that  
19 correct?

20 A. That is correct.

21 Q. The other five units that will require force pooling  
22 are the X-29, Y-29 -- I got that wrong. The Y-29 is  
23 the one that you're requesting a withdrawal on today,  
24 is that correct?

25 A. That's correct.

- 1 Q. So that leaves the W-29, X-29, W-30, W-31 and X-31?
- 2 A. That is correct.
- 3 Q. As a result of requiring force pooling orders on the 80
- 4 acre units you also are requesting that the force
- 5 pooling orders for the panel units be released, is that
- 6 correct?
- 7 A. Yes. Our lease should be contingent upon issuance of
- 8 the orders for the above-- for the referenced force
- 9 poolings that we have here today so that there's no gap
- 10 between orders.
- 11 Q. Are the remainder of the 80 acre units proposed to be
- 12 converted voluntary units?
- 13 A. Yes.
- 14 Q. And as a result of them being voluntary units they will
- 15 not require force pooling action, is that correct?
- 16 A. That's correct.
- 17 Q. How do you propose to accomplish the conversion of the
- 18 royalty payments from the panel units to the converted
- 19 80 acre units?
- 20 A. We would propose that the conversion be made -- I think
- 21 I may be jumping ahead to a following question. We
- 22 would propose that the conversion be made effective the
- 23 first of the month in the month that longwall mining
- 24 will begin on what was the SLW-8 panel. It is now our
- 25 4-East panel. And it would simply be a reallocation of

1 royalty payments based on the 80 acre units as opposed  
2 to the SLW units. There will be no additional people  
3 involved. No people will be removed. There will be no  
4 change in the number of people receiving royalty  
5 payments. It will just be reallocated based on the  
6 Oakwood II versus the SLW unit allocations.

7 Q. And those allocations will be based on the previously  
8 entered field rule orders by this Board, is that  
9 correct?

10 A. That is correct.

11 MS. McCLANNAHAN: Those are all the questions I have for Mr.  
12 Morgan.

13 MR. CHAIRMAN: Any questions, members of the Board?

14 MR. MASON: When you all change this over do you anticipate  
15 sending any kind of an explanation or anything to the  
16 people who get the checks? Will their checks change?  
17 Do you have any idea whether the checks will change  
18 very much?

19 THE WITNESS: There may be some change in that -- there  
20 would be a change happening at that time frame anyhow  
21 for the ones with the biggest impact because we would  
22 have started gobbing of that longwall. So there would  
23 have been a big jump in payment to those people  
24 anyhow.

25 MR. LEWIS: They will be notified and explained.

1 THE WITNESS: Everybody has been notified by this appli-  
2 cation of this change taking place.

3 MR. MASON: I was just curious because normally when  
4 something like that changes people -- I guess they get  
5 on the phone and call and see what's going on.

6 THE WITNESS: We get a few of those.

7 MR. MASON: You know, "Why is my check different?" or  
8 something like that. I was just wondering -- so that  
9 everybody understands what's going on.

10 MR. CHAIRMAN: Did we introduce Exhibit #6-C?

11 MS. McCLANNAHAN: I would move the introduce of Exhibit  
12 #6-C.

13 MR. CHAIRMAN: It's accepted.

14 MS. RIGGS: With regard to the force pooling units I  
15 understand the modification of the field rule. Are  
16 there force pooling units in place already and then  
17 you've got new applications --

18 MS. McCLANNAHAN: That's correct.

19 MS. RIGGS: As to the ones in place already. They refer to  
20 the field rule. So this order would also have to  
21 modify those existing force poolings to refer to the  
22 change in the underlying field rule that sets the  
23 allocation process? Do you have a list of what those  
24 are, the existing force poolings that will be impacted?

25 MS. McCLANNAHAN: Well, it's these. The application lists

1 each of the South Longwall panel units that were forced  
2 pooled and that would need to be released contingent  
3 upon the approval of this application and the force  
4 pooling of these applications.

5 MS. RIGGS: We had the South Longwall 5 through 12 creation  
6 of the units and then we had the force pooling sep-  
7 arate?

8 MS. McCLANNAHAN: Separately. Exactly.

9 MR. MASON: And they were force pooled as longwall panels.

10 MS. McCLANNAHAN: Exactly.

11 MS. RIGGS: Okay.

12 MS. McCLANNAHAN: That's why we prepared all of this for one  
13 day for the Board to hear so that we don't end up with  
14 gaps.

15 MR. CHAIRMAN: A simultaneous action so that as the Board --  
16 this is all presumed that the Board approves this  
17 application and these following force pooling orders.

18 MS. McCLANNAHAN: Right. The way we did the relief that  
19 we're requesting in this application for removing or  
20 releasing the force poolings on the South Longwall  
21 panels is contingent upon the approval of the force  
22 pooling applications that we'll submit to you today so  
23 that there isn't --

24 MR. CHAIRMAN: There's no gap.

25 MS. McCLANNAHAN: Right.

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MR. CHAIRMAN: All right. Other questions?

(Witness stands aside.)

MR. CHAIRMAN: Do you have anything further?

MS. McCLANNAHAN: No, we don't.

MR. CHAIRMAN: Do we have a motion?

MR. MASON: I move we approve the application.

MR. KELLY: Second.

MR. CHAIRMAN: A motion and a second. Any further  
discussion? All in favor signify by saying yes. (ALL  
AFFIRM.) Opposed say no. (NONE.) Unanimous approval.

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ITEM V

MR. CHAIRMAN: I know we'll get to Item V, but as part of this discussion you're withdrawing the Y-29?

MS. McCLANNAHAN: That's correct.

MR. CHAIRMAN: I'll continue that through then. The petition for the Y-29, docket number VGOB-95/04/18-0501 is approved to be withdrawn.

MS. McCLANNAHAN: I suppose also we need to make sure that this order when it's drafted -- because the way we filed the application was assuming that we would get a force pooling order for Y-29. So it shows it being contingent upon all of these force pooling orders entered and this would need to be taken out of that list because now there won't be a force pooling order entered for Y-29.

MR. CHAIRMAN: Thank you. Now, for these others do you want to call them one at a time? Is that the way you want to do it?

MS. McCLANNAHAN: Right. For the permit application for 122-A that was also a part of our request for relief.

MR. CHAIRMAN: For clarification, Board, just to make sure you didn't have any misunderstanding. Part of what we did was to lift the stay on 122-A as part of this approval. So that's clarified for the record, that the

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Board did, in fact, lift the stay on 122-A.

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ITEM III

MR. CHAIRMAN: The next item on the agenda is a petition from Pocahontas Gas Partnership for an order force pooling the coalbed methane gas unit identified as W-29. This is docket number VGOB-95/04/18-0499. We'd ask the parties that wish to address the Board in this matter to come forward.

MS. McCLANNAHAN: Elizabeth McClannahan for Pocahontas Gas Partnership.

