

1 VIRGINIA:

2 IN THE COUNTY OF WASHINGTON

3 VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

4 VIRGINIA GAS AND OIL BOARD

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8
9 DECEMBER 18, 2001

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12 APPEARANCES:

13 MASON BRENT, GAS & OIL INDUSTRY REPRESENTATIVE

14 KEN MITCHELL, REPRESENT THE CITIZENS

15 BENNY WAMPLER, DIRECTOR OF THE DMME & CHAIRMAN

16 MAX LEWIS, PUBLIC MEMBER

17 CLYDE KING, PUBLIC MEMBER

18 SANDRA RIGGS, ASSISTANT ATTORNEY GENERAL

19 BOB WILSON, DIRECTOR OF THE DIVISION OF GAS & OIL AND ACTING

20 PRINCIPAL EXECUTIVE TO THE STAFF OF THE BOARD

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****AGENDA ATTACHED

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3 BENNY WAMPLER: Good morning, my name is Benny
4 Wampler. I'm Deputy Director for the Virginia Department of
5 Mines, Minerals and Energy, and Chairman of the Gas & Oil
6 Board. I'll ask the Board members to introduce themselves,
7 starting with Mr. Brent.

8 MASON BRENT: My name is Mason Brent. I'm from
9 Richmond, and I represent the gas and oil industry.

10 KEN MITCHELL: My name is Ken Mitchell. I'm from
11 Stafford County, Virginia, and I represent the citizens.

12 SANDRA RIGGS: I'm Sandra Riggs with the Office of
13 the Attorney General here to advise the Board.

14 MAX LEWIS: My name is Max Lewis. I'm from Buchanan
15 County, a public member.

16 CLYDE KING: My name's Clyde King. I'm from
17 Abingdon and a public member.

18 BOB WILSON: I'm Bob Wilson. I'm the Director of
19 the Division of Gas and Oil and the principal executive to
20 the staff of the Board.

21 BENNY WAMPLER: The first item on today's agenda is
22 the Board will consider a petition from Pocahontas Gas
23 Partnership for modification for a prior pooling order for
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1 coalbed methane unit under the Middle Ridge I Coalbed Methane
2 Gas Field Order identified as AV-110. This is docket number
3 VGOB-01-03/20-0870-01; and we'd ask the parties that wish to
4 address the Board in this matter to come forward at this
5 time.

6 MARK SWARTZ: Mark Swartz and Les Arrington.

7 BOB WILSON: Mr. Chairman.

8 BENNY WAMPLER: Mr. Wilson?

9 BOB WILSON: Before we start with this item, just
10 for the record, we received a letter addressed to the Board
11 from James D. Rasnake, which he raised an objection to this
12 pooling. It was dated December the 18th of 2001. However,
13 we also have a handwritten note from him, dated December the
14 17th, 2001, verified by phone call, stating that he has
15 withdrawn this objection. I just wanted to get it in the
16 record and this objection and the withdrawal letter will be
17 placed in the file.

18 BENNY WAMPLER: Thank you. The record will show
19 there are no others. You may proceed, Mr. Swartz.

20 MARK SWARTZ: Also, sort as a housecleaning matter,
21 I don't know if Mr. Wilson distributed this, but I got a
22 letter from a Nancy Dickenson following up a phone call that
23 I'd received from her. She's an attorney in Lebanon. She

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1 wanted to alert me to the fact, and we'll get more
2 specifically into this, but she wanted to alert me of the
3 fact that it was her view that three of the Jacob Fuller
4 heirs had been omitted from one of the groups of heirs, and
5 this letter confirms that and we'll be talking about it as we
6 go forward today. I just wanted you to know that we had
7 lodged that this morning.

8 BENNY WAMPLER: We just received it from Mr.
9 Wilson.

10 MARK SWARTZ: Okay. All right, Mr. Arrington, you
11 want to be sworn?

12 (Mr. Arrington is duly sworn.)

13

14 LESLIE K. ARRINGTON

15 having been duly sworn, was examined and testified as
16 follows:

17 DIRECT EXAMINATION

18 QUESTIONS BY MR. SWARTZ:

19 Q. Who do you work for?

20 A. Consol Energy.

21 Q. Okay, the applicant with regard to AV-110 is
22 whom?

23 A. Pocahontas Gas Partnership.

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1 Q. Is that a Virginia General Partnership?
2 A. Yes, it is.
3 Q. Does it have two partners?
4 A. Yes, it does.
5 Q. Who are they?
6 A. Consolidation Coal Company and up until
7 January 1, Conoco, Inc., and then it will be Consol Energy.
8 Q. Incorporated, will be the other partner---?
9 A. Yes.
10 Q. ---on January 1 of 2000?
11 A. Yes.
12 Q. Okay. Who is it that the applicant is
13 requesting be designated the operator of unit AV-110?
14 A. Pocahontas Gas Partnership.
15 Q. Okay, in fact, PGP is already the operator?
16 A. Yes.
17 Q. Because this was pooled previously and this
18 was a repooling?
19 A. That's correct.
20 Q. And so you're continuing to make that
21 request?
22 A. Yes.
23 Q. Is Pocahontas Gas Partnership authorized to
24

1 do business in the Commonwealth?

2 A. Yes, we are.

3 Q. Has PGP registered with the DMME and does it
4 have a blanket bond on file?

5 A. Yes.

6 Q. Have you listed all of the respondents in
7 this exhibit B-3 and the notice of hearing except the
8 additional folks that were identified in attorney Nancy
9 Dickenson's letter?

10 A. That's correct.

11 Q. Okay. And did you mail to the respondents
12 that you've listed that you had addresses for?

13 A. Yes. We mailed certified mail/return
14 receipt on November the 16th of 2001.

15 Q. Okay. And have you filed your proof, or
16 your certification, with regard to mailing and the status of
17 that mailing with the Board this morning?

18 A. Yes, we have.

19 Q. Okay. And, in addition, did you publish for
20 people that you might have missed or have been unaware of?

21 A. Yes, we did. We published in the Bluefield
22 Daily Telegraph on November the 23rd, 2001.

23 Q. With regard to AV...I'm sorry. Let me get
24

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1 AV-110. I gotcha. November the 23rd. What did you publish?
2 A. The notice of hearing and attached map.
3 Q. Okay. And with regard to AV-110, you filed
4 this morning one revised or additional exhibit, is that
5 correct?
6 A. We did.
7 Q. And what was that?
8 A. Exhibit A, page two.
9 Q. And that's the disclosure of standing or
10 interest in the unit and what's being pooled today, correct?
11 A. That's correct.
12 Q. And was that just omitted from the original
13 filing?
14 A. It appears that we've done a revision.
15 Q. Okay. As of November the 26th, correct?
16 A. Yes.
17 Q. And so the final...if this were incorporated
18 in the final order, which I'm not suspecting it will be, but
19 if it were, they should use the revised 11/26---?
20 A. That's correct.
21 Q. ---correct?
22 A. Uh-huh.
23 Q. Okay. So, do you want to add the
24

1 respondents then that are identified in Nancy Dickenson's
2 letter?

3 A. Yes, we would.

4 Q. Okay. And those folks would be added as
5 heirs of Emily (Fuller) Keen and her heirs that would
6 be...that we've listed, and that would be an expanded list,
7 are at parenthesis seven section of the Jacob Fuller heirs,
8 which is page four of twenty-two, correct?

9 A. Okay. Yes.

10 Q. And that occurs several times with regard to
11 the different tracts, but that's where these three folks
12 would be inserted?

13 A. Yes.

14 Q. Okay. In addition, have we had, between you
15 and I, some discussions with James Rasnake?

16 A. Yes, we have.

17 Q. Okay. And based on those discussions, I
18 will represent to the Board, that James has told us that he
19 has acquired an interest since this was originally pooled and
20 I have a list of those from him. So, we anticipate that when
21 we file a supplemental order, we'll have some dismissals.
22 The dismissals based on my discussions with Mr. Rasnake would
23 occur with regard to the William T. Fuller heirs, the only

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1 one listed, and of consequences, Marvin Fuller who has,
2 according to Mr. Rasnake and I have no reason not to believe
3 this, assigned his interest to Mr. Rasnake and Michael, I
4 believe. And, in addition, Mr. Rasnake and/or Michael
5 Rasnake have obtained assignments of all of the Laura Rasnake
6 heirs, which is parenthesis five, again, three or twenty-two,
7 except Lucy Blankenship. Now, the point of this, in addition
8 to just cleaning up title by reason of these assignments, is
9 from an escrow standpoint, the documents that you all
10 received with the application would indicate that escrow is
11 required, right, Les?

12 A. Yes, it is.

13 Q. Okay. And the reason that we're proposing
14 escrow was what originally?

15 A. Conflicts.

16 Q. Between coal and oil---?

17 A. Between the coal, oil and gas, yes.

18 Q. Okay. In addition, there is...there is a
19 conflict on the oil and gas side. Mr. Rasnake is claiming
20 that he, Michael Rasnake, and Lucy Rasnake own a 100% of the
21 oil and gas claim and that the rest of the heirs do not,
22 okay. So, there will be, you know, an additional reason,
23 which is a title issue, that we will identify in addition to
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1 just the coal, oil and gas conflict. I told James that I
2 would make sure that you all understood that that was coming
3 in the supplemental order. Is that your understanding as
4 well?

5 A. Yes, it was.

6 Q. Okay. So, we don't want to dismiss any
7 respondents at this point, but in the supplemental order
8 we'll address Mr. Rasnake's...the information he gave us and
9 then there probably will be some dismissals?

