

VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

VIRGINIA GAS AND OIL BOARD HEARING

Tuesday, May 10, 2016

Lebanon, Virginia

**BOARD MEMBERS:**

Bill Harris—Public Member

Donnie Ratliff—Coal Industry Representative

Donnie Rife—Public Member

Mary Quillen—Public Member

Rita Surratt—Public Member

**APPEARANCES:**

Bradley Lambert—Chairman of the Virginia Gas & Oil Board

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

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

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

Paul Kugelman, Jr.—Senior Assistant Attorney General

*Prepared by: Margaret Linford*

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1 **Bradley Lambert:** Good morning, ladies and gentlemen. It's now after 9:00. I would ask that,  
2 if you have cell phones or other communication devices, please put those on vibrate or silence  
3 those devices, please. We'll begin, this morning, by asking the Board to introduce themselves.  
4 I'll begin with Ms. Surratt.

5 **Rita Surratt:** I'm Rita Surratt and a public member from Dickenson County.

6 **Paul Kugelman:** Paul Kugelman, with the Attorney General's Office.

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

8 **Donnie Ratliff:** Donald Ratliff, representing coal.

9 **Bill Harris:** Bill Harris, a public member from Wise County.

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

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

12 **Items Number 1 and 2**

13 **Bradley Lambert:** Mr. Cooper, do we have a sign-in sheet? The first item on our agenda is the  
14 Board will receive public comments. We have no one signed up for public comments, so I'll ask  
15 the audience if there is anyone that would like to speak, to come forward, that didn't sign up.  
16 [No response] The next item on our agenda is that the First Bank and Trust Company, the  
17 Escrow Agent for the Virginia Gas and Oil Board, will appear to address the Board on the  
18 Quarterly Report. I'll ask those folks to, please, come. Good morning!

19 **Jack Phelps:** Good morning!

20 **Jody Maney:** Good morning! What we do for this presentation, since you didn't have the  
21 meeting last month, we continued on with the First Quarter Report. Then, at the end, we put in  
22 the April information, as well, so you would have a more up-to-date picture.

23 **Bradley Lambert:** Okay.

24 **Jody Maney:** We'll start out with the First Quarter summary. Beginning balance for the First  
25 Quarter-\$25,903,658.57. Deposits for the Quarter-\$122,903.31. Interest earned-\$8,861.79. Fees  
26 were \$6,341.57. Distributions per the orders-\$2,016,124.97. A \$5,215.09 adjustment. Giving  
27 us an ending balance, at the end of March, of \$24,018,172.22. On Page 4 is the list of  
28 outstanding checks. That runs through Page 12. It's broken down by producer on Page 12, as to  
29 who has what outstanding checks. So, we have a total of \$143,796.12. On Page 13, this is the 5-  
30 year escheatment. 2016, right now, we have a total escheatment that will be escheated this year,

1 \$7.85. For 2017, we're at \$1,454.14. A lot of these have cleared off from the previous Quarter,  
2 for 2016. Letters were sent out by them and me and the Board. A lot of those have cleared off.

3 **Bradley Lambert:** Okay. Rick, for you all's assistance...

4 **Rick Cooper:** Thank Ms. Gilmer and Ms. Ketron, for that. They've been very diligent in  
5 sending those letters out and doing a follow-up.

6 **Bradley Lambert:** Thank you.

7 **Mary Quillen:** That's amazing, \$7.85. It's amazing that we've gotten it down to \$7.85.

8 **Jody Maney:** Yes.

9 **Mary Quillen:** Good job, ladies!

10 **Jody Maney:** On Page 14, this starts the March balance sheet. This is the list of the funded  
11 units, the beginning balance, the deposits, money market interest. There's nothing in the CDARS  
12 interest column because, right now, we have no CDARS. Fees, distributions, transfers to the  
13 "No W-9" spreadsheet, audit cost, corrections and your ending market value for each, individual,  
14 unit. This is only for the month of March. On Page 36, that gives you the totals for the month of  
15 March. We have processed 46 Dockets during the month of March. Is there any questions on  
16 those?

17 **Rick Cooper:** Mr. Chairman, I'd like to point out, Ms. Maney, that in the month of April, she  
18 wrote over 600 checks in that one month, alone. She's doing really well.

19 **Jody Maney:** Page 37, this is the list of the individuals that have not submitted their W-9's and  
20 their account balances. We were able to distribute some in the month of March, for a total  
21 coming off of the "No W-9" list of \$24,954.06. So, those people had submitted their W-9's and  
22 were able to be removed from that list. On Page 40, is the list of the unfunded units.

23 **Bradley Lambert:** Those seem to be shrinking. How are we doing?

24 **Rick Cooper:** We're doing really well on that. We're continuing to work on that. We will clear  
25 another one up, today. Hopefully, in the next couple months, we can really almost eliminate that  
26 list. I would point out to the Board these are not as easy to get rid of as what you might think. It  
27 takes a lot of research and effort to get rid of a few of these to trace down the reason for some of  
28 them. We're working diligently on that.

29 **Bradley Lambert:** Thanks, Rick.

30 **Jody Maney:** Page 41, total of annual distributions, starting with 2010 all the way through  
31 2016. You have royalty and working interest, distributions and a graph at the bottom that shows  
32 the total royalty and working income, distributions and net contributions. Any questions, so far?

1 **Mary Quillen:** Just looking at this distributions between 2015 and 2016, this is just the end of  
2 the First Quarter that it's half of what we have in distributions for the whole year.

3 **Jody Maney:** The whole entire year of 2015.

4 **Mary Quillen:** That's amazing.

5 **Jody Maney:** This total is just through March.

6 **Mary Quillen:** Right, the First Quarter.

7 **Jody Maney:** It doesn't include the April total.

8 **Mary Quillen:** It's 50% for the total year. That's great.

9 **Jody Maney:** Page 42. This gives you a breakdown, as of March 31, of how your money is  
10 invested. Right now, we have \$747,000 in CD's that will mature at the end of June. By the end  
11 of June, they will be matured. I have some other CD rates, if you all want that to be invested.  
12 We have 3 months, 6 months, 9 months and 12 month rates, if you desire to reinvest the  
13 \$747,000 that's coming due before we meet again.

14 **Bradley Lambert:** Could you give us those rates?

15 **Jody Maney:** The 3 month rates are anywhere between .35% and .4. 6 month rates are .4-.45%.  
16 9 month CD rates is .5-.55%. The one-year CD rate that we can get right now is .6-.7%.

17 **Bradley Lambert:** Open for discussion from the Board, on whether or not to reinvest at those  
18 rates and the length of time.

19 **Bill Harris:** The amount that's in there, now, did we invest those for a year or six months or was  
20 it...?

21 **Jody Maney:** The \$747,000 was invested for six months. We have \$378,000 that will come due  
22 at the end of the year that we invested for a year. Right now, you have \$22,000,000 available.

23 **Bill Harris:** I was thinking this seems to be a, relatively, small amount of that.

24 **Bradley Lambert:** Yes, of the entire account.

25 **Mary Quillen:** That was invested for six months. If we decide to reinvest that for six more  
26 months, what would that rate, did you say?

27 **Jody Maney:** The rate would be .4-.45%, somewhere between that range.

28 **Mary Quillen:** If we invest it for a year, it's between 6 and 7?

29 **Jody Maney:** .6 and .7, yes.

1 **Mary Quillen:** It's a fairly small amount.

2 **Bill Harris:** I would go with the year.

3 **Mary Quillen:** That's what I was thinking. In my opinion, I think that, since it is a smaller  
4 amount and it doesn't look like that would be a problem, as far as distribution, that we could be  
5 safe in doing it for a year.

6 **Donnie Ratliff:** Do you want to make that motion?

7 **Mary Quillen:** Yes, I'll make the motion that we reinvest it for a year.

8 **Donnie Ratliff:** I'll second that motion, Mr. Chairman.

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

11 **Board:** Yes.

12 **Bradley Lambert:** Opposed, no. [No response] We'll go ahead and reinvest that...

13 **Jody Maney:** \$747,000.

14 **Bradley Lambert:** Okay. We'll do that for one more year.

15 **Jody Maney:** For one year. Then, at the end of December, you'll have another \$378,000  
16 maturing.

17 **Donnie Ratliff:** End of what?

18 **Jody Maney:** At the end of the year. Page 43 is your investment snapshot. This tells that we  
19 reinvested on 12/11/15 to these banks and the market rate and the annual yield on each,  
20 individual, CD.

21 **Mary Quillen:** Those rates look good. Do they look like they're going to be holding or do you  
22 have any insight?

23 **Jody Maney:** For the year, it will. If we reinvest for another 12 months, it looks like about the  
24 same rate.

25 **Mary Quillen:** Those are excellent.

26 **Jody Maney:** .6 and .7 is the 12-month CD rate, right now.

27 **Bill Harris:** Are those rates, overall? I know these are fixed for that period of time, but in terms  
28 of the market, what do you see happening with rates? Are they going up, going down?

1 **Jody Maney:** They're really staying about the same, right now.

2 **Mary Quillen:** And, this is holding for a year, so this is really good.

3 **Jody Maney:** Yes.

4 **Mary Quillen:** We'll look at that, again, at the end of the year. You'll have a better idea of what  
5 direction they're going, right?

6 **Jody Maney:** Yes.

7 **Bill Harris:** After the election, I'd say one way or the other.

8 **Jody Maney:** Page 44. This is the comments on the investments. We, currently, have  
9 \$22,000,000 in cash, available. We've had no maturities, no new purchases since our last  
10 meeting. The money is, currently, in the ICS money market account. It's earning .2%. That's  
11 available for any distributions that come up. The next page is the rate comparison between  
12 CDARS rates, Treasury rates and the CD rates. Then, as I said earlier, starting on Page 46, this  
13 is the April information. This is the April balance sheet to give you a better, up-to-date, picture  
14 of where we're at today versus the end of March. Starting on Page 47, is the individual units that  
15 are funded, their beginning balance, deposits, interest, fees, any distributions for the month of  
16 April and the ending market value. That goes all the way to Page 66 for the totals. At the end of  
17 April, we had \$23,512,798.42. During the month of April, as Rick had said earlier, we processed  
18 over 600 checks. That was a total of 41 Dockets, just for the month of April.

19 **Bradley Lambert:** Do you know what that amount was?

20 **Jody Maney:** The total for April, the distributions, was \$489,514. The last few pages, starting  
21 on Page 67-69, is the "No W-9" list, the people that have not submitted their W-9's to be  
22 disbursed.

23 **Mary Quillen:** The list seems to be getting smaller and smaller.

24 **Jody Maney:** We were able to take several of them off, in the month of March. Yet, we've  
25 added some more in the month of April.

26 **Paul Kugelman:** When you say, "take them off," you mean they submitted their W-9?

27 **Jody Maney:** Submitted their W-9, yes. All of these, on the "No W-9" list, are EnerVest,  
28 Range Resources.

29 **Mary Quillen:** Okay.

30 **Jody Maney:** So, they had submitted their W-9's through Range Resources, EnerVest and, then,  
31 they had submitted them to me to process.

1 **Bill Harris:** Is that just a coincidence that all are Range?

2 **Jody Maney:** Probably word-of-mouth, a family member had gotten their check and they didn't  
3 receive one and wanted to know why. Any other questions?

4 **Bradley Lambert:** Questions from the Board? [No response] Thank you.

5 **Mary Quillen:** Excellent. Thank you. Thank you for adding the April. That's great. The  
6 amount of disbursements is great, too.

7 **Rick Cooper:** Mr. Chairman.

8 **Bradley Lambert:** Mr. Cooper.

9 **Rick Cooper:** The maintenance department did text us. They're testing the fire alarm. It's not  
10 an actual fire alarm. They're testing it, right now. We've told them it's, sort of, impeding with  
11 our conference, here.

12 **Bradley Lambert:** Okay.

13 **Mary Quillen:** Did they say how long they're going to be testing it?

14 **Rick Cooper:** They tested it all day, yesterday. They've got people running across the top of  
15 the building. I don't know what all they're doing, so she did not know how long it would take.

16 **Bradley Lambert:** I guess we'll just have to turn up our volume.

17 **Mary Quillen:** Distracting.

18 **Item Numbers 3 and 6**

19 **Bradley Lambert:** The next item on the Docket is Docket Item Number 3. A petition from  
20 Appalachian Energy, to release escrowed funds to Janice Compton (Tract 1), owner of 1/20 of  
21 the gas estate under a 90-acre tract of land that makes up a portion of Well AE-186. This is  
22 Docket Number VGOB-07-1016-2055-01. All parties wishing to testify please come forward.

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

25 **Justin Phillips:** I do.

26 **Bradley Lambert:** Just a second, Mr. Phillips. Mr. Phillips, I understand that we have two  
27 Docket Items, under this petition, that are, pretty much, the same and we may be able to combine  
28 two of the Docket Items.

29 **Justin Phillips:** That is correct.

1 **Bradley Lambert:** Docket Item Number 3 and Docket Item Number 6.

2 **Justin Phillips:** That's correct.

3 **Bradley Lambert:** I'll go ahead and call Docket Item Number 6 and you can tell us how they  
4 are similar and have the same issues with both of those.

5 **Justin Phillips:** Yes, sir.

6 **Bradley Lambert:** We're also calling Docket Item Number 6. A petition from Appalachian  
7 Energy, to release escrowed funds to Janice Compton. This is Docket Number VGOB-08-0715-  
8 2280-01. All parties wishing to testify on that Docket Item, please come forward. You may  
9 proceed, Mr. Phillips.

10 **Justin Phillips:** When we drilled these two wells, 186 and AE-231, we initially staked one well  
11 per the unit. Of course, before we drilled the unit, we pooled this unit and we leased all the  
12 individuals that we could. Tract 1 in both of these units is what we refer to as the Coleman-  
13 Leckie-Pobst Tract. We leased most individuals in the tract. Actually, I think all of them are  
14 leased, now. There was one individual, Dorothy Compton Spragg, who owned only 1/20 of the  
15 gas, but did not own the coal. When we leased her, we explained that, if we drilled the wells, her  
16 money would go into escrow and that's the money that we're seeking to get released. Going back  
17 to the one tract, there, when we staked the first wells, we used a surveyor, D.R. Price. When gas  
18 prices were good, we decided to put a second well in. At that time, we had changed surveyors.  
19 So, we have two different plats and I think that's the reason Mr. Cooper wanted me to come and  
20 testify, today. When we switched surveyors, they came up with...the second surveyor's plat  
21 didn't look identical to the first surveyor's. We've actually had this on other wells and other areas  
22 of Buchanan County. In this particular case, we've got two wells in one unit, with two different  
23 plats. I recall both surveyors saying...each one thought their respective plats were the correct  
24 ones. They did their plats based on the Gas and Oil Board guidelines. I recall that these are  
25 really close to where the Oakwood and Nora Units come together. At one time, there was an  
26 issue on getting that corrected. You've got some odd-shaped units. These are close to that. I'm  
27 not saying that's the reason, but it is close to that area.

28 **Mary Quillen:** Now, is this for all of them?

29 **Justin Phillips:** It's the same issue. We've got three units, E-100, F-100 and G-100. We've got  
30 two wells in each unit and each well has its plat. There were two surveyors, so we have six plats  
31 for six wells. If you look at Unit E-100 for Surveyor A and, then, you look at Unit E-100 for  
32 Surveyor B, they don't line up exactly correct. But, if you take all six of these Docket Items we  
33 have and stack the plats top to bottom, it's the same property.

34 **Mary Quillen:** I wondered because it looked like it was the same thing when I was going  
35 through and reading.

1 **Justin Phillips:** It is. It's the exact same.

2 **Bradley Lambert:** So, on E-100, we're only talking about less than 2 acres.

3 **Justin Phillips:** I don't have the percentage in front of me. I just have the plats.

4 **Bradley Lambert:** Between when the first survey was done and the second survey was done,  
5 was it years?

6 **Justin Phillips:** It would have been between 2008 and 2011, actually 2007 and 2011.

7 **Mary Quillen:** This was 2007.

8 **Bradley Lambert:** It could have been an error with equipment used to survey, you think?

9 **Justin Phillips:** It could have been, Mr. Chairman. Both surveyors swore that they believe that  
10 their plat was correct. They didn't state that the other surveyor's plat was incorrect. They were  
11 just saying, "We're a licensed surveyor. We believe our work is correct."

12 **Bradley Lambert:** We have a certified stamp on both of them.

13 **Justin Phillips:** That is correct. All six plats are signed by a licensed surveyor.

14 **Donnie Rife:** Apparently, one of them is wrong.

15 **Justin Phillips:** Each surveyor will say that his plat is correct.

16 **Bradley Lambert:** Aside from the acreage difference, what about the accounting? Would the  
17 accounting be the same, or not, for both?

18 **Justin Phillips:** I don't set up the DOI's. I could have brought somebody that.... I would think  
19 that they're the same. Were the numbers the same, Sarah?

20 **Mary Quillen:** They're all 100%, it looks like.

21 **Rick Cooper:** The percentage ownership slightly changes. In 100, it's .1988. Then, in 100-A,  
22 it's 2.093. The ownership proportion share has slightly changed in the two.

23 **Justin Phillips:** I guess the answer would be it's paid based on the plat.

24 **Mary Quillen:** The latest plat. Is that correct?

25 **Justin Phillips:** I'd have to look at the accounting. I'm not sure the answer to that question. I  
26 can come back, if you like, or supply that answer to Mr. Cooper.

27 **Bradley Lambert:** Ms. Compton, she's leased, though.

1 **Justin Phillips:** She is leased. Yes. We explained, up front, that until something is resolved  
2 with this conflicting claimant issue, your money will go into escrow.

3 **Mary Quillen:** These are all, relatively, small.

4 **Justin Phillips:** Yes. She owns 1/20 of that tract, Tract 1 on 186 and 231.

5 **Bradley Lambert:** That's really what I was getting at, on the accounting. If we look at the  
6 tables.... I didn't do the math, but Mr. Kugelman did just do the math and there's about a \$500  
7 difference in the two. So, is she going to get more or less when you pay out?

8 **Justin Phillips:** It depends on which plat that you're looking at. I'm not sure the amounts. I  
9 really came prepared to explain the issue of having two plats per unit.

10 **Rick Cooper:** Mr. Chairman.

11 **Bradley Lambert:** Mr. Cooper.

12 **Rick Cooper:** I would point out that she is getting the entire amount in the escrow account in all  
13 six units. So, everything in the escrow account goes to Ms. Compton.

14 **Justin Phillips:** That's correct. She's the only individual that's going into escrow into all these  
15 units.

16 **Mary Quillen:** Oh! The escrow account would be closed, then, after this disbursement?

17 **Rick Cooper:** Yes, the account would get closed and she's disbursed all funds in all six  
18 accounts, as we move forward on this.

19 **Donnie Rife:** That makes everything else irrelevant, then.

20 **Justin Phillips:** Right. She's the only conflicting claimant in all of these units.

21 **Paul Kugelman:** She's conflicted with herself?

22 **Justin Phillips:** She does not own any coal. She owns gas.

23 **Paul Kugelman:** Oh, I see. I'm sorry.

24 **Justin Phillips:** The 19/20 is clear.

25 **Paul Kugelman:** I'm not trying to be cute. I'm just trying to make sure I understand. I  
26 apologize if that came out wrong.

27 **Bradley Lambert:** That's pretty easy. She's the only one.

1 **Rick Cooper:** She's the only claimant and she gets the entire fund in all six wells we're talking  
2 about. She will be disbursed all the dollars in those escrow accounts.

3 **Justin Phillips:** That is correct.

4 **Paul Kugelman:** She's a 1/20 owner in all of those.

5 **Justin Phillips:** She's a 1/20 owner in the one tract that has a conflicting claimant.

6 **Paul Kugelman:** Okay.

7 **Bradley Lambert:** In the 100, that we're talking about.

8 **Justin Phillips:** Correct. None of the other tracts in any of these units, any of these Docket  
9 Items, have any conflicting claimants. We're a small operator and these were the only three  
10 units, six wells, where we have any conflicting claimants. So, I guess we're fortunate, in that  
11 respect.

12 **Mary Quillen:** These are the only conflicting claims?

13 **Justin Phillips:** We have two fields in Buchanan County. This is our little patch in the Nora  
14 Field. We have several units there. Then, over in the Oakwood Field and Whitewood, it's all  
15 clear acreage. We don't have any.

16 **Mary Quillen:** Doing a good job.

17 **Justin Phillips:** We just got lucky, geographically, I guess. I am glad that Ms. Compton will  
18 get her money, actually, it was her mother-in-law that we leased, who knew that it was a  
19 conflicting claim. We have this issue, before, with different plats. I know we've got some  
20 different Board members, but a few years ago we had a contest within GeoMet Operating  
21 Company for about five units. I know you were here and, Mr. Harris, you were here. I don't  
22 have those examples with me, but their plats, even though they were the same units, looked  
23 different than our plats.

24 **Mary Quillen:** I remember that.

25 **Justin Phillips:** Not a huge difference, but there was a difference. So, it's not that uncommon to  
26 have two different opinions for two different surveyors. If you get a third plat, you might even  
27 be different than these two.

28 **Mary Quillen:** Right. Particularly, if there's a span or difference in time because technology  
29 has gotten better, over...

30 **Justin Phillips:** That could be a reason.

1 **Mary Quillen:** I'd say it probably is. Just look at your cell phone. What a difference in a year,  
2 over a period of several years. I'd say that's probably right.

3 **Bradley Lambert:** Any other questions from the Board? [No response] Do you have anything  
4 further, Mr. Phillips?

5 **Justin Phillips:** I do not.

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

7 **Justin Phillips:** I'd like to have Ms. Compton get her money and we start paying her, going  
8 forward.

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

10 **Mary Quillen:** Second.

11 **Bill Harris:** Mr. Chairman, are we doing both 3 and 6?

12 **Bradley Lambert:** Yes, we're doing both 3 and 6.

13 **Bill Harris:** Does the motion need to reflect 3 and 6, or is it...?

14 **Bradley Lambert:** Yes, I called both of them, so...

15 **Bill Harris:** Okay.

16 **Bradley Lambert:** But, Mr. Harris, if you want to amend that to include...?

17 **Bill Harris:** I was just asking if it needed to be amended, just for the record.

18 **Mary Quillen:** That's the two he called, so there would not be anything else.

19 **Bill Harris:** I'm fine.

20 **Donnie Rife:** Make the motion for amendment for 3 and 6, Mr. Chairman, for approval.

21 **Bradley Lambert:** Thank you, Mr. Rife.

22 **Mary Quillen:** Second.

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

25 **Board:** Yes.

26 **Bradley Lambert:** Opposed, no. [No response] Thank you, Mr. Phillips. That one is  
27 approved.