MR. CHAIRMAN: The record will show there are no others. You may proceed.

MS. McCLANNAHAN: The W-29 unit was previously a part of the South Longwall 8, 9 and 10 panel units which has now been modified pursuant to the Board's order today. It is now therefore subject to the 80 acre Oakwood field rules I and II pursuant to docket number 0498 previously approved by this Board. In this particular unit Pocahontas Gas Partnership controls 100 percent of the Pocahontas #3 seam, 88.4419 percent of the oil and gas and 100 percent of the coalbed methane gas estate underlying this unit. There is one amendment to the application that needs to be made. The force pooling order for the South Longwall 8 panel unit was recorded on October 29th, 1993 in Deed Book 415, Page 195, not

1 in Deed Book 396, Page 764 as we previously stated in  
2 the application.

3 MR. MASON: What are the numbers again, the correct ones?

4 MS. McCLANNAHAN: The correct deed book and page is 396 at  
5 764. Pocahontas Gas Partnership requests that the  
6 Board authorize it to recover 100 percent of the actual  
7 costs of drilling, completing, equipping and operating  
8 the wells as shown on the cost allocation charts in the  
9 DWES submitted as Exhibit #G and #H of the W-29  
10 application. It also requests that the Board authorize  
11 the Inspector to grant the necessary additional wells  
12 as dictated by the mine plan and as authorized by the  
13 Oakwood field rules I and II. PGP will not seek costs  
14 for any additional wells without prior approval of the  
15 Board. With regard to additional wells, just so  
16 everybody understands this, for this application and  
17 all the others that we plan to submit today all we're  
18 requesting is that the present Oakwood I and II field  
19 rules apply to those rules. Our wells should fit into  
20 that scheme as the Board has previously ordered. So  
21 there aren't any requests that are outside that --  
22 those field rules that have been previously submitted.  
23 PGP also requests that the pooling orders for the South  
24 Longwall 8, 9 and 10 panel units be released and  
25 vacated contingent upon force pooling orders entered

1 for W-29, X-29 and W-30. Our witness for this particu-  
2 lar force pooling application is Les Arrington who has  
3 been previously sworn.  
4

5 LESLIE ARRINGTON

6 a witness who, after having been previously sworn, was  
7 examined and testified as follows:  
8

9 DIRECT EXAMINATION  
10

11 BY MS. McCLANNAHAN:

12 Q. Les, would you please state your full name for the  
13 record?

14 A. Leslie K. Arrington.

15 Q. Could you identify Exhibit #1, please?

16 A. Yes. That's my resume and educational background, work  
17 history, qualifications.

18 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
19 Exhibit #1.

20 MR. CHAIRMAN: It's accepted.

21 MS. McCLANNAHAN: And submit Mr. Arrington as an expert  
22 witness.

23 MR. CHAIRMAN: He's already been accepted.

24 Q. (Ms. McClannahan continues.) Is this application filed  
25 in conjunction with VGOB-95/04/18-0498 which converted

1 the South Longwall 8 through 12 panel units to 80 acre  
2 units within the Oakwood I and II fields heard by the  
3 Board earlier today?

4 A. Yes.

5 Q. Is the W-29 unit a portion of the South Longwall 8, 9  
6 and 10 panel units previously established by the Board?

7 A. Yes.

8 Q. Were the coalbed methane gas interests underlying the  
9 South Longwall 8, 9 and 10 units previously force  
10 pooled?

11 A. Yes. South Longwall 8 by docket number 92/04/21-0216  
12 and there was a modification order entered on August  
13 14th, 1992, recorded on October 29th, 1993. South  
14 Longwall 9, docket number 92/04/21-0217. That was an  
15 amended order. It was entered on August 14th, 1992 and  
16 recorded August 19th, 1992. South Longwall 10,  
17 92/04/21-0218, entered on July 27th, 1992 and recorded  
18 July 30th, 1992.

19 Q. Were the South Longwall 8 through 12 force pooling  
20 orders to be released upon issuance of the force  
21 pooling orders for the modified and converted 80 acre  
22 units?

23 A. Yes.

24 Q. Has PGP initiated force pooling actions for the  
25 modified and converted 80 acre units that require force

1 pooling?

2 A. Yes, we have.

3 Q. Have you given notice as required by Virginia Code  
4 Section 45.1-361.19?

5 A. Yes, we did. This notice was sent out by certified  
6 mail, return receipt requested. A list of the returned  
7 receipts is at Exhibit #2.

8 Q. Were copies of those receipts previously submitted to  
9 the Board?

10 A. Yes.

11 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
12 Exhibit #2.

13 MR. CHAIRMAN: It's accepted.

14 Q. (Ms. McClannahan continues.) Did you publish the  
15 notice of hearing?

16 A. Yes, we did in the Bluefield Daily Telegraph on March  
17 25th, 1995. Proof of publication has been previously  
18 submitted.

19 Q. What percentage of the coal, oil and gas and coalbed  
20 methane rights in the tracts that comprise the W-29  
21 unit does Pocahontas Gas Partnership control?

22 A. 100 percent of the Pocahontas #3 seam, 88.4419 percent  
23 of the oil and gas and 100 percent of the coalbed  
24 methane gas estate.

25 Q. Are these the same ownership control percentages listed

1 on the application as it was filed?

2 A. No, they are not. We did have some typographical  
3 errors and some small percentage errors that we have  
4 corrected at Exhibit #3.

5 Q. Exhibit #3 actually contains the revised application  
6 Page 2 for this application, is that correct?

7 A. That's correct.

8 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
9 Exhibit #3.

10 MR. CHAIRMAN: It's accepted.

11 Q. (Ms. McClannahan continues.) Will you please identify  
12 Exhibit #4?

13 A. Exhibit #4 is revised exhibit pages.

14 MR. CHAIRMAN: That you're referring to previous.

15 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
16 Exhibit #4.

17 MR. CHAIRMAN: It's accepted.

18 Q. (Ms. McClannahan continues.) Do the plat and acreage  
19 totals on the revised Exhibit #C as herein submitted  
20 reflect the relative contribution that each tract is  
21 expected to make to the W-29 unit?

22 A. Yes, it does.

23 Q. Are the unleased owners and their interests and the  
24 conflicting claimants and their interests to be  
25 escrowed listed on the exhibits filed with the applic-

1           ation?

2       A.    Yes, it is.

3       Q.    Is the information on these exhibits correct?

4       A.    Yes.

5       Q.    With regard to the unleased owners has PGP attempted to

6           contact them to lease or assign their interests?

7       A.    Yes, we have.

8       Q.    How were those parties contacted?

9       A.    Individually or by certified mail.

10      Q.    Generally what were the primary terms and delay rental

11           payments for the oil and gas and coalbed methane leases

12           that PGP has acquired?

13      A.    For a coalbed methane lease only it's one dollar per

14           acre with a ten year paid up lease. For a coalbed

15           methane oil and gas lease it's five dollars an acre

16           for a ten year pay day.