10 A. That's correct.

11 Q. Okay. And the only folks that you want to
12 add are the people identified by Nancy Dickenson, is that
13 correct?

14 A. That's correct.

15 Q. Okay. This AV-110 unit, what field is that
16 in?

17 A. The Middle Ridge.

18 Q. Okay. And that unit contains, if we look at
19 the plat, how many acres?

20 A. 51.

21 Q. And how many wells?

22 A. One.

23 Q. And where is that well located in relation
24

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1 to the drilling window?

2 A. It's in the drilling window.

3 Q. Okay. So, you don't need an exception?

4 A. No.

5 Q. And does this application seek to develop
6 coalbed methane from the Jawbone seam, if it's below
7 drainage, on down?

8 A. Yes, it does.

9 Q. And it would by virtue of a frac well?

10 A. Yes.

11 Q. And have you included with your exhibits,
12 and in fact, it's probably summarized in the spreadsheet you
13 passed out today, information with regard to that well?

14 A. Yes, I have.

15 Q. And what would that be?

16 A. Well, the permit for AV-110 was 4798, issued
17 November the 17th of 2000. It was drilled to a total depth
18 of 2,833.31 feet and the estimated cost is \$207,508.88.

19 Q. And the interest that you have obtained by
20 lease or purchase in AV-110 as compared to what you're
21 seeking to pool are what?

22 A. I believe the interest that we have obtained
23 is 72.61321% of the coal, oil and gas interest. We're

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1 seeking to pool 27.38679%. We have a 100% of the coal leased
2 beneath this unit.

3 Q. Okay. And you're only talking about one
4 well?

5 A. That's correct.

6 Q. If folks wanted to calculate their interest
7 in this...in the royalty in this unit, they would go to
8 exhibit B-3, correct?

9 A. Correct.

10 Q. And they would find their name?

11 A. Right.

12 Q. And then across from their name in the last,
13 or furthest column to the right, they would see an interest
14 in unit, correct?

15 A. Yes.

16 Q. And that sets forth their percentage in the
17 unit?

18 A. That's correct.

19 Q. If oil and gas is determined to be the
20 estate that owns the coalbed methane---?

21 A. Correct.

22 Q. ---and they would then multiply that
23 percentage times 12½ % and that would give them their
24

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1 interest in the royalty?

2 A. Yes, it would.

3 Q. And if they wanted to participate in this
4 unit---?

5 A. Yes.

6 Q. ---they would use the same percentage times
7 the dollar, right?

8 A. Yes, they would.

9 Q. Is the dollar estimate understated because
10 of the ultimate---?

11 A. Because of the drilling, yes. The estimate,
12 when I done my DWE, I used an estimated depth that was
13 somewhat shallower than what we actually drilled the well.

14 Q. About 300 and some feet shallower, right?

15 A. Yes, it was. Uh-huh.

16 Q. You have not, however, increased your
17 estimate with regard to the well cost, correct?

18 A. No...that's correct, we have not.

19 Q. Because the folks that were previously
20 offered elections were offered elections at that number,
21 right?

22 A. That's correct.

23 Q. Okay. So, that's why we've left that as it
24

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1 is.

2 A. Mark, I might add that the exhibit page A-2
3 that we have submitted, and I just noticed that on the
4 coalbed methane lease from the coal owner---.

5 Q. Right.

6 A. ---that will be...that should be 100%.

7 Q. Okay.

8 A. And I need to get a correction in on that.
9 And we're only seeking to pool 27.38679% from the oil and gas
10 owners.

11 Q. Okay. So, you've got a 100% of the coal
12 claim is leased?

13 A. Yes.

14 Q. Okay. Is it your opinion that the plan to
15 develop coalbed methane from under this Middle Ridge unit
16 that is disclosed by the plat and the application---?

17 A. Yes, it is.

18 Q. ---is a reasonable plan to drain coalbed
19 methane from within and under this unit?

20 A. Yes, it is.

21 Q. And is the plan coupled with the need for
22 escrow and the pooling here also, in your opinion, a way
23 of...a method of production that protects all of the
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1 correlative rights of all of the parties?

2 A. Yes, it does.

3 Q. Okay. That's all I have.

4 BENNY WAMPLER: Questions from members of the
5 Board?

6 (No audible response.)

7 BENNY WAMPLER: Let me go back and ask you one
8 thing on the Consol, Inc. Is it Consol Energy, Inc. January
9 the 1st, 2002?

10 LESLIE K. ARRINGTON: Yes.

11 BENNY WAMPLER: So, it's Consol Energy, Inc. rather
12 than---?

13 LESLIE K. ARRINGTON: Yes.

14 BENNY WAMPLER: ---Consol Energy?

15 LESLIE K. ARRINGTON: Right. It will be.

16 BENNY WAMPLER: Okay. Other questions?

17 LESLIE K. ARRINGTON: And who knows after that.

18 SANDRA RIGGS: What is it right now?

19 BENNY WAMPLER: Consol Energy.

20 MARK SWARTZ: It's Consolidation Coal Company and
21 Conoco, Inc.

22 SANDRA RIGGS: It's still Conoco.

23 LESLIE K. ARRINGTON: It's still Conoco until
24
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1 January 1.

2 SANDRA RIGGS: And then it will be the same as the
3 Buchanan---?

4 MARK SWARTZ: Right.

5 SANDRA RIGGS: ---under Consol Energy, Inc.?

6 LESLIE K. ARRINGTON: Yes.

7 MARK SWARTZ: Right.

8 SANDRA RIGGS: Okay.

9 BENNY WAMPLER: Any other questions from members of
10 the Board?

11 (No audible response.)

12 BENNY WAMPLER: Do you have anything further, Mr.
13 Swartz?

14 MARK SWARTZ: No.

15 BENNY WAMPLER: Do I have a motion?

16 MAX LEWIS: I make a motion we approve it as
17 presented.

18 BENNY WAMPLER: I have a motion to approve.

19 CLYDE KING: Second.

20 BENNY WAMPLER: Second. Any further discussions?

21 (No audible response.)

22 BENNY WAMPLER: All in favor, signify by saying
23 yes.

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1 (All members signify by saying yes.)

2 BENNY WAMPLER: Opposed, say no.

3 (No audible response.)

4 BENNY WAMPLER: You have approval. Let me do a
5 little housekeeping. There's a suggestion that we can
6 combine...actually, I didn't combine 1, 2 and 3, it was a
7 suggestion, because a number of folks here had expressed an
8 interest in 1. But there's a request to combine 2 and 3.
9 Both are Oakwood I units. Any objection to doing that?

10 CLYDE KING: 2 and 3.

11 BENNY WAMPLER: 2 and 3.

12 (No audible response.)

13 BENNY WAMPLER: I'm just doing a little
14 housekeeping here. I have a request to dismiss number 7. Is
15 that correct?

16 MARK SWARTZ: Yes.

17 BENNY WAMPLER: That's dismissed.

18 MASON BRENT: Dismissed and not continued?

19 MARK SWARTZ: Correct.

20 BENNY WAMPLER: Dismissed, number 7. I have a
21 request to continue number 9.

22 MARK SWARTZ: Jim Kiser has a client in that unit.
23 Columbia Natural Resources has a lease. I've talked with
24

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1 Jim and there are some discussions between our clients in
2 terms of maybe purchasing an interest or swapping an interest
3 there. So, we thought it would be prudent to continue it for
4 thirty days and see if they can't work something out.
5 There's also a Cabot issue that we have not worked out, but
6 we're trying. So, at least Mr. Kiser is in favor of
7 continuing it and we are, and if you can indulge us for
8 thirty days, we'd appreciate it.

9 BENNY WAMPLER: Okay with everybody?

10 (No audible response.)

11 BENNY WAMPLER: So, we're dismissing 7 and
12 continuing number 9 on the Board's items here. To get that
13 on the record properly, we'll dismiss docket number VGOB-01-
14 12/18-0992. We're going to continue docket number VGOB-01-
15 12/18-0994. Now, go up to 2 and 3 on your agenda items.
16 We'll go ahead and call two items. A petition from
17 Pocahontas Gas Partnership for a modification of a prior
18 pooling order for coalbed methane unit under the Oakwood
19 Coalbed Methane Gas Field I order identified as Q-43, docket
20 number VGOB-00-03/21-0779-01; and a petition from Pocahontas
21 Gas Partnership for a modification of a prior pooling order
22 for coalbed methane unit under the Oakwood Coalbed Methane
23 Gas Field I order identified as R-43, docket number VGOB-00-

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1 03/21-0781-01. We'd ask the parties that wish to address the
2 Board in these matters to come forward at this time.

3 MARK SWARTZ: Mark Swartz and Les Arrington.

4 BENNY WAMPLER: The record will show there are no
5 others. You may proceed.

6

7 LESLIE K. ARRINGTON

8 DIRECT EXAMINATION

9 QUESTIONS BY MR. SWARTZ:

10 Q. Mr. Arrington, you need to state your name.

11 A. Leslie K. Arrington.

12 Q. Who do you work for?

13 A. Consol Energy.

14 Q. Who are you here on behalf of today?

15 A. Pocahontas Gas Partnership.

16 Q. And in both instances of the docket cases
17 that have been called, Pocahontas Gas Partnership is the
18 applicant, correct?

19 A. That's correct.

20 Q. Okay. Both of these units are Oakwood I
21 frac units?

22 A. They are.

23 Q. Okay, so we would be talking about 80 acre
24

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1 units?

2 A. That's correct.

3 Q. And we would be talking about coalbed
4 methane production from the Tiller on down?

5 A. That's correct.

6 Q. The applicant, as we've said, is Pocahontas
7 Gas Partnership, and my question is, is that a Virginia
8 General Partnership?