**Item Number 4 and 7**

- 1
- 2 **Bradley Lambert:** We're calling Docket Item Number 4. A petition from Appalachian Energy,  
3 to release funds to Janice Compton, Tract 1. This is Docket Number VGOB-07-1016-2056-01.  
4 All parties wishing to testify please come forward. Mr. Phillips, I understand that this one, as  
5 well, if we call Docket Item Number 7, they're the same issues, as well. Correct?
- 6 **Justin Phillips:** Correct. It's the same unit, two different wells, two different plats.
- 7 **Bradley Lambert:** So, I'll go ahead and call Docket Item Number 7. A petition from  
8 Appalachian Energy, to release escrowed funds to Janice Compton in Tract 1. Docket Number  
9 VGOB-08-0819-2312-01. All parties wishing to testify please come forward. You may  
10 continue, Mr. Phillips.
- 11 **Justin Phillips:** Mr. Chairman, if I could incorporate my testimony from the previous two  
12 docket items, we have the exact same issue. We have Wells AE-187 and AE-232. These are  
13 both in Unit F-100 in the Nora Field. It's the same issue. We've got two plats, two different  
14 surveyors. There's one conflicting claimant on one tract. It's Tract 1 in both of these. Again, it's  
15 Janice Compton. She would get all the money that is, currently, being escrowed.
- 16 **Mary Quillen:** Will that close that account?
- 17 **Justin Phillips:** It will. Yes, ma'am.
- 18 **Bradley Lambert:** Previous testimony will be accepted. Do you have anything further?
- 19 **Justin Phillips:** I do not.
- 20 **Bradley Lambert:** Before I forget, again, these are the only six, fortunately, that we have, as far  
21 as conflicting claimants. So, we don't have every month a Docket full or a bunch of items to  
22 submit. We, kind of, walked through this on the e-forms. Any questions we had, Mr. Cooper  
23 and Sarah and Sally and, also, Brad, they were very helpful for us getting these filed. We  
24 appreciate that.
- 25 **Bradley Lambert:** Any questions from the Board? [No response] Same issues. We just  
26 incorporated testimony from the previous docket items. Same issue, only one conflicting  
27 claimant that will receive all of the money in escrow. Is there anything further, Mr. Phillips?
- 28 **Justin Phillips:** Sir, I'd like to see Ms. Compton get her money and we pay her, going forward.  
29 Thank you.
- 30 **Bradley Lambert:** Do I have a motion?
- 31 **Donnie Rife:** Motion made for approval for Docket Number 4 and 7, Mr. Chairman.
- 32 **Mary Quillen:** Second.

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

3 **Board:** Yes.

4 **Bradley Lambert:** Opposed, no. [No response] Thank you, Mr. Phillips. That one is  
5 approved.

6 **Item Number 5 and 8**

7 **Bradley Lambert:** We're calling Docket Item Number 5. A petition from Appalachian Energy,  
8 to release escrowed funds to Janice Compton. This is Docket Item Number VGOB-07-1016-  
9 2057-01. All parties wishing to testify please come forward. Mr. Phillips, I understand that  
10 Docket Item Number 8 is identical to Docket Item Number 5.

11 **Justin Phillips:** That's correct.

12 **Bradley Lambert:** Would you like to combine those two, as well?

13 **Justin Phillips:** That's correct, Mr. Chairman. It's the same CBM Unit G-100. We have two  
14 wells in that unit.

15 **Bradley Lambert:** Let me call Docket Item Number 8. A petition from Appalachian Energy, to  
16 release escrowed funds to Janice Compton. Docket Number VGOB-08-0715-2279-01. All  
17 parties wishing to testify please come forward. You may proceed, Mr. Phillips.

18 **Justin Phillips:** If I could, Mr. Chairman, I'd like to incorporate my testimony from the previous  
19 docket items, there.

20 **Bradley Lambert:** That will be accepted. Any discussion from the Board? Again, 5 and 8  
21 Docket Items are very similar to the other docket items that we just heard, in that there was an  
22 error in survey between two surveying companies. However, Janice Compton, the only  
23 conflicting claimant, is the only one to receive all funds out of the disbursement.

24 **Justin Phillips:** That is correct. I won't say that there was a mistake between the two  
25 surveyors...just both surveyors...

26 **Bradley Lambert:** I'll retract that statement. There was a discrepancy between the plats.

27 **Justin Phillips:** Same issue. If you look at plat AE-188, it's Tract 1 on AE-233, G-100. It's  
28 Tract 3. It's the Coleman-Leckie-Pobst Tract. The same issue. Ms. Compton's 1/20 of that tract  
29 is going into escrow. We have a difference of opinion on surveyors, but she is the only  
30 individual to get any money, that has anything going into escrow, I'll say.

31 **Rick Cooper:** Mr. Chairman.

1 **Bradley Lambert:** Mr. Cooper.

2 **Rick Cooper:** I would like to point out, here, one of the differences if you're reviewing these,  
3 it's the same person, but her tract number changes on two. One is she's Tract 1. On the other  
4 one, she's Tract 3.

5 **Justin Phillips:** That's correct. It's the exact same issue we had, in the past. Going forward, if  
6 these are approved, her money will no longer go into escrow and she'll be paid, directly, from  
7 AEI.

8 **Mary Quillen:** This closes this escrow?

9 **Justin Phillips:** It does. Yes, ma'am.

10 **Bradley Lambert:** Any discussion from the Board? [No response] Anything further, Mr.  
11 Phillips?

12 **Justin Phillips:** I do not. I'd just like to have these closed and AEI will pay her, going forward,  
13 Ms. Compton.

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

15 **Donnie Rife:** Motion to approve Docket Item Number 5 and 8.

16 **Mary Quillen:** Second.

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

19 **Board:** Yes.

20 **Bradley Lambert:** Opposed, no. [No response] Thank you, Mr. Phillips.

21 **Justin Phillips:** Thank you, Mr. Chairman.

22 **Item Number 9**

23 **Bradley Lambert:** We're calling Docket Item Number 9. A petition from Magnum Hunter  
24 Production, Inc., for Transfer of Unit Operator, from Evan Energy Company, LLC, to Magnum  
25 Hunter Production, Inc., with regard to escrowed funds associated with Wells 741 and 1740.  
26 Docket Number VGOB-16-0419-4090. All parties wishing to testify please come forward.

27 **Jim Kaiser:** Mr. Chairman, Board members, Jim Kaiser and Deborah Reed, on behalf of  
28 Magnum Hunter. Actually, this first petition is only going to deal with the transfer of  
29 Operatorship on Well 741. The second item will deal with the forced pooling of 1740, which  
30 used to be 740 in the escrow on that.

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

3 **Deborah Reed:** I do.

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

5 **Jim Kaiser:** Ms. Reed, you filed this petition, in order to transfer the right to operate this  
6 particular well and unit to Magnum Hunter from, I guess it was actually in Evan Energy?

7 **Deborah Reed:** Evan Energy.

8 **Jim Kaiser:** Right. In your petition, you included quite a bit of history and title, as to how  
9 Magnum Hunter ended up with this well.

10 **Deborah Reed:** That's correct.

11 **Jim Kaiser:** Are there any questions on that, Mr. Chairman?

12 **Bradley Lambert:** No, sir. There's a lot of information to go over for a simple transfer, but  
13 thank you, anyway.

14 **Jim Kaiser:** As such, we also, in this particular well, it was drilled during the time period of the  
15 original force pooling order, so we don't have a problem there. But, we do have a small  
16 percentage of the unit that, once this well is transferred, Magnum Hunter will pay into an escrow  
17 account the amount that has accumulated for the Southwest Virginia Mineral Land Company. In  
18 this particular unit, the interest is 0.62%. I think Ms. Reed told me, this morning, that her  
19 accounting people thought there was probably going to be somewhere in the area of \$500 and  
20 some dollars deposited by Magnum Hunter into an escrow account, when this gets transferred.  
21 Of course, Southwest Virginia Mineral Land is an unknown/unlocatable.

22 **Bill Harris:** So, there was no escrow account set up prior to this, by the other company?

23 **Deborah Reed:** Apparently, not. I checked our records and couldn't find anything on it, so  
24 we're going to back up and account for the entire time period and pay it in.

25 **Bradley Lambert:** So, 740 was drilled?

26 **Jim Kaiser:** This is 741.

27 **Bradley Lambert:** I'm sorry. 741 was drilled?

28 **Jim Kaiser:** Yes.

29 **Bradley Lambert:** But, no money was ever placed into the account?

30 **Deborah Reed:** No.

1 **Donnie Rife:** Was any money exchanged?

2 **Deborah Reed:** No.

3 **Jim Kaiser:** The other royalty owners.

4 **Deborah Reed:** The other royalty owners were paid, but for some reason this just fell through  
5 the cracks.

6 **Paul Kugelman:** I just want to make sure I understand because the mechanism for depositing  
7 something into the escrow account only arises when there's a conflict between...

8 **Jim Kaiser:** This is a conventional well with an unknown owner.

9 **Paul Kugelman:** I see. Okay.

10 **Rick Cooper:** Mr. Chairman, I would point out this was found through our research on the  
11 unfunded items. This one was sitting on the unfunded items. That's how this issue was  
12 discovered, originally, and that's where we're at, today.

13 **Mary Quillen:** Okay. So, there was a record of it. It just...

14 **Rick Cooper:** Working with Magnum Hunter, we realized that the well was actually drilled and  
15 producing. They've come forward and said they would reimburse the account up to current. So,  
16 it will come off the unfunded onto the active list, if approved.

17 **Jim Kaiser:** Evan Energy doesn't exist, anymore. So, what we're trying to do is transfer the  
18 well to Magnum and, then, Magnum will straighten out the escrow.

19 **Mary Quillen:** This is the transfer from Evan Energy?

20 **Jim Kaiser:** Right.

21 **Mary Quillen:** I was just looking at this and, was this a Kentucky company, or something?

22 **Jim Kaiser:** I can't remember. I think they were out of Richmond, actually, originally. It was  
23 part of the Massey family.

24 **Mary Quillen:** Okay.

25 **Jim Kaiser:** They had offices in Kingsport, but I think they were probably headquartered in  
26 Richmond.

27 **Mary Quillen:** The Magnum Hunter is a Kentucky company, isn't it?

28 **Jim Kaiser:** Correct.

1 **Mary Quillen:** But, this well is located in Virginia.

2 **Jim Kaiser:** Yes. We wouldn't be here, if it wasn't.

3 **Mary Quillen:** Okay.

4 **Bradley Lambert:** So, Mr. Kaiser, all you're asking for today is to transfer the ownership?

5 **Jim Kaiser:** Yes.

6 **Bradley Lambert:** Then, we'll move on to...

7 **Jim Kaiser:** Then, we'll move on to the escrow.

8 **Mary Quillen:** In the process of that transfer, this escrow will be funded?

9 **Jim Kaiser:** Correct...after the transfer.

10 **Mary Quillen:** Okay.

11 **Bradley Lambert:** Any further discussion? Docket Item Number 9 is just a petition to transfer  
12 the unit from Evan Energy to Magnum Hunter. Any other discussion from the Board?

13 **Rick Cooper:** Mr. Chairman.

14 **Bradley Lambert:** Mr. Cooper

15 **Rick Cooper:** I wish you would put one stipulation on a time period to have those funds  
16 deposited.

17 **Bradley Lambert:** I was thinking maybe we would do that in the next one, but you think we  
18 ought to do it here?

19 **Rick Cooper:** They're two separate items.

20 **Jim Kaiser:** Two separate wells, two separate units.

21 **Bradley Lambert:** Okay. So, do I have any discussion from the Board about a time at which  
22 that money needs to be deposited in that account? Do you think that's around \$500?

23 **Jim Kaiser:** Ms. Reed said somewhere in that area.

24 **Deborah Reed:** Yes, that's right.

25 **Bill Harris:** Were you all planning to do that right away, anyway?

26 **Deborah Reed:** Yes, as soon as we have an order, directing us to the new Escrow Agent.

27 **Bill Harris:** 60 days or something?

1 **Jim Kaiser:** That would be fine.

2 **Mary Quillen:** What would you like?

3 **Deborah Reed:** 60 days is fine.

4 **Mary Quillen:** Okay.

5 **Bill Harris:** 30 for the order and, then, a reasonable time.

6 **Bradley Lambert:** So, the motion could include a stipulation of a time frame for the money to  
7 be deposited in the account. Do I have a motion?

8 **Bill Harris:** I'll move for approval, with the stipulation that the escrow money be placed in the  
9 account within 60 days of today's date.

10 **Donnie Rife:** Second, Mr. Chair.

11 **Bradley Lambert:** So, today's date, Mr. Cooper, that would cut it back by a few days, by the  
12 time we get the order written.

13 **Jim Kaiser:** That's all right.

14 **Rick Cooper:** I believe the order is approved as of once you all approve it.

15 **Jim Kaiser:** Today is fine.

16 **Bradley Lambert:** Today is fine?

17 **Jim Kaiser:** Yes.

18 **Bill Harris:** If you're intending to do it, anyway, this is more of a formality.

19 **Jim Kaiser:** I don't think it will take that long.

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

22 **Board:** Yes.

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

24 **Jim Kaiser:** Thank you.

1 **Item Number 10**

2 **Bradley Lambert:** We're calling Docket Item Number 10. A petition from Magnum Hunter  
3 Production, Inc. for pooling of Unit 1740. This is Docket Number VGOB-16-0419-4091. All  
4 parties wishing to testify please come forward.

5 **Jim Kaiser:** Mr. Chairman, Jim Kaiser and Deborah Reed, again, on behalf of Magnum Hunter.

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

7 **Jim Kaiser:** In this particular case, here's what happened. This well was, originally, permitted  
8 as Well Number 740. It was force pooled. It did not get drilled during the two-year, original  
9 permit period, or the original forced pooling period. They re-permitted it as Well Number 1740  
10 and, for whatever reason, assumed that the pooling order was still good.

11 **Bradley Lambert:** So, 740 was never drilled and it got removed from our system.

12 **Rick Cooper:** It did not. That, probably, created the error. So, what happened, that 740 back  
13 years ago, so currently, they actually deposited the monies that's due for 1740 into the 740  
14 account. So, if you pulled up our escrow summaries today, you would see about \$33,000 in 740,  
15 which should be an expired account and will be, if the Board approves this. That money will be  
16 transferred to 1740.

17 **Mary Quillen:** It's escrowed for that same company, that unknown/unlocatable?

18 **Jim Kaiser:** Yes. It's Southwest Virginia Mineral Land Company, again.

19 **Mary Quillen:** Yes.

20 **Jim Kaiser:** What we're going to do today is go ahead and pool the unit, since the original  
21 pooling had expired. Then, we'll also, if Mr. Cooper and his staff wish, we'll discuss the escrow.  
22 But, I think they're kind of, pretty well, up-to-date on that, but the Board needs to know that, too.  
23 We'll just start with the forced pool and, then we'll move to the escrow situation for 1740.

24 **Mary Quillen:** Is there only the two owners in that unit?

25 **Jim Kaiser:** I think there's more than that. There's only one unleased. Is there only just two?

26 **Deborah Reed:** Yes.

27 **Jim Kaiser:** Southwest and Exco. Ms. Reed, if you'd state your name for the Board, who you  
28 are employed by and in what capacity?

29 **Deborah Reed:** My name is Deborah Reed. I'm employed by Magnum Hunter Production  
30 Company. I'm employed as the Senior Paralegal in the Land Department.

1 **Jim Kaiser:** And your responsibilities include the land involved, here?

2 **Deborah Reed:** Yes.

3 **Jim Kaiser:** Are you familiar with the application that you filed, seeking a pooling order for  
4 Well 1740?

5 **Deborah Reed:** Yes.

6 **Jim Kaiser:** Are you seeking to force pool the drilling rights underlying the unit, as depicted in  
7 Exhibit A to the application?

8 **Deborah Reed:** Yes.

9 **Jim Kaiser:** Does Magnum Hunter own drilling rights in the unit involved, here?

10 **Deborah Reed:** Yes.

11 **Jim Kaiser:** Prior to filing of this application, were efforts made to contact each of the  
12 respondents, and an effort made to reach a voluntary lease with each?

13 **Deborah Reed:** Yes.

14 **Jim Kaiser:** What is the interest in the unit under lease to Magnum Hunter?

15 **Deborah Reed:** The leased portion is 45.13% within the unit or 50.8614 acres.

16 **Jim Kaiser:** And the unleased parties are set out in Exhibit B3?

17 **Deborah Reed:** Yes.

18 **Jim Kaiser:** What percentage of the unit remains unleased?

19 **Deborah Reed:** 54.87%

20 **Jim Kaiser:** And, that is the percentage owned by Southwest Virginia Mineral Land Company?

21 **Deborah Reed:** Yes.

22 **Jim Kaiser:** Now, were reasonable and diligent efforts made and sources checked to identify  
23 and locate any unknown parties including primary sources, such as deed records, probate  
24 records, assessor's records, Treasurer's records and secondary sources, such as telephone  
25 directories, city directories, family and friends?

26 **Deborah Reed:** Yes.

27 **Jim Kaiser:** Did you even as late as last week, attempt an internet and Google searches on  
28 them?

1 **Deborah Reed:** I did. I found a couple of old civil cases that had been filed in Wise County,  
2 Virginia, in 1892 and 1894. That's about the last time you see them, of record.

3 **Jim Kaiser:** So, in your professional opinion, was due diligence exercised to locate each of the  
4 respondents named in Exhibit B?

5 **Deborah Reed:** Yes.

6 **Jim Kaiser:** Are the addresses set out in Exhibit B the last known addresses for the  
7 respondents?

8 **Deborah Reed:** Yes.

9 **Jim Kaiser:** Are you requesting this Board to force pool all unleased interest, as listed in  
10 Exhibit B3?

11 **Deborah Reed:** Yes.

12 **Jim Kaiser:** Who should be named the operator under any forced pooling order?

13 **Deborah Reed:** Magnum Hunter Production Company.

14 **Jim Kaiser:** Now, this well has already been drilled, obviously. Correct?

15 **Deborah Reed:** Yes.

16 **Jim Kaiser:** What was the total depth of the well?

17 **Deborah Reed:** 5,850 feet, including the lateral, to include formations consistent with the well  
18 work permit, now pending before the Division of Mines, Minerals and Energy

19 **Jim Kaiser:** What are the estimated reserves for the unit?

20 **Deborah Reed:** 1-54 MCF.

21 **Jim Kaiser:** Has an AFE been reviewed, assigned and submitted to the Board, with the  
22 application?

23 **Deborah Reed:** Yes.

24 **Jim Kaiser:** Do you think it represents a reasonable estimate of the well cost for this well?

25 **Deborah Reed:** Yes.

26 **Jim Kaiser:** Can you state both the dry hole cost and completed well cost for this well?

27 **Deborah Reed:** The dry hole costs are, approximately, \$200,980. The completed well costs  
28 were \$321,830.

1 **Jim Kaiser:** In your professional opinion, would the granting of this forced pooling application  
2 be in the best interest of conservation, the prevention of waste and protection of correlative  
3 rights?

4 **Deborah Reed:** Yes.

5 **Jim Kaiser:** Was everybody notified, as required by statute, here?

6 **Deborah Reed:** Yes.

7 **Jim Kaiser:** Did you publish four consecutive weeks?

8 **Deborah Reed:** Yes, I did.

9 **Jim Kaiser:** In the Powell Valley News?

10 **Deborah Reed:** Yes.

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

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

13 **Bill Harris:** Mr. Chairman.

14 **Bradley Lambert:** Mr. Harris.

15 **Bill Harris:** I don't see signatures on the AFE that we have. Actually, I don't see a place for  
16 signatures.

17 **Jim Kaiser:** No, I think you're right. There is a "Prepared by," up there.

18 **Bill Harris:** Yes.

19 **Jim Kaiser:** This is a well that was drilled how many years ago?

20 **Deborah Reed:** 2006, probably.

21 **Bill Harris:** So, this is the AFE carried forward?

22 **Jim Kaiser:** It's the AFE from 2006.

23 **Mary Quillen:** The date on this AFE is 2002.

24 **Jim Kaiser:** Okay.

25 **Mary Quillen:** Is that accurate?

26 **Deborah Reed:** Yes, that was the original AFE for Well Number 740, which later got drilled as  
27 1740.

1 **Mary Quillen:** Okay.

2 **Jim Kaiser:** Again, it's only relevant if, somehow, Southwest Virginia Land and Mineral  
3 Company came forward and, afterward, have the right to participate. I don't think they're coming  
4 forward.

5 **Mary Quillen:** So, this initials for prepared by is the initials for the person that prepared this  
6 AFE, then?

7 **Deborah Reed:** Yes.

8 **Bradley Lambert:** It was a very cheap well, in 2002.

9 **Deborah Reed:** Yes.

10 **Bradley Lambert:** Any other questions from the Board? [No response] Now, as I understand  
11 it, 740 is no longer. This is now 1740, so the funds that are in 740 will be transferred to this one,  
12 as soon as this pooling order is approved?

13 **Jim Kaiser:** Correct.

14 **Rick Cooper:** Mr. Chairman, I would ask Ms. Reed to assure that all the accounting is up-to-  
15 date, when that is transferred. I'm not sure when the last deposit went into that account.

16 **Jim Kaiser:** Ms. Reed, why don't you kind of explain to them where we are on that?

17 **Deborah Reed:** Yes, I've already contacted our Accounting Department. They've, actually,  
18 been holding these funds in an internal suspense account because the Escrow Agent changed  
19 from Wachovia Bank to another Agent. Somehow, we didn't get notified and they've just been  
20 holding the money all this time. So, that will be paid over into the escrow account.

21 **Jim Kaiser:** The \$33,000 and change is up until 2008, which apparently, was when the Escrow  
22 Agent changed. Through no fault of anyone other than probably their predecessors, they never  
23 inquired or never knew that the Escrow Agent had changed, so started, instead of sending the  
24 money to the wrong Escrow Agent, the old one, they just started suspending it, entirely.

25 **Mary Quillen:** So, since 2008, there has been no interest earned on this.

26 **Deborah Reed:** It's in a non-interest-bearing account.

27 **Donnie Rife:** That really did somebody justice.

28 **Mary Quillen:** Nope.

29 **Jim Kaiser:** You can take care of that.

30 **Deborah Reed:** Yes.

1 **Jim Kaiser:** Just take it and...

2 **Donnie Rife:** Whose decision was that to put it in a non-interest-bearing account?

3 **Deborah Reed:** I'm sure it was somebody in our Accounting Department, but I don't know who  
4 made that decision.

5 **Donnie Rife:** Horrible.

6 **Jim Kaiser:** Who was even the operator, in 2008?

7 **Deborah Reed:** 2008 would have been Daugherty Petroleum.

8 **Mary Quillen:** Because Daugherty's name comes up on several of these documents.

9 **Deborah Reed:** Yes.

10 **Jim Kaiser:** We don't have any problem putting a stipulation in there...

11 **Mary Quillen:** This is a significant amount of money, for this particular one.

12 **Donnie Rife:** I wonder what the amount would have been in an interest-bearing account versus  
13 what you've got right now?

14 **Deborah Reed:** We've got about \$17,000 in this non-interest-bearing account, right now, that's  
15 payable to this well, payable to this escrow account.

16 **Donnie Rife:** I don't understand why it would be in a non-interest-bearing account.

17 **Deborah Reed:** I can't answer that question.

18 **Mary Quillen:** Depending on how it would have been invested, it would have been the  
19 percentage because we had this spread out in the highest yields, over that period of time. It's  
20 been in there since 2008?

21 **Deborah Reed:** Yes.

22 **Mary Quillen:** Almost 8 years and how the accounts were disbursed into these different,  
23 interest-bearing accounts that we had. Some of them, now, have...

24 **Jim Kaiser:** I would suggest, maybe, the Board pick what they think is a little above-average  
25 rate of return over those years and impose that on them for that period of years. There's not any  
26 problem with that.

27 **Bill Harris:** I know we've had this happen in the past, where there have been accounts that were  
28 internally escrowed. Did we just have them pay that back in? I don't know who I'm asking,  
29 actually, whoever might know the answer.

1 **Jim Kaiser:** Any experience with that?

2 **Rick Cooper:** As a general rule, I think, a few times the companies have went back and  
3 calculated the potential return that they would get on the interest rate and added those to  
4 deposits. A lot of times, the internal escrowing is not an interest-bearing account. It's been both  
5 ways, to be very honest.

6 **Mary Quillen:** We haven't had this kind. Most of them, if I remember correctly, were not over  
7 this long period of time. They were discovered.

8 **Donnie Rife:** And, for this amount of money.