17      Q.    Are you requesting that the Board pool the interests of

18           the parties listed on Exhibit #C of the W-29 force

19           pooling application?

20      A.    Yes.

21      Q.    Have any well work permits been issued for the W-29

22           unit?

23      A.    Yes. Permit number CBM-PGP-124.D was issued on

24           12/03/92, permit number 22253.

25      Q.    The permit number is 2253?

- 1 A. Yes.
- 2 Q. For what type of well was the permit issued?
- 3 A. Coalbed methane.
- 4 Q. Have you received any written responses from the owners  
5 of the tracts within this unit to the force pooling  
6 application?
- 7 A. No, we have not.
- 8 Q. Does the plat that's attached to the force pooling  
9 application indicate the acreage and the shape of the  
10 acreage to be embraced within this unit as approved by  
11 the Board at the April -- today?
- 12 A. Yes.
- 13 Q. Does the unit follow the boundary lines of the Oakwood  
14 II field 80 acre unit designated as W-29 and shown on  
15 Exhibit #B of the application?
- 16 A. Yes, it does.
- 17 Q. Does the plat attached to the force pooling application  
18 indicate the area within which the well was drilled on  
19 the W-29 unit?
- 20 A. Yes, it does.
- 21 Q. Does this drilling unit embrace two or more separately  
22 owned tracts?
- 23 A. Yes, it does.
- 24 Q. Are the costs and expenses for the wells as originally  
25 drilled or permitted within the South Longwall 8, 9 and

1 10 panel units now allocable to the W-29 unit set forth  
2 on detailed well estimates and the cost allocation  
3 charges attached to the force pooling application as  
4 Exhibits #G and #H?

5 A. Yes, it does.

6 Q. Do these exhibits reflect the estimated and/or actual  
7 costs of drilling wells to total depth and completed  
8 for production costs?

9 A. Yes. Actual costs.

10 Q. With regard to the costs that are listed on the DWES  
11 that were submitted how do you propose to allocate the  
12 costs among the owners in the units?

13 A. This is going to be allocated like we do in the  
14 standard Oakwood II units, allocating the net surface  
15 acreage within that unit of the longwall panel to the  
16 total acreage of the longwall panel.

17 Q. And that particular allocation is pursuant to the field  
18 rule orders that have been previously entered by the  
19 Board, is that correct?

20 A. That's correct.

21 Q. Are you requesting that PGP be designated as the well  
22 operator for this unit?

23 A. Yes, we are.

24 Q. Are you also requesting the relief sought in Paragraph  
25 4 of the application?

1 A. Yes.

2 Q. Do you have additional requests for relief or amend-  
3 ments to the application?

4 A. Yes, we do. We would like to request that the effect-  
5 ive date of this application be the first day of the  
6 month that longwall panel mining commences within the  
7 former South Longwall 8 panel unit which is comprised  
8 of the following 80 acre units; W-29, X-29, Y-29, Z-29  
9 and AA-29 and that the order entered herein should be  
10 so provided.

11 Q. Is that the same effective date request that Mr. Morgan  
12 made previously for the South Longwall 8 through 12?

13 A. Yes, it is. Also we'd like to request the applicant be  
14 entitled to recover the costs for wells previously  
15 drilled and/or the wells proposed herein as defined in  
16 Paragraph 2.5 of this application.

17 Q. Will you request additional costs for additional wells  
18 proposed after the date of this order? Are you  
19 requesting costs for any additional wells drilled after  
20 the date of this order?

21 A. No, we are not.

22 MS. McCLANAHAN: Those are all the questions I have for Mr.  
23 Arrington.

24 MR. CHAIRMAN: Questions, members of the Board?

25 MS. MASON: I have two. One, Mr. Arrington, would you

1           notify the Board when that mining -- assuming we adopt  
2           the resolution and we use that as a trigger date, would  
3           you give the Board notice of when that starts?

4           THE WITNESS: In South Longwall 8?

5           MR. MASON: Yeah.

6           THE WITNESS: Yes.

7           MR. MASON: Just say for purposes if we have to ever go back  
8           and lift the escrows or anything like that. Without  
9           having a designated effective date I think it would be  
10          appropriate to just notify us. Second question, on the  
11          costs of these wells when the original force pooling  
12          was applied for the DWEs or AFEs or which ever that  
13          were used for those purposes, are there any variances  
14          in them from then to now?

15          THE WITNESS: Yes.

16          MR. MASON: Are they primarily just because of estimates as  
17          opposed to reality?

18          THE WITNESS: Yes.

19          MR. MASON: In other words, the ones that haven't been  
20          drilled I would assume are the same?

21          THE WITNESS: The ones that haven't been drilled?

22          MR. McCLANAHAN: All the wells that apply to these units  
23          you've used actual costs on, is that correct?

24          THE WITNESS: Yes, we have.

25          MR. MASON: I guess I'm looking at all these -- all I'm

1           trying to say is that, in other words, when we talk  
2           about the projected costs we're either working with  
3           actual numbers or if we're -- projected numbers. The  
4           projected numbers are the same ones that we had  
5           previously.

6           MS. McCLANNAHAN: So your request is for the ones that were  
7           estimated previously are the estimates the same or have  
8           those estimates changed?

9           MR. MASON: Yeah. And obviously it doesn't apply --

10          MS. McCLANNAHAN: Right. It doesn't apply to the W-29 unit.  
11          But it does apply to the --

12          THE WITNESS: To the later ones.

13          MR. MASON: The ones over in 11?

14          THE WITNESS: Right.

15          MS. McCLANNAHAN: Did you change the estimated costs?

16          THE WITNESS: Just to show that they were actual costs. We  
17          do have the invoices there. The total costs didn't  
18          change all that much of the well.

19          MS. McCLANNAHAN: But the question is for the ones that you  
20          estimated originally in the South Longwall 8 through 12  
21          are these estimates as submitted also the same?

22          MR. MORGAN: The estimates that were prepared for the wells  
23          that are not drilled were based on the average costs of  
24          all of the wells that have been drilled and --

25          MR. MASON: Basically without looking at each one of them



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MR. KELLY: Second.

MR. CHAIRMAN: Further discussion? All in favor signify by  
saying yes. (ALL AFFIRM.) Opposed say no. (NONE.)  
It's a unanimous approval.

ITEM IV

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3 MR. CHAIRMAN: The next item on the agenda is a petition  
4 from Pocahontas Gas Partnership for an order pooling  
5 the coalbed methane gas unit identified as X-29. This  
6 is docket number VGOB-95/04/18-0500. We'd ask the  
7 parties that wish to address the Board in this matter  
8 to come forward at this time.

9 MS. McCLANNAHAN: Elizabeth McClannahan for Pocahontas Gas  
10 Partnership.

11 MR. CHAIRMAN: The record will show there are no others.  
12 You may proceed. The Board has previously accepted  
13 your witnesses' testimony as expert witnesses and their  
14 resumes. So you won't have to reintroduce those.