9 A. Yes, it is.

10 Q. Who are the partners now and who will they
11 be January the 1st, 2002?

12 A. The partners now are Consolidation Coal
13 Company and Conoco, Inc. and will be Consolidation Coal
14 Company and Consol Energy, Inc.

15 Q. In this...in these two applications, who is
16 it that we're asking be appointed the designated operator?

17 A. Pocahontas Gas Partnership.

18 Q. And is Pocahontas Gas Partnership authorized
19 to do business in the Commonwealth, has it registered with
20 the DMME and does it have a blanket bond on file?

21 A. Yes, it does.

22 Q. Okay. The respondents...have you listed all
23 of the respondents who are primarily the Cantrell heirs in

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1 both the notice of hearing and Exhibit B-3?

2 A. Yes, we have.

3 Q. For those heirs that you had addresses for,
4 did you mail to them?

5 A. Yes, we did. On November the 16th of 2001
6 by certified mail/return receipt requested.

7 Q. And have you included with the items you've
8 filed with the Board today a certification and notice and
9 copies of mailing information?

10 A. Yes, I have.

11 Q. In addition to mailing, what did you do?

12 A. We published in the Bluefield Daily
13 Telegraph on November the 24th of 2001.

14 Q. And when you published, what did you
15 publish?

16 A. The notice and attached map.

17 Q. Okay. Do you want to add anybody today to
18 either of these units as a respondent?

19 A. No, we do not.

20 Q. Do you want to dismiss anybody today?

21 A. No. I might add Q...the publication for Q-
22 43, was November the 23rd...the 24th in Q-43, I'm sorry. For
23 R-43, it was November the 23rd.

24

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1 Q. Okay. Are we going to have to file a
2 amended Exhibit A with regard to these two units?

3 A. Yes, we are. We copied the numbers for the
4 coal information and we just made an error there.

5 Q. Okay. What...tell the Board what interest,
6 coal and oil and gas, that you've acquired and what these two
7 applications are seeking to pool?

8 A. Yes. We have acquired from the coal
9 interest, 100% of the coalbed methane, and for the oil and
10 gas interest for Q-43, 96.70286%; and we're seeking to pool
11 3.297914% of the oil and gas interest; and below that unit,
12 we have 100% of the coal leased. R-43, we have 100% of the
13 coal leased beneath that unit; and we're...we have 98.54608%
14 of the coalbed methane interest from the oil and gas owners.
15 We're seeking to pool 1.45392% of the oil and gas, coalbed
16 methane interest.

17 Q. The folks that you have been able to obtain
18 leases from, what has been your customary lease terms that
19 you have been offering?

20 A. Our standard lease terms are...for a coalbed
21 methane lease is a \$1 per acre per year with a five year paid
22 up term with a 1/8 royalty.

23 Q. And would you recommend those terms to the
24

1 Board to be inserted in any orders it might issue here
2 concerning people that could be deemed to have been leased?

3 A. Yes, we do.

4 Q. How many wells are in these units?

5 A. I'd have to look.

6 Q. Okay.

7 A. I think there's two in both, but I'll have
8 to look.

9 Q. Here's R-43.

10 A. Yes, there's two in R-43, and I believe in
11 Q-43, there's two also.

12 BENNY WAMPLER: It might be three.

13 Q. Actually, it looks like it's three.

14 A. Is it? Yes.

15 Q. Okay. Why is it that there's more than one
16 well in each of these units?

17 A. Yes. There's an existing Pocahontas #3 seam
18 mine plan in this area and we're seeking to reduce the
19 coalbed methane within the coal seam there.

20 Q. Okay. And is that mine plan on file with
21 the DMME?

22 A. Yes, it is.

23 Q. And is your understanding that the Virginia
24

1 Code allows increased density, and the Oakwood Rules, allow
2 increased density to accommodate mine plans?

3 A. It does.

4 Q. And is that the reason why there are more
5 wells here?

6 A. That's correct.

7 Q. Okay. With regard to your cost estimates,
8 lets start with Q-43, why don't you tell us about the well
9 and your cost estimate?

10 A. Yes. The original cost estimate for these
11 units, I believe, are what you see here. My cost estimate
12 for Q-43 is \$234,355.17, that was for the first well drilled
13 in that unit, to an estimated depth of 2,163.5 feet. R-43,
14 again, this was the original estimates, it was drilled to
15 1,685.70 feet, estimated cost is \$220,291.11. Now, this does
16 not include the cost for the additional wells.

17 Q. And from a frac well production standpoint,
18 it has been our custom not to charge more than one well to
19 that production?

20 A. That's correct.

21 Q. Okay. And that continues in this instance?

22 A. That's correct.

23 Q. All right. In the event that we would
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1 repool this to produce from the gob, we would revisit that
2 issue?

3 A. We will.

4 Q. Okay. If folks in these two units wanted to
5 determine what their royalty interest or other interest would
6 be, where would they go?

7 A. They would go to exhibit B-3, the far right
8 hand column looking at the percentage number, take the
9 percentage number times what the actual production is or the
10 estimated cost to see what their interest would be.

11 Q. Is there escrow required in Q-43?

12 A. Yes, there is.

13 Q. And we've submitted an exhibit E?

14 A. We have.

15 Q. Okay. With regard to R-43?

16 A. Escrow, yes.

17 Q. And we've again submitted an exhibit E
18 outlying---?

19 A. We have.

20 Q. ---the conflicts and claimants that we think
21 need to be escrowed?

22 A. We have.

23 Q. Okay. Is it your opinion, Mr. Arrington,
24

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1 that the plans to produce coalbed methane and indirectly here
2 as well degas the Pocahontas #3 seam, represent a reasonable
3 plan to degas that seam and other seams and produce the gas
4 and capture it for the benefit of all of the people with
5 correlative rights here?

6 A. Yes, it is.

7 Q. Okay. And is the...between the escrow and
8 the pooling, is it your opinion that the plans disclosed by
9 these two applications will, in fact, protect the correlative
10 rights of all of the folks?

11 A. Yes, it will.

12 Q. Okay.

13 (Leslie K. Arrington and Mark Swartz confer.)

14 Q. These two units were originally pooled when?
15 Just look at the---

16 A. Yeah, March of 2000.

17 Q. Okay, at least it was filed then?

18 A. Yes.

19 Q. Okay. Why are we back with these units?

20 A. Yes. We're back because we've done a
21 considerable amount of work in here and we discovered that we
22 had a property line wrong, which changed some of the
23 percentages, and that's really the reason we're back here to
24

--

1 put before the Board that we did change some of the interest.

2 Q. Okay. So, if you compared the exhibits B-3
3 with these two applications to the originals, they would be
4 slightly different?

5 A. They will be different.

6 Q. Okay. But the folks would be the same?

7 A. All the people were the same...everything
8 else stayed the same.

9 Q. The mapping changed?

10 A. The mapping is the only thing that's changed
11 here.

12 Q. Okay. So, this is essentially a correction
13 visit with regard to both?

14 A. It is. And that's the reason you will see
15 the same well cost. Everything's the same. It just the
16 boundary change.

17 Q. That's all I have.

18 BENNY WAMPLER: Questions from members of the
19 Board?

20 KEN MITCHELL: Mr. Chairman, I have a question.

21 BENNY WAMPLER: Mr. Mitchell?

22 KEN MITCHELL: In the changing of the percentages
23 of the people, did you notify the people that the percentages

24

--

1 were changing?

2 MARK SWARTZ: That's what this is.

3 LESLIE K. ARRINGTON: That's what we've done.

4 KEN MITCHELL: Okay, and that's where...that's
5 where the document---?

6 LESLIE K. ARRINGTON: Yes.

7 KEN MITCHELL: Did you get any objections from the
8 people that you notified?

9 LESLIE K. ARRINGTON: No.

10 KEN MITCHELL: Were there any letters of objection?

11 LESLIE K. ARRINGTON: No, sir.

12 KEN MITCHELL: Okay.

13 BENNY WAMPLER: Any other questions?

14 (No audible response.)

15 BENNY WAMPLER: Do you have anything further?

16 MARK SWARTZ: No.

17 (Sandra Riggs and Benny Wampler confer among
18 themselves.)

19 BENNY WAMPLER: Did you have a boundary change in
20 both or just one?

21 LESLIE K. ARRINGTON: Yes.

22 BENNY WAMPLER: Both.

23 BOB WILSON: Mr. Chairman.

24

--

1 BENNY WAMPLER: Mr. Wilson?

2 BOB WILSON: The...I believe we've had some tracts
3 incorrectly labeled. In Q-43, the James Cantrell heirs tract
4 is shown as 1-B on the plat and it's shown as 1-B in R-43 as
5 well. But they are two different tracts. I think it's
6 probably just mislabeled there.

7 LESLIE K. ARRINGTON: Well...well, 1-B is in...Q-43
8 is referencing for that unit.

9 BOB WILSON: But what I'm saying is they're two
10 different tracts. If you compare the two plats, it's not the
11 same tract.

12 LESLIE K. ARRINGTON: 1-B and 1-B, no, it's not the
13 same tract.

14 BOB WILSON: Okay.

15 LESLIE K. ARRINGTON: No, it's 1-B for Q-43 and 1-B
16 for R-43.

17 BOB WILSON: Okay. But this is not the same piece
18 of land that you're dealing with here?

19 LESLIE K. ARRINGTON: It probably is.

20 BOB WILSON: Well, you're showing it as two
21 different pieces of land is what I'm saying. I'll show you.

22 LESLIE K. ARRINGTON: Yeah, you'll have to do that.

23 (Leslie K. Arrington explains to Bob Wilson the
24

1 problem.)