9 **Mary Quillen:** And, for this amount of money. That's significant.

10 **Donnie Rife:** I just don't think it's right to penalize the owner.

11 **Jim Kaiser:** We agree. So, what we're suggesting is that the DGO pick a number, give them  
12 that number and they're going to have to add that onto it.

13 **Mary Quillen:** The average of those different interest rates that we had, over this period of  
14 time. We had some in the CDARS, some in the CD's. Would we take the average of those? The  
15 interest rates were different. Would we take the average of those?

16 **Bill Harris:** Was anything ever over 1%, though. I'm just wondering.

17 **Donnie Rife:** From 2008, I would say that there probably was, but probably not from...

18 **Jim Kaiser:** Who's to say that this money that didn't get put in there would have been in the  
19 investment part of the allocation and not the 21 million that you've got out there, floating in  
20 liquidity. It's not getting anything.

21 **Donnie Rife:** It's not getting anything, now.

22 **Jim Kaiser:** What's the difference?

23 **Bill Harris:** I understand what you're saying.

24 **Mary Quillen:** That's true.

25 **Bradley Lambert:** Can I suggest .2%?

26 **Jim Kaiser:** Yes. .2?

27 **Bradley Lambert:** We've had it below .1. We've had it above .2, so...

28 **Bill Harris:** I think that's reasonable.

1 **Jim Kaiser:** That's fine with my client.

2 **Bradley Lambert:** Now, we're talking about the \$16,000 that's held in a...

3 **Jim Kaiser:** We're talking about everything from 2008 forward.

4 **Deborah Reed:** That we need to pay in.

5 **Jim Kaiser:** Been internally suspended.

6 **Rick Cooper:** That's around \$16,000?

7 **Deborah Reed:** \$17,000

8 **Rick Cooper:** \$17,000 that has to have that .2% of interest added to it. I would like to have a  
9 stipulation of time period on that.

10 **Bradley Lambert:** We also have the \$33,000 that's in 740.

11 **Jim Kaiser:** Yes.

12 **Rick Cooper:** That's correct. We can transfer that by the end of the week. That's not a  
13 problem.

14 **Bradley Lambert:** Okay. Great. So, is the Board okay with .2, for an interest rate? Do I have  
15 a motion? Anything further, Mr. Kaiser?

16 **Jim Kaiser:** No, sir.

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

18 **Donnie Ratliff:** Move that we approve the petition, with the understanding that within the next  
19 30 days that the money will be paid from the suspended account to the escrow account and apply  
20 .2% interest to that \$17,000 and change. Does that cover it?

21 **Bradley Lambert:** I think so.

22 **Bill Harris:** I'll second that. Is 30 days long enough?

23 **Jim Kaiser:** It is, for the transfer from 740 to 1740, but maybe could we have 60 days on the  
24 2008?

25 **Donnie Ratliff:** I'll amend it to 60 days.

26 **Bill Harris:** One last thing. I know I'm being technical, today. Do we need to include the  
27 transfer of the 740 to the 1740 designation, as part of that motion?

28 **Donnie Rife:** I think he did.

1 **Donnie Ratliff:** I'll amend my motion, again, to transfer the funds from 740 to 1740.

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

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

5 **Board:** Yes.

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

7 **Jim Kaiser:** Mr. Chairman, at this time, my ever gracious fellow Attorney, Mr. Swartz who has  
8 the next 24 or 25 items, has said it would be okay with him if it's okay with the Board, if we  
9 move onto Number 35.

10 **Mary Quillen:** Number 35?

11 **Bradley Lambert:** Okay. If Mr. Swartz agrees with that, we're okay with it.

12 **Jim Kaiser:** That way he has the room to himself for the rest of the day.

13 **Bradley Lambert:** There's a couple more after that one.

14 **Jim Kaiser:** Those are all mine, too. He's going to let me do 35-38.

15 **Bradley Lambert:** Okay.

16 **Jim Kaiser:** Then, it will all be him.

17 **Bradley Lambert:** All right.

18 **Item Number 35**

19 **Bradley Lambert:** We're calling Docket Item Number 35. A petition from EQT Production  
20 Company, to request an extension pursuant to House Bill 2058. The listed wells had either  
21 escrow payment issues that are awaiting resolution or have ownership issues that EQT is  
22 continuing to seek resolution to. This is Docket Number VGOB-16-0510-4092. All parties  
23 wishing to testify please come forward.

24 **Jim Kaiser:** In this case, Mr. Chairman and Board members, it will just be Jim Kaiser, myself.  
25 Do I need to be sworn in? Rita Barrett was going to be here, but she had an emergency doctor's  
26 appointment, so she couldn't make it. Then, they didn't have time to get anybody down here  
27 from Pittsburg, so they talked with Rick and his staff and gave me an exhibit, which I think you  
28 all have. It's, somewhat, explanatory of why the petitions for these four particular units could  
29 not, or they weren't able to get them filed by March 31. I'd be glad to go through them with you,  
30 one by one, if you would like me to.

1 **Rick Cooper:** We have, since, revised the petitions to reflect what they've submitted. It's been a  
2 challenge to get that lined out, but.... Do you have one or two we can pass out?

3 **Jim Kaiser:** They don't have those?

4 **Rick Cooper:** They don't have those. That was done after the petition was approved.

5 **Jim Kaiser:** So, it's their position that they have four units that, for various reasons, they weren't  
6 able to get their petition filed by March 31. The first one is the unit for Well Number VC-  
7 703169. I'll just, kind of, read their explanation. "The escrow account was, originally, set up  
8 incorrectly and EQT overpaid into the account." They thought that this needed to be reimbursed  
9 before they could request a disbursement. I'm not sure what they were thinking, how it was  
10 going to be reimbursed. Anyway, they were informed, after talking with Rick and his staff, that  
11 it could be brought before the Board to do an exact pay to EQT. I think that one's probably,  
12 pretty much, ready to go, isn't it?

13 **Rick Cooper:** It hasn't been submitted. These four haven't been submitted to us, at this time.

14 **Jim Kaiser:** They told me that the next one was already ready to go. Anyway, same thing on  
15 the next one. The unit for VC-537150 is the exact same thing--overpayment, originally set up  
16 incorrectly. They'll have to do an exact pay to EQT.

17 **Mary Quillen:** Just to clarify that, they overpaid the person?

18 **Jim Kaiser:** So, they're actually the ones that are due the money.

19 **Mary Quillen:** The person that got the money needs to reimburse EQT. Is that what you're  
20 saying? We don't have anything to look at, to see. I don't have any idea what....

21 **Bill Harris:** Was something going around that...?

22 **Bradley Lambert:** It's here. It's coming.

23 **Bill Harris:** Okay. I'm sorry.

24 **Bradley Lambert:** I was trying to finish up reading it.

25 **Mary Quillen:** It's not clear who needs to be reimbursed by whom.

26 **Jim Kaiser:** The money is in the escrow account. It's not gone to anybody. So, EQT needs to  
27 be reimbursed from the escrow account.

28 **Mary Quillen:** Okay. They overpaid the escrow account.

29 **Jim Kaiser:** Right. They had the wrong percentages.

30 **Mary Quillen:** And, nothing was disbursed?

1 **Jim Kaiser:** Nothing was disbursed.

2 **Mary Quillen:** To the owner.

3 **Jim Kaiser:** Right. I guess they didn't understand how they could get their money back.

4 **Mary Quillen:** So, they want to be reimbursed.

5 **Jim Kaiser:** Same as do several where the operators have been reimbursed for overpayments.

6 **Mary Quillen:** Okay. Do we have any paperwork, showing?

7 **Jim Kaiser:** Not yet. They're going to file a petition to...

8 **Rick Cooper:** Actually, we have advised them that Item Number 21888 and 1372, we will be  
9 putting that on the June petition, to be heard in front of the Board.

10 **Mary Quillen:** So, then, we can't take any kind of action, today.

11 **Rick Cooper:** All they're asking for is an extension. What happened here, they're extension that  
12 they applied for, in December, expired on March 31. I have refused to process any of their  
13 documentations until they come in front of the Board and request a second extension. That's  
14 where we are, today.

15 **Mary Quillen:** Then, we will have some documentation that we can look at and see what it is.

16 **Rick Cooper:** In the future, we will. I guess I have told them that, until they get an extension  
17 past March 31, we're not processing any of their documents because they failed to meet their  
18 projected timeline.

19 **Mary Quillen:** Okay. So, how much of an extension are they asking for, Jim?

20 **Jim Kaiser:** 90 days, until June 30.

21 **Bradley Lambert:** I must be a little bit confused, here. What's that got to do with they want  
22 paid back out of the escrow?

23 **Jim Kaiser:** I'm just explaining to you why they didn't get them filed. That's all I'm doing, here.  
24 We figured we needed some justification for the extension. That's what I'm trying to give you.

25 **Paul Kugelman:** Basically, they didn't file anything because they were confused.

26 **Jim Kaiser:** Exactly.

27 **Bradley Lambert:** Okay.

1 **Rick Cooper:** That would be pretty correct, right there. There's been some difficulties in some  
2 of these, but I told them they would have to file an extension before we would process these  
3 because they were not submitted prior to March 31.

4 **Mary Quillen:** Okay. So, right now, they only thing you're asking for us is to approve the  
5 extension until June 30.

6 **Jim Kaiser:** Extension to get these petitions filed by June 30. Correct.

7 **Mary Quillen:** So, it would be on the agenda in July. Is that correct?

8 **Jim Kaiser:** Well, I think we might be able to get two of these in June. The other two will  
9 probably be July or August.

10 **Mary Quillen:** Then, we will get documentation of this and paperwork to see what it is they  
11 have done and what they're asking.

12 **Jim Kaiser:** And, assuming that they're going to have to be kicked up to the Board. I don't  
13 know.

14 **Rick Cooper:** I think two will be done as coal dismissals, internally, and two will come in front  
15 of the Board.

16 **Mary Quillen:** Okay.

17 **Rick Cooper:** In June.

18 **Bradley Lambert:** Okay.

19 **Mary Quillen:** Okay. That's where I was confused.

20 **Jim Kaiser:** They may get the petition filed for these last two, by June, but they won't be ready  
21 to go in front of the Board until, at least, July, probably.

22 **Sarah Gilmer:** 1888 will be heard at the June hearing. We've already reviewed the petition and  
23 approved it to be put on the June. It will be.

24 **Jim Kaiser:** Okay. We should be able to get the other one, too, then. I would hope. The one  
25 above it--0670. It's the same thing.

26 **Sarah Gilmer:** Yes. It hasn't been submitted, yet. If they're working on it, it's under our saved.

27 **Jim Kaiser:** Okay. But, hopefully, they will get it, so we can get it in June. The next two, if  
28 they get the petitions filed by June 30, but they're a mess. It could be August or September  
29 before they get up to the Board. Do you want me to read you those?

1 **Bradley Lambert:** Very simply put, all that EQT is asking for is a 90-day extension on these  
2 four that were presented?

3 **Jim Kaiser:** Correct.

4 **Bradley Lambert:** Okay. Let's not make it any more complicated than they are.

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

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

7 **Donnie Ratliff:** Motion to approve.

8 **Bill Harris:** Second.

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

11 **Board:** Yes.

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

13 **Jim Kaiser:** Thank you.

14 **Item Number 36**

15 **Bradley Lambert:** We're calling Docket Item Number 36. A petition from EnerVest  
16 Operating, LLC, for (1) modification of the Nora Coalbed Methane Gas Field Rules, to allow  
17 one additional coalbed gas well to be drilled within each of the 58.77 acre Nora Units identified  
18 herewith; and (2) for an administrative order providing that additional well permits may be  
19 issued in the Nora Field after this application is filed and while it is pending for the Units listed  
20 in the petition. This is Docket Number VGOB-89-0126-0009-87. All parties wishing to testify  
21 please come forward.

22 **Jim Kaiser:** Mr. Chairman, Jim Kaiser. I've got two witnesses for you, today. I would ask that  
23 they be sworn.

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

26 **Aaron Anderson and Gus Jansen:** Yes, I do.

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

28 **Jim Kaiser:** We'll begin with Mr. Anderson. If you would state your name, for the Board, who  
29 you are employed by and in what capacity?

1 **Aaron Anderson:** Aaron Anderson, Land Tech for EnerVest.

2 **Jim Kaiser:** Did we notice all parties to this hearing, as required by statute and file an affidavit  
3 of mailing that's about 250 pages long?

4 **Aaron Anderson:** Yes, we did.

5 **Jim Kaiser:** Did we publish with the Dickenson Star, as required?

6 **Aaron Anderson:** Yes, we did.

7 **Jim Kaiser:** So, that's all I have for this witness, at this time, Mr. Chairman.

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

10 **Jim Kaiser:** Gus, would you state your name for the Board, who you are employed by and in  
11 what capacity?

12 **Gus Jansen:** Yes, my name is Gus Jansen. I'm employed by EnerVest Operating, LLC, as the  
13 Geology Advisor.

14 **Jim Kaiser:** And, you've testified before the Board, on many different occasions, requesting  
15 increased-density drilling in units and you have, again, today, to further illustrate your testimony,  
16 prepared a package of information for the Board. Is that correct?

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

18 **Jim Kaiser:** Would you please go through that, for their benefit, now?

19 **Gus Jansen:** Sure. I believe the Board should have a packet of information put together, along  
20 with the application, where all the units have been identified in here. I would, just for the  
21 Board's benefit, just give you a quick update on the EnerVest Drilling program that's going on, at  
22 this time, in 2016. At this point in time, we've drilled ten wells in the field, so far, this year and  
23 completed, approximately, five of those and turned in a couple of those, at this point in time. So,  
24 we're well underway in our drilling program. Several of those wells that we have drilled and do  
25 continue to plan to drill in 2016 will be increased-density wells. The first page of the Exhibit K  
26 gives you a zoomed out view of the Nora Field. The units highlighted in gray are the units that  
27 have been, previously, approved, by the Board, for increased-density. The units highlighted in  
28 green, today, are the ones that are proposed for your consideration, today, for approval for a  
29 second well in each of these units. Page number 2 is the same view, but I've added to this view,  
30 with a little, red dot on all these. These will show you all the units that have had a second well  
31 drilled, or an increased-density well drilled in the units, to this point. That's just a little bit over  
32 200 wells in the Nora Field. You also see some of the Oakwood Field, there on the eastern side  
33 of the map. Page 3 is a close-up map view of there is a request in the increased-density, today.

1 There's a lot of information on this map, just to give you a feel for what's going on. I've zoomed  
2 in here and shown in black dots, those are the wells that have been drilled, existing CBM wells in  
3 the field. The red, again, are the increased-density wells that have been drilled, to date. The  
4 green and the purple dots, you'll see several of those mixed in and amongst some of the  
5 previously approved units, as well as the units we're seeking, today. These are locations where  
6 we have permits approved or are working on permits, to get in front of the DGO to supplement  
7 our 2016, as well as our 2017, drilling program. At this point in time, we're planning to drill  
8 upwards of 45 wells, in 2016, and it is a possibility as many as over 100, in 2017. We're  
9 working very diligently to get these permits in place and to build an inventory. Again, it's a very  
10 important part of our drilling program, moving forward on the coalbed methane side, for this  
11 activity. Page 4 is the same information, just on the one well that's to the furthest west, it's sort  
12 of far out there, by itself, Unit BK35. Again, we've got a permit in place, there. We're trying to  
13 get issued and need the increased-density approval to do that. Page number 5 is the graph of the  
14 production data that I've showed you several times, in the past, for the increased-density. Again,  
15 the blue curve, showing the existing wells, the first well that was drilled in each of the units and  
16 the production associated with those wells. Then, also, the purple line, showing when the initial  
17 increased-density drilling took place in the Nora Field, back in 2006. You'll see those wells  
18 come on line, again. Their production, when cumulatively added to the other wells, again, that  
19 production was going up, representing that we have been able to increase the recovery factor of  
20 the resource in the field. We did, sort of, peak in 2010. That's when the market conditions  
21 dictated that activity was slowed somewhat, in the field. We have been on decline. Then, a  
22 predecessor to EnerVest, Range, sort of reactivated some of the CBM well drilling, in 2014 and  
23 2015. You'll see that at the far right-hand side of the graph, where the production, again, has  
24 started to come back. I anticipate the same thing will happen, as we continue to drill more wells,  
25 over the next two years. We'll see that production increase, again. So, again, the whole purpose  
26 of the increased-density drilling is to increased that fractured network, to promote that gas flow  
27 at a low pressure reservoir regime. It also helps to decrease the de-watering time. The well can  
28 come online a little quicker. It increases recovery factor. We're getting that reservoir production  
29 faster and more economical. There's been no significant impact that we've seen, to the first  
30 wells, generally, in the fields. We've seen it improve the production in the other, off-setting,  
31 wells. I have added this presentation on Page 6. Just a recent example, this was a well that was  
32 drilled in 2014. It went on completion in early 2015. You can see, on this one, the same thing.  
33 The original well in the unit, we've got two wells in the AR76 Unit, very close by, about 1,200  
34 feet apart, probably, in this case. Again, the production of the first well staying on its normal  
35 decline and the second well, in purple again, showing its production coming up again, very  
36 quickly. We're adding new reserves and that's the whole purpose of one of the increased-  
37 densities. We recognize that we're not draining that full 60-acre unit with one well. The two  
38 wells is needed to increase the recovery out of that well unit. Again, in summary, the working  
39 interest owners and royalty owners and State all benefit from maximizing production. This  
40 promotes the conservation of the gas resource, prevents waste, by more effectively extracting the

1 resource. This allows for shared facilities, such as roads, pipelines and helps to minimize  
2 environmental impact. Again, we have no correlative rights issues, within these proposed units.  
3 Finally, there's several pages at the end of this, just for the Board's information, that gives you a  
4 topographic view, along with any mining activity that goes on within the general areas of where  
5 these Units are proposed. We have a lot of abandoned mine works. We have several active mine  
6 areas, that are PMU's, that are permitted under the DMLR side of the DMME. Most of these  
7 mines are actually idle, at this point in time, even though they do have an active PMU. Again,  
8 EnerVest is committed to working with the coal operators to promote safe operations out in the  
9 field and we want to make the Board aware that we are constantly having that communication  
10 open with the coal companies, so that we are both working in the same field, here, with no  
11 issues, moving forward. I'd be glad to answer any questions the Board may have.

12 **Bill Harris:** Mr. Chairman.

13 **Bradley Lambert:** Mr. Harris.

14 **Bill Harris:** I do have a question. Back to your Page 5, that shows the increased-density  
15 drilling, that last, little hump at the end is additional wells, not additional production?

16 **Gus Jansen:** Right.

17 **Bill Harris:** Not a set number. It's a little misleading because of that hump because you're  
18 looking at total production.

19 **Gus Jansen:** Right. We're accumulating the production, out of that unit for both wells, to get  
20 that separation between the two wells.

21 **Bill Harris:** Say that, again. It's accumulated?

22 **Gus Jansen:** It's a cumulative between the first well and the second well, to get to the upper  
23 line. So, we're adding both of them together, at the end of the day.

24 **Bill Harris:** But, the hump at the end, though, is new wells.

25 **Gus Jansen:** That's new wells. Yes, the little bit at the end. That was the drilling I referred to  
26 that was done when our predecessor to EnerVest, Range, came back in and started drilling CBM  
27 wells, again, in the Nora Field, at the end of 2014 into 2015.

28 **Bill Harris:** I'll just tell you what, sort of, disturbed me about that. I would assume that the blue  
29 and the purple, all the time, had been the same number of wells. Then, there is a new wrinkle, at  
30 the end. I'm, kind of, wanting to see what's going to happen, going forward, so potentially, this  
31 could keep going up, as you add more wells.

32 **Gus Jansen:** I think it would. If we had consistently continued to drill between 2007 to today, I  
33 think you would have had a consistent graph. But, there was a lag in there of about four years,

1 where no drilling took there, at all. So, all the wells were going at a natural decline, just like any  
2 well would. That's what you're seeing, the decline of the original wells, as well as the decline of  
3 the other wells. Now, when you add more wells into it, you're going to add more production.  
4 That's the impact of that. So, if we continue to add wells, you'll see this grow up, at some point  
5 in time. Eventually, you'll reach a point of decline, unless you just continue to add many, many  
6 more wells. It will stabilize out, again, I believe, over time.

7 **Bill Harris:** Thank you.

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

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

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

12 **Donnie Rife:** Motion made for approval, Mr. Chairman.

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

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

16 **Board:** Yes.

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

18 **Jim Kaiser:** Thank you.

19 **Item Number 37**

20 **Bradley Lambert:** We're calling Docket Item Number 37. A petition from EnerVest  
21 Operating, LLC, to disburse funds from the escrow account for Well V-550323, to all known  
22 owners in Tract 1 in Unit-550323. Docket Number VGOB-03-1021-1215-01. All parties  
23 wishing to testify please come forward.

24 **Jim Kaiser:** Mr. Chairman, Jim Kaiser and Phil Horne, on behalf of EnerVest.

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

27 **Phil Horne:** I do.

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

29 **Jim Kaiser:** Mr. Horne, if you would state your name, who you work for and in what capacity.

1 **Phil Horne:** My name is Phil Horne. I'm a contract Land Man for EnerVest Operating, LLC.

2 **Jim Kaiser:** What do we wish to do with this item, this morning?

3 **Phil Horne:** We'd like to withdraw this item. It's a conventional well that the owners had  
4 emailed the Division of Gas and Oil back in March and, from what I understand, the owners  
5 have had an attorney and they have, now, parted ways. So, we would just like to withdraw this  
6 one.

7 **Bradley Lambert:** Docket Item Number 37 will be withdrawn.

8 **Item Number 38**

9 **Bradley Lambert:** We're calling Docket Item Number 38. A petition from EnerVest  
10 Operating, LLC, to disburse funds from the escrow account for Well VC-536171. Docket  
11 Number VGOB-07-0220-1885-01. All parties wishing to testify please come forward.

12 **Jim Kaiser:** Again, Mr. Chairman, Jim Kaiser and Phil Horne, on behalf of EnerVest.

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

14 **Jim Kaiser:** Mr. Horne, is this a disbursement request?

15 **Phil Horne:** Yes, this is a coal, oil and gas disbursement.

16 **Jim Kaiser:** Coal, oil and gas disbursement. Were all parties notified, as required by statute?  
17 In fact, it was another big notice issued here, wasn't it?

18 **Phil Horne:** Yes, they were.

19 **Jim Kaiser:** And, we have filed our affidavit of mailing?

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

21 **Jim Kaiser:** The Board has that. What unit are we wishing to disburse from?

22 **Phil Horne:** It's VC-536171.

23 **Jim Kaiser:** And, what tract?

24 **Phil Horne:** It's Tract 2, I believe.

25 **Jim Kaiser:** It's Tract 2. This will still be a partial disbursement. Correct?

26 **Phil Horne:** That's correct. We have a few people on E, two.

27 **Jim Kaiser:** And, the reason for the disbursement?

1 **Phil Horne:** These folks, all but one, were force pooled as unknowns, by EQT Production  
2 Company, in 2007. Since then, either they found EQT or EQT found them. We're trying to go  
3 ahead and get their money to them.

4 **Jim Kaiser:** Have the figures been reconciled between you all and the Escrow Agent?

5 **Phil Horne:** Yes.

6 **Jim Kaiser:** That's through what date?

7 **Phil Horne:** February 2016.

8 **Jim Kaiser:** Would you direct the Board, for disbursement purposes, to our Table 1 in the next  
9 to last column on the right, percent of escrowed funds to be disbursed?

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

11 **Jim Kaiser:** Does Table 1 accurately reflect who should receive those disbursements and at  
12 what percentage?

13 **Phil Horne:** Yes, it does.