15 MS. McCLANNAHAN: Okay. So Exhibit #1 is accepted and Les  
16 Arrington is accepted as an expert witness?

17 MR. CHAIRMAN: Yes.

18 MS. McCLANNAHAN: We need to make one amendment to this  
19 application. The force pooling order for the South  
20 Longwall 8 was recorded on October 29th, 1993 in Deed  
21 Book 415, Page 195 and not in Deed Book 396, Page 764  
22 as we stated in the application.

23 MR. CHAIRMAN: All right.

24 MS. McCLANNAHAN: This is for the X-29 unit which is a part  
25 of the South Longwall 8, 9 and 10 units.



1 Q. These South Longwall 8 through 12 force pooling orders  
2 should be released upon issuance of the force pooling  
3 orders for the modified and converted 80 acre units, is  
4 that correct?

5 A. Yes. That's correct.

6 Q. And has PGP initiated force pooling actions for all the  
7 modified and converted 80 acre units that require force  
8 pooling?

9 A. Yes, we have.

10 Q. Have you given notice as required by Code Section 45.1-  
11 361.19?

12 A. Yes, we have by certified mail, return receipt request-  
13 ed. A list of the receipts are at Exhibit #2.

14 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
15 Exhibit #2.

16 MR. CHAIRMAN: It's accepted.

17 Q. (Ms. McClannahan continues.) Did you publish the  
18 notice of hearing?

19 A. Yes, we did in the Bluefield Daily Telegraph on March  
20 25th, 1995. A copy of the proof of publication was  
21 previously submitted to the Inspector.

22 Q. What percentage of the coal in the tracts that comprise  
23 the X-29 unit does PGP control?

24 A. We control 100 percent of the Pocahontas #3 seam.

25 Q. What percentage of the oil and gas?

1 A. 91.7446 percent of the oil and gas.  
2 Q. And what percentage of the coalbed methane gas estate?  
3 A. 100 percent.  
4 Q. Are these the same ownership control percentages that  
5 were listed on the application as filed?  
6 A. No.  
7 Q. Can you explain the changes, please, for the Board?  
8 A. Yes. Again we did have some minor errors in our  
9 application. We revised it and that is at Exhibit #3,  
10 application Page 2.  
11 MS. McCLANNAHAN: Mr. Chairman, I submit Exhibit #3.  
12 MR. CHAIRMAN: It's accepted.  
13 Q. (Ms. McClannahan continues.) Can you identify Exhibit  
14 #4, please?  
15 A. Yes. That's Exhibit #C. We did have to make some  
16 corrections to that.  
17 Q. It's Exhibit #4 which are the revised exhibit pages.  
18 A. Right, Exhibits #C and #D.  
19 Q. What are the changes that were made?  
20 A. That was to correct some minor errors in our percent-  
21 ages and acreage.  
22 Q. As those revised exhibits have been submitted do they  
23 reflect the relative contribution that each tract is  
24 expected to make to this unit?  
25 A. Yes, they do.

- 1 Q. Does the revised Exhibit #B as submitted reflect the  
2 correct unleased owners and their interests in the X-29  
3 unit?  
4 A. Yes, it does.  
5 Q. Are the conflicting claimants and their interests to be  
6 escrowed on Exhibit #E?  
7 A. Yes, it is.  
8 Q. With regard to the unleased owners has PGP attempted to  
9 contact them to lease or assign their interests?  
10 A. Yes. They have been individually contacted or by  
11 certified mail.  
12 Q. Generally what are the primary terms and delay rental  
13 payments for the oil and gas and coalbed methane leases  
14 that PGP has acquired?  
15 A. Our general terms for coalbed methane oil and gas  
16 lease is five dollars an acre per year for a ten year  
17 term or for a coalbed methane lease only it's a dollar  
18 per acre with a ten year term.  
19 Q. Are you requesting that the Board pool the interests of  
20 the parties listed on Exhibit #C of the X-29 force  
21 pooling application?  
22 A. Yes, we are  
23 Q. Have any well work permits been issued for the X-29  
24 unit?  
25 A. Yes, they have. Well CBM-PGP-124-B was issued on

- 1 10/20/93 as permit number 2562. Permit CBM-PGP-124-C  
2 was issued on August 19th, 1992 as permit number 2066.  
3 Permit for CBM-PGP-127-B was issued on November 29th,  
4 1993 as permit number 2587. Permit CBM-PGP-127-C was  
5 issued on December 7th, 1992 as permit number 2257.
- 6 Q. These are for coalbed methane wells, is that correct?  
7 A. That is correct.
- 8 Q. Have you received any written responses from the owners  
9 of the tract within this unit to the force pooling  
10 application?  
11 A. No, we have not.
- 12 Q. Does the plat attached to the force pooling application  
13 indicate the acreage and shape of the acreage to be  
14 embraced within the X-29 unit as approved by the Board  
15 today?  
16 A. Yes, it does.
- 17 Q. Does the unit follow the boundary lines of the Oakwood  
18 II field 80 acre unit designated as X-29?  
19 A. Yes.
- 20 Q. Does the plat attached to the force pooling application  
21 indicate the area within which the wells were drilled  
22 on the X-29?  
23 A. Yes, it does.
- 24 Q. Does this drilling unit embrace two or more separately  
25 owned tracts?

1 A. Yes.

2 Q. Are the costs and expenses for the wells as originally  
3 drilled or permitted within the South Longwall 8, 9 and  
4 10 panel units now allocable to the X-29 unit cor-  
5 respond with the DWES attached as Exhibits #G and #H?

6 A. Yes, it does.

7 Q. Do these exhibits reflect the estimated and/or actual  
8 costs of drilling the wells to total depth and complet-  
9 ed for production costs?

10 A. Yes, it is. It's actual costs.

11 Q. With regard to the costs that are listed on the DWES  
12 that were submitted how do you propose to allocate the  
13 costs among the owners in the unit?

14 A. We plan on using the standard Oakwood II formula, using  
15 the percentage of acreage of the longwall panel within  
16 that unit compared to the total acreage of the longwall  
17 panel.

18 Q. Are you requesting that PGP be designated as the well  
19 operator?

20 A. Yes, we are.

21 Q. Are you also requesting the relief sought in Paragraph  
22 4 of the application?

23 A. Yes.

24 Q. Are you requesting that the effective date of this  
25 application be the same as the effective date for the

1 W-29 and the South Longwall 8 through 12 orders  
2 previously entered today?

3 A. Yes.

4 Q. You are also requesting that applicant be entitled to  
5 recover the costs for the wells as stated for the W-29  
6 unit?