2 BOB WILSON: Okay, comment withdrawn.

3 LESLIE K. ARRINGTON: Here you go.

4 BENNY WAMPLER: Comment resolved, right?

5 BOB WILSON: Comment resolved.

6 MARK SWARTZ: And to explain it, there never is an

7 intent to have tracts numbered the same in adjoining units.

8 The tracts are numbered from scratch in each unit.

9 Otherwise, we'd have gaps.

10 BOB WILSON: That wasn't the source of my

11 confusion.

12 MARK SWARTZ: Oh.

13 LESLIE K. ARRINGTON: Yeah.

14 BOB WILSON: It was personal.

15 BENNY WAMPLER: Any other questions?

16 (No audible response.)

17 BENNY WAMPLER: Do you have anything further?

18 MARK SWARTZ: No.

19 BENNY WAMPLER: Is there a motion?

20 KEN MITCHELL: Mr. Chairman, I make a motion for

21 item number two, which concerns Q-43, under the VGOB docket

22 which ends 0779-01.

23 BENNY WAMPLER: Is there a second? He's taking

24

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1 them one at a time.

2 MASON BRENT: Second.

3 BENNY WAMPLER: Second. Any further discussion?

4 (No audible response.)

5 BENNY WAMPLER: All in favor, signify by saying
6 yes.

7 (All members signify by saying yes.)

8 BENNY WAMPLER: Opposed, say no.

9 (No audible response.)

10 BENNY WAMPLER: You have approval. Is there a
11 motion for R-43?

12 KEN MITCHELL: Mr. Chairman, I make a motion for R-
13 43, which ends up under our VGOB docket 0781-01.

14 BENNY WAMPLER: Is there a second?

15 MASON BRENT: Second.

16 BENNY WAMPLER: The motion is seconded. Any
17 further discussion?

18 (No audible response.)

19 BENNY WAMPLER: All in favor, signify by saying
20 yes.

21 (All members signify by saying yes.)

22 BENNY WAMPLER: Opposed, say no.

23 (No audible response.)

24

--

1 BENNY WAMPLER: You have approval.

2 MARK SWARTZ: Thank you.

3 BENNY WAMPLER: It was suggested that 4, 5, 6, 8,
4 and 10 can be combined. Could you discuss why that could
5 be...why they could be combined before we make a decision on
6 that?

7 MARK SWARTZ: Well, we've got North American
8 Timber, the GP affiliate again, and I think they're in
9 everyone of those units. Let me look here. That's why.

10 LESLIE K. ARRINGTON: Yeah. That's why it is.

11 MARK SWARTZ: And the only additional people that
12 would be showing up from time to time are potential lessees
13 of North American Timber, and in one instance, we've got a
14 railroad...actually two instances. But pretty straight
15 forward stuff here.

16 BENNY WAMPLER: Okay, thank you. Any objection to
17 combining them?

18 MASON BRENT: None from me.

19 KEN MITCHELL: None from me.

20 BENNY WAMPLER: Bob, can you verify if any of these
21 folks have an interest in 4, 5, 6, 8 and 10 for us before we
22 do this?

23 BOB WILSON: No, they do not.

24

--

1 BENNY WAMPLER: All right.

2 BOB WILSON: From previous conversations.

3 BENNY WAMPLER: If there are no objections, we'll
4 go ahead and combine those then. I'll call them. The first
5 item is the Board will consider a petition from Buchanan
6 Production Company for pooling of a coalbed methane unit
7 under the Oakwood Coalbed Methane Gas Field I order
8 identified as F-27, docket number VGOB-01-12/18-0989; next
9 would be G-28, VGOB-01-12/18-0990; the next one would be G-
10 19, docket number VGOB-01-12/18-0991; and then K-20, docket
11 number VGOB-01-12/18-0993; and finally, G-18, docket number
12 VGOB-01-12/18-0995. We'd ask the parties that wish to
13 address the Board in these four matters to come forward at
14 this time. I'm sorry, it's five matters.

15 MARK SWARTZ: Mark Swartz and Les Arrington.

16 BENNY WAMPLER: The record will show there are no
17 others. You may proceed.

18

19 LESLIE K. ARRINGTON

20 DIRECT EXAMINATION

21 QUESTIONS BY MR. SWARTZ:

22 Q. Les, you need to state your name again,
23 please.

24

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1 A. Leslie K. Arrington.
2 Q. Who do you work for?
3 A. Consol Energy.
4 Q. In this...in these combined cases, who is
5 the applicant?
6 A. Buchanan Production Company.
7 Q. Is that Virginia General Partnership?
8 A. Yes, it is.
9 Q. Does it have two partners?
10 A. Yes, it does.
11 Q. Who are they currently?
12 A. Consol...Consolidation Coal Company and
13 Consol Energy.
14 Q. Inc.
15 A. Inc.
16 Q. Okay. Is Buchanan Production Company
17 authorized to do business in the Commonwealth?
18 A. Yes, it is.
19 Q. And who is Buchanan Production requesting be
20 appointed designated operator?
21 A. Consol Energy, Inc.
22 Q. Does Consol Energy, Inc. have a blanket bond
23 on file and has it registered with the DMME?
24

1 A. Yes, it does.

2 Q. Is Consol Energy, Inc. a Delaware
3 Corporation?

4 A. Yes, it is.

5 Q. Is it authorized to do business in the
6 Commonwealth?

7 A. Yes, it is.

8 Q. Back in the early '90s, did the management
9 committee of Buchanan Production Company delegate the
10 responsibility to maintain and develop its properties to a
11 third party?

12 A. Yes, it did.

13 Q. And is Consol Energy, Inc. essentially the
14 successor in interest to that delegation of authority?

15 A. Yes, it is.

16 Q. And has Consol Energy, Inc. agreed to, in
17 fact, explore for, develop and maintain the Buchanan
18 Production Company properties?

19 A. Yes, it has.

20 Q. Have you listed the names of everyone that
21 you are seeking to pool in these units in both the notice of
22 hearing and the exhibit B-3?

23 A. Yes, I have.

24

--

1 Q. Okay. And in terms of notice, what have you
2 done?

3 A. We mailed certified mail/return receipt
4 requested on November the 16th of 2001. And F-27 was
5 published in the Bluefield Daily Telegraph on November the
6 22nd of 2001; G-18 was published in The Virginia Mountaineer
7 on November the 22nd of 2001; G-19 and G-28 was published in
8 the Bluefield Daily Telegraph on November the 22nd of 2001;
9 and K-20 was published in The Virginia Mountaineer on
10 November the 22nd of 2001.

11 Q. And have you filed with the Board today in a
12 packet of exhibits for each of these units your certification
13 with regard to publication and copies, as well as the
14 publication certifications?

15 A. We have.

16 Q. Do you want to, with regard to any of these
17 units that we've combined for hearing, add anybody as a
18 respondent?

19 A. No we do not.

20 Q. Do you want to dismiss anybody as a
21 respondent?

22 A. No.

23 Q. Okay. With regard to...let's take these one
24

--

1 at a time and look at the plats, okay. And let's start...I'm
2 going to take these in the order that they appear on the
3 docket. So, we'll start with docket number 4, which is F-27,
4 okay?

5 A. Yes.

6 Q. If we look at the plat, we are dealing with,
7 are we not, an 80 acre Oakwood I unit?

8 A. We are.

9 Q. How many wells?

10 A. One, within the drilling window.

11 Q. Okay. And is that essentially what you
12 propose at this point in time?

13 A. Yes, we do.

14 Q. Okay. G-28, again, are we dealing with an
15 80 acre Oakwood unit?

16 A. Yes, you are. One well within the drilling
17 window.

18 Q. Okay. Unit G-19?

19 A. It should be one well and within the
20 drilling window.

21 Q. Okay. K-20?

22 A. One well and within the drilling window.

23 Q. And G-18?

24

--

1 A. Yes, one well and within the drilling
2 window.

3 Q. And that unit shows it's just catching part
4 of an entry?

5 A. Yes, it is. That's the old VP2 mine.

6 Q. Okay. And all five of these units are 80
7 acre Oakwood I units, is that correct?

8 A. Yes, they are.

9 Q. Okay. And the production is intended to
10 come from one frac well in each unit?

11 A. That's correct.

12 Q. And that well would be intended and expected
13 to produce from the Tiller on down?

14 A. Yes, it does. That's correct.

15 Q. Could you summarize for the Board the
16 interest that you've acquired in these units, taking them one
17 at a time, okay, and then the interest that you're seeking to
18 pool in these units?

19 A. Yes. Unit number F-27, we have leased
20 76.03334% of the coal, oil and gas, coalbed methane interest;
21 seeking to pool 23.9666% of the coal, oil and gas, coalbed
22 methane interest. We have a 100% of the coal leased beneath
23 this unit. I'm just going to do it in the order that's on
24

1 the exhibit. G-18, we have 75.0875% of the coal, oil and gas
2 leased; seeking to pool 24.9125% of the coal, oil and gas,
3 coalbed methane interest; and we have 100% of the coal leased
4 beneath this unit. G-19, we have 65.5125% of the coal, oil
5 and gas, coalbed methane interest leased; seeking to pool
6 34.4875% of the coal, oil and gas, coalbed methane interest;
7 and we have a 100% of the coal leased beneath this unit. G-
8 28, we have 87.6625% of the coal, oil and gas, coalbed
9 methane interest; seeking to pool 12.3375% of the coal, oil
10 and gas, coalbed methane interest; and have a 100% of the
11 coal leased beneath this unit. Unit K-20, we have 73.84583%
12 of the coal, oil and gas, coalbed methane interest leased;
13 and seeking to pool 26.15417% of the coal, oil and gas,
14 coalbed methane interest; and we have a 100% of the coal
15 leased beneath this unit.