14 **Jim Kaiser:** Have we provided the Board with Exhibits E and EE, to reflect the status of this  
15 unit, escrow-wise, going forward?

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

17 **Jim Kaiser:** Would we ask that all the parties being disbursed to, today, that the order include  
18 that they be paid their royalty, directly, going forward?

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

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

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

22 **Bill Harris:** Mr. Chairman.

23 **Bradley Lambert:** Mr. Harris.

24 **Bill Harris:** Mr. Chairman, does this close the escrow account?

25 **Phil Horne:** No, it does not. There's two people that are still going to be an escrow account.

26 **Bill Harris:** Okay. I missed that.

27 **Bradley Lambert:** Any other questions? [No response] Anything further, Mr. Kaiser?

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

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

3 **Mary Quillen:** Motion to approve

4 **Donnie Rife:** Second, Mr. Chair

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

7 **Board:** Yes.

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

9 **Jim Kaiser:** Thank you.

10 **Bradley Lambert:** We're going to take about a 5-minute recess.

11 **Item Number 11**

12 **Bradley Lambert:** Ladies and gentlemen, it's time to resume our proceedings. At this time,  
13 we're going to call Docket Item Number 11. A petition from CNX Gas Company, LLC, for (1)  
14 the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent,  
15 attributable to Tract 3, as depicted upon the annexed table; and (2) authorization to begin paying  
16 royalties directly to the parties listed in the petition. This is Docket Number VGOB-91-0430-  
17 0115-02. All parties wishing to testify please come forward.

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

19 **Bradley Lambert:** Good morning.

20 **Mark Swartz:** Good morning. Anita, you need to raise that right hand.

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

23 **Anita Duty:** Yes.

24 **Bradley Lambert:** You may proceed.

25 **Mark Swartz:** Thank you, sir. Anita, state your name for us, again.

26 **Anita Duty:** Anita Duty.

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

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

2 **Mark Swartz:** Are you here, on behalf of the petitioner, with regard to Docket Item 11, that  
3 pertains to Drilling Unit Z9?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** We're here, asking the Board to authorize a disbursement of escrowed funds. Is  
6 that correct?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** And, we are also asking for the ability, as operator, to pay the people who  
9 receive the disbursement today, directly, in the future.

10 **Anita Duty:** Yes.

11 **Mark Swartz:** We also, I think, have a coal dismissal in this unit, as well.

12 **Anita Duty:** We do.

13 **Mark Swartz:** The factual basis for the petition, which is set forth in the petition, is that we  
14 have some royalty split agreements. Correct?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** And, we're applying the statute, House Bill 2058, to resolve some gas, coal  
17 conflicts and we have some gas claimants that are now entitled to payment, under that code  
18 provision. Right?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** And, we gave notice to the coal operator and we're going to deal with a  
21 dismissal, there. Is that correct?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** Okay. With regard to the payments and the tracts, if we would go forward, now,  
24 in the application, to Table 1, which I think is Page 4 of 44, in the pdf. We're talking about what  
25 tract?

26 **Anita Duty:** Tract 3.

27 **Mark Swartz:** And, we're talking about a disbursement just of a portion of the escrow account.  
28 Correct?

29 **Anita Duty:** Correct.

1 **Mark Swartz:** In Table 1, have you listed the names and addresses of all of the people that  
2 would be receiving this disbursement, if it was approved?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** For each person, have you given a percentage, in the second column from the  
5 right of this chart, that the Escrow Agent should use when calculating the amount of the  
6 disbursement?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** And the Escrow Agent should multiply that percentage, for each person, times  
9 the balance on hand when the disbursements are made and that will generate the dollars that  
10 should be the check amount?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** We're going to need to continue to have escrow, after these disbursements.  
13 Correct?

14 **Anita Duty:** We are.

15 **Mark Swartz:** And you've provided a revised Exhibit E, that would reflect the status of the  
16 escrow account, the persons in that account, if this petition was approved.

17 **Anita Duty:** Yes.

18 **Mark Swartz:** Then, you've provided an Exhibit EE, which is, sort of, an outline of the  
19 payment, going forward?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** Then, affidavits, proof of mailing, are here. We should have an Exhibit J. It  
22 looks like it starts at Page 18. Did you do an escrow account reconciliation?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** When you do that, do you locate all of the checks that the operator paid into  
25 escrow and, then, look for a corresponding deposit?

26 **Anita Duty:** We do.

27 **Mark Swartz:** And, did you do that, in this case?

28 **Anita Duty:** We did.

1 **Mark Swartz:** And, the period that you were concerned with, it looks like from 1993  
2 through...what was the last bank balance?

3 **Anita Duty:** December 2015.

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

5 **Anita Duty:** We did.

6 **Mark Swartz:** Then, you calculated a balance of what?

7 **Anita Duty:** \$17,599.50.

8 **Mark Swartz:** The December 31, 2015, First Bank and Trust balance was slightly larger.  
9 Correct?

10 **Anita Duty:** It was.

11 **Mark Swartz:** By how much?

12 **Anita Duty:** \$284.69.

13 **Mark Swartz:** Did you provide notice to the coal owner?

14 **Anita Duty:** We did.

15 **Mark Swartz:** Was that notice received, by the owner?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** Who is the coal owner or owners to be dismissed?

18 **Anita Duty:** Harrison-Wyatt, LLC.

19 **Mark Swartz:** Then, in this case, we've got some affidavits attached. They purport to allow  
20 payment, with regard to Z9, to Shea Cook. Correct?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** With regard to this affidavit, have you seen two versions of this affidavit?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** What tracts did the first version apply to?

25 **Anita Duty:** The units were AA9 and AA10.

26 **Mark Swartz:** Then, you got a second version. Correct?

1 **Anita Duty:** We did.

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

3 **Anita Duty:** Z9 was added to the affidavit.

4 **Mark Swartz:** In handwriting, at the top?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** Do you know whether or not someone added Z9, Tract 3, at the top of this  
7 affidavit after it had been signed or if it was re-signed?

8 **Anita Duty:** We received the original version that did not have Z9. Sarah had sent us a copy of  
9 what Shea had delivered to their office. It had Z9 included.

10 **Mark Swartz:** Both of them show that they were dated December 16, 2015

11 **Anita Duty:** They were exactly the same.

12 **Mark Swartz:** It looks like somebody added that, after it was signed.

13 **Anita Duty:** Yes.

14 **Mark Swartz:** Are you concerned that, perhaps, with regard to Z9, you might not want to do  
15 that?

16 **Paul Kugelman:** Signed the same date.

17 **Anita Duty:** Do you have the originals?

18 **Rick Cooper:** For everybody's information, we're passing that around. There's no difference  
19 between the original and the one we have, now, other than there have been some handwritten  
20 information, on the top of one of those. The affidavit is the same.

21 **Sarah Gilmer:** He submitted two different affidavits. Apparently, after CNX saw what he had  
22 turned into me, they received one without the Z9. Then, when he gave it to me, he had written in  
23 Z9 on every one of them, for several people on this unit.

24 **Paul Kugelman:** Just to make sure I'm clear, the original affidavit submitted. The only  
25 difference is the handwriting, Z9. The other unit numbers were there?

26 **Mark Swartz:** Correct.

27 **Paul Kugelman:** Then, Z9 is added, but the date of signature is the same. That's all I need to  
28 know.

1 **Anita Duty:** I don't have the original in here.

2 **Paul Kugelman:** No, that's fine.

3 **Anita Duty:** Okay.

4 **Paul Kugelman:** I think that, if we don't have that under record, we need to have a copy of it in  
5 the record.

6 **Mark Swartz:** I can give it to you...the other one.

7 **Anita Duty:** We didn't load the actual affidavits in. Sarah was trying to help us out and load it.  
8 So, they probably don't need to be loaded in.

9 **Paul Kugelman:** They might not need to be loaded in to e-forms, but for part of the agency  
10 record, as Counsel, I would feel more comfortable having it in the record, in case there is any  
11 challenge to this, later, that there's a written part of the record that supports the testimony, not  
12 that anybody objects to it.

13 **Bill Harris:** Mr. Chairman, I have another question. It's, kind of, about those documents.  
14 Should I wait until that's clarified?

15 **Bradley Lambert:** I think you could go ahead and ask it.

16 **Bill Harris:** My question is about 40 and 41. This is probably for the staff. We have an Adobe  
17 pdf icon, on the screen. It says, "Get Adobe Reader," which I already have, but...

18 **Rick Cooper:** We had a programming error on that. You're not missing anything on that  
19 Adobe. It was an error that we had, internally. We have, since, corrected that.

20 **Bill Harris:** There are no documents that we can't...

21 **Rick Cooper:** You're not missing any items in the petition. We have worked with IT and we  
22 have that lined out. Hopefully, in the future, that will never show up, again.

23 **Bill Harris:** Thank you.

24 **Paul Kugelman:** What's been handed to me is...

25 **Anita Duty:** If I knew which one you had, I could probably give you the same, exact person's  
26 out here. I didn't know which one you had been given.

27 **Paul Kugelman:** To make it easy, I want to make sure that we have every affidavit that was  
28 submitted, both without the addition and with the addition because I guess another important  
29 thing is.... Let me back up and approach this from a 30,000 foot view. In my view, based on the  
30 way the facts unfold, the signatory to the affidavit submitted by Mr. Cook, have consented to

1 making Mr. Cook the Attorney-in-Fact for Unit Tracts AA9, Tract 2A, and AA10, Tract 3. But,  
2 Z9, Tract 3, was added without the, apparent, consent of the signatory to the affidavit, so he  
3 should not be deemed the Attorney-in-Fact for Z9, Tract 3. It looks like that was modified after  
4 the signatory to the affidavit signed, which means the consent to be the Attorney-in-Fact, for that  
5 tract, did not exist. It's Counsel's view that the Board.... I'm sorry. Go ahead.

6 **Mark Swartz:** We have the rest of them.

7 **Paul Kugelman:** So, every one of them that's before the Board, on this petition, has that  
8 alteration?

9 **Mark Swartz:** Except...

10 **Anita Duty:** Kermit Price. He actually included Z9 on his cover letter. He didn't include the  
11 unit numbers on the top. We wrote those unit numbers in to match his letter.

12 **Mark Swartz:** So, the exception to the, "You changed it afterwards," would be Kermit Price,  
13 from the get-go, at least as far as we know, Z9 was included. But, that's the only one.

14 **Paul Kugelman:** The cover letter that you're talking about is from Mr. Cook to you or is it...?

15 **Mark Swartz:** We'll give you a copy of that. We need copies of this stuff back, today.

16 **Mary Quillen:** Who made these changes?

17 **Mark Swartz:** They happened after-the-fact. That's all I can say.

18 **Mary Quillen:** Yes. So, I can't comfortably...

19 **Paul Kugelman:** I agree. Mr. Price...Mr. Cook would be Attorney-in-Fact for Z9.

20 **Bradley Lambert:** Is that Kelvin Price or Kermit Price?

21 **Paul Kugelman:** Kermit.

22 **Bradley Lambert:** Because what I have in my packet is Kelvin Price, one affidavit here, has Z9  
23 written on it, but Kermit Price does not.

24 **Anita Duty:** They came in two separate letters. These came in January. These came in  
25 February. This one is, simply, just for Kermit. All these other people came on the same letter.  
26 The Z9 was not included on this original packet that we received, in January.

27 **Bradley Lambert:** Okay.

28 **Paul Kugelman:** So, what's in the Board's packet is the later affidavit. It's not the earlier one,  
29 without the alteration.

1 **Anita Duty:** We didn't believe that he should be representing, so we left the affidavit out and  
2 Sarah loaded it for us, thinking it was going to help us.

3 **Paul Kugelman:** I understand. I'm not pointing any fingers. I'm just trying to let the Board  
4 know what they have in front of it.

5 **Bradley Lambert:** Okay. So, Mr. Kugelman, could you summarize for the Board, make it so  
6 we can put all these conversations together, and summarize it, for the Board?

7 **Paul Kugelman:** I will see what I can do, sir.

8 **Bradley Lambert:** Thank you, sir.

9 **Paul Kugelman:** It is my view that Mr. Cook is the Attorney-in-Fact for the tracts that were,  
10 previously, listed, AA9 and Tract 2A, AA10 and Tract 3, are all of the respondents to the  
11 petition, but not Z9, Tract 3, except for Mr. Kermit Price. Based on the records that I've  
12 reviewed, Mr. Kermit Price signed an affidavit, after the alteration, that included a Z9  
13 designation. So, the Board should disburse, in accordance with the petition, except for Z9, for  
14 Tract 3, with the exception of Mr. Price, who can get his disbursement, also Z9, Tract 3. I tried  
15 to make it succinct. Does the Board follow? I'll take questions.

16 **Bradley Lambert:** One question I would have is that can we not go ahead and disburse to the  
17 other parties, except Mr. Cook does not receive their payment? The payment goes to them.

18 **Paul Kugelman:** Yes.

19 **Bradley Lambert:** Okay.

20 **Bill Harris:** That was my question.

21 **Paul Kugelman:** Yes, that's true. It's only the Attorney-in-Fact part.

22 **Bradley Lambert:** You're going to have to make that motion.

23 **Paul Kugelman:** I can't. I'm not on the Board. I could whisper in somebody's ear or somebody  
24 could adopt the motion.

25 **Rick Cooper:** I would like the Board to know that we only have one version. The version that  
26 we have in our petition is the one with the handwriting. We do not have the version that CNX  
27 passed out. So, if we do need to put that, upload that into the application, you need to direct us  
28 to do so, but we currently do not have that version.

29 **Anita Duty:** We did not load that version because we felt he didn't represent anybody, so we  
30 didn't include it. Sarah put it in there because she thought we missed it. She was trying to help  
31 us.

1 **Bradley Lambert:** Okay. I understand.

2 **Paul Kugelman:** Just as long as DMME gets copies of it, so that we can have it all on the  
3 record, that would be very helpful. I'm not talking about the e-forms or the petition. No finger-  
4 pointing. No castigation. It's just we want to make sure the record is complete. Actually,  
5 Counsel for the Board wants to make sure the record is complete.

6 **Donnie Rife:** Would there be a problem with just tabling this until we can get both versions, so  
7 we can come back and have a little bit more complete?

8 **Mark Swartz:** We don't need to delay paying these people.

9 **Bradley Lambert:** Mr. Rife, we need to go ahead and get the payments out to these parties.  
10 The only difference is that Mr. Cook will not receive the payment, which will be made out to the  
11 parties, anyway, but delivered to Mr. Cook. In this case, the payment will go directly to the  
12 parties and not to Mr. Cook.

13 **Mary Quillen:** Yes. Okay.

14 **Bradley Lambert:** Did I say that right?

15 **Paul Kugelman:** Yes, sir.

16 **Mary Quillen:** Yes, that's the stipulation, I think. You don't hand-write stuff into an affidavit  
17 and it be valid. As far as we're concerned, here, I would throw all of these out.

18 **Bradley Lambert:** Mr. Swartz, do you have anything further?

19 **Mark Swartz:** I do have one more thing. Neither Anita nor I are handwriting experts, but if  
20 you look at Kermit Price's W-9 and the signature on his W-9 and the signature on his affidavit,  
21 it's pretty clear they're not the same.

22 **Paul Kugelman:** Are you serious?

23 **Mark Swartz:** You can come over here and look over my shoulder.

24 **Anita Duty:** I think I sent that to you all, too.

25 **Mark Swartz:** Here's the affidavit. There's the W-9.

26 **Anita Duty:** The only reason that I paid attention to it is because I actually put this in the mail  
27 on Friday and, by Monday, they were emailing it to me. He lives next to Ruther Glen, I think.

28 **Paul Kugelman:** I know where that is.

29 **Anita Duty:** Is that down, next to you?

1 **Paul Kugelman:** That's up the 95 corridor, between Richmond and Fredericksburg.

2 **Anita Duty:** That's the only reason I paid attention because it was so fast a response getting that  
3 signed. I don't know. I'll just say one more thing. All the notary statements are not on the same  
4 page as the signature page. They're all on a separate page.

5 **Bill Harris:** I noticed that.

6 **Mary Quillen:** Yes. I've never seen that.

7 **Mark Swartz:** It's common, but if you're paying attention, you should have it run over so that  
8 it's clear that it's the same.

9 **Mary Quillen:** How do we know that these match up?

10 **Mark Swartz:** I guess the W-9 affidavit signature issue is not a huge deal to me because you  
11 can give people your authority to sign a W-9, so I guess it's not a big deal. But, with the sort of  
12 unusual documentation we have, here, Anita brought this to my attention. I'm just sharing it with  
13 you. I'm not sure that we need to hold up payment to Kermit or to his lawyer. It's just one more,  
14 sort of...

15 **Bradley Lambert:** Somebody had the suggestion that we move forward and disregard all of the  
16 affidavits and go ahead and pay these parties, directly. I don't know who that was. Ms. Quillen,  
17 was that you?

18 **Rick Cooper:** Mr. Kugelman did that, I believe.

19 **Mary Quillen:** Yes. I think that would be the only way that I could vote on this.

20 **Donnie Ratliff:** Is that a motion?

21 **Bradley Lambert:** Can you put that in the form of a motion?

22 **Mary Quillen:** I'll put that in the form of a motion, that we continue with this request, paying  
23 directly to the parties listed on Table 1 and mailed, directly, to those parties.

24 **Donnie Rife:** Second, Mr. Chair.

25 **Bradley Lambert:** I have a motion and I have a second. Are there any further discussions?

26 **Rick Cooper:** I would just make sure, if I could, Mr. Chairman, so that also applies to Kermit  
27 Price? Is that correct?

28 **Mary Quillen:** He said that he could. Is that right, that you said to include him?

29 **Bradley Lambert:** Yes.

1 **Mary Quillen:** Yes.  
2 **Donnie Rife:** Second still stands.  
3 **Bradley Lambert:** So, Kermit price is listed in Table 1?  
4 **Mark Swartz:** Correct.  
5 **Mary Quillen:** Yes.  
6 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No  
7 response] All in favor signify by saying yes.  
8 **Board:** Yes.  
9 **Bradley Lambert:** Opposed, no. [No response] Thank you, folks. That one is approved.

10 **Item Number 12**

11 **Bradley Lambert:** We're calling Docket Item Number 12. A petition from CNX Gas  
12 Company, LLC, for (1) refund of escrow payments heretofore deposited with the Board's Escrow  
13 Agent; (2) reimburse overpayment of funds deposited with the Board's Escrow Agent,  
14 attributable to unit BUS1 to CNX Gas Company, LLC, as depicted upon the annexed exhibit;  
15 and (3) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent  
16 attributable to Tract 12, as depicted upon the annexed table; (4) authorization to begin paying  
17 royalties directly to the parties listed in the petition; and (5) dismissal of coal owners. This is  
18 Docket Number VGOB-91-0716-0136-02. All parties wishing to testify please come forward.

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

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

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

22 **Anita Duty:** Anita Duty.

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

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

25 **Mark Swartz:** You're here on behalf of the petitioner. Correct?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** And, this is another request for disbursement?

28 **Anita Duty:** Yes.

1 **Mark Swartz:** In this instance, we're looking for an order, allowing a disbursement, allowing  
2 the operator to, directly, pay the folks who receive the disbursement, in the future, and not  
3 continue to escrow their royalties and, also, a dismissal of a couple of coal owners, under the  
4 House Bill. Correct?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** The basis for the disbursements here are, first of all, we have a court case that  
7 was resolved and determined that Elmer and Evelyn Jackson are entitled to 100% of the  
8 royalties, in the tract that they are in. Right?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** Then, we have a gas and coal conflict that's been resolved by the statute. We'd  
11 like to pay the gas claimants. Correct?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Have you prepared a disbursement table, actually, two tables, here?

14 **Anita Duty:** We have.

15 **Mark Swartz:** The first, Table 1, is a disbursement to CNX Gas. Correct?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** Then, Table 2 is the disbursement to Mr. and Mrs. Jackson, with regard to their  
18 success in the lawsuit. Correct?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** Okay. Let's go back to Table 1. Is Table 1 an exact dollar amount payment?

21 **Anita Duty:** It is.

22 **Mark Swartz:** So, the Escrow Agent should pay \$131,900.93 to CNX Gas Company, first.  
23 Correct?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** Then, after that payment, should pay 40.2334% to the Jacksons. Correct?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** Of the balance, then on hand?

28 **Anita Duty:** Yes.

1 **Mark Swartz:** The reason for the payment to CNX is what?

2 **Anita Duty:** We had a correction that went back to first production that created an overpayment  
3 to the account.

4 **Mark Swartz:** Okay. So, you did an accounting, starting over from first production and ran it  
5 forward and that's the number that resulted?

6 **Anita Duty:** Correct.

7 **Mark Swartz:** Did you provide notice to Mr. and Mrs. Jackson that we were going to have a  
8 hearing, today?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** And you included these exhibits?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** Did they receive their mail?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** After this disbursement, there's still going to be an escrow requirement.  
15 Correct?

16 **Anita Duty:** There is.

17 **Mark Swartz:** You provided an Exhibit E, in that regard?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** You also provided, I'm assuming, an Exhibit EE, which is, kind of, the plan for  
20 paying forward?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** We've got the proof of mailing and so forth. Then, did you do an Exhibit J?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** That analysis or escrow account reconciliation appears to have begun in 1992?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** What's the last bank statement?

27 **Anita Duty:** January 2016.

1 **Mark Swartz:** Okay. Did you assemble a list of all royalty payments that the operator made?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** Then, did you look for a corresponding deposit?

4 **Anita Duty:** We did.

5 **Mark Swartz:** Were you able to account for all of the checks, as a deposit?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** Then, did you run your own total?

8 **Anita Duty:** We did.

9 **Mark Swartz:** And, when you compare that to the bank balance that First Bank and Trust was  
10 reporting on January 31, 2016, what was the difference?

11 **Anita Duty:** \$101.13.

12 **Mark Swartz:** And, your total was greater than the bank balance, by that amount?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** Then, with regard to coal dismissals, did you send notices to the coal claimants?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Did you receive any response that would satisfy the statute that they had an  
17 agreement or that they had a lawsuit?

18 **Anita Duty:** No.

19 **Mark Swartz:** Therefore, are you asking that the Board dismiss two of the coal claimants, Hugh  
20 MacRae Land Trust and Torch Oil & Gas?

21 **Anita Duty:** Yes.

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

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

24 **Rick Cooper:** Mr. Chairman.

25 **Bradley Lambert:** Mr. Cooper.

26 **Rick Cooper:** I would ask who should the check be written to?

1 **Anita Duty:** To Shea Cook.

2 **Bradley Lambert:** Do we have that in our petition?

3 **Rick Cooper:** You do.

4 **Bradley Lambert:** It be mailed to Shea Cook, with Elmer and Evelyn Jackson the payee.

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

6 **Bradley Lambert:** Ms. Duty, could you provide just a little bit more information to the Board,  
7 as to why there was such a large overpayment?

8 **Anita Duty:** Did we load in a back-up for that? There was a difference in acres being escrowed  
9 versus the original. I think we did a revised supplemental and we placed people on pay that had  
10 a royalty split agreement with that order, rather than coming here and saying we needed to  
11 disburse. Once we did that, I guess, a re-pooling or revised order, the acres that were escrowed  
12 in the original order versus the new order were different, were less. So, what we had escrowed  
13 all the way up until the time we did that new order caused the overpayment. We have all the  
14 back-up in here. We can load it, as a supporting document, into the.... We didn't do that. Just to  
15 show the difference in the acres and the wells.

16 **Bradley Lambert:** Okay. Can you provide that?

17 **Rick Cooper:** If you'll provide that to us, we'll upload it into that.