7 A. That's correct.

8 MS. McCLANNAHAN: Those are all the questions I have for Mr.  
9 Arrington and all the evidence we have.

10 MR. CHAIRMAN: Did you introduce Exhibit #4? Do we need to  
11 do that? The revised exhibit --

12 MS. McCLANNAHAN: I would just move the introduction of  
13 Exhibit #3 and #4 to make sure.

14 MR. CHAIRMAN: They're accepted. Would you also agree to  
15 notify the Board when you actually start the product-  
16 ion?

17 MS. McCLANNAHAN: Yes.

18 MR. MASON: I have one more question. I hesitate to ask  
19 this. In the original poolings for these panels did  
20 anybody elect to participate in any of these wells?

21 THE WITNESS: No, sir.

22 MS. McCLANNAHAN: No.

23 MR. MASON: Thank God. I don't know what you'd do with that  
24 in terms of how you would --

25 MR. MORGAN: It's the same problem you face when you



ITEM VI

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3 MR. CHAIRMAN: The next item on the agenda is a petition  
4 from Pocahontas Gas Partnership for an order force  
5 pooling the coalbed methane gas unit identified as  
6 W-30, docket number VGOB-95/04/18-0502. We'd ask the  
7 parties that wish to address the Board in this matter  
8 to come forward at this time.

9 MS. McCLANNAHAN: Elizabeth McClannahan for Pocahontas Gas  
10 Partnership.

11 MR. CHAIRMAN: The record will show there are no others.  
12 You may proceed.

13 MS. McCLANNAHAN: As an administrative matter and to help  
14 Ms. Riggs on drafting these orders, you may want to  
15 look for this particular unit that we've now withdrawn,  
16 the Y-29, because that also would have been contingent  
17 for some of these force poolings because we determined  
18 that one force pooling on an 80 acre unit could not be  
19 done unless all of them were done within a panel. So  
20 the way I drafted the application would have included a  
21 force pooling order for the Y-29 and now that won't be  
22 necessary.

23 MR. MASON: You're withdrawing that element of each --

24 MS. McCLANNAHAN: Of each application. Exactly.

25 MR. CHAIRMAN: The resumes and expert witnesses are

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accepted.

MS. McCLANAHAN: And Exhibit #1 is introduced?

MR. CHAIRMAN: Yes.

LESLIE ARRINGTON

a witness who, after having been previously sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MS. McCLANAHAN

Q. Mr. Arrington, is this application filed in conjunction with docket number 0498 converting the South Longwall 8 through 12 panel units that the Board heard earlier today?

A. Yes, it is.

Q. Is the W-30 unit a portion of the South Longwall 11 and 12 panel units previously established by the Board?

A. Yes.

Q. Were the coalbed methane gas interests underlying the 11 and 12 units force pooled?

A. Yes, it is. South Longwall 11 was force pooled on docket number 92/08/18-0248, entered on October 1st, 1992 and recorded on October 8th, 1992. South Longwall 12, docket number 92/08/181-0249, entered on October

1 1st, 1992 and recorded October 8th, 1992.

2 Q. Were the South Longwall 8 through 12 force pooling  
3 orders to be released upon issuance of the force  
4 pooling orders for the modified and converted 80 acre  
5 units?

6 A. Yes, it is.

7 Q. Has PGP initiated force pooling actions for all the  
8 modified and converted 80 acre units that require force  
9 pooling?

10 A. Yes.

11 Q. Have you given notice as required by Code Section 45.1-  
12 361.19?

13 A. Yes. This notice was sent out by certified mail,  
14 return receipt requested. A list of the returned  
15 receipts are at Exhibit #2 and a copy has been submit-  
16 ted to the Inspector.

17 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
18 Exhibit #2.

19 MR. CHAIRMAN: It's accepted.

20 Q. (Ms. McClannahan continues.) Did you publish the  
21 notice of hearing?

22 A. Yes. We did in the Bluefield Daily Telegraph on March  
23 25th, 1995. And a copy of the proof of publication was  
24 submitted to the Inspector.

25 Q. What percentage of the coal in the tracts that comprise

1 the W-30 unit does PGP control?  
2 A. 100 percent of the Pocahontas #3 seam.  
3 Q. What percentage of the oil and gas?  
4 A. 94.5375 percent of the oil and gas.  
5 Q. And what percentage of the coalbed methane gas estate?  
6 A. 100 percent.  
7 Q. Are these the same ownership control percentages listed  
8 on the application as it was filed?  
9 A. No, it is not. We did have some minor changes to make.  
10 There is a revised application Page 2 at Exhibit #3 to  
11 reflect those changes.  
12 Q. And you've also made revisions to Exhibits #C, #D and  
13 #E that were filed with the application to reflect  
14 those same changes?  
15 A. Yes, we have.  
16 Q. Are those revised exhibits submitted at Exhibit #4?  
17 A. Yes.  
18 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
19 Exhibits #3 and #4.  
20 MR. CHAIRMAN: They're accepted.  
21 Q. (Ms. McClannahan continues.) Do the plat and acreage  
22 totals on the revised Exhibit #C reflect the relative  
23 contribution that each tract is expected to make to the  
24 W-30 unit?  
25 A. Yes.

- 1 Q. Does the revised Exhibit #D reflect the correct  
2 unleased owners and their interests in the W-30 unit?
- 3 A. Yes, it does.
- 4 Q. Does the revised Exhibit #D as submitted reflect the  
5 correct conflicting claimants and their interests to be  
6 escrowed?
- 7 A. Yes.
- 8 Q. With regard to the unleased owners has PGP attempted to  
9 contact them to lease or assign their interests?
- 10 A. Yes, we have. We've contacted them individually or by  
11 certified mail.
- 12 Q. Generally what are the primary terms and the delay  
13 rental payments for the oil and gas and coalbed methane  
14 leases that PGP has acquired?
- 15 A. Our general terms for coalbed methane oil and gas  
16 lease is five dollars an acre per year with a ten year  
17 term or for a coalbed methane lease only it's a dollar  
18 per acre with a ten year term.
- 19 Q. Are you requesting that the Board pool the interests of  
20 the parties listed on Exhibit #C?
- 21 A. Yes.
- 22 Q. Have any well work permits been issued for this unit?
- 23 A. Yes. For well CBM-PGP-131-D which was issued on  
24 5/25/93 as permit number 2292-01.
- 25 Q. This was for a coalbed methane gas well?

- 1 A. Yes, it was.
- 2 Q. Does the plat attached to the force pooling application  
3 indicate the acreage and the shape of the acreage to be  
4 embraced within this unit as previously approved by the  
5 Board today?
- 6 A. Yes, it does.
- 7 Q. Does the unit follow the boundary lines of the Oakwood  
8 II field 80 acre unit designated as W-30?
- 9 A. Yes.
- 10 Q. Does the plat attached to the force pooling application  
11 indicate the area within which the well was drilled on  
12 the W-30 unit?
- 13 A. Yes, it does.
- 14 Q. Does the drilling unit embrace two or more separately  
15 owned tracts?
- 16 A. Yes.
- 17 Q. Are the costs and expenses for the wells as originally  
18 drilled or permitted within the South Longwall 11 and  
19 12 panel units now allocable to the W-30 unit set forth  
20 on detailed well estimates and the cost allocation  
21 charts on Exhibits #G and #H?
- 22 A. Yes, it does.
- 23 Q. Do these exhibits reflect the estimated and/or the  
24 actual costs of drilling the wells?
- 25 A. Yes, it is. It's actual costs.