16 Q. If you would just turn to the tract
17 identifications part of F-27, just as an example, okay? In
18 this F-27 unit, there are four tracts, right?

19 A. Yes.

20 Q. How many of those tracts does the applicant
21 have a lease...a coalbed methane lease?

22 A. We actually have a coalbed methane lease on
23 all four tracts.

24

--

1 Q. Okay.

2 A. It's just that we don't have a third
3 interest on two of the tracts.

4 Q. Okay. If you take tract one in F-27, just
5 to kind of focus in on what's being pooled here, Yukon
6 Pocahontas, Buchanan, Salyers, and North American Timber own
7 undivided interests in the fee minerals in that tract,
8 correct?

9 A. That's correct.

10 Q. And you have obtained a lease from two-
11 thirds of the undivided mineral fee interest owners but
12 you've got an outstanding undivided one-third interest,
13 right?

14 A. That's correct.

15 Q. And the lessees that you're talking about
16 here that are noticed potentially, particularly Tight Sands
17 Investments, okay, would be a possible lessee of what
18 interest?

19 A. Tight...well, it will be the oil and gas
20 lessees of the entire tract.

21 Q. Okay. To your knowledge, has anyone lodged
22 of record a coalbed methane lease taken from North American
23 Timber?

24

--

1 A. No.

2 Q. Okay. So, at this point, that interest is
3 unleased?

4 A. That's correct.

5 Q. As far as---?

6 A. We think.

7 Q. As far as you know?

8 A. Yes.

9 Q. And so the Cabot and/or Eastern American
10 would be deep gas or conventional gas lessees?

11 A. It is. That's correct.

12 Q. Okay. Now, with regard to...we see those
13 people again, but with regard to...no, we don't. With regard
14 to docket numbers 5 and 6, we've got the Norfolk Southern,
15 correct?

16 A. Uh-huh.

17 Q. And I take it, if we look at the map, we can
18 see the railroad going through the unit?

19 A. Yes, you can.

20 Q. For example, G-28 sort of loops right
21 through the middle of the unit?

22 A. Yes.

23 Q. And are we talking about pooling an interest
24

1 that Norfolk Southern obtained when they either acquired or
2 condemned their right-of-way?

3 A. Yes.

4 Q. Okay. And that's set forth...it's described
5 in exhibit B-3?

6 A. Yes.

7 Q. Okay. With regard to the matter of escrow,
8 okay, let's start with F-27. It should not be required---?

9 A. There should be none.

10 Q. ---because we're talking about fee owners?

11 A. Right.

12 Q. The same thing ought to be true of G-28, I
13 would suspect?

14 A. No.

15 Q. No.

16 A. There probably should be some between
17 Norfolk Southern and...let's see, what do they have, 800
18 feet. So, there will be escrow for that tract.

19 Q. Okay. And there is an exhibit E---?

20 A. Yes.

21 Q. ---in the Norfolk Southern tract, G-28?
22 With regard G-19?

23 A. Should be escrowed.

24

--

1 Q. All right. And we have submitted, I
2 believe, an exhibit E showing that?

3 A. Yes.

4 Q. With regard to K-20?

5 A. There should be none. There is none.

6 Q. Okay. And lastly, with regard to G-18 and
7 the escrow question here?

8 A. There should be none.

9 (Mr. Swartz confers with Leslie K. Arrington.)

10 Q. Okay, so it looks like---?

11 A. No.

12 Q. ---escrow would not be required in G-18
13 either?

14 A. That's correct.

15 Q. Have you offered...in fact, negotiated
16 extensively with North American Timber?

17 A. Yes, we have.

18 Q. And, again, in general, what has...what are
19 the lease terms that Buchanan Production is offering in its
20 areas of interest in the Commonwealth?

21 A. Yes. Our standard lease terms for a coalbed
22 methane lease is a \$1 per acre per year, a five year paid up
23 term, with a 1/8 royalty.

24

--

1 Q. And would you recommend to the Board that
2 those terms be included in any deemed to be leased provision
3 in any order they might enter?

4 A. Yes, we would.

5 Q. I think we've indicated that all of these
6 units are 80 acre Oakwood units with one well seeking to pool
7 from the Tiller on down. But just to confirm, is that true?

8 A. Yes, it is.

9 Q. Okay. Have you provided in the applications
10 and again in your notes, information with regard to these
11 five wells?

12 A. On well costs and depths, yes, I have.

13 Q. Yes. Why don't you go through that with the
14 Board.

15 A. Yes. For well F-27, that well would be an
16 estimated depth of 1,695 feet, estimated cost \$184,984.93.
17 G-18, 1,990 feet, estimated cost of \$191,198.40. G-19,
18 estimated depth of 1,580 feet, estimated cost of \$181,422.15.
19 G-18, estimated depth of 1,660 feet, estimated cost of
20 \$182,961.55.

21 Q. That was G-28, right?

22 A. G-28, I'm sorry.

23 Q. Okay.

24

--

1 A. And K-20, estimated depth of 2,145 feet,
2 estimated cost of \$197.417.19.

3 Q. Now, lastly, is it your opinion that the
4 development plans for each of these units as disclosed by the
5 well plats and the applications, represent a reasonable plan
6 to develop the coalbed methane from within and under these
7 five units?

8 A. Yes, we do.

9 Q. Between the pooling and the escrow, is it
10 also your opinion that the correlative rights of all owners
11 are protected?

12 A. Yes, it is.

13 Q. That's all I have.

14 BENNY WAMPLER: You have on your note on the
15 handouts you gave us pooled parties North American Timber
16 Corp., Tight Sands Investment, L.L.C., C. L. Cabot Oil and
17 Gas Corporation, Eastern American Energy Corporation. I
18 only...I didn't see that on every one of them.

19 LESLIE K. ARRINGTON: That's correct. It won't be
20 on every one of them.

21 BENNY WAMPLER: Just the ones you have listed in
22 here?

23 LESLIE K. ARRINGTON: Yes.

24

--

1 BENNY WAMPLER: You've made no other changes since
2 the application?

3 LESLIE K. ARRINGTON: No, we haven't.

4 BENNY WAMPLER: Questions from members of the
5 Board?

6 (No audible response.)

7 BENNY WAMPLER: Do you have anything further?

8 MARK SWARTZ: No.

9 BENNY WAMPLER: Do I have a motion?

10 KEN MITCHELL: Mr. Chairman, I make a motion for
11 item number 4, which is identified as F-27, which is our
12 VGOB-01-12/18-0989.

13 BENNY WAMPLER: Is there a second?

14 MASON BRENT: Second.

15 BENNY WAMPLER: Any questions?

16 (No audible response.)

17 BENNY WAMPLER: All in favor, signify by saying
18 yes.

19 (All members signify by saying yes.)

20 BENNY WAMPLER: Opposed, say no.

21 (No audible response.)

22 BENNY WAMPLER: You have approval. Is there a
23 motion for G-28?

24

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1 KEN MITCHELL: Mr. Chairman, I would make a motion
2 for approval item number 5, identified as G-28 under our
3 docket number VGOB-01-12/18-0990.

4 BENNY WAMPLER: Is there a second?

5 MAX LEWIS: I second.

6 BENNY WAMPLER: Any further discussion?

7 (No audible response.)

8 BENNY WAMPLER: All in favor, signify by saying
9 yes.

10 (All members signify by saying yes.)

11 BENNY WAMPLER: Opposed, say no.

12 (No audible response.)

13 BENNY WAMPLER: You have approval. Is there a
14 motion for G-19?

15 CLYDE KING: So moved.

16 BENNY WAMPLER: Motion for approval of G-19. Is
17 there a second?

18 KEN MITCHELL: Second.

19 MASON BRENT: Second.

20 BENNY WAMPLER: Second. Any further discussion?

21 (No audible response.)

22 BENNY WAMPLER: All in favor, signify by saying
23 yes.

24

--

1 (All members signify by saying yes.)

2 BENNY WAMPLER: Opposed, say no.

3 (No audible response.)

4 BENNY WAMPLER: You have approval. K-20, is there
5 a motion?

6 KEN MITCHELL: Motion for approval, Mr. Chairman,
7 item number 8, which is identified as K-20, our VGOB-01-
8 12/18-0993.

9 BENNY WAMPLER: Is there a second?

10 MASON BRENT: I second.

11 BENNY WAMPLER: Second. Any further discussion?

12 (No audible response.)

13 BENNY WAMPLER: All in favor, signify by saying
14 yes.

15 (All members signify by saying yes.)

16 BENNY WAMPLER: Opposed, say no.

17 (No audible response.)

18 BENNY WAMPLER: You have approval. And for G-18,
19 is there a motion for approval?

20 CLYDE KING: So moved.

21 KEN MITCHELL: Second it.

22 BENNY WAMPLER: Motion and second. Any further
23 discussion?

24

--

1 (No audible response.)

2 BENNY WAMPLER: This is docket number VGOB-01-
3 12/18-0995. All in favor, signify by saying yes.

4 (All members signify by saying yes.)

5 BENNY WAMPLER: Opposed, say no.

6 (No audible response.)

7 BENNY WAMPLER: You have approval.

8 MARK SWARTZ: Thank you all.

9 BENNY WAMPLER: Merry Christmas.

10 MARK SWARTZ: Merry Christmas.

11 BENNY WAMPLER: Thank you very much.

12 BOB WILSON: Mr. Chairman, before these gentlemen
13 leave, since this somewhat involves them. I got letters this
14 week from Mr. Donald R. Johnson, who is the attorney for the
15 Fon...Lon B...Fon Rogers Trusts, and if you could pass those
16 around, and a copy over there. This involves the pooling
17 that has occurred in the G-44, H-44, C-32 and B-31 units.
18 The letters are all the same. Basically, they're asking for
19 corrections to the record.