18 **Anita Duty:** Okay. We can explain a little bit more the new acres versus old acres and what the  
19 differences are.

20 **Bradley Lambert:** When do you need that by, Mr. Cooper?

21 **Rick Cooper:** No later than Friday.

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

23 **Mark Swartz:** No.

24 **Mary Quillen:** Mr. Chairman, I just have one question. You said that the dismissal of the coal  
25 owners, did you name two?

26 **Mark Swartz:** Yes.

27 **Mary Quillen:** I don't see but just the Hugh MacRae Land Trust. What was the other one?

28 **Mark Swartz:** Torch Oil & Gas, I think.

29 **Anita Duty:** Yes.

1 **Mary Quillen:** Must be missing.

2 **Anita Duty:** Hugh MacRae is the original coal owner. Torch Oil & Gas conveyed whatever  
3 interest they had, as the coal owner.

4 **Mary Quillen:** Oh, okay. I just missed that one when I was looking. When I was scrolling  
5 through it earlier, when I was reviewing these, I overlooked that one.

6 **Anita Duty:** There's been several conveyances of the royalty and things like that.

7 **Mary Quillen:** Torch Oil & Gas is listed as the coal ownership. I see that, now.

8 **Anita Duty:** Even though they're a gas company, somehow they ended up with the coal.

9 **Mary Quillen:** I guess that's the reason I just overlooked it because I was looking at the Land  
10 Trust Company, that Hugh MacRae Land Trust. Thank you. Sorry.

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

12 **Bill Harris:** Just a question, for my own information. On these affidavits for payment for Mr.  
13 Cook, is it typical that it's only signed by the person who is saying, "I'm allowing this person to  
14 collect my check?" In other words, should Mr. Cook's signature be here? This is, kind of, a  
15 legal question.

16 **Anita Duty:** The last paragraph says that he authorizes him to receive payments.

17 **Bill Harris:** Yes. I mean, I would think it would be customary for the attorney. This is just a  
18 point of information, for me.

19 **Paul Kugelman:** No, sir.

20 **Bill Harris:** That isn't required?

21 **Paul Kugelman:** No, sir.

22 **Mark Swartz:** It's not an agreement. A lot of times people enter into these things and there's  
23 like a duty that the lawyer assumes, which makes it an agreement. Then, that would require two  
24 signatures, but this is just a, "I'm designating him to do this." That's why there's only one  
25 signature.

26 **Bill Harris:** Okay.

27 **Mark Swartz:** Good question, but that's the answer.

28 **Bill Harris:** I was just curious, if it was needed. Thank you.

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

1 **Mary Quillen:** Did we clarify who the check would be written to?  
2 **Mark Swartz:** The Jacksons.  
3 **Mary Quillen:** The Jacksons?  
4 **Mark Swartz:** Right.  
5 **Mary Quillen:** And mailed to their designated person.  
6 **Mark Swartz:** Correct.  
7 **Mary Quillen:** Okay.  
8 **Bill Harris:** I move for approval of the item.  
9 **Mary Quillen:** Second.  
10 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No  
11 response] All in favor signify by saying yes.  
12 **Board:** Yes.  
13 **Bradley Lambert:** Opposed, no. [No response] Thank you. That is approved.

14 **Item Number 13**

15 **Bradley Lambert:** We're calling Docket Item Number 13. A petition from CNX Gas  
16 Company, LLC, for the disbursement of escrowed funds heretofore deposited with the Board's  
17 Escrow Agent, attributable to Tracts 106, 106C, 106F, 106G, 106I, 106J, 106K, 120B, 123A and  
18 999, as depicted upon the annexed tables. This is Docket Number VGOB-92-0818-0248-01. All  
19 parties wishing to testify please come forward.  
20 **Mark Swartz:** Mark Swartz and Anita Duty.  
21 **Bradley Lambert:** You may proceed, Mr. Swartz.  
22 **Mark Swartz:** Thank you. Would you state your name for us, Anita?  
23 **Anita Duty:** Anita Duty.  
24 **Mark Swartz:** Who do you work for?  
25 **Anita Duty:** CNX Land, LLC.  
26 **Mark Swartz:** Are you here, today, on behalf of the petitioner, CNX Gas Company?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** And, this is another petition for disbursement. Correct?

3 **Anita Duty:** It is.

4 **Mark Swartz:** It pertains to something that's called Drilling Unit SLW11. That is an odd sort  
5 of a unit. We don't see those very often, but it is actually a panel unit, as opposed to the Sealed  
6 Gob. At least, originally, it was.

7 **Anita Duty:** Correct.

8 **Mark Swartz:** And, it's shown at Page 3, is an example of what Pocahontas Gas was doing  
9 back in the day. It looks like this was back in '92. They would take individual, long wall panels  
10 in a mine and they created units out of them and produced gas from those units. So, this is one  
11 of those panel, long wall, units, SLW11. Correct?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** What we're asking today is really three things. We're looking for a refund.  
14 Correct?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Which we'll talk about in a minute. We're looking for an order, allowing us to  
17 disburse some of the funds in escrow and, also, allowing us to pay the people receiving those  
18 escrow disbursements, to pay them directly, in the future. Is that correct?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** Okay. The reasons for the relief requested here are we've got a royalty split  
21 agreement. Correct?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** That is, except for the refund, which we'll talk about next, that's the reason?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** Okay. What happened that requires a refund?

26 **Anita Duty:** When we looked back in the history of the unit, the unit was pooled twice. The  
27 second pooling had different tracts, but the acreage that it should have been, in escrow, was less  
28 the second time around. Kind of the same issue. The second pooling also had a different VGOB  
29 number. I don't even think it was set up in the proper account, to start with. I think they got all  
30 that worked out, as far as filing it in e-forms. Basically, the original pooling and the second

1 pooling, the acreage was less than what the original order had stated, even though our internal  
2 division of interest was set up, based on the old acres. It never was updated, to reflect the new.  
3 That's the reason for the 999. It doesn't actually exist on the tract ID because it was part of the  
4 original order that was no longer valid.

5 **Mark Swartz:** To sort of put this into context, in terms of the amount, if we go to Table 1,  
6 Table 1 has a list of the various tracts and, as usual, the people and their addresses. If we go to  
7 the very end of Exhibit Table 1, Page 12 in the pdf, the very last bit there is the 999. Correct?

8 **Anita Duty:** It is.

9 **Mark Swartz:** That's the \$262.45 discrepancy that was created by what you've just described?

10 **Anita Duty:** Correct.

11 **Mark Swartz:** In making that payment, let's stay with the 999 Tract, to settle that up, is the  
12 Escrow Agent to pay an exact amount or a percentage? It looks like a percentage, but we need to  
13 be sure.

14 **Anita Duty:** It is a percentage.

15 **Mark Swartz:** Okay. With regard, then, to the disbursements that you are requesting in this  
16 petition, you are asking that the Board approve and order the Escrow Agent to make payments,  
17 with regard to the tracts identified on Table 1, to the people identified, at their addresses that are  
18 identified on Table 1, using the percentage in the second column from the right-hand side of the  
19 exhibit, using that percentage, multiplying it times the balance on hand in the escrow account, at  
20 the time the disbursement is made. That will generate the dollar amount for each person. The  
21 Escrow Agent should do that for everybody listed, by name and address, with a percentage, on  
22 Table 1. Correct?

23 **Anita Duty:** Correct.

24 **Mark Swartz:** After that disbursement occurs, will there still be a need for an escrow account?

25 **Anita Duty:** There will.

26 **Mark Swartz:** Have you provided an updated Exhibit E, in that regard?

27 **Anita Duty:** Yes.

28 **Mark Swartz:** Have you also provided an updated Exhibit EE, which shows how people are to  
29 be paid, going forward?

30 **Anita Duty:** Yes.

31 **Mark Swartz:** Including the folks that receive this disbursement?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Looking for Exhibit J, it looks like that started late '92, early '93. Correct?

3 **Anita Duty:** Yes, the original bonus payment, from the original order, the original pooling.

4 **Mark Swartz:** Then, you've run that forward and what's the date of the last bank statement that  
5 you were tracking?

6 **Anita Duty:** January 2016.

7 **Mark Swartz:** Did you, then, accumulate the checks that had been paid into one escrow account  
8 or another, as royalty, with regard to this?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** And, then, adjust them, accordingly, with regard to the change in acreage? Did  
11 you have to do that or no?

12 **Anita Duty:** No. This is all based on the original.

13 **Mark Swartz:** Oh, this is the original. Okay.

14 **Anita Duty:** That's the reason we needed to have that extra tract.

15 **Mark Swartz:** So, this is all the checks you paid in and you found a deposit for all of them?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** Then, you ran your total and you ran the bank's and you compared that to the  
18 bank's total. What's the difference?

19 **Anita Duty:** \$30.31.

20 **Mark Swartz:** The bank, actually, has that amount more than you calculated.

21 **Anita Duty:** Correct.

22 **Mark Swartz:** Then, to balance this out, the 999 payment at the end of Table 1, will square this  
23 account?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** Then, you've got a chart, also, showing the units that were affected by this panel.

26 **Anita Duty:** Yes.

27 **Mark Swartz:** I think, since we don't have a coal dismissal, I think that's it.

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

3 **Mark Swartz:** No.

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

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

6 **Donnie Rife:** Second, Mr. Chair

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

9 **Board:** Yes.

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

11 **Donnie Ratliff:** Mr. Chairman.

12 **Bradley Lambert:** Mr. Ratliff.

13 **Donnie Ratliff:** Charles Bowen, III, is the father of the first two, of Joe and Paul, and he's  
14 deceased. I taught that family, in school, 1975.

15 **Anita Duty:** What tract are we?

16 **Donnie Ratliff:** It's on Page 42. There's a list of those to be disbursed and it's got "Unclaimed."  
17 The mother has passed away, also.

18 **Anita Duty:** Was it recent?

19 **Donnie Ratliff:** No.

20 **Paul Kugelman:** Is that Charles Dwayne, Bowen, III, you're saying is deceased?

21 **Donnie Ratliff:** He is deceased.

22 **Paul Kugelman:** That would explain why it's unclaimed.

23 **Anita Duty:** But, we would have had a W-9, though.

24 **Paul Kugelman:** Helen Quillen, you said. Is that the mother?

25 **Donnie Ratliff:** The mother was Anne.

26 **Paul Kugelman:** Okay.

1 **Donnie Ratliff:** That's the daughter. It's Tract 9 & 10. It's Item 9 & 10, a single tract. It's  
2 106K. Just a note. Go to the next one.

3 **Bill Harris:** Let me just ask. This is actually related, but unrelated. I notice some of these pay-  
4 outs are, like, a penny and \$.07, \$.12. Does the Escrow Agent write those checks or they,  
5 actually, write a \$.01 check?

6 **Mary Quillen:** Yes, sir.

7 **Rick Cooper:** We round up to one cent, if we need to, but we do write \$.01 checks, yes.

8 **Anita Duty:** We have a signed W-9 from him from December 2014.

9 **Mark Swartz:** We're not saying that he's still alive. We're just saying that we have a W-9.

10 **Donnie Ratliff:** That must be a son that I don't know. This would have been years ago, that he  
11 died. That may be a son that I'm not aware of.

12 **Anita Duty:** Charles Dwayne Bowen, Jr., pre-deceased son. He died September 2012. We've  
13 got him shown, but he is the Third.

14 **Donnie Rife:** So, you guys already knew he passed away and, still, no action was taken?

15 **Donnie Ratliff:** No, he's not listed.

16 **Mark Swartz:** We've got his heir.

17 **Donnie Ratliff:** That's his son.

18 **Anita Duty:** If you look on the actual exhibit, you should see Charles Bowen, Jr., and then, the  
19 III, you should see it showing it coming down to him.

20 **Mary Quillen:** It shows him as the Third.

21 **Mark Swartz:** Right. So, we've tracked that.

22 **Donnie Ratliff:** You're good.

23 **Anita Duty:** On the exhibit, we're showing Jr., and then we're showing the Third.

24 **Mark Swartz:** It's nice to be in agreement.

25 **Anita Duty:** I appreciate it because that's been one of our big issues, trying to find a lot of  
26 people.

1 **Item Number 14**

2 **Bradley Lambert:** We're calling Docket Item Number 14. A petition from CNX Gas  
3 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
4 Board's Escrow Agent, attributable to Tract 3, as depicted upon the annexed table; and (2)  
5 authorization to begin paying royalties directly to the parties of the royalty split agreement listed  
6 in the petition. This is Docket Number VGOB-92-1117-0291-02. All parties wishing to testify  
7 please come forward.

8 **Mark Swartz:** Anita Duty and Mark Swartz. State your name for us, again.

9 **Anita Duty:** Anita Duty.

10 **Mark Swartz:** You're still under oath?

11 **Anita Duty:** Yes.

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

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

14 **Mark Swartz:** Are you here, on behalf of the petitioner and applicant, CNX Gas Company,  
15 LLC, today?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** We're dealing with another petition for a disbursement of funds?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** This pertains to Drilling Unit Y8.

20 **Anita Duty:** Yes.

21 **Mark Swartz:** And, the reason for the request is we have a split agreement?

22 **Anita Duty:** We do.

23 **Mark Swartz:** So, basically, we're looking for an order, allowing the Escrow Agent to pay  
24 monies from escrow, pursuant to a split agreement and, then, allowing the operator to pay those  
25 folks who receive the disbursements, directly, in the future?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** Is it a 50/50 split agreement?

28 **Anita Duty:** It is.

1 **Mark Swartz:** And, you've seen it?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** Did you use that agreement to prepare Table 1?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Does Table 1 identify the people that should receive the disbursement from  
6 escrow?

7 **Anita Duty:** It does.

8 **Mark Swartz:** And, it gives addresses for them?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** And, the second column from the right gives a percentage and it's identical,  
11 since it's a 50/50 agreement, that the Escrow Agent should use when calculating the dollar  
12 amount?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** That percentage should be applied to the balance on hand and that will generate  
15 the right number?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** After this disbursement is made, we're still going to need an escrow account?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** And, you've provided an updated Exhibit E, in that regard?

20 **Anita Duty:** I have.

21 **Mark Swartz:** We have mailings, proofs and, then, we have an Exhibit J. Correct?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** Which starts, it looks like, in January 1993 and goes through...what's the last  
24 bank statement?

25 **Anita Duty:** January 2016.

26 **Mark Swartz:** Once again, did you look for all the royalty checks and try to find a  
27 corresponding deposit?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Did that work out?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** Then, did you do your total and compare that to the bank balance on January 31,  
5 2016?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** When you did that, the bank had slightly more money than you?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** What's the amount?

10 **Anita Duty:** \$111.90.

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

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

13 **Donnie Ratliff:** Move to approve, Mr. Chairman.

14 **Donnie Rife:** Second, Mr. Chair.

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

17 **Board:** Yes.

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

19 **Item Number 15**

20 **Bradley Lambert:** We're calling Docket Item Number 15. A petition from CNX Gas  
21 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
22 Board's Escrow Agent, attributable to Tract 3, as depicted upon the annexed table; and (2)  
23 authorization to begin paying royalties directly to the parties listed in the petition. Docket  
24 Number VGOB-95-0321-0494-01. All parties wishing to testify please come forward.

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

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

27 **Mark Swartz:** Thank you. State your name for us, Anita.

1 **Anita Duty:** Anita Duty.

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

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

4 **Mark Swartz:** Are you here on behalf of CNX Gas Company, LLC, today, with regard to a  
5 petition for disbursement from Drilling Unit T18?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** This application was, originally, on the March Docket, but it had an April  
8 hearing date. Do you remember that?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** And, that's how we got here, today, because the April hearing didn't occur and,  
11 now, we're in May. Okay?

12 **Anita Duty:** Okay.

13 **Mark Swartz:** Good. I just wanted to make sure that we had a paper trail, of sorts. Confusing,  
14 but nevertheless, a trail.

15 **Bradley Lambert:** I'm confused, Mr. Swartz.

16 **Mark Swartz:** What's the reason for the request?

17 **Anita Duty:** A court order, I believe. Yes, a court order.

18 **Mark Swartz:** The reason was a court order and the people receiving the disbursements were  
19 the prevailing plaintiffs in that court case?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** And, you've seen the order?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** And, you used it to prepare Table 1?

24 **Anita Duty:** We did.

25 **Mark Swartz:** Let's go back and find Table 1. It looks like it's at Page 4 of 16.

26 **Anita Duty:** Yes.

27 **Mark Swartz:** And, the people to receive the payments are who?

1 **Anita Duty:** Ira Ratliff and Connie Ratliff.

2 **Mark Swartz:** And, you've got addresses for both of them, on Table 1?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** And, they're each to receive 50%, as of the date of the disbursement?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** And, the Escrow Agent should, as usual, use that percentage in the second  
7 column from the right, to calculate the dollar amount?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** And, this is one of those happy instances where, once the Escrow Agent makes  
10 that disbursement, escrow will no longer be required for this unit?

11 **Anita Duty:** That's correct.

12 **Mark Swartz:** And, you've indicated that in a revised Exhibit E?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** And, you've indicated, in Exhibit EE, the going forward payments?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Have you notified these folks of the hearing, although one of the people did not  
17 pick up his mail?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Okay. You prepared an Exhibit J?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** This exhibit looks like the first money to account for was July 1997 and the last  
22 bank balance you were working off of is as of what date?

23 **Anita Duty:** October 2015.

24 **Mark Swartz:** October 31?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** Did you attempt to identify all payments into escrow, that the operator made  
27 and, then, look for a corresponding deposit?

1 **Anita Duty:** We did.

2 **Mark Swartz:** Were you able to find that?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** Then, did you run a total and compare that to the bank's total?

5 **Anita Duty:** Yes, and we were showing \$1.20 more than the bank.

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

7 **Bradley Lambert:** Any questions from the Board? [No response] Ms. Duty, do you have a  
8 copy of that court order? We don't have it, in our petition. Sometimes we get them. Sometimes  
9 we don't.

10 **Anita Duty:** We should have put it in there. I do have a copy. I did it, electronic. I don't have a  
11 paper.

12 **Mark Swartz:** Or, we can give them the case number.

13 **Bradley Lambert:** Can you get that to Mr. Cooper?

14 **Anita Duty:** Yes.

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

17 **Mark Swartz:** It's actually the Wyatt-Ratliff case that we've been over here on a bunch of  
18 times.

19 **Paul Kugelman:** She is a party to that case, as well, or just...

20 **Anita Duty:** No, she got her interest through the divorce decree that happened, afterwards.

21 **Paul Kugelman:** So, you're just using that as legal authority, as opposed to an actual, direct  
22 impact on this respondent. I'm just trying to make sure I understand.

23 **Anita Duty:** I don't know if they were married, at the time this decision came out. I don't think  
24 they were. I think she, later, sued him for half of the escrow, the money that he was paid.

25 **Paul Kugelman:** The court granted that?

26 **Anita Duty:** Yes, because we now.... Did we load that?

27 **Paul Kugelman:** That's the basis for the request.

1 **Anita Duty:** The case number that split the interest, 50/50, or gave her half of the royalty is  
2 203-92.

3 **Mark Swartz:** That was in Buchanan County.

4 **Paul Kugelman:** Okay. And, there had been no disbursements, prior to this, so it's going to be  
5 split 50/50, former-husband and former-wife. Okay.

6 **Anita Duty:** Then, the case number for Landon-Wyatt vs. Ratliff et. al. is 187-00. This is one  
7 of the ones we founds that a small amount of money hadn't been disbursed.

8 **Bradley Lambert:** If you could just get that case number into the record for that.

9 **Rick Cooper:** Right. If she'll send that stuff to us, we can upload it into that, by Friday.

10 **Anita Duty:** Do you want me to send it to you all together, so you know what you're looking at?

11 **Rick Cooper:** Yes.

12 **Anita Duty:** Okay.

13 **Paul Kugelman:** Thank you.

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

15 **Mark Swartz:** No.

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

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

18 **Donnie Rife:** Second, Mr. Chair.

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

21 **Board:** Yes.

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

23 **Item Number 16**

24 **Bradley Lambert:** We're calling Docket Item Number 16. A petition from CNX Gas  
25 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
26 Board's Escrow Agent, attributable to Tracts 1, 2, 3, 6, & 10, as depicted upon the annexed table;  
27 and (2) authorization to begin paying royalties directly to the parties listed in the petition. This is  
28 Docket Number VGOB-95-0418-0500-03. All parties wishing to testify please come forward.

1 **Mark Swartz:** Mark Swartz and Anita Duty. Anita, would you state your name for us, please?

2 **Anita Duty:** Anita Duty.

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

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

5 **Mark Swartz:** Are you here on behalf of CNX Gas Company, LLC, with regard to this  
6 petition?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** Is this the kind of petition that would, typically, go to Mr. Cooper, for his office  
9 to approve?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** What's the reason that we're in front of the Board on this?

12 **Anita Duty:** We have an unresolved issue trying to collect bank data. The account is off \$900  
13 and some. I think that was Mr. Cooper's recommendation that we bring it to you all to make the  
14 decision.

15 **Mark Swartz:** Let's go to Exhibit J, then, and talk about that. You started tracking the funds on  
16 this comparison, or reconciliation, it looks like in October 1996. Right?

17 **Anita Duty:** Right.

18 **Mark Swartz:** You've come forward on the last bank statement that you were using, you were  
19 trying to reconcile these accounts, was as of September 30, 2015. Right?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** First of all, were you locate all of the payments that the operator made, as  
22 royalty payments, a list of them?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Then, did you look for a corresponding deposit in the various bank accounts  
25 operated by the Escrow Agent?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** So, you were able to find all of those payments, as deposits?

28 **Anita Duty:** Yes.

1 **Mark Swartz:** Then, you ran your total?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** And, you had the total on deposit, as reported by First Bank and Trust, as of the  
4 last day of September 2015. There was a difference of what amount of money?

5 **Anita Duty:** \$923.06.

6 **Mark Swartz:** And, that was \$923.06 less than you had calculated?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** The reason we're here is we cannot account for that.

9 **Anita Duty:** Correct.

10 **Mark Swartz:** We need some guidance or Mr. Cooper needs some guidance, in terms of how  
11 do we proceed to make the disbursements? I mean, we have a Table. As usual, you prepared a  
12 Table 1, which would deal with how the Escrow Agent would make the payments and those  
13 percentages are correct and could be applied to the balance, but we've got this difference that we  
14 can't explain.

15 **Anita Duty:** Correct.

16 **Mark Swartz:** Are there missing records that we would be able to identify as, just, they're not  
17 there or do we have absolutely no idea?

18 **Anita Duty:** I think it's the older, I'm trying to think what bank it was. Was it Wachovia?

19 **Rick Cooper:** Wachovia.

20 **Anita Duty:** Wachovia.

21 **Bill Harris:** So, there is a difference, going forward, from them. You're thinking that that  
22 contributed to this amount that they're, maybe, was money put into an incorrect account that you  
23 all sent in.

24 **Anita Duty:** Well, it's like ending balances don't match beginning balances. You can't see,  
25 within the numbers, what happened. It's just ending balance versus beginning balance.

26 **Mark Swartz:** Just to, sort of, focus you on it, we found the royalty checks that we paid and,  
27 then, we found deposits, so it's a balance. It's an accounting issue that the bank must have had  
28 because they deposited all the money we gave them. We've been able to determine that, but then  
29 the ending and beginning balances don't match, so it's their math that's the problem. It goes back  
30 to Wachovia. That's why we can't...

1 **Paul Kugelman:** The ending balance from Wachovia is different than the beginning balance for  
2 the new Escrow Agent?

3 **Anita Duty:** No, from one month to the next.

4 **Paul Kugelman:** Oh.

5 **Mark Swartz:** Yes.

6 **Paul Kugelman:** There's just some inexplicable difference.