1 Q. With regard to the costs that are listed on the DWES  
2 that were submitted how do you propose to allocate the  
3 costs among the owners?  
4 A. By using the standard Oakwood II formula, by allocating  
5 the percentage of the acreage of the longwall panel  
6 within that unit to the total longwall panel acreage.  
7 Q. Are you requesting that PGP be designated as the  
8 operator?  
9 A. Yes, we are.  
10 Q. Are you also requesting the relief sought in Paragraph  
11 4 of the PGP's application?  
12 A. Yes.  
13 Q. Are you requesting that the effective date of this  
14 application be made the same as the order for the W-29  
15 and X-29 force pooling applications previously entered  
16 today?  
17 A. Yes, we are.  
18 Q. You are also requesting that applicant be entitled to  
19 recover the costs for the wells as previously requested  
20 in the W-29 and X-29 force pooling applications?  
21 A. Yes, we are.  
22 MS. McCLANNAHAN: Those are all the questions I have. MR.  
23 CHAIRMAN: Questions, members of the Board?  
24 (Witness stands aside.)  
25 MR. CHAIRMAN: Do you have anything further?

1 MS. McCLANNAHAN: No, sir.  
2 MR. CHAIRMAN: Do I have a motion?  
3 MR. LEWIS: I make a motion to grant the application.  
4 MR. KELLY: Second.  
5 MR. CHAIRMAN: A motion and a second. Further discussion?  
6 All in favor signify by saying yes. (ALL AFFIRM.)  
7 Opposed say no. (NONE.) Unanimous approval. Thank  
8 you.  
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ITEM VII

MR. CHAIRMAN: The next item on the agenda is a petition from Pocahontas Gas Partnership for an order force pooling the coalbed methane gas unit identified as W-31, docket number VGOB-95/04/18-0503. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

MS. McCLANNAHAN: Elizabeth McClannahan for Pocahontas Gas Partnership.

MR. CHAIRMAN: The record will show there are no others. You may proceed.

MS. McCLANNAHAN: We will have the same expert witness, Mr. Les Arrington, who will be testifying. He's been previously sworn. Would you accept him as an expert witness in this case?

MR. CHAIRMAN: Yes. And the introduction of Exhibit #1.

LESLIE ARRINGTON

a witness who, after having been previously sworn, was examined and testified as follows:

DIRECT EXAMINATION

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4 BY MS. McCLANAHAN

5 Q. Mr. Arrington, is this application filed in conjunction  
6 with the conversion of the South Longwall 8 through 12  
7 panel units within the Oakwood I and II field heard by  
8 the Board earlier today?

9 A. Yes, it was.

10 Q. Is the W-31 unit a portion of the South Longwall 12  
11 panel unit?

12 A. Yes.

13 Q. Were the coalbed methane gas interests underlying the  
14 South Longwall 12 unit force pooled?

15 A. Yes. It was by docket number 92/08/18-0249, entered  
16 on October 1st, 1992 and recorded on October 8th, 1992.

17 Q. Were the South Longwall 8 through 12 force pooling  
18 orders to be released upon issuance of the force  
19 pooling orders for the modified and converted 80 acre  
20 units?

21 A. Yes.

22 Q. Has PGP initiated force pooling actions for all the  
23 modified and converted 80 acre units that require force  
24 pooling?

25 A. Yes.

1 Q. Have you given notice as required by Code Section 45.1-  
2 361.19?  
3 A. Yes, we have. The notice was sent out by certified  
4 mail, return receipt requested. A list of the receipts  
5 is at Exhibit #2 and a copy has been submitted to the  
6 Inspector.  
7 MS. McCLANAHAN: Mr. Chairman, I move the introduction of  
8 Exhibit #2.  
9 MR. CHAIRMAN: It's accepted.  
10 Q. (Ms. McClannahan continues.) Did you publish notice of  
11 the hearing in the Bluefield Daily Telegraph on March  
12 25th, 1995?  
13 A. Yes, we did.  
14 Q. Have copies of the proof of publication been previously  
15 submitted to the Board?  
16 A. Yes, it has.  
17 Q. What percentage of the coal in the tracts that comprise  
18 the W-31 unit does PGP control?  
19 A. 100 percent of the Pocahontas #3 seam.  
20 Q. And what percentage of the oil and gas?  
21 A. 58.697.  
22 Q. And what percentage of the coalbed methane gas estate?  
23 A. 100 percent.  
24 Q. Are these the same ownership control percentages listed  
25 on the application?

1 A. No, it is not. Again we did have some minor errors and  
2 we had to revise our Page 2 of the application which is  
3 at Exhibit #3.

4 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
5 Exhibit #3.

6 MR. CHAIRMAN: It's accepted.

7 Q. (Ms. McClannahan continues.) Are the unleased owners  
8 and their interests and conflicting claimants and their  
9 interests to be escrowed listed on the exhibit filed  
10 with the application?

11 A. Yes.

12 Q. With regard to the unleased owners has PGP attempted to  
13 contact them to lease or assign their interests?

14 A. Yes, we have either individually or by certified mail.

15 Q. Generally what are the primary terms and the delay  
16 rental payments for the oil and gas and coalbed methane  
17 leases that PGP has acquired in this area?

18 A. For coalbed methane oil and gas lease is five dollars  
19 an acre per year for a ten year term or for a coalbed  
20 methane lease only it's a dollar per acre for a ten  
21 year term.

22 Q. Are you requesting that the Board pool the interests of  
23 the parties listed on Exhibit #C?

24 A. Yes, we are.

25 Q. Have any well work permits been issued for the W-31

- 1 unit?
- 2 A. No.
- 3 Q. Does the plat attached to the force pooling application  
4 filed by PGP indicate the acreage and the shape of the  
5 acreage to be embraced within this unit as approved by  
6 the Board today?
- 7 A. Yes.
- 8 Q. Does the unit follow the boundary lines of the Oakwood  
9 II field 80 acre unit designated as W-31?
- 10 A. Yes, it does.
- 11 Q. Does the plat attached to the force pooling application  
12 indicate the area within which the well was drilled?
- 13 A. Yes.
- 14 Q. Does the drilling unit embrace two or more separately  
15 owned tracts?
- 16 A. Yes.
- 17 Q. Are the costs and expenses for the wells as originally  
18 drilled or permitted within the South Longwall 12 panel  
19 unit and now allocable to the W-31 unit set forth on  
20 detailed well estimates attached as Exhibits #G and  
21 #H?
- 22 A. Yes.
- 23 Q. Have you submitted revised detailed well estimates  
24 since you submitted Exhibits #G and #H?
- 25 A. Yes, we have. It's at Exhibit #5.