20 "On behalf of Fon Rogers, II, Trustee, Lon B.
21 Rogers Bradshaw Trust No. 1 (as oil and gas owner), and Mr.
22 Fon Rogers, II, Trustee, Lon B. Rogers Bradshaw Trust No. 2
23 (as coal owner), I am writing to state my client's objections

24

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1 to the tract identification sent to you by Mr. L. Arrington
2 of "Consol Energy, Inc." under a transmittal letter dated
3 September 13, 2001. The representation in the document for
4 each well is inaccurate for the following reasons:

5 1. The Lon B. Rogers Bradshaw Trust No. 2 is
6 the Coal Owner of "Tract 4" for Well G-44 and "Tract 4" for
7 Well H-44; however, my client has a lease of "deep coal"
8 below the Jawbone Seam to Island Creek Coal Company. There
9 have been no lawful assignments of the coal lease to Reserve
10 Coal Properties Company, Consolidation Coal Company or any
11 other part. The coal lease to Island Creek Coal Company
12 requires consent for assignment, and none has been requested
13 or given. The statement in each schedule that the "P-3" seam
14 is leased to Reserve Coal Properties is not correct. If such
15 an assignment exists, my client demands that the Applicant
16 present the same at once.

17 2. The representation for Well G-44 and H-44,"
18 and the others I previously mentioned, "that the oil and gas
19 lessee of "Tract 4" for each well is Ashland Exploration,
20 Inc. is incorrect. As the Board and The Applicant well know,
21 the ownership and assets of Ashland Exploration, Inc., have
22 been acquired by Equitable Production/Eastern States.

23 3. For each Tract Identification, my client's
24

1 name and the names of the two Trusts he represents as Trustee
2 are incorrectly stated. My client's name is Fon Rogers, II.
3 The Trust owning the surface and coal is the Lon B. Rogers
4 Bradshaw Trust No. 2. The Trust owning the oil and gas is
5 the Lon B. Rogers Bradshaw Trust No. 1. "Lon B. Rogers, II",
6 is incorrect. My client's mailing address is P. O. Box
7 22427, Lexington, KY 40522.

8 My client requests that the Tract Identification
9 for each well be **amended** to correct these significant
10 matters.

11 Thank you for your cooperation..." etc. and it's
12 signed Donald R. Johnson for the Rogers Estate.

13 BENNY WAMPLER: These are orders that we've already
14 decided and pooled.

15 MARK SWARTZ: Right.

16 LESLIE K. ARRINGTON: We just gave her...we just
17 gave her G and H-44 this morning.

18 SANDRA RIGGS: They haven't been entered yet.

19 MARK SWARTZ: Well, the problem though is, you
20 know, with regard to item number one, for example, all of
21 this information was in the original application. Don was
22 here a couple of times at hearings. Nobody heard a peek and
23 frankly, I would disagree with some of this. But, I mean,

24

--

1 item number one, the time to complain about that was, you
2 know, months ago so we could have taken it up at a hearing.
3 So, you know, I'm standing by the information we gave you to
4 begin with in our applications in that regard, with regard to
5 his objection one, which gets repeated and repeated.

6 Objection number two, Equitable Production/Eastern
7 States is not the name of Ashland anymore either. You know,
8 I don't...I'm not sure what it is. I think it's Equitable
9 /..so, I mean, number two is wrong for sure, okay. I mean,
10 if we're going to change their name, that wouldn't be their
11 current name.

12 And I don't know about number three. I mean, he
13 sent us information with regard to the revenue sharing
14 agreement. We ought just look at that and I guess we
15 can...if, you know, he gave us different information, I
16 certainly wouldn't have a problem with straightening that
17 out. But I would imagine we copied it from what he gave.
18 But, you know, I'm not sure.

19 So, I would be very careful with number one because
20 that information was on the table when he was here. Number
21 two, I think, and Max may know the name of Equitable now or
22 whatever.

23 MAX LEWIS: They've changed that so much I can't

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1 keep up with it.

2 MARK SWARTZ: Yeah. But it's not...what is it?
3 What is it, Jim? What would your name be?

4 JIM KISER: Equitable Production Company.

5 MARK SWARTZ: Okay. And with regard to three, you
6 know, whatever it is, Sandy, make the...you know, if you
7 need...I mean, at least our position would be if you need to
8 make a change, you know, refer to the documents and give
9 us---.

10 SANDRA RIGGS: I thought it was taken off of the
11 split agreement.

12 MARK SWARTZ: That's what I would assume.

13 SANDRA RIGGS: Yeah.

14 LESLIE K. ARRINGTON: Sandy, if you don't care,
15 would you open up that package of exhibits that we gave you
16 this morning on H and G-44. Since we're sitting here, see if
17 we didn't comply to that.

18 SANDRA RIGGS: Which units?

19 LESLIE K. ARRINGTON: H and G-44 for sure.

20 (Leslie K. Arrington confers with Anita.)

21 LESLIE K. ARRINGTON: She said there's...yeah, she
22 said there's no new exhibits in there.

23 SANDRA RIGGS: Right. There's just comments.

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1 MARK SWARTZ: We can't tell from those.

2 LESLIE K. ARRINGTON: We can't tell from the letter
3 then, okay. From the last letter that we received from him,
4 and per Anita, she's the one that does that, we corrected
5 according to the last letter that we got from them. So,
6 I---

7 MAX LEWIS: They've had about four or five
8 different names.

9 BENNY WAMPLER: Mr. Mitchell?

10 KEN MITCHELL: Mr. Chairman, my suggestion, it's
11 merely a suggestion, is that this appears to be a legal
12 question. Obviously, we're not a legal board. We've never
13 been a Legal Board. I've read the forming documents of this
14 Board. So, I would request that this be brought back at our
15 next meeting and have time for our legal counsel to assess
16 what has been presented today and have time for the people to
17 discuss maybe some of the finer points and I would love to
18 see it brought back at our next meeting. I make that into a
19 formal motion.

20 BENNY WAMPLER: Okay, I have a motion. Is there a
21 second?

22 (No audible response.)

23 BENNY WAMPLER: Hearing no second motion, it dies.

24

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1 Is there any...I guess, maybe to accommodate, we'd just ask
2 our attorney Ms. Riggs to take care of this and advise us if
3 the Board needs any further action. Does that...I guess,
4 doing the same thing.

5 KEN MITCHELL: That will be the same thing for me.

6 SANDRA RIGGS: Well, with respect to the number one
7 where they're making a claim to coal interest that you feel
8 is not theirs, the way that has been handled in the past, if
9 somebody comes in here and makes a claim, we just add them in
10 and let it get resolved later because we don't resolve those
11 conflicting claims to ownership. They're already a party to
12 the pooling and what he's doing, it appears to me, is raising
13 additional claims to those that you already says he has,
14 right? So, if he brings a court order and establishes that,
15 then it---

16 BENNY WAMPLER: Well, I mean, typically...I'll go
17 ahead and say what I was really thinking here all along.
18 Typically, you know, if he's going to object to a Board
19 order, he can either go to Court; if he's clarifying the
20 record, he can submit information for the record to clarify
21 something that was in error, that could be an error in that
22 way. It has to be one of those two things. I don't think we
23 want to create another avenue---

24

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1 SANDRA RIGGS: For appeal.

2 BENNY WAMPLER: ---that's not in law and
3 regulations that creates an avenue for appeal and that's my
4 concern.

5 SANDRA RIGGS: These orders haven't been entered
6 yet. Once they're entered, he will have time to take an
7 appeal---.

8 BENNY WAMPLER: Right.

9 SANDRA RIGGS: ---if he doesn't agree with---.

10 MARK SWARTZ: The problem with one is he's
11 complaining about the assignment of a coal lease and not...I
12 would imagine that in the exhibits, which we do not have in
13 front of us, the trusts are identified as the coal owner.
14 So, I don't see this as a conflicting claim. He's
15 complaining about a breach of an alleged lease provision.

16 SANDRA RIGGS: Which we don't adjudicate.

17 MARK SWARTZ: Exactly. Exactly. So, you need
18 to...you know, I don't think it's a title issue. Now, if for
19 some reason...we'll look at the exhibits, Sandy, and interact
20 with you. But if---.

21 SANDRA RIGGS: He's saying that the lease was
22 assigned without his consent.

23 LESLIE K. ARRINGTON: Right.

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1 MARK SWARTZ: Right.

2 LESLIE K. ARRINGTON: Exactly.

3 MARK SWARTZ: Not that we...not listed them as an
4 owner, I think.

5 SANDRA RIGGS: Okay. Well, can you confirm that he
6 was, in fact, listed as the owner.

7 MARK SWARTZ: I'll look at that as soon as I get
8 back to my office. I've got the stuff.

9 CLYDE KING: Then it's just a title matter.

10 LESLIE K. ARRINGTON: Oh, sure.

11 MARK SWARTZ: Yeah. Yeah. I mean, we believe,
12 unless there was some mistake, you know, he was listed as an
13 owner, not...not reserve coal. But I'll confirm that and
14 we'll...somebody will e-mail you and you'll have the exhibits
15 anyway.

16 BENNY WAMPLER: Are we all okay with that?

17 CLYDE KING: Yeah.

18 BENNY WAMPLER: If you'll look at that and advise
19 us if we need to do anything further.

20 MARK SWARTZ: Man, we almost got out the door.

21 SANDRA RIGGS: With respect to number two, counsel
22 said it's Equitable Production Company. That can be changed
23 on the supplemental order if you choose to do it at that
24

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1 point. And with respect to number three, we'll check the
2 split agreements and the exhibits. But I think it was taken
3 right off the split agreement.