7 **Mark Swartz:** Right.

8 **Paul Kugelman:** No paper trail for it, at all.

9 **Anita Duty:** It seems to always occur...

10 **Paul Kugelman:** Is this exactly that \$923.06, that one difference?

11 **Mark Swartz:** I'm not sure. Was it just the one month that was off?

12 **Anita Duty:** I'm looking.

13 **Mark Swartz:** She's looking.

14 **Paul Kugelman:** Okay. It would be good just to have on the record exactly how we got here.

15 **Anita Duty:** There is a pattern with that. I'm actually asking a question. I'm not exactly sure,  
16 right off the top of my head.

17 **Rick Cooper:** There seems to be a time period, during Wachovia, that we found through several  
18 of these, that there are discrepancies that show up in the accounts. We can't figure them out.  
19 This is one of those, but I think you will see more of these, in the future. We cannot determine  
20 exactly what happened. It's not like a \$500 deposit. It can be \$3 or \$4 or \$6. We just cannot  
21 determine exactly how the discrepancy occurred, back in that time and Wachovia records are  
22 much more vague than what we have, today. They're very difficult to decipher that out and  
23 figure that out. That's what we have, here. So, this was an internal coal dismissal and we  
24 brought it to the Board because we could not find where the discrepancy, exactly how it  
25 occurred. That's the reason we brought it to you all, today, with the understanding you may see  
26 more of these, in the future.

27 **Bill Harris:** Are you saying, also, that Wachovia is unwilling to check their records?

28 **Rick Cooper:** We have no contact with Wachovia. Wachovia has, sort of, been sold out a time  
29 or two, so what records we have, CNX is available to, but we've been unable to determine why  
30 the discrepancy is there.

1 **Donnie Rife:** It seems to me like it's simple math. Why is it so hard? I can lie to you and you  
2 can lie to me, but numbers are not going to lie. They've all got to be there.

3 **Mark Swartz:** They did something that we cannot understand.

4 **Anita Duty:** What I'm being told is that, especially January and February of 2000, those two  
5 months are famous for having that kind of problem and September 2006.

6 **Mark Swartz:** We've been here, before.

7 **Anita Duty:** We've done 520 Exhibit J's, so we've got a pattern going.

8 **Donnie Rife:** We've had issues with Wachovia.

9 **Paul Kugelman:** I've been talking with Mr. Lambert. Just for the Board's edification and for  
10 the Division of Gas and Oil's edification, there is nothing in a disbursement order, either done  
11 administratively or by this Board, that in any way truncates, precludes, a payee from going back  
12 and bringing an action for an accounting. With that, the Board could disburse the money and it  
13 doesn't distinguish any rights for the payee. While there is a difference and while there is a  
14 discrepancy, I still think that the Division of Gas and Oil could issue the administrative order to  
15 disburse. If it's something really wild, I mean, I can understand, maybe, \$1,000 is something you  
16 all would go, "Okay, the Board needs to hear this, first." For smaller amounts, sometimes you  
17 have \$3. Right?

18 **Rick Cooper:** Yes. What we have, sort of, set internally, to let the Board know, if it's over  
19 \$500, we have actually been bringing those to the Board, if it's a payment like this. Now, if  
20 there's more money in the account than what they're disbursing, we're good. But, if it's short  
21 more than \$500, we actually bring them to the Board.

22 **Paul Kugelman:** Okay.

23 **Rick Cooper:** Unless you change that.

24 **Paul Kugelman:** Well, that's not for me to change. That would be up for the Board, if they  
25 wanted to provide additional guidance, but I'll leave that there.

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

27 **Mark Swartz:** No.

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

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

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

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

2 **Board:** Yes.

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

4 **Mark Swartz:** I just didn't want it to get lost. This was a coal dismissal. You're going to take  
5 care of that, then.

6 **Item Number 17**

7 **Bradley Lambert:** We're calling Docket Item Number 17. This is a petition from CNX Gas  
8 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
9 Board's Escrow Agent, attributable to Tracts 2A, 2B, 2C, 3, & 6, as depicted upon the annexed  
10 table; and (2) authorization to begin paying royalties directly to the parties listed in the petition.  
11 This is Docket Number VGOB-96-0116-0530-05. All parties wishing to testify please come  
12 forward.

13 **Mark Swartz:** Mark Swartz and Anita Duty. Anita, would you state your name for us, again?

14 **Anita Duty:** Anita Duty.

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

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

17 **Mark Swartz:** Are you here, today, on behalf of CNX Gas Company, LLC, with regard to a  
18 disbursement petition concerning Unit V28?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** This disbursement, the reasons include, we have prevailing plaintiffs in the civil  
21 case. Correct?

22 **Anita Duty:** We do.

23 **Mark Swartz:** We have some gas claimants under the House Bill and we have some coal  
24 claimants that we would like to dismiss. Correct?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** Okay. Have you provided and prepared tables with regard to this?

27 **Anita Duty:** Yes.

28 **Mark Swartz:** We have a Table 1 and we have a Table 2. Right?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Would you explain to the Board why we have a Table 1, here?

3 **Anita Duty:** Sarah Keen and Walter Keen, it's part of their divorce decree. We're going to pay  
4 them the interest that they owned, prior to the divorce, as an exact dollar amount. Then, in the  
5 divorce decree, they combine their interest together and they get 50%. So, it's kind of a weird  
6 way that their divorce was written. They were deeded property as individuals and not as  
7 husband and wife.

8 **Mark Swartz:** Have you and your lawyers reviewed all of these documents to get to this point?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** So, the instructions to the Escrow Agent would be, with regard to Table 1, pay  
11 the two exact dollar amounts in the far right-hand column to Sarah Jane Keen, the row that her  
12 name is in. Then, the amount in the Walter L. Keen row, pay those precise amounts first.  
13 Correct?

14 **Anita Duty:** Yes. Walter Keen's payment goes to Shea Cook.

15 **Mark Swartz:** Okay. And, it's made payable to Walter, but it's mailed to Shea Cook.

16 **Anita Duty:** Mailed to Shea Cook.

17 **Mark Swartz:** Having made those disbursements in those exact amounts, then the Escrow  
18 Agent should go to Table 2...

19 **Bradley Lambert:** Before we move to Table 2, can I ask a question?

20 **Mark Swartz:** Sure.

21 **Bradley Lambert:** How come Walter Keen, it may be part of the divorce, how come that tract  
22 is 999?

23 **Anita Duty:** We have to do that to make it do an exact dollar amount, e-forms.

24 **Bradley Lambert:** Okay. If it was 100% royalty-split agreement, there's about a \$4,000  
25 difference.

26 **Anita Duty:** It's not a royalty-split.

27 **Bradley Lambert:** You've got it under the royalty-split column.

28 **Anita Duty:** I think that's how it has to be to get it to work. Didn't they revise e-forms to get it  
29 to work out so we could subtract from tracts and things like that?

1 **Rick Cooper:** They can do an exact balance at one point and deduct it from the...

2 **Anita Duty:** The same tract later in the.... It's not a royalty-split. That's just how we have to put  
3 it in to get it to calculate.

4 **Bradley Lambert:** Okay. Let's move over to the percent of escrow funds disbursed. Sarah is at  
5 8.4407 and Walter is listed as 100 and we've still only got a \$4,000 balance.

6 **Anita Duty:** Sarah and Walter own two different fractional interests.

7 **Bradley Lambert:** Is that because of the divorce?

8 **Anita Duty:** It is. We pay them whatever they owned, as individuals, prior to the divorce.  
9 That's what this payment is taking care of. Once we apply that, then they get paid 50%. It turns  
10 out that Walter, he won't even get a part of the 50% payment because he would have been  
11 overpaid, originally, the way the interests are. He has a higher interest, at the beginning. Like  
12 you've noticed, he's going to get a payment of \$17,000. She's only going to get \$13,000. When  
13 we go and divide it in half, there's not enough left in that tract for Walter to get any additional  
14 payment, when you divide those payments equally. There's only a certain amount of money for  
15 the tract.

16 **Mark Swartz:** If you look at Table 2, you'll see that Walter doesn't get a disbursement and she  
17 does, of the \$4,300.

18 **Anita Duty:** And, she gets \$4,300 more. So, \$4,300 plus the \$13,000...

19 **Mary Quillen:** It balances out.

20 **Anita Duty:** It, sort of, does balance because, at the end of the day, it doesn't matter, but that's  
21 how we were told by our attorney.

22 **Mary Quillen:** I wonder why he didn't get anything over here when she did, but he took his all,  
23 first.

24 **Anita Duty:** At the beginning.

25 **Mary Quillen:** At the beginning.

26 **Anita Duty:** Because he owned more individual interest than she did, prior to the divorce.  
27 Their property was deeded them, as individuals, rather than husband and wife.

28 **Paul Kugelman:** At the end of the day, the court's saying you guys split it, equally. The way  
29 you all did it was, let's look at it before the divorce and there is Table 1. After the divorce, you  
30 do the \$4,000 equal amount?

1 **Anita Duty:** That's the way that the attorney advised us to pay it, internally, the way the  
2 documents are written.

3 **Paul Kugelman:** Ultimately, they get the same amount.

4 **Anita Duty:** At the end of the day, I think it does turn out to be...

5 **Mark Swartz:** Pretty close, if not exactly.

6 **Anita Duty:** He just owned a little more than she did, at the beginning.

7 **Paul Kugelman:** That's in conformity with the court order, obviously.

8 **Anita Duty:** Right. It is.

9 **Bradley Lambert:** How is the bank going to pay out on Table 1?

10 **Anita Duty:** Exact dollar amount. They're going to pay the exact dollar amount.

11 **Bradley Lambert:** They're going to pay out on Table 2.

12 **Anita Duty:** Percentages. The way that we've got e-forms to work, now, is that the money that  
13 they got paid, as an exact dollar amount, will be subtracted from the total that that tract has  
14 allocated to it.

15 **Mary Quillen:** There's a penny difference.

16 **Anita Duty:** Is it?

17 **Mary Quillen:** Yes. He got one penny more.

18 **Bradley Lambert:** That's the reason for the \$13,000 in the adjustment amount on Table 2. Is  
19 that correct?

20 **Anita Duty:** Right. It adjusted what she got paid, an exact dollar amount, and took it away from  
21 the total. When you go to do the calculation for the tracts, say there's only \$20,000 set aside for  
22 that tract. What we want to do is take the exact dollar amounts that they have at the beginning  
23 and subtract it from what the total tract is due because, if you don't, then you're over-paying from  
24 somebody else's tract, money-wise. We want it to pull from that tract, that exact dollar amount,  
25 and subtract it from the total. You know what I'm trying to do.

26 **Bradley Lambert:** They might, but I don't.

27 **Anita Duty:** You all help me because I can't explain it.

28 **Bradley Lambert:** Clear as mud. Thank you.

1 **Anita Duty:** If there's \$30,000 set aside for the tract, if you do an exact dollar amount and, then,  
2 you do a percentage, but if you don't subtract from what the total dollar amount was, that the  
3 tract originally started with, you're going to have an overpayment. You're going to be paying a  
4 percentage of somebody else's money.

5 **Bradley Lambert:** I understand all that. I'm trying to figure out the differences in Table 1,  
6 that's all.

7 **Anita Duty:** I'm trying. I can never be a teacher.

8 **Bill Harris:** It looks to me like unequal pay for women.

9 **Mary Quillen:** That's right, by a penny. That's why I am upset.

10 **Bradley Lambert:** You can continue, Mr. Swartz. Thank you for the explanation.

11 **Mark Swartz:** If you look at EE, let's stay with the confusion, here. If you look at Exhibit EE  
12 at Tract 3, which is the Table tract. Now Exhibit EE is how are we going to pay people going  
13 forward, after the disbursement. If you look at Sarah Jane Keen at the bottom of page 3 of 6, it's  
14 showing her at 19.5575. Right? Do you see that? This would be Page 15 of the pdf. If you go  
15 down to the bottom of that, you'll see Sarah Jane Keen and her percentage in the right-hand  
16 column and her division of interest before that. Now, if you go down to the next page, you'll  
17 find Walter, same percentages. So, going forward, they're getting the equal payments that  
18 Anita's talking about and the settle-up between Table 1 and Table 2 the pre-divorce agreement.  
19 Just to show that it is, going forward, that's how it's paid, which is what Anita was saying. It just  
20 documents that.

21 **Bradley Lambert:** Okay.

22 **Paul Kugelman:** To push further into the confusion, I notice that Sarah Jane Keen's percentage  
23 is designated as a function of House Bill 2058 and Mr. Keen's is court order. Is that just a typo?  
24 No? Okay.

25 **Mark Swartz:** They have different tracts and different interests.

26 **Anita Duty:** No, it's the same tract. Mr. Cook sent us a court order. The court order does not  
27 mention Sarah Keen. Sarah Keen has her own interest that was deeded to her, separately, which  
28 is the reason for the whole...

29 **Paul Kugelman:** So, that's that interest.

30 **Anita Duty:** In our opinion, I don't know how he could represent her, even though he says that  
31 he did, in the letter. She's not a party to the order.

32 **Paul Kugelman:** Okay. So, it's not a function of the order.

1 **Mark Swartz:** She wasn't a party to the litigation, so she doesn't benefit from the order, as a  
2 prevailing plaintiff, but she benefits from the House Bill, as a gas claimant.

3 **Anita Duty:** Which turns out to be the same thing.

4 **Paul Kugelman:** Okay.

5 **Mark Swartz:** It's nothing simple.

6 **Paul Kugelman:** I thought it was a typo. I didn't realize there would be just another layer to  
7 talk about.

8 **Mark Swartz:** Let's move to Exhibit J. Anita, it looks like you started your reconciliation in  
9 1997.

10 **Anita Duty:** Yes.

11 **Mark Swartz:** The last bank statement that you used to complete it was dated when?

12 **Anita Duty:** December 31, 2015.

13 **Mark Swartz:** Firstly, did you identify all royalty payments that the operator made?

14 **Anita Duty:** We did.

15 **Mark Swartz:** Then, did you look for a corresponding deposit?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** Did you find one?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Then, you did your total and you compared that to the bank's balance as of  
20 12/31/2015?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** There was how much of a difference?

23 **Anita Duty:** \$25.71

24 **Mark Swartz:** You had that amount more than the bank was reporting?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** This is another one of those Cook affidavit cases, right?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** So, Henry Harman is to get his check made payable to him, but mailed to Mr.  
2 Cook, right?

3 **Anita Duty:** Right.

4 **Mark Swartz:** The same would be true of Kendris Harman?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** And Sarah Jane Keen, or no?

7 **Anita Duty:** That's the problem we had. He sent us the affidavit, saying that he was to receive  
8 her funds, but she was not party to the order.

9 **Mark Swartz:** I think the affidavit would control this mailing.

10 **Anita Duty:** She also sent us one, individually, that doesn't have him on it.

11 **Mark Swartz:** What did she send you?

12 **Bradley Lambert:** Do you have a copy of that one, that she sent you, individually?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** And, Walter has given you an affidavit, with regard to Cook, while you're  
15 looking for that. Correct?

16 **Anita Duty:** Yes, he has. The only one we didn't.... I'm just going to look it up on here. It's  
17 easier. Here it is. It's the very next page.

18 **Paul Kugelman:** So, this is the one that she submitted, or you got from Mr. Cook?

19 **Anita Duty:** That's the one she submitted to me.

20 **Paul Kugelman:** Okay. So, this is the one you got from her, directly?

21 **Anita Duty:** She didn't know anything about.... I don't know what her confusion is, but she  
22 wasn't party to the court order.

23 **Paul Kugelman:** But, she still sent you this under her cover letter.

24 **Anita Duty:** She sent us that and, then, we have the other one. I think that one is after the Shea  
25 Cook one.

26 **Rick Cooper:** Here's the one that Shea Cook gave us.

1 **Paul Kugelman:** Thank you. The signatures appear the same. The handwriting underneath is  
2 different and the tract numbers are different. The unit numbers are different. Which units do we  
3 have?

4 **Mark Swartz:** This is V28.

5 **Paul Kugelman:** The one that we need to consider is V28?

6 **Mark Swartz:** Yes.

7 **Paul Kugelman:** Well, the one that she submitted is the V28. If you all got that directly from  
8 her and it's designating Mr. Cook as the Attorney-in-fact, which...

9 **Anita Duty:** The way that it came was that he sent me the court order and the cover letter said  
10 that he represented all four of them. Once we look at the court order, she's not on it. She has her  
11 own interest, deeded to her, individually, not as husband and wife, with Walter Keen.

12 **Paul Kugelman:** Actually, this doesn't make Mr. Cook the Attorney-in-fact. It just says that  
13 she's the owner of the gas and her W-9 attached is correct. The one that applies isn't...

14 **Mark Swartz:** Allows us to pay her directly and mail it to her, directly.

15 **Rick Cooper:** What about number 6? What does number 6 say?

16 **Paul Kugelman:** What do you mean by number 6?

17 **Rick Cooper:** On the item...1, 2, 3, 4, 5, 6.

18 **Paul Kugelman:** The one that has the number 6 on it does not have a unit or tract, but does it?  
19 If it does...

20 **Sarah Gilmer:** V28.

21 **Paul Kugelman:** Oh, V28, Tract 3. I'm sorry. I'm looking at the bottom. It does say V28.

22 **Mary Quillen:** There's a V28, a CBM V28, Tract 3, that there's all these others that are listed.  
23 Are these on another?

24 **Anita Duty:** There are several units that this applies to, yes.

25 **Paul Kugelman:** It looks like Sarah Jane Keen's signature is the same on both. It's confusing as  
26 to why she would send one. I'd mail it to Mr. Cook, her Attorney-in-fact.

27 **Anita Duty:** I think it was she thought that she needed to sign one. What she told us was she  
28 didn't pay attention. I think she's an older lady.

29 **Paul Kugelman:** So, she was explaining the difference between the two.

1 **Anita Duty:** She, actually, didn't realize that it was giving him authority to get her money.  
2 That's what she said.

3 **Paul Kugelman:** You have that letter?

4 **Anita Duty:** She actually called us. I don't know if we need to get her to write a letter to clarify  
5 what she was doing. I have no idea. This happens over and over. I don't know what to do.

6 **Paul Kugelman:** Did you speak with her or somebody else?

7 **Anita Duty:** No, not me, directly. It was one of the girls in my group.

8 **Paul Kugelman:** What did she tell you that this lady said?

9 **Mary Quillen:** Can we not make the checks to her?

10 **Mark Swartz:** I think we were planning on doing that.

11 **Paul Kugelman:** You send it to Mr. Cook, payable to her?

12 **Mark Swartz:** Yes. Then, it's his issue and her issue.

13 **Paul Kugelman:** Send her a letter, letting her know that Mr. Cook has the check. Otherwise, he  
14 might just sit on it. She might never know that she's got it. What I sense is that there's concern  
15 about how certain business operations are run. My concern is that we have an elderly lady who  
16 has money coming to her. How much is it?

17 **Anita Duty:** \$17,000.

18 **Paul Kugelman:** So, it's not an inconsequential amount of money. She needs to know that Mr.  
19 Cook has that money. Does anything in the conversation with the.... I can't remember the lady's  
20 name who signed the affidavit. Did anything in the conversation, that was related to you,  
21 indicate that she did not want Mr. Cook to be her Attorney-in-fact or that it was something else?

22 **Anita Duty:** I don't know if she understood that that was how she was getting paid, to start with.

23 **Paul Kugelman:** I see.

24 **Mary Quillen:** Well, if you don't feel like she understood, why can't we just mail it directly to  
25 her? We have her address.

26 **Mark Swartz:** Because we've got a document that...

27 **Anita Duty:** Could we maybe mail to her and Shea Cook and say we need clarification. Do you  
28 represent her, or not? I don't know. I mean, as far as I know, you can hire and fire attorneys.

29 **Mark Swartz:** I'm familiar with that.

1 **Rick Cooper:** There's several other people that's going to get a check written in their name, to  
2 Shea Cook, in this same one. Right?

3 **Anita Duty:** Right.

4 **Rick Cooper:** There are several other people that we haven't mentioned, at this time.

5 **Mark Swartz:** We're going to come back to it.

6 **Paul Kugelman:** Do we have the same problem with these people, too?

7 **Anita Duty:** No.

8 **Paul Kugelman:** Okay.

9 **Mary Quillen:** Because of the circumstances...you said there's a divorce?

10 **Anita Duty:** Correct. Walter Keen and Sarah Keen were married. Walter Keen, clearly, is part  
11 of the court order. He has an affidavit saying Shea Cook can receive money on his behalf.  
12 They've been divorced, from what I gather from Hillary, that actually talked to Ms. Keen, it  
13 wasn't pleasant.

14 **Mary Quillen:** Okay. So, was she part of the court order?

15 **Anita Duty:** She was not on the court order. No. That was kind of what my issue was.

16 **Mary Quillen:** That's my concern. I thought that was what you said is that we do the check and  
17 make them to her and send them to her, send her a letter and copy him, if he's got a problem with  
18 that. It was not clear that the court order included her. She's not part of the court order.

19 **Anita Duty:** The way that we filed it, it's that she's getting paid due to the House Bill.

20 **Mary Quillen:** Well, I would do that. Really and truly, if there's a problem, would you not feel  
21 more comfortable doing that?

22 **Rick Cooper:** Firstly, in the future, we would request Shea Cook be present when he's got this  
23 many items on the docket. He needs to be here to answer some of these questions.

24 **Mary Quillen:** But, there's no way we can force him to be here. If he's not, this would be  
25 punishing these people for his lack of professionalism. I would feel more comfortable, in her  
26 situation, that the check be made directly to her and it be sent directly to her.

27 **Donnie Rife:** Even though she wasn't part of the court order.

28 **Mary Quillen:** This is the House Bill that hers is being paid. Right?

1 **Anita Duty:** The four of those people were under the ownership of one tract. They all have  
2 undivided interest in one tract.

3 **Mary Quillen:** Right.

4 **Anita Duty:** It's actually a consent order. Kendris, Henry and Walter Keen are the plaintiffs.  
5 CNX, Hugh MacRae and Torch are the defendants. Sarah's not party to it, even though Mr.  
6 Cook sent us a...

7 **Mary Quillen:** Right.

8 **Mark Swartz:** The problem here is sometimes you need to pay less attention to what you get  
9 from Mr. Cook and just kind of look at the substance of the transaction. He represented one of  
10 these people in a lawsuit that resulted in a requirement that this person be paid. That's Henry.  
11 Okay? He didn't represent Sarah Jane Keen in the lawsuit, so her payment is not coming to her,  
12 under that. But, he presents it to us and the Board as if she was his client in that case because,  
13 for whatever reason, he forgot. So, he presents it to us that way and we look at the order and  
14 we're like, well, you didn't represent her. So, then, we get something further from him that she  
15 has signed, where she says, "He can receive my check." He sends us this thing that she signed,  
16 saying not that he's my attorney, or anything else, but Shea Cook is my authorized Attorney-in-  
17 fact, which means "agent," to receive for distribution, on my behalf, all funds held in escrow. It  
18 doesn't refer to a law suit or anything. So, I guess my view would be you just need to have the  
19 Escrow Agent write the check to her and send it to him, pursuant to this, because it would cause  
20 that to happen. I don't have any reason to think that it might not be appropriate to write to her  
21 and say, "This is what happened, today. Be aware of the fact that there's a check headed for Mr.  
22 Cook's office." So, she knows. That would be my recommendation, based on what I'm looking  
23 at.

24 **Bill Harris:** What we have in front of us is a signed agreement from her, an affidavit, allowing  
25 us to pay him. I know we're looking beyond that, but the bottom line is what we have in front of  
26 us is a signed affidavit from her, authorizing us to send him the check. I don't know that we can  
27 ignore that, even though we are aware of other, related, information.