1 Q. What are the revisions that you've made?

2 A. There was some additional wells proposed. Since we  
3 have good locations for them we were able to come with  
4 a pretty accurate total depth and estimated costs was  
5 done for each one of those well locations.

6 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
7 Exhibit #5.

8 MR. CHAIRMAN: It's accepted.

9 Q. (Ms. McClannahan continues.) Could you explain your  
10 revised Exhibit #G which is now Exhibit #4?

11 A. Yes. Originally the Exhibit #G for the 8 East and the  
12 9 East Longwall panel were only showing seven addition-  
13 al wells. The costs were all the same, such as the  
14 additional well 229184. Now that we do have the  
15 proper total depths we do have a pretty accurate DWE  
16 cost for those wells.

17 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
18 Exhibit #4.

19 MR. CHAIRMAN: It's accepted.

20 Q. (Ms. McClannahan continues.) Are you requesting that  
21 PGP be designated as the well operator to operate the  
22 W-31 unit?

23 A. Yes.

24 Q. Are you requesting the relief sought in Paragraph 4?

25 A. Yes.

1 Q. And are you requesting that the effective date of this  
2 application be the same as the order for the W-29, X-29  
3 and W-30 previously submitted to the Board today?  
4 A. Yes, we are.  
5 Q. You are also requesting that applicant be entitled to  
6 recover the costs for the wells as previously requested  
7 in the W-29, X-29 and W30 units?  
8 A. Yes, we are.  
9 MS. McCLANNAHAN: Those are all the questions I have and all  
10 the evidence we have to submit.  
11 CHAIRMAN: Any questions, members of the Board? Do I have  
12 a motion?  
13 MR. KELLY: I have just one question that's really for  
14 information purposes. I notice that quite a few of  
15 these wells are right on the unit boundary. Are these  
16 VWHs that have been converted or CBMs that have been  
17 granted exceptions? Are exceptions even necessary in  
18 this particular area?  
19 THE WITNESS: No.  
20 MR. KELLY: I assume that was the case but I didn't rememb-  
21 er. I what I thought was the case but I just wanted to  
22 refresh my memory.  
23 MR. CHAIRMAN: That's fine. Any other questions? Do I have  
24 a motion?  
25 MR. KELLY: I move the application be approved.

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MR. MASON: Second.

MR. CHAIRMAN: A motion and a second. Further discussion?

All in favor signify by saying yes. (ALL AFFIRM.)

Opposed say no. (NONE.) Unanimous approval. Thank

you.

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3 ITEM VIII

4 MR. CHAIRMAN: The next item on today's agenda is a petition  
5 from Pocahontas Gas Partnership for an order force  
6 pooling the coalbed methane gas unit identified as  
7 X-31, docket number VGOB-95/04/18-0504. We'd ask the  
8 parties that wish to address the Board in this matter  
9 to come forward at this time.

10 MS. McCLANNAHAN: Elizabeth McClannahan for Pocahontas Gas  
11 Partnership.

12 MR. CHAIRMAN: The record will show there are no others.  
13 You may proceed. The Board will accept Exhibit #1, the  
14 resume of Mr. Arrington, and him as an expert witness.

15 MS. McCLANNAHAN: I'd like to call Les Arrington.

16 LESLIE ARRINGTON

17 a witness who, after having been previously sworn, was  
18 examined and testified as follows:

19  
20 DIRECT EXAMINATION

21  
22 BY MS. McCLANNAHAN

23 Q. Mr. Arrington, is this application for the X-31 filed  
24 in conjunction with the conversion of the South  
25 Longwall 8 through 12 panel units to 80 acre units

1           within the Oakwood I and II field heard by the Board  
2           earlier today?

3    A.    Yes, it does.

4    Q.    Is the X-31 unit a portion of the South Longwall 12  
5           panel unit previously established?

6    A.    Yes.

7    Q.    Were the coalbed methane gas interests underlying the  
8           South Longwall 12 unit force pooled?

9    A.    Yes. It was by docket number 92/08/18-0249, entered  
10           on October 1st, 1992 and recorded on October 8th, 1992.

11   Q.    Were the South Longwall 8 through 12 force pooling  
12           orders to be released upon issuance of the force  
13           pooling orders for the modified and converted 80 acre  
14           units?

15   A.    Yes, it was.

16   Q.    Have you given notice as required by Code Section 45.1-  
17           361.19?

18   A.    Yes, we have by certified mail, return receipt request-  
19           ed. And a list of the receipts is at Exhibit #2 and a  
20           copies of the returned receipts have been submitted to  
21           the Inspector.

22   MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
23           Exhibit #2.

24   MR. CHAIRMAN: It's accepted.

25   Q.    (Ms. McClannahan continues.) Did you publish notice of

1 the hearing?

2 A. Yes, we did in the Bluefield Daily Telegraph on March  
3 25th, 1995.

4 Q. Were copies of the proof of publication previously  
5 submitted to the Board?

6 A. Yes, it was.

7 Q. What percentages of the coal in the tracts that  
8 comprise the X-31 unit does PGP control?

9 A. 100 percent of the Pocahontas #3 seam. 93.399 percent  
10 of the oil and gas estate and 100 percent of the  
11 coalbed methane gas estate.

12 Q. Are these the same ownership control percentages listed  
13 on the application as filed?

14 A. No, it is not. Again we did have some minor errors in  
15 our totals and we had also have obtained additional  
16 leases. That's at Exhibit #3, application Page 2.

17 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
18 Exhibit #3.

19 MR. CHAIRMAN: It's accepted.

20 Q. (Ms. McClannahan continues.) Have you also made  
21 revisions to Exhibit #C that was filed with the  
22 application?

23 A. Yes, we have to reflect some additional leases and some  
24 minor corrections.

25 Q. Are those submitted as Exhibit #4?

1 A. Yes.

2 MS. McCLANNAHAN: Mr. Chairman, I move the introduction of  
3 Exhibit #4.

4 MR. CHAIRMAN: It's accepted.

5 Q. (Ms. McClannahan continues.) Do the plat and acreage  
6 totals on the revised Exhibit #C as herein submitted  
7 reflect the relative contribution that each tract is  
8 expected to make to the X-31 unit?

9 A. Yes, it is.

10 Q. Are the unleased owners and their interests and the  
11 conflicting claimants and their interests to be  
12 escrowed listed on the exhibits filed with the appli-  
13 cation?

14 A. Yes.

15 Q. With regard to the unleased owners has PGP attempted to  
16 contact them to lease or assign their interests?

17 A. Yes, we have. They've either been contacted in-  
18 dividually or by certified mail.

19 Q. Generally what are the primary terms and the delay  
20 rental payments for the oil and gas and coalbed methane  
21 leases that PGP has acquired?