4 MARK SWARTZ: That's what I thought.

5 SANDRA RIGGS: We'll verify that and resolve it.

6 MARK SWARTZ: And then if that's the case, you need
7 to write back to him and tell him to correct his records.

8 BENNY WAMPLER: Okay, thank you very much. Thanks.
9 Do you want to take a ten minute break while the others get
10 set up? We'll take a ten minute break.

11 (Break.)

12 BENNY WAMPLER: Okay, the next item on the agenda
13 is a petition from Equitable Production Company for pooling
14 of a coalbed methane unit under the Roaring Fork Gas Field
15 order identified as VC-504929. This is docket number VGOB-
16 01-12/18-0996. We'd ask the parties that wish to address the
17 Board in this matter to come forward at this time.

18 JIM KISER: Mr. Chairman and members of the Board,
19 Jim Kiser on behalf of Equitable Production Company. Our
20 witness in this matter will be Mr. Don Hall. We'd ask that
21 he be sworn at this time.

22 (Don Hall is duly sworn.)

23 BENNY WAMPLER: The record will show there are no
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1 others. You may proceed.

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DON HALL

4 having been duly sworn, was examined and testified as
5 follows:

6

DIRECT EXAMINATION

7 QUESTIONS BY MR. KISER:

8 Q. Mr. Hall, if you'd state your name for the
9 Board, who you're employed by and in what capacity?

10 A. My name is Don Hall. I'm employed by
11 Equitable Production Company as District Landman.

12 Q. And your responsibilities in that job
13 include the land involved in this unit and in the surrounding
14 area?

15 A. Yes.

16 Q. Now, are you familiar with Equitable
17 Production Company's application seeking a pooling order for
18 EPC well number VC-504929 that was dated November the 16th,
19 2001?

20 A. Yes.

21 Q. And is Equitable seeking to force pool the
22 drilling rights underlying the unit as depicted at exhibit A,
23 that being the plat to the application?

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1 A. We are.

2 Q. And does the location proposed for this well
3 fall within the Board's order for the Roaring Fork Coalbed
4 Gas Field?

5 A. Yes.

6 Q. Now, prior to filing the application, were
7 efforts made to contact each of the respondents in an attempt
8 made to work out an agreement regarding the development
9 involved?

10 A. Yes.

11 Q. Does Equitable own drilling rights in the
12 unit involved here?

13 A. We do.

14 Q. And what is the interest of Equitable within
15 the gas estate in the unit?

16 A. We have 96.23% interest leased at---.

17 Q. At the time of the application, right.

18 A. ---this time.

19 Q. And the interest of Equitable in the coal
20 estate?

21 A. 100%.

22 Q. Now, are all the unleased parties set out in
23 exhibit B to the application?

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1 A. Yes, they are.

2 Q. Are you familiar with the ownership of
3 drilling rights of parties other than Equitable underlying
4 this unit?

5 A. Yes.

6 Q. And what is the percentage of the gas estate
7 that remains unleased?

8 A. 3.77%

9 Q. Okay. Now, were efforts made to determine
10 if the individual respondents were living or deceased or
11 their whereabouts; and if deceased, were efforts made to
12 determine the names, addresses and whereabouts of the
13 successors to any deceased individual respondents?

14 A. Yes.

15 Q. In this particular case, this is what we
16 call one of the day air wells and we've force pooled these
17 folks several times over the years and have continued to
18 attempt to lease the unleased parties. Occasionally, we'll
19 pick up a lease. And there are some unknown people in this
20 unit, some unknown respondents or interest owners in this
21 unit. And did you make reasonable and diligent efforts and
22 check to locate these unknown heirs including primary sources
23 such as deed records, probate records, assessor's records,

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1 treasurer's records and secondary sources such as telephone
2 directories, city directories, family and friends?

3 A. Yes.

4 Q. In your professional opinion, was due
5 diligence exercised to locate each of the respondents named
6 herein?

7 A. Yes.

8 Q. Now, are the addresses set out in exhibit B
9 to the application the last known addresses for the
10 respondents?

11 A. Yes.

12 Q. Are you requesting this Board to force pool
13 all unleased interests listed at Exhibit B?

14 A. Yes.

15 Q. Are you familiar with the fair market value
16 of drilling rights in the unit here and in the surrounding
17 area?

18 A. Yes.

19 Q. Could you advise the Board as to what those
20 are?

21 A. A \$5 bonus on a five year term and 1/8
22 royalty.

23 Q. And did you gain this familiarity by
24

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1 acquiring oil and gas leases, coalbed methane leases and
2 other agreements involving the transfer of drilling rights in
3 the unit involved here and in the surrounding area?

4 A. Yes.

5 Q. And in your professional opinion, do the
6 terms you have testified to represent the fair market value
7 of and the fair and reasonable compensation to be paid for
8 drilling rights within this unit?

9 A. They do.

10 Q. Now, as to the respondents who are...remain
11 unleased on exhibit B or who are unknown, do you state that
12 they be allowed the following options with respect to their
13 ownership interest within the unit. One, participation; two,
14 a cash bonus of \$5 per net mineral acre plus a 1/8 of 8/8
15 royalty; three, in lieu of the cash bonus and 1/8 of 8/8
16 royalty, a share in the operation of the well on a carried
17 basis as a carried operator under the following conditions:
18 Such carried operator shall be entitled to the share of
19 production from the tracts pooled accruing to his interest
20 exclusive of any royalty or overriding royalty reserved in
21 any leases, assignments thereof or agreements relating
22 thereto of such tracts, but only after the proceeds
23 applicable to his share equal - 300% of the share in the case

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1 of a leased tract; or 200% of the share of cost in the case
2 of an unleased tract?

3 A. Yes.

4 Q. Do you recommend that the order provide that
5 elections by respondents be in writing and sent to the
6 applicant at Equitable Production Company, 1710 Pennsylvania
7 Avenue, P. O. Box 2347, Charleston, West Virginia 25328,
8 Attention: Melanie Freeman, Regulatory?

9 A. Yes.

10 Q. And should this be the address for all
11 communications with the applicant concerning any force
12 pooling order?

13 A. Yes.

14 Q. Do you recommend that the pooling order
15 provide that if no written election is properly made by a
16 respondent, then such respondent shall be deemed to have
17 leased and elected the cash royalty option in lieu of
18 participation?

19 A. Yes.

20 Q. Should all unleased respondents be given 30
21 days from the date that the Board order is executed to file
22 their written elections?

23 A. Yes.

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1 Q. And if an unleased respondent elects to
2 participate, should they be given 45 days to pay their
3 proportionate share of well costs?

4 A. Yes.

5 Q. Does the applicant expect any party electing
6 to participate to pay in advance that party's share of
7 completed well costs?

8 A. Yes.

9 Q. Should the applicant be allowed a 120 days
10 following the recordation date of the Board order and
11 thereafter annually on that date until production is achieved
12 to pay or tender any cash bonus becoming due under any force
13 pooling order?

14 A. Yes.

15 Q. Do you recommend that the order provide that
16 if a respondent elects to participate but fails to pay their
17 proportionate share of well costs satisfactory to the
18 applicant for payment of those costs, then their election to
19 participate shall be treated as having been withdrawn and
20 void and such respondent should be treated as if no initial
21 election had been filed under the order?

22 A. Yes.

23 Q. Do you recommend that the order provide that
24

1 where a respondent elects to participate but defaults in
2 regard to the payment of well costs, any cash sum becoming
3 payable to that respondent be paid within 60 days after the
4 last date on which such respondent could have paid or made
5 satisfactory arrangements for the payment of those well
6 costs?

7 A. Yes.

8 Q. Okay, in this particular case, we have both
9 unknown owners and conflicting claimants to the coalbed
10 methane. So does the Board need to establish an escrow
11 account into which all cost or proceeds attributable to these
12 interest shall be held for the respondents benefit until such
13 funds can be paid to the party by order of the Board or until
14 the conflicting claim is resolved?

15 A. Yes.

16 Q. And who should be named the operator under
17 any force pooling order?

18 A. Equitable Production Company.

19 Q. Now, what is the total depth of the proposed
20 well under the plan of development?

21 A. 212...2,012 feet.

22 Q. And the estimated reserves of the unit?

23 A. 400,000...400,000,000 cubic feet, I'm sorry.

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1 Q. And are you familiar with the well costs for
2 the proposed well under the plan of development?

3 A. Yes.

4 Q. Has an AFE been reviewed, signed and
5 submitted to the Board with the application as exhibit C?

6 A. It has.

7 Q. And was this AFE prepared by an engineering
8 department knowledgeable in the preparation of AFEs and
9 knowledgeable in regard to well costs in this particular
10 area?

11 A. Yes, it was.

12 Q. In your professional opinion, does the AFE
13 represent a reasonable estimate of the well costs under the
14 plan of development?

15 A. It does.

16 Q. Could you point for the Board both the dry
17 hole costs and the completed well costs for this well?

18 A. The dry hole costs would be \$87,770. The
19 completed well costs would be \$179,020.

20 Q. Do these costs anticipate a multiple
21 completion?

22 A. They do.

23 Q. Does your AFE include a reasonable charge
24

1 for supervision?

2 A. It does.

3 Q. In your professional opinion, would the
4 granting of this application be in the best interest of
5 conservation, the prevention of waste, and the protection of
6 correlative rights?