28 **Mary Quillen:** The thing is that she was not a part of the court order. She's not mentioned in  
29 the court order.

30 **Mark Swartz:** To me, at this juncture, it's kind of a "So, what?"

31 **Paul Kugelman:** She could have designated him, hired him, done something else with him, that  
32 is completely independent of that, that we're unaware of.

33 **Mark Swartz:** It's a level of confusion, but when you get right down to it, since she signed this  
34 affidavit allowing this to go forward...

1 **Paul Kugelman:** There's too much speculation, on our part, to discount it.

2 **Bill Harris:** Our hands are tied.

3 **Bradley Lambert:** Do you want to continue, Mr. Swartz? Do you have anything else?

4 **Mark Swartz:** Yes. We need to go back because we kind of got distracted in the math. We  
5 need to go back to Table 2 for a moment. With regard to Table 2, Anita, this is a percentage  
6 table. Correct?

7 **Anita Duty:** It is.

8 **Mark Swartz:** Essentially, with regard to the tracts that you've identified here, you've identified  
9 the people, by name and address, that are to receive the disbursements. Correct?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** And you have indicated, for each of them, and here we're got the percent of  
12 escrowed funds is actually in the third column. Correct?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** From the right-hand side. And, the Escrow Agent should use, for each person  
15 named, that percentage in the third column from the right-hand side, multiply that times the  
16 funds on deposit and that will generate a dollar amount. The Escrow Agent should, then, cut the  
17 checks, using that dollar amount, to the people that are identified, by name, on Table 2. Then,  
18 we've attached a number of these affidavits where a number of these people, and I'll run through  
19 them. Henry Harman has asked that his check be mailed, not the check be made out to, but be  
20 mailed to Mr. Cook. Right?

21 **Anita Duty:** Right.

22 **Mark Swartz:** The same is true for Kendris Harman?

23 **Anita Duty:** Correct.

24 **Mark Swartz:** Sarah Jane Keen, we've talked about that. Walter Keen. I thought there were  
25 more.

26 **Anita Duty:** Kathy Looney.

27 **Mark Swartz:** On Page 44, Kathy Looney and Dickey Looney and that's it?

28 **Anita Duty:** Yes.

29 **Mark Swartz:** Then, we have some coal dismissals. Correct?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** What companies would that be? Again, we've got Hugh MacRae?

3 **Anita Duty:** Yes, Hugh MacRae.

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

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

6 Swartz?

7 **Mark Swartz:** No.

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

9 **Bill Harris:** Motion for approval, as presented.

10 **Donnie Rife:** Second, Mr. Chair.

11 **Bradley Lambert:** I want to make a recommendation in that motion that Sarah Jane Keen be

12 notified that her check is being mailed to Mr. Cook.

13 **Bill Harris:** Yes, I'll amend my motion to that effect, to include that.

14 **Donnie Rife:** Second still stands.

15 **Anita Duty:** Who is going to be writing the letter, Mr. Cooper or us?

16 **Bradley Lambert:** Could you do that?

17 **Mark Swartz:** Sure. We just needed to know.

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

19 response] All in favor signify by saying yes.

20 **Board:** Yes.

21 **Bradley Lambert:** Opposed, no. [No response] That one is approved.

22 **Item Number 18**

23 **Bradley Lambert:** We're calling Docket Item Number 18. A petition from CNX Gas

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

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

26 authorization to begin paying royalties directly to the parties listed in the petition; and (3) the

27 dismissal of coal owners. This is Docket Number VGOB-97-0218-0563-05. All parties wishing

28 to testify please come forward.

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

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

3 **Mark Swartz:** Thank you. State your name for us again, Anita.

4 **Anita Duty:** Anita Duty.

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

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

7 **Mark Swartz:** Are you here, today, on behalf of CNX Gas Company, LLC, with a  
8 disbursement request pertaining to Unit U27?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** The reasons for the request for relief, here, include we've got some split  
11 agreements. Right?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** We have some gas owners, as determined by the recently enacted House Bill.  
14 We've noticed some coal claimants and we're going to want to dismiss them. That, generally, is  
15 the relief that we're looking for. Right?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** We just have one table, here. Correct?

18 **Anita Duty:** Correct.

19 **Mark Swartz:** And, it's called Table 1. In Table 1, have you identified, by name and address,  
20 all of the people or companies that are to receive a disbursement?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** Opposite their name and address, have you supplied a percentage for the Escrow  
23 Agent to use, in calculating the dollar amount due them?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** That percentage, on this Table 1, is the second column from the right-hand side.  
26 They should apply that percentage to the balance on hand. It will give them a dollar amount and  
27 that will be what they should pay out, per person?

28 **Anita Duty:** Yes.

1 **Mark Swartz:** Have you supplied an Exhibit E, indicating future requirements for escrow?

2 **Anita Duty:** We have.

3 **Mark Swartz:** Likewise, have you supplied an Exhibit EE, showing payments, going forward?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** With regard to the people that are going to receive these payments or these  
6 proposed disbursements, are you asking, as operator, for the ability to pay them directly, in the  
7 future?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** And Exhibit EE indicates that?

10 **Anita Duty:** It does.

11 **Mark Swartz:** Okay. Did you mail to coal owners?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Are you asking that the Board dismiss some coal owners, here?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Those folks, I think there are three of them, if I'm not mistaken. There are,  
16 actually, more than that. You've got a table at Page 26, you have a list of the coal owners to be  
17 dismissed. Correct?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** There are five of them.

20 **Anita Duty:** Yes.

21 **Mark Swartz:** With regard to this particular unit?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** Then, let's go back to.... Let me ask you this. After you notified these coal  
24 owners, did you receive anything back from them in the 45-day period, either proving that they  
25 had commenced a law suit or that they had reached an agreement?

26 **Anita Duty:** No.

27 **Mark Swartz:** So, they're subject to dismissal, under the Act?

1 **Anita Duty:** They are.

2 **Mark Swartz:** If we go back, now, to Exhibit J, you did an escrow reconciliation?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** You compared deposits to checks sent and did you find a deposit for every check  
5 you sent?

6 **Anita Duty:** We did.

7 **Mark Swartz:** You started this analysis in '98?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** And you went forward until the last bank statement, which was when?

10 **Anita Duty:** January 31, 2016.

11 **Mark Swartz:** Did you do your calculation and, then, compare that to the bank's balance?

12 **Anita Duty:** We did.

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

14 **Anita Duty:** The bank had \$5.98 more.

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

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

17 **Donnie Rife:** Motion made for approval, Mr. Chair.

18 **Bill Harris:** Second.

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

21 **Board:** Yes.

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

23 **Mark Swartz:** Thank you.

24 **Item Number 19**

25 **Bradley Lambert:** We're calling Docket Item Number 19. A petition from CNX Gas  
26 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the

1 Board's Escrow Agent, attributable to Tract 5, as depicted upon the annexed table; (2)  
2 authorization to begin paying royalties directly to the parties listed in the petition; and (3)  
3 dismissal of coal owners listed in the petition. This is Docket Number VGOB-97-0218-0565-03.  
4 All parties wishing to testify please come forward.

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

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

7 **Mark Swartz:** State your name for us, Anita.

8 **Anita Duty:** Anita Duty.

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

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

11 **Mark Swartz:** You're here on behalf of CNX Gas Company, LLC, the applicant today, with  
12 regard to a disbursement petition, pertaining to Drilling Unit T28. Right?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** The relief that you're seeking here is a disbursement from escrow, authorization  
15 to directly pay the folks who are receiving the disbursement, going forward, and then we've got  
16 some coal owner dismissals. Correct?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** The basis for the disbursement request, we've got some split agreements.  
19 Correct?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** We also have some gas claimants who are now determined to be gas owners  
22 under the Act.

23 **Anita Duty:** Yes.

24 **Mark Swartz:** You've notified coal claimants that they have an obligation to come forward  
25 within 45 days of the notice to prove that they've started a lawsuit or that they've reached an  
26 agreement. Correct?

27 **Anita Duty:** Yes.

28 **Mark Swartz:** Have any of them responded with that kind of proof?

29 **Anita Duty:** No.

1 **Mark Swartz:** Have you prepared a table or tables, with regard to the proposed disbursement?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** It looks like we've got a Table 1 at pdf Page 6, I guess. It looks like all the  
4 disbursements pertain to Tract 5.

5 **Anita Duty:** Yes.

6 **Mark Swartz:** This is a percentage disbursement?

7 **Anita Duty:** It is.

8 **Mark Swartz:** Have you identified, by name, every person or company that is to receive a  
9 disbursement?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** And, you've given an address for everybody?

12 **Anita Duty:** We have.

13 **Mark Swartz:** And, in the second column from the right-hand side, you have a percentage that  
14 you're supplying to the Escrow Agent to use to multiply times the balance on hand to calculate  
15 the dollar amount due each person?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** We're going to need escrow, going forward, and you supplied a revised Exhibit  
18 E?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** And, you have also supplied a revised Exhibit EE, which is the payment process,  
21 going forward?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** In that, you've indicated that the people who are going to get these  
24 disbursements are going to be direct-paid in the future?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** You seem to hesitate there.

27 **Anita Duty:** They're actually going to be paid from the sealed gob.

1 **Mark Swartz:** Okay. Good. You've got your proof of notice. Then, we come to Exhibit J.  
2 Right?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** That starts at Page 24. It looks like you began accounting for the money in April  
5 1998. Right?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** The last bank statement you have used is as of what date?

8 **Anita Duty:** December 31, 2015.

9 **Mark Swartz:** First of all, did you look for all of your royalty payments, identify those and,  
10 then, look for a corresponding deposit for each one?

11 **Anita Duty:** We did.

12 **Mark Swartz:** When you did that, did you find all of those deposits?

13 **Anita Duty:** We did.

14 **Mark Swartz:** Did you, then, run a total of doing your math and, then, compare that to the  
15 bank's December 31, 2015, total?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** And, there was a difference of what amount?

18 **Anita Duty:** The bank was showing a \$164.67 more.

19 **Mark Swartz:** Okay. Then, you gave notice to Yukon Pocahontas of a potential coal dismissal.  
20 Right?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** You, previously, indicated you had no response from them in the 45 days?

23 **Anita Duty:** Correct.

24 **Mark Swartz:** And, you're asking that they be dismissed?

25 **Anita Duty:** Yes.

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

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

1 **Bill Harris:** Motion for approval.  
2 **Donnie Rife:** Second, Mr. Chair.  
3 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No  
4 response] All in favor signify by saying yes.  
5 **Board:** Yes.  
6 **Bradley Lambert:** Opposed, no. [No response] Thank you, Mr. Swartz.  
7 **Mark Swartz:** Thank you.

8 **Item Number 20**

9 **Bradley Lambert:** We're calling Docket Item Number 20. A petition from CNX Gas  
10 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
11 Board's Escrow Agent, attributable to Tract 1E, as depicted upon the annexed table; and (2)  
12 authorization to begin paying royalties directly to the parties listed in the petition. This is Docket  
13 Number VGOB-98-0324-0628-03. All parties wishing to testify please come forward.  
14 **Mark Swartz:** Mark Swartz and Anita Duty.  
15 **Bradley Lambert:** You may proceed, Mr. Swartz.  
16 **Mark Swartz:** Thank you. Your name?  
17 **Anita Duty:** Anita Duty.  
18 **Mark Swartz:** You work for?  
19 **Anita Duty:** CNX Land, LLC.  
20 **Mark Swartz:** You're here on behalf of CNX Gas Company, LLC, the petitioner and operator,  
21 seeking some disbursements pertaining to Unit X36. Right?  
22 **Anita Duty:** Yes.  
23 **Mark Swartz:** We've got another DGO is the problem case. Right? The only reason we're  
24 here.... We've got a similar issue with J36. We had submitted this to Mr. Cooper for him to  
25 process, administratively, and apparently there's an issue with the reconciliation. Right?  
26 **Rick Cooper:** That's correct.

1 **Mark Swartz:** Let's just go directly to that, Anita, and see what we've got going on there. Your  
2 account reconciliation, Exhibit J, for Unit X36, we started tracking royalty payments in  
3 November '98. Correct?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Then, we have moved forward up until the last bank statement it looks like we're  
6 dealing with was September 30, 2015. Yes, no?

7 **Anita Duty:** October 31, 2015.

8 **Mark Swartz:** Okay. So, it's the next page.

9 **Anita Duty:** This one has been filed a few months back and that's why it's not quite as new as  
10 the others.

11 **Mark Swartz:** But, that 10/31/2015 balance on the last page of Exhibit J, Page 22, is the  
12 balance we're working toward or from. Correct?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** The bank balance is shown off to the right, there.

15 **Anita Duty:** Yes.

16 **Mark Swartz:** What's the difference?

17 **Anita Duty:** \$959.13.

18 **Mark Swartz:** First of all, did you make a list of all of your royalty payments?

19 **Anita Duty:** We did.

20 **Mark Swartz:** Did you look for a corresponding deposit?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** What did you find when you did that?

23 **Anita Duty:** They were there.

24 **Mark Swartz:** So, what we have is not missing deposits or missing royalty checks. We've got  
25 another balance issue.

26 **Anita Duty:** Yes, ending versus beginning.

27 **Mark Swartz:** Was it Wachovia Bank, again?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** So, we have a difference of \$959.13 and your math indicates that that's the  
3 amount that First Bank is short, compared to your numbers?

4 **Anita Duty:** Correct.

5 **Mark Swartz:** We need to get permission to direct the Escrow Agent to make the  
6 disbursements from the available funds. We can't get there because we're so far out of agreement  
7 with Mr. Cooper.

8 **Anita Duty:** This is one of the ones where he could, administratively, have approved it, but he  
9 wanted to put it on the docket to get you all to decide how to handle the difference.

10 **Rick Cooper:** Again, it exceeded our \$500 balance that we work off of.

11 **Mark Swartz:** In addition, I think when we've got this kind of an issue, you just need to make a  
12 record. I think it's a good thing to have a record that we have a Wachovia Bank issue that we  
13 can't resolve that deals with their math.

14 **Paul Kugelman:** I'm just asking this. Is that something that could be done with a letter? If the  
15 Board were comfortable with Mr. Cooper and his folks issuing the administrative order where  
16 the balance difference is anything more than \$500, saying here's why we can't reconcile it. That  
17 would still be in the record, if you will.

18 **Mark Swartz:** We're good with that, but it needs to...

19 **Paul Kugelman:** I'm just wondering if there's anything that I'm missing.

20 **Mark Swartz:** I think it's, internally, up to the agency, though, but I don't have a problem with  
21 that.

22 **Paul Kugelman:** That's the question.

23 **Mark Swartz:** We certainly share that, but...

24 **Bradley Lambert:** We set that at \$500?

25 **Donnie Ratliff:** We did when we did the audit.

26 **Rick Cooper:** Yes, you did.

27 **Bradley Lambert:** That's right. We did.

28 **Rick Cooper:** So, you all can set the balance and we will follow the lead. You just tell us what  
29 to do. But, we are working off of that \$500 that was previously set is what we're working off.

1 **Bradley Lambert:** Okay.

2 **Bill Harris:** But, if this is passed, as-is, the pay-out is from the lower amount?

3 **Rick Cooper:** From the current balance.

4 **Bill Harris:** From the current balance in the bank, not the current balance in yours...?

5 **Mary Quillen:** Yes.

6 **Anita Duty:** Our balance that we do is just a running, mathematic balance.

7 **Bill Harris:** Yes.

8 **Anita Duty:** It says, mathematically, what would the balance be, based on all of the numbers  
9 that we have.

10 **Paul Kugelman:** The practical point is that, whether it comes here or goes to Mr. Cooper, I'm  
11 just letting you all know. I'm not suggesting how you should run your business. The pay-out is  
12 going to be the same, regardless of whether it comes before you all or goes to Mr. Cooper. The  
13 party being paid the royalty will still have the right to seek an accounting, on their own. This  
14 doesn't extinguish that, at all, whether it comes before the Board or Mr. Cooper does it. So, the  
15 payee is in the same position. But, I can understand the Board wanting to look at matters that are  
16 in excess of a certain amount. Sometimes, it's a growing thing, too. We want to do \$500. Now  
17 that you all have seen a few, maybe you want to up it, maybe you want to keep it the same.  
18 That's the Board's pleasure.

19 **Mary Quillen:** It seems like \$500 is a reasonable way to reconcile this.

20 **Bradley Lambert:** Mr. Ratliff and I were just talking. There's a pretty good explanation.

21 **Mary Quillen:** It doesn't make any difference on what the pay-out is. The pay-out has to be on  
22 what is actually there. But, if we can't get anything from Wachovia....

23 **Bradley Lambert:** We probably won't get anything from Wachovia because remember we tried  
24 and they said, "We don't have the records any longer."

25 **Mary Quillen:** Right.

26 **Bill Harris:** Which I find hard to believe, but...

27 **Donnie Rife:** Where do they go?

28 **Donnie Ratliff:** I think the discrepancy is in fees. There's no fees booked from December '99  
29 until you get up to 2006 and there's two months. Then, the column is blank, again, until you get

1 to 2010. If you look, those average \$7-9. There's your \$900, there. It just wasn't documented on  
2 the spreadsheet from the bank.

3 **Paul Kugelman:** So, Wachovia just didn't document it.

4 **Donnie Ratliff:** They didn't list the fees. They're just blank for four years.

5 **Donnie Rife:** How did they get away with that?

6 **Donnie Ratliff:** Benny Wampler was here. I think that's the money.

7 **Bradley Lambert:** So, does the Board have a direction for Mr. Cooper, in how to proceed with  
8 these, or do we continue as we are?

9 **Donnie Ratliff:** Let's make this motion and approve this and, then, we'll change his....

10 **Bradley Lambert:** Okay. Do you have anything further, Mr. Swartz?

11 **Mark Swartz:** The only thing is just to go back to the disbursements would be driven by Table  
12 1. It's a percentage table. I think we all understand how that works.

13 **Bradley Lambert:** I think we would agree that that's how the disbursements need to follow  
14 what's in Table 1. Do you have anything further?

15 **Mark Swartz:** No.

16 **Bradley Lambert:** Let's take a vote on Docket Item Number 20, as it is. Then, we'll address the  
17 situation under payments in the account. So, do I have a motion on Docket Item 20?

18 **Donnie Ratliff:** Move to approve, as presented.

19 **Donnie Rife:** Second, Mr. Chair.

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

22 **Board:** Yes.

23 **Bradley Lambert:** Okay. Now, let's have a discussion on how we direct Mr. Cooper to move  
24 forward with these types of situations, when there is no way of accounting for what's actually in  
25 the bank account. I know we've set a limit of \$500. Do we want to consider changing that or  
26 keep it the same? We'll have the discussion open with that.

27 **Donnie Rife:** It all comes out to the same, in the end. Is \$500 something that we can just easily  
28 work with or what? Is it just a number you picked out of the sky?

1 **Rick Cooper:** No, you all picked that out of the sky, last year. You set that number for us.  
2 Anything over that, we were to bring in front of the Board. So, we're working at your discretion,  
3 whatever number you all put on, that's what we will work off of.

4 **Bill Harris:** You say, "bring in front of the Board." So, if it's under \$500...

5 **Rick Cooper:** We process. We check the reconciliation, just like you all do, but we process  
6 those, administratively.

7 **Bill Harris:** So, we don't see those as a Docket Item?

8 **Rick Cooper:** That is correct.

9 **Donnie Rife:** It all works out, in the end, as the same amount. Right?

10 **Paul Kugelman:** In the disbursement?

11 **Donnie Ratliff:** You can't disburse what's not there.

12 **Bill Harris:** It always falls back to disbursing whatever the bank balance is, based on the bank  
13 balance.

14 **Rick Cooper:** That's correct. If it was a significant number, I don't know how you would  
15 balance that out. I guess that's the reason we have been bringing these back to the Board.

16 **Donnie Rife:** If it was my money, \$500 would be significant. If it's yours, it probably wouldn't  
17 be as important to me.

18 **Bill Harris:** Still, when it comes before us, we have no choice. I don't know if we have a  
19 choice. To me, we end up passing it and just taking it off of the lower balance.

20 **Rick Cooper:** For us, it's just a matter of putting on record the reason we disburse this when it's  
21 over \$500. That's what we are currently doing, just putting it on record that it was more than the  
22 \$500 balance that you all approved for us to use as a cut-off point.

23 **Bill Harris:** So, if we move to \$1,000, you will expect more of these to show up? For the ones  
24 you've looked at, are there...

25 **Mark Swartz:** There aren't a ton of them, but there are several.

26 **Bill Harris:** Are they all under \$1,000? Can you just, sort of...?

27 **Mark Swartz:** There's one, later on today, that's \$2,600 difference.

28 **Mary Quillen:** That's significant.

1 **Rick Cooper:** We also look at the time period of deposits. There's one difference if you have a  
2 \$500 difference in four years versus 25 years. We do look at that, internally, too. The time  
3 period has some discrepancies.

4 **Bill Harris:** It still comes down to the bottom line. We can't give them more money than what's  
5 there.

6 **Rick Cooper:** Correct. If it got to be a certain amount, I guess the Board could direct payment  
7 into that, but that would be the Board's...

8 **Bill Harris:** But, who would make that payment?

9 **Rick Cooper:** That's where we're at. I'm not sure. We do have, as you know, the Board has  
10 approved, I believe, \$6,000 that we have allocated in the escrow account that we don't know who  
11 it belongs to. So, if it really got down to that point, we'd have \$6,000 or \$7,000 that we can  
12 transfer out of the pre-existing account that we do not know where the money's come from. We  
13 could do that, if the Board so ordered on certain accounts.

14 **Donnie Rife:** That would still be giving somebody else's money.

15 **Rick Cooper:** At this point, we don't know whose money it is.

16 **Donnie Rife:** P.O. Box 1094

17 **Mary Quillen:** When you go back and look and you have this big, long list, there are small  
18 amounts, individually. Collectively, is what comes to the.... The problem is going to arise where  
19 there's not that big and it's going to be a significant amount and it's going to be a small number of  
20 people. That's my concern, that this will be absorbed through. These that we've looked at are  
21 very small individual amounts.

22 **Bradley Lambert:** I make a suggestion, just for the Board to consider, that for right now, we  
23 just keep it as it is. Anything over \$500, we ask to come before the Board. We'll re-evaluate at  
24 some point in time.

25 **Bill Harris:** We may need to do it case-by-case, especially when you're talking \$2,600.

26 **Mark Swartz:** Actually, it's \$2,243, but it was a difference the other way that we can't account  
27 for. They have that much more, which seemed unusual because we rarely see significant  
28 earnings.

29 **Paul Kugelman:** They have more money than you thought they should.

30 **Mark Swartz:** Right. That's Docket Item 33. Maybe we've found the money there. It's a  
31 problem that we can't account for, either. You sort of look at that and think, "Well, that's the  
32 extra money."

1 **Rick Cooper:** To make that clear, if the bank shows more money, we are okay with that. We  
2 have been processing those. If the bank shows more money than what the company shows as  
3 their balance, we're okay. It's just when the bank is short is when we bring those in front of the  
4 Board.

5 **Mary Quillen:** Right.

6 **Anita Duty:** The only other thing that we kind of thought of, internally, was that if it was  
7 another company's money, like when it's over.

8 **Mark Swartz:** But, we're not seeing that extra deposit, at least in these. Is this one the  
9 explanation of the math at the beginning and end of the month?

10 **Anita Duty:** Yes, that's the same.

11 **Mark Swartz:** If it was a deposit from some other company, a random deposit...

12 **Bill Harris:** I'll move that we keep it at \$500 for that threshold amount and, then, when it's  
13 greater than that, it comes before the Board. We'll deal with that, on a case-by-case basis, for the  
14 time being.