22 A. For coalbed methane oil and gas lease it's five dollars  
23 an acre per year with a ten year term and a one-eighth  
24 royalty. For a coalbed methane lease only it's a  
25 dollar per acre for a ten year term with a one-eighth

- 1 royalty.
- 2 Q. Are you requesting that the Board pool the interests of  
3 the parties listed on Exhibit #C?
- 4 A. Yes, we are.
- 5 Q. Have any well work permits been issued for the X-31  
6 unit?
- 7 A. Yes. Well CBM-PGP-135 was issued on 11/19/92 as permit  
8 number 2232. PGP-SLW-12 135-A was issued on March 2nd,  
9 1994 as permit number 2642. The permit application has  
10 been filed for well CBM-PGP-145, 151 and 152 on April  
11 5th, 1995.
- 12 Q. And these permits were filed for coalbed methane gas  
13 wells?
- 14 A. Yes.
- 15 Q. Have you received any written responses from the owners  
16 of the tracts within this unit to the force pooling  
17 application submitted?
- 18 A. No, we have not.
- 19 Q. Does the plat attached to the force pooling application  
20 filed by PGP indicate the acreage and the shape of the  
21 acreage to be embraced within the X-31 unit as approved  
22 by the Board today?
- 23 A. Yes.
- 24 Q. Does the unit follow the boundary lines of the Oakwood  
25 II field 80 acre unit designated as X-31?

- 1 A. Yes.
- 2 Q. Does the plat attached to the force pooling application  
3 filed by PGP indicate the area within which the well  
4 was drilled on the X-31 unit?
- 5 A. Yes.
- 6 Q. Does the drilling unit embrace two or more separately  
7 owned tracts?
- 8 A. Yes.
- 9 Q. Are the costs and expenses for the wells as originally  
10 drilled or permitted within the SLW 12 panel units set  
11 forth on detailed well estimates attached to the force  
12 pooling application as Exhibits #G and #H?
- 13 A. Yes, as actual costs and estimated costs.
- 14 Q. So certain of these wells are actual costs and certain  
15 of them are estimated, is that correct?
- 16 A. That's correct.
- 17 Q. As an administrative matter I believe two of the DWES  
18 were not included in the package that you sent to the  
19 Board, is that correct?
- 20 A. That is correct.
- 21 Q. And those are for wells 133 and 134?
- 22 A. That's correct.
- 23 Q. Do you have copies of those that we could submit to the  
24 Board today?
- 25 A. No. I'll have to send it to them. I do have them.

1 MR. MASON: Excuse me. May I interrupt? Are they commenc-  
2 erate with the cost of these?

3 THE WITNESS: Yes, they are.

4 Q. (Ms. McClannahan continues.) How do you propose to  
5 allocate the costs among the owners in the unit that  
6 are listed on the DWES?

7 A. Using the standard Oakwood II formula. It is using the  
8 percentage of longwall panel within that unit to the  
9 total longwall panel acreage.

10 MR. CHAIRMAN: Was that wells 133 and 134?

11 MS. McCLANNAHAN: Right.

12 Q. (Ms. McClannahan continues.) The changes that you made  
13 to the DWES and the cost allocation charts submitted as  
14 Exhibits #G and #H to the Board -- your revised Exhibit  
15 #G and submitted to the Board as Exhibit #4 and then  
16 there are revisions on the DWES and cost allocations  
17 submitted as Exhibit #5, is that correct?

18 A. That's correct.

19 Q. Can you explain those changes?

20 A. Yes. Those changes were necessary because we do have  
21 good locations for the wells and we were able to come  
22 up with an estimated cost for that well location. And  
23 we were able to come up with a pretty accurate DWE at  
24 that point.

25 MS. McCLANNAHAN: I submit the introduction of Exhibits #3

1 through #5.

2 MR. CHAIRMAN: They are accepted.

3 MR. MORGAN: If I may, on Exhibit #G you can see he has the  
4 cost of those two wells listed there. He just does not  
5 have the DWEs.

6 MR. CHAIRMAN: Correct. Thank you. Mr. Morgan.

7 MS. RIGGS: Those are estimated costs based on average well  
8 costs?

9 MR. MORGAN: Those two wells are actual costs.

10 MS. McCLANNAHAN: I also move the introduction of Exhibit  
11 #6.

12 MR. CHAIRMAN: It's accepted.

13 Q. (Ms. McClannahan continues.) Are you requesting that  
14 PGP be designated as the well operator?

15 A. Yes, we are.

16 Q. Are you requesting the relief sought in Paragraph 4 of  
17 the application?

18 A. Yes, we are.

19 Q. You are also requesting that the effective date of this  
20 application be made the same as the force pooling  
21 applications submitted for the W-29, X-29, W-30 and W-  
22 31 today?

23 A. Yes, we are.

24 Q. And for those same units you're requesting that you be  
25 entitled to recover the costs for the wells pursuant to

1 the same request in those?  
2 A. Yes, we are.  
3 MS. McCLANNAHAN: Those are all the questions I have of Mr.  
4 Arrington and all the evidence we have to submit.  
5 CHAIRMAN: Any questions, members of the Board? Do I have  
6 a motion?  
7 MR. KELLY: I move that the application be approved.  
8 MR. MASON: Second.  
9 MR. CHAIRMAN: A motion to approve and a second. Further  
10 discussion? All in favor signify by saying yes. (ALL  
11 AFFIRM.) Opposed say no. (NONE.) Unanimous approval.  
12 Thank you.  
13 MS. McCLANNAHAN: Also as an administrative matter I skipped  
14 on W-30 which was submitted previously, there were two  
15 DWES that the same thing was done. The actual costs  
16 are listed on there but the DWES weren't submitted for  
17 wells 135-A and 135. Mr. Arrington has those to submit  
18 to you today.  
19 MR. CHAIRMAN: Thank you. Anything further?  
20 MS. McCLANNAHAN: No, that's all. Thank you.  
21 MR. CHAIRMAN: Anything further, members of the Board? That  
22 concludes today's hearing. Thank you.  
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(End of Proceedings for  
April 18, 1995.)

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CERTIFICATE

COMMONWEALTH OF VIRGINIA  
COUNTY OF WASHINGTON

I, Deborah J. Bise, Notary Public in and for the Commonwealth of Virginia, at Large, do hereby certify that the foregoing proceedings of the Virginia Gas and Oil Board meeting held on April 18, 1995 at the Southwest Virginia 4-H Center, Abingdon, Virginia, were taken by me and that the foregoing is a true and correct transcript of the proceedings had as aforesaid to the best of my ability.

I further certify that I am not a relative, counsel, or attorney for either party, or otherwise interested in the outcome of this action.

GIVEN under my hand this 28th day of April, 1995.

Deborah J. Bise  
DEBORAH J. BISE  
NOTARY PUBLIC

My commission expires September 30, 1996.