7 A. It would.

8 JIM KISER: Nothing further of this witness at this
9 time, Mr. Chairman.

10 BENNY WAMPLER: Any questions from members of the
11 Board?

12 MASON BRENT: You say that this well is within the
13 window. It looks like it's pretty---

14 JIM KISER: It's right on the edge.

15 DON HALL: Right on the edge, yes.

16 MASON BRENT: (Inaudible).

17 JIM KISER: And this is in the Roaring Fork and
18 Nora Fields both, if you're outside the interior window, then
19 you can apply for a variance directly through the director in
20 the permit process. We no longer have to go before the Board
21 for those.

22 DON HALL: Right,

23 JIM KISER: But---

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1 DON HALL: This one is in the window.

2 JIM KISER: ---it's just inside. So, we don't need
3 one here.

4 BOB WILSON: There's a second well showing in that
5 plat as well. That's an existing conventional well, deep
6 well.

7 BENNY WAMPLER: Other questions from members of the
8 Board?

9 (No audible response.)

10 BENNY WAMPLER: Do you have anything further?

11 JIM KISER: We'd ask that the application be
12 approved as submitted, Mr. Chairman.

13 BENNY WAMPLER: For the record, I'm going to
14 abstain. There's some Wampler's in here. I don't have a
15 clue if I'm any kin. But just in case, I'll take away that
16 issue.

17 CLYDE KING: You never know who's in the closet, do
18 you?

19 BENNY WAMPLER: I have no idea.

20 MASON BRENT: Mr. Chairman, I move that we grant
21 the application.

22 BENNY WAMPLER: I have a motion. Is there a
23 second?

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1 KEN MITCHELL: I second.

2 BENNY WAMPLER: Motion and seconded. Any further
3 discussion?

4 (No audible response.)

5 BENNY WAMPLER: All in favor, signify by saying
6 yes.

7 (All members signify by saying yes.)

8 BENNY WAMPLER: Opposed, say no.

9 (No audible response.)

10 BENNY WAMPLER: You have approval.

11 JIM KISER: You'll have to check out this exhibit
12 B. It looks like they live in California.

13 BENNY WAMPLER: One Wampler---

14 JIM KISER: You've got a James and Eileen Wampler
15 in Cospira, California. That's under Pearl Wampler. And
16 then a Mildred Kirkland in Olympia Washington.

17 DON HALL: They're leased.

18 JIM KISER: Ruth Wampler Dean heirs. You've got
19 Bobby Dean in Olympia Washington, uh. They went West.

20 CLYDE KING: Yeah.

21 BENNY WAMPLER: A lot of them settled in the
22 Abingdon area and then kind of scattered out from there years
23 ago.

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1 CLYDE KING: Yeah, they're kind of like the Kings.
2 The Kings went everywhere.

3 BENNY WAMPLER: Okay, the next item on the agenda
4 is a petition from Equitable Production Company for a well
5 location exception for proposed well V-503584. This is
6 docket number VGOB-01-12/18-0997. We'd ask the parties that
7 wish to address the Board in this matter to come forward at
8 this time.

9 JIM KISER: Mr. Chairman and Board members, Jim
10 Kiser, again, on behalf of Equitable Production Company. Our
11 witness in this matter will again be Mr. Hall. I'll remind
12 him that he is under oath.

13 BENNY WAMPLER: The record will show there are no
14 others. You may proceed.

15

16 DON HALL

17 DIRECT EXAMINATION

18 QUESTIONS BY MR. KISER:

19 Q. Mr. Hall, again, state for the Board who
20 you're employed by and in what capacity?

21 A. I'm employed by Equitable Production Company
22 as District Landman.

23 Q. And, again, your responsibilities include

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1 the land involved here and in the surrounding area?

2 A. They do.

3 Q. Now, are you familiar with the application
4 that we filed seeking a location exception for well V-503584?

5 A. Yes, I am.

6 Q. Have all interested parties been notified as
7 required by Section 4B of the Virginia Gas and Oil Board
8 Regulations?

9 A. They have.

10 Q. Would you indicate for the Board the
11 ownership of the oil and gas underlying the unit for well V-
12 503584?

13 A. Penn VA Oil and Gas Corporation is a 100%.

14 Q. Now, does Equitable Production Company have
15 the right to operate the reciprocal wells, that being the
16 wells from which we are seeking the exception?

17 A. We do.

18 Q. Okay. And are there any correlative rights
19 issues?

20 A. No. This is on a 5,000 acre Penn Virginia
21 tract and we have everything leased in that area.

22 Q. Okay. Now, we did not do a separate exhibit
23 for this particular hearing, which is very rare for us, and

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1 the reason being that essentially the certified well plat can
2 serve as that exhibit. If you would kind of take the plat
3 and explain for the Board why we need this location
4 exception.

5 A. Well, if you turn to the plat in your
6 application, you'll see that 10067 is to the northeast, 10066
7 to the east and 10366 to the south are all less than 2500
8 feet from this well and there is really no place that we can
9 put this well and maintain adequate spacing for many of
10 these...all of these wells. This is the best spot as far as
11 trying to maintain some equal spacing. In addition, this is
12 on a strip bench on Penn Virginia property in which they have
13 required us to put the well in the spot as well.

14 Q. So, not only do we have the three wells that
15 have sort of hemmed us in and the...and no legal location we
16 could get, but the coal owner has designated this spot?

17 A. That's correct.

18 Q. Okay. Now, in the event the location were
19 not granted, would you project the estimated lost of reserves
20 resulting in waste?

21 A. 475,000,000 cubic feet.

22 Q. And what is the total depth of this well
23 under the plan of development?

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1 A. 6,060 feet.

2 Q. Will this be sufficient to penetrate and
3 test the Commonwealth sources as supplied in the subject
4 formations?

5 A. It will.

6 Q. Is the applicant requesting that this
7 location exception cover conventional gas reserves to include
8 the designated formations from the surface to the total depth
9 drilled?

10 A. Yes.

11 Q. In your professional opinion, would the
12 granting of this location exception be in the best interest
13 of preventing waste, protecting correlative rights, and
14 maximizing the recovery of the gas reserves underlying the
15 unit for well number V-503584?

16 A. It will.

17 JIM KISER: Nothing further of this witness at this
18 time, Mr. Chairman.

19 BENNY WAMPLER: Questions from members of the
20 Board?

21 MASON BRENT: I think I may have asked this
22 question before. If I have, I apologize. Is there any
23 offset from the state regulating the offset from the state
24

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1 line?

2 BENNY WAMPLER: We just communicate with the...we
3 have a mechanism internally to communicate with the other
4 state agencies. There's no legal offset. Other questions?
5 Those other three wells are conventional wells?

6 DON HALL: Yes.

7 BENNY WAMPLER: Do you have anything further?

8 JIM KISER: We'd ask that the application be
9 approved as submitted, Mr. Chairman.

10 BENNY WAMPLER: Is there a motion?

11 KEN MITCHELL: Mr. Chairman, I make a motion for
12 approval of item 12, which is the exception to the 2500 foot
13 legal requirement.

14 BENNY WAMPLER: Is there a second?

15 MASON BRENT: I second.

16 BENNY WAMPLER: Motion and second. Any further
17 discussions?

18 (No audible response.)

19 BENNY WAMPLER: All in favor, signify by saying
20 yes.

21 (All members signify by saying yes.)

22 BENNY WAMPLER: Opposed, say no.

23 (No audible response.)

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1 BENNY WAMPLER: You have approval. Thank you.

2 Merry Christmas to you.

3 (Jim Kiser confers with Sandra Riggs.)

4 BENNY WAMPLER: Do you have anything?

5 BOB WILSON: No, sir. I believe Mr. King does,
6 though.

7 CLYDE KING: I do, Mr. Chairman.

8 BENNY WAMPLER: Go ahead, Mr. King.

9 CLYDE KING: Mr. Chairman, I have done my best not
10 to miss a meeting of this Board and I request that we maybe
11 try to change our February meeting to the 12th of February,
12 which is one week before, I guess. The regular meeting will
13 be on the 19th. If it's a real problem, I'll just have to
14 miss it. If not, I'd like to be here.

15 BENNY WAMPLER: Usually it gets in problem with the
16 notice and I don't know what...was we planning---

17 BOB WILSON: Well, that would...we'd just have to
18 back up the dates that we would require submissions from the
19 operators and getting everything in the newspapers and such.
20 It's usually better to go later than it is earlier because
21 of notice problems.

22 CLYDE KING: Yeah. If it's a real problem---

23 BENNY WAMPLER: We'll take a look at it and see if
24

1 we can accommodate.

2 CLYDE KING: No problem.

3 JIM KISER: Well, just by way of information to
4 help you, I know Mr. Arrington from Consol told us after the
5 hearings that he...of course, he only has two in January and
6 we only have two. So, that's probably the smallest docket
7 we've had in months. But he said that they are going to be
8 dumping them in like crazy in February, which I know Ms.
9 Riggs is glad to hear it. So, you know, that denotes to me
10 probably fifteen or twenty.

11 BOB WILSON: I've had the same information that
12 February will be flooded.

13 JIM KISER: Which begs to question, they must force
14 pool every well they drill.

15 BENNY WAMPLER: We can go ahead and go off the
16 record.

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1 STATE OF VIRGINIA,

2 COUNTY OF BUCHANAN, to-wit:

3 I, Sonya Michelle Brown, Court Reporter and Notary
4 Public for the State of Virginia, do hereby certify that the
5 foregoing hearing was recorded by me on a tape recording
6 machine and later transcribed by me personally.

7 Given under my hand and seal on this the 8th day of
8 January, 2002.

9 NOTARY PUBLIC

10 My commission expires: August 31, 2005.
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