15 **Bradley Lambert:** Since we've already settled on that, I don't think we need a motion.

16 **Bill Harris:** I'll withdraw.

17 **Bradley Lambert:** Okay.

18 **Item Number 21**

19 **Bradley Lambert:** We're moving to Docket Item Number 21. A petition from CNX Gas  
20 Company, LLC, for (1) refund of escrow payments heretofore deposited with the Board's Escrow  
21 Agent. Reimbursement of overpayment of funds deposited with the Board's Escrow Agent  
22 attributable to Unit L47 to CNX Gas Company, LLC, as depicted upon the annexed exhibit; (2)  
23 the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent  
24 attributable to Tract 2, as depicted upon the annexed table; and authorization to begin paying  
25 royalties directly to the parties listed in the petition. Docket Number VGOB-99-0720-0726-01.  
26 All parties wishing to testify please come forward.

27 **Mark Swartz:** Anita, state your name, please.

28 **Anita Duty:** Anita Duty.

29 **Mark Swartz:** And, you work for whom?

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

1 **Mark Swartz:** You're here on behalf of CNX Gas Company, LLC, today, with regard to  
2 Drilling Unit L47 and a disbursement request. Correct?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** You've set forth, in your application, the collection of money issues that need to  
5 be dealt with. First, we have an overpayment into the account that needs to be addressed.  
6 Correct?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** Then, we have some people that can now be paid as gas owners because of the  
9 application of the House Bill. Correct?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** Then, we've got some folks that, because of the House Bill, could be dismissed  
12 as coal claimants. Right?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** Did you prepare two tables to reflect what needs to happen with the money here?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Table 1, as usual, when we have more than one table, is the "pay exact dollar  
17 amount." Correct?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** The two payees there are Norfolk Southern and CNX Gas and you've given the  
20 precise amounts that each is to receive?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** What's the explanation for that?

23 **Anita Duty:** We had placed them on direct pay after the May 31, 2003, date. We placed them  
24 on direct payment, what was in the account. Hold on. Let me find the date. Instead of  
25 continuing to pay them an escrow, all along and, then coming and doing a petition to get them  
26 paid out, once we got the supplemental order and that tract was missing because of where we had  
27 purchased it. We discontinued paying into escrow and started paying them, directly. So, there's  
28 money that's in there for a certain period of time that was still caught in escrow. We never went  
29 back and paid them from the beginning of time.

30 **Mark Swartz:** Okay. That pertains to Norfolk Southern and Pocahontas Land. Correct?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Let's go back to that table. Going forward, Buchanan County is to get 100% of  
3 the royalty payment. Is that correct?

4 **Anita Duty:** That's correct. As a result of a previous payment. Norfolk Southern sold their  
5 interest to Buchanan County. They got paid from the period of time they owned it.

6 **Mark Swartz:** Let's start back over again. This is one of those situations where the two tables,  
7 there was a transaction where an interest in the gas royalties was sold.

8 **Anita Duty:** Yes.

9 **Mark Swartz:** And, Table 1 is to settle up with the people who first owned the royalty interest  
10 for the period of time they owned it before they made the sale.

11 **Anita Duty:** Yes.

12 **Mark Swartz:** Okay. The sale caused Buchanan County to wind up with 100% of the interest.

13 **Anita Duty:** Yes.

14 **Mark Swartz:** Buchanan County, then, on Table 2, going forward, is to receive the balance  
15 after the exact dollar payments in escrow.

16 **Anita Duty:** Correct.

17 **Mark Swartz:** In its entirety for Tract 2. Correct?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** And that is to be paid directly, going forward?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** When that happens, there's no longer a need for escrow, so you provided an  
22 Exhibit E that shows no continuing need for escrow.

23 **Anita Duty:** Correct.

24 **Mark Swartz:** And you provided an Exhibit EE which shows how the payments are going to  
25 occur, going forward, which is Buchanan County.

26 **Anita Duty:** Yes.

27 **Mark Swartz:** With regard to Exhibit J, it looks like you started keeping track of the money and  
28 paying the money in February 2000?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** And, you've done your reconciliation through...the last bank statement you took  
3 under consideration was the balance on February 29, 2016. Right?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Did you try to find a deposit for every royalty check the operator paid?

6 **Anita Duty:** We did.

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

8 **Anita Duty:** Yes.

9 **Mark Swartz:** When you compare your balance that you calculate to the bank balance, is there  
10 a difference?

11 **Anita Duty:** \$13.50 less

12 **Mark Swartz:** Less than what you have.

13 **Anita Duty:** Correct.

14 **Mark Swartz:** Okay. You've got a notice to a coal owner. Right?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Did you get anything back from that Horton coal owner, within the 45 day  
17 period?

18 **Anita Duty:** I did not.

19 **Mark Swartz:** So, you're asking that the court dismiss that company.

20 **Anita Duty:** It's an individual.

21 **Mark Swartz:** Or person. I'm sorry. I think that's all I have, Mr. Chairman.

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

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

24 **Donnie Rife:** Second, Mr. Chair.

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

27 **Board:** Yes.

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

2 **Mark Swartz:** Thank you.

3 **Item Number 22**

4 **Bradley Lambert:** We're calling Docket Item Number 22. A petition from CNX Gas  
5 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
6 Board's Escrow Agent, attributable to Tracts 3A & 3B, as depicted upon the annexed table; (2)  
7 authorization to begin paying royalties directly to the parties listed in the petition; and (3)  
8 dismissal of coal owners listed in the petition. Docket Number VGOB-01-0320-0878-03. All  
9 parties wishing to testify please come forward.

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

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

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

13 **Anita Duty:** Anita Duty.

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

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

16 **Mark Swartz:** Are you here, today, on behalf of CNX Gas Company, LLC, with regard to a  
17 petition for disbursement pertaining to Drilling Unit DD24?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Have you set forth the reasons for the request in your petition?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** We see the Jacksons, again. Correct?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** They've received 100% of the CBM royalties under a consent order in a case  
24 CL-12-258. Then, we've got some conflicting claimants that we have noticed, coal owners that  
25 we've noticed for dismissal. Correct?

26 **Anita Duty:** I think it's just a court case.

27 **Mark Swartz:** Just a court case?

28 **Anita Duty:** Yes.

1 **Mark Swartz:** So, that language got in there, by accident, is what you're saying. Let's look at  
2 the table, here. Table 1 shows it's the result of a court case.

3 **Anita Duty:** We picked the wrong petition-type.

4 **Mark Swartz:** Okay. Basically, this is a petition for disbursement, solely as a result of, to the  
5 prevailing plaintiffs in a court case?

6 **Anita Duty:** It is.

7 **Mark Swartz:** And, Table 1 shows that.

8 **Anita Duty:** Yes.

9 **Mark Swartz:** And, the people that would receive the checks, we've seen them earlier today,  
10 are Elmer and Evelyn Jackson. The payments would come out, with regard to Tract 3A & 3B.  
11 It's a percentage of disbursement, so the Escrow Agent should use the percentages opposite their  
12 names in that row, for each of these tracts, apply those percentages to the balance on hand. That  
13 will generate a dollar amount and that's the amount they should pay. Correct?

14 **Anita Duty:** Correct.

15 **Mark Swartz:** There will be, however, a continuing need for escrow. You've got a revised  
16 Exhibit E?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** You have also provided the Board with the payments going forward, Exhibit EE.  
19 With regard to these folks, we would like to pay them directly, in the future?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** Exhibit J, which starts at Page 28, it looks like that account was opened or paid  
22 into in February 2002?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** You have come forward to the last balance that you used was December 21,  
25 2015. Right?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** Did you find a deposit for every check the operator wrote?

28 **Anita Duty:** We did.

29 **Mark Swartz:** Then, did you do your math and compare that to the bank balance?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** The bank is actually \$200.91 more than you had.

3 **Anita Duty:** Yes.

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

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

6 **Rick Cooper:** Mr. Chairman.

7 **Bradley Lambert:** Mr. Cooper.

8 **Rick Cooper:** I would like to point out who is the check written to and to whom should receive  
9 the checks.

10 **Anita Duty:** Checks are written to Elmer and Evelyn and sent to Shea Cook.

11 **Donnie Rife:** What?

12 **Anita Duty:** They are written to Elmer and Evelyn, but they are mailed to Shea Cook. There is  
13 an affidavit saying that he receives their funds.

14 **Mark Swartz:** That was in the prior hearing, today.

15 **Anita Duty:** Yes.

16 **Mark Swartz:** But, it applied to this unit, as well. I left something off, too. There are three  
17 coal owners that we certified that need to be dismissed.

18 **Donnie Rife:** Do these people know that he's receiving their funds?

19 **Anita Duty:** They signed the affidavit.

20 **Donnie Rife:** They signed the affidavit?

21 **Mark Swartz:** Yes.

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

23 **Bill Harris:** Second.

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

26 **Board:** Yes.

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

1 **Mark Swartz:** Thank you.

2 **Item Number 23**

3 **Bradley Lambert:** We're calling Docket Item Number 23. A petition from CNX Gas  
4 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
5 Board's Escrow Agent, attributable to Tract 4, as depicted upon the annexed table; (2)  
6 authorization to begin paying royalties directly to the parties listed in the petition; and (3)  
7 dismissal of the coal owner listed in the petition. This is Docket Number VGOB-01-0821-0918-  
8 01. All parties wishing to testify please come forward.

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

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

11 **Mark Swartz:** Thank you. Anita, your name.

12 **Anita Duty:** Anita Duty.

13 **Mark Swartz:** And your employer?

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

15 **Mark Swartz:** You're here, today, on behalf of CNX Gas Company, LLC, with regard to a  
16 petition for disbursement from escrow, pertaining to Unit Y7. Correct?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** The reason for this is we've got, apparently, a royalty split agreement. We may  
19 have noticed some conflicting claimants or we may have the wrong form, here. Let's look at  
20 Table 1 and we'll be able to tell. It looks like we just have a split agreement. Is Table 1 a  
21 percentage disbursement table?

22 **Anita Duty:** It is.

23 **Mark Swartz:** So, the Escrow Agent should use the percentages in the column second from the  
24 right-hand side to calculate the dollar amounts due the two people identified by name and  
25 address, with regard to Tract 4?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** And, you provided a revised Exhibit E, showing that there's still a need for  
28 escrow?

29 **Anita Duty:** Yes.

1 **Mark Swartz:** And, you've provided an Exhibit EE, which shows how people are to be paid,  
2 going forward?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** And, you're asking the Board to allow you to pay the people with these split  
5 agreements, the two people identified in Table 1, directly on a going-forward basis. Right?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** It looks like you did mail. Let's go out here. For some reason or other, you  
8 mailed to Harrison-Wyatt, even though he's got a split agreement. So, we're going with a split  
9 agreement. Right?

10 **Anita Duty:** They mail to all the coal owners every time we do a unit, just to make sure.

11 **Mark Swartz:** Right, but in this context...

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Let's go back, then, to Exhibit J. It looks like you started paying royalty in  
14 March or, at least, started sending checks to the bank in March 2003. Right?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** And, you have done that reconciliation through a bank statement of 12/31/2015?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** Did you look for every royalty check you sent to a bank and were you able to  
19 find a corresponding deposit?

20 **Anita Duty:** Yes, we were.

21 **Mark Swartz:** Did you do your math and compare that to the December 31, 2015, balance?

22 **Anita Duty:** Yes. The bank has \$41.90 more.

23 **Mark Swartz:** Do these people get their money, directly, or do we need to send it to somebody  
24 else?

25 **Anita Duty:** Directly.

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

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

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

1 **Bill Harris:** Second.

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

4 **Board:** Yes.

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

6 **Item Number 24**

7 **Bradley Lambert:** We're calling Docket Item Number 24. A petition from CNX Gas  
8 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
9 Board's Escrow Agent, attributable to Tracts 20, 21, 22, 23, 32, 34 & 48, as depicted upon the  
10 annexed table; (2) authorization to begin paying royalties directly to the parties listed in the  
11 petition; and (3) dismissal of coal owners listed in the petition. Docket Number VGOB-02-  
12 0319-1008-05. All parties wishing to testify please come forward.

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

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

15 **Mark Swartz:** Thank you. Anita, your name, again.

16 **Anita Duty:** Anita Duty.

17 **Mark Swartz:** Your employer?

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

19 **Mark Swartz:** Are you here on behalf of CNX Gas Company, LLC, the petitioner and operator,  
20 who is seeking a disbursement from escrow pertaining to Drilling Unit VP2 Sealed Gob Unit 1?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** The reasons for this request are we've got a court case, CL 12-292. I think we've  
23 already talked about that case. Right?

24 **Anita Duty:** We have.

25 **Mark Swartz:** We have gas claimants who are now gas owners under the House Bill. Correct?

26 **Anita Duty:** Yes.

1 **Mark Swartz:** Then, as a result of that, you have given notice to conflicting coal claimants and  
2 asked that they provide you with evidence that they've either started a lawsuit or they have  
3 reached an agreement. Correct?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** With regard to the coal claimants, did any of them respond within the 45-day  
6 period, with evidence that they've started a lawsuit or that they've reached an agreement?

7 **Anita Duty:** They did not.

8 **Mark Swartz:** So, they're subject to dismissal and we've got them listed at the end.

9 **Anita Duty:** Yes.

10 **Mark Swartz:** Okay. We've got a Table 1 and we've got a Table 2. Correct?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** In Table 1, as is usually the case, we have a specific dollar amount that's to be  
13 paid in advance of making payments under Table 2?

14 **Anita Duty:** We do.

15 **Mark Swartz:** We see the same Sarah Jane Keen and Walter Keen that we spent a fair amount  
16 of time talking about, earlier.

17 **Anita Duty:** Yes.

18 **Mark Swartz:** We have the same situation where Walter was a party to a lawsuit and Sarah was  
19 not and they were married and there was a divorce. It's all on the record.

20 **Anita Duty:** Yes.

21 **Mark Swartz:** I would like to incorporate that, Mr. Chairman, so we don't have to dwell on  
22 that, again.

23 **Bradley Lambert:** Accepted.

24 **Mark Swartz:** So, they are receiving specific dollar amounts under Table 1. Those amounts are  
25 different.

26 **Anita Duty:** Yes.

27 **Mark Swartz:** Then, under Table 2, with regard to Tract 23, I think it is, Sarah is receiving a  
28 larger amount. Correct?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** You've got this extra column in Table 2, which is a percentage table. The extra  
3 column is the second one from the right-hand margin of the agreement. It only has amounts in it,  
4 with regard to Sarah and Walter. Right?

5 **Anita Duty:** Correct.

6 **Mark Swartz:** Is that, sort of, what we saw before that they're getting a credit or an adjustment  
7 because of the payment they received under Table 1 to make the account balance when you make  
8 the percentages?

9 **Anita Duty:** Exactly.

10 **Mark Swartz:** In any event, taking into consideration that adjustment, are the percentages in the  
11 third column from the right-hand margin or side of Table 2, the percentages that the Escrow  
12 Agent should use for everybody?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** Including Sarah and Walter?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** The Escrow Agent should apply those percentages to the balance on hand. It  
17 will come up with a number or a dollar amount for everybody and that should be the amount of  
18 the checks?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** Then, do we have the same where to send the checks issue, here, that we had  
21 before?

22 **Anita Duty:** We do.

23 **Mark Swartz:** So, for Sarah and Walter, the checks should be mailed to Mr. Cook, I guess?

24 **Anita Duty:** Sarah, Walter Keen, Henry Harman, Kendris Harman and Kathy Looney.

25 **Mark Swartz:** So, the checks should be made out to those people, but mailed to Shea Cook.

26 **Anita Duty:** Yes, just for those, particular, payees only.

27 **Mark Swartz:** Okay. Then, we're going to need escrow, going forward. You've given us a  
28 revised Exhibit E?

29 **Anita Duty:** Yes.

1 **Mark Swartz:** You have also provided a revised Exhibit EE, which gives the payment  
2 information on a going-forward basis?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** And, would authorize the operator to pay the folks receiving these disbursements  
5 directly, in the future?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** We have mailing information, deeds and, then, we get to Exhibit J, which starts  
8 at Page 66. Right?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** It looks like you started making payments into escrow in December 2003?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** We carry that forward to.... It looks like the last bank balance you're providing  
13 is January 31, 2016?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Did you identify all the royalty checks that were paid, with regard to this Sealed  
16 Gob Unit and, then, go searching for a deposit?

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

18 **Mark Swartz:** Were you able to find a deposit for each check?

19 **Anita Duty:** We did.

20 **Mark Swartz:** Then, you did your math. Right?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** When you compared your total to the bank's total of January 31, 2016, what was  
23 the difference?

24 **Anita Duty:** We were, actually, showing \$343.75 more than the bank.

25 **Mark Swartz:** Okay. You've given a list of...would this be Oakwood 80's that are, partially, or  
26 entirely within the sealed gob?

27 **Anita Duty:** Those are a list of wells.

1 **Mark Swartz:** They would also indicate the units, right? So, they're a list of wells and the  
2 units.

3 **Anita Duty:** In the sealed gobs.

4 **Mark Swartz:** Okay. The reference is to Oakwood Units, though?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** Okay. We've got a certificate of notice, with regard to coal owners. Right?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** And we've already talked about that and these are the folks that should be  
9 dismissed. That's all I have, Mr. Chairman.

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

11 **Donnie Rife:** Motion made, Mr. Chair.

12 **Mary Quillen:** Second.

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

15 **Board:** Yes.

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

17 **Mark Swartz:** Thank you.

18 **Item Number 25**

19 **Bradley Lambert:** We're calling Docket Item Number 25. A petition from CNX Gas  
20 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
21 Board's Escrow Agent, attributable to Tracts 1B & 1D, as depicted upon the annexed table; and  
22 (2) authorization to begin paying royalties directly to the parties listed in the petition; and (3)  
23 dismissal of coal owner listed in the petition. Docket Number VGOB-02-0416-1023-03. All  
24 parties wishing to testify please come forward.

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

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

27 **Mark Swartz:** Thank you. Anita, your name?

28 **Anita Duty:** Anita Duty.

1 **Mark Swartz:** Your employer?

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

3 **Mark Swartz:** You're here, today, on behalf of CNX Gas Company, LLC, with regard to a  
4 petition for disbursement pertaining to Unit AZ111. Correct?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** The reasons. We've got a split agreement. We've got gas claimants under the  
7 House Bill. Right?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** We've got some coal dismissals to address.

10 **Anita Duty:** Yes.

11 **Mark Swartz:** Let's go to Table 1. We have just one table. It's a percentage table.

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Have you identified the people, by name and address and tract, who are to  
14 receive the disbursements?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Have you stated a percentage for each person or company that the Escrow Agent  
17 is to use in calculating the dollar amount they're due?

18 **Anita Duty:** We have.

19 **Mark Swartz:** And, the percentage should be applied to the balance on hand when the  
20 disbursement is made?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** And you provided a revised Exhibit E, indicating we're still going to need  
23 escrow?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** You provided a revised Exhibit EE, showing how we are going to pay, going  
26 forward?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** Including paying the people that are getting these disbursements, directly, in the  
2 future?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** We've got an Exhibit J, which started tracking payments made commencing in  
5 March '04. Yes?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** It looks like your last bank balance you were focused on was November 30,  
8 2015. Is that correct?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** Did you take a list of royalty checks that you had paid to Escrow Agents and,  
11 then, look for a corresponding deposit for each one of those?

12 **Anita Duty:** We did.

13 **Mark Swartz:** Were you able to locate one?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Then, did you do the math to come up with your total?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** When you compared that to the bank balance of November 30, 2015, what did  
18 you find?

19 **Anita Duty:** We're showing \$54.74 more than the bank.

20 **Mark Swartz:** Okay. You've got proof of mailing, with regard to coal owners or coal owner  
21 and you're asking that Buckhorn Coal be dismissed because you gave them notice, 45 days went  
22 by and you didn't get proof of a lawsuit or proof of an agreement. Correct?

23 **Anita Duty:** Correct.

24 **Mark Swartz:** Do we pay these people, directly, at the addresses we've provided?

25 **Anita Duty:** Yes.

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

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

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

1 **Bill Harris:** Second.

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

4 **Board:** Yes.

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

6 **Mark Swartz:** Thank you.

7 **Item Number 26**

8 **Bradley Lambert:** We're calling Docket Item Number 26. A petition from CNX Gas  
9 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
10 Board's Escrow Agent, attributable to Tracts 2A & 4, as depicted upon the annexed table; (2)  
11 authorization to begin paying royalties directly to the parties listed in the petition; and (3)  
12 dismissal of coal owners listed in the petition. Docket Number VGOB-02-1015-1083-02. All  
13 parties wishing to testify please come forward.

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

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

16 **Mark Swartz:** Thank you. Anita, your name?

17 **Anita Duty:** Anita Duty.

18 **Mark Swartz:** Your employer?

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

20 **Mark Swartz:** And, you are here, today, on behalf of CNX Gas Company, LLC, with regard to  
21 a request or a petition for disbursement of escrowed funds pertaining to Unit EE36. Correct?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** And, the reasons for this request. One reason is that we had a person that we  
24 couldn't find and we found him.

25 **Anita Duty:** Yes.

26 **Mark Swartz:** So, we would like to pay him. Then, we're going to pay a gas claimant or  
27 claimants under the Act. Right?

28 **Anita Duty:** Yes.

1 **Mark Swartz:** And, we're going to dismiss a coal owner or coal owners, under the Act?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** Did you do a table or tables for that?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Table 1 is a pay exact dollar amount. Correct?

6 **Anita Duty:** It is.

7 **Mark Swartz:** So, the first thing the Escrow Agent should be ordered to do is pay \$2,429.90 to  
8 Teddy Wayne McGlothlin, out of Tract 2A. That's the guy we found. Correct?

9 **Anita Duty:** That's right.

10 **Mark Swartz:** Then, Table 2 is Tracts 2A...

11 **Anita Duty:** No, that's wrong. Teddy Wayne McGlothlin is the previous owner for a tract that  
12 we purchased.

13 **Mark Swartz:** Okay.

14 **Anita Duty:** We're paying him up until the time he sold it.

15 **Mark Swartz:** Let's go back, then, and get that straight. So, CNX Gas bought a tract from  
16 Teddy Wayne McGlothlin and that first exact dollar amount payment is what he agreed to take,  
17 or is entitled to, up through the date of the conveyance?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Then, when we go to Exhibit 2, we're paying the guy we found out of Tract 4.  
20 Correct?

21 **Anita Duty:** That's correct.

22 **Mark Swartz:** Clarence Randall McGlothlin would get 2.0622% of the balance on deposit in  
23 the escrow account?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** CNX would get 97.9361% of the balance in the account?

26 **Anita Duty:** Correct.

27 **Mark Swartz:** And, you've adjusted it for the prior payment, like we've seen before?

1 **Anita Duty:** Correct.

2 **Mark Swartz:** After these things occur, escrow is no longer required and you've given an  
3 Exhibit E that shows that?

4 **Anita Duty:** That's right.

5 **Mark Swartz:** You've also given a EE, showing how we're going to pay people, going forward?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** Then, you've got proof of mailing, with regard to the coal owner. Did you get  
8 anything back from Coal Mountain?

9 **Anita Duty:** No, we didn't.

10 **Mark Swartz:** So, they're subject to dismissal?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** Now, let's look at Exhibit J. You started accounting for royalties in April 2005.  
13 It looks like you've run that through a bank balance of December 31, 2015. Right?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Did you prepare a list of all royalty checks that you paid and, then, look for a  
16 corresponding deposit?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** When you looked, did you find one for each check?

19 **Anita Duty:** We did.

20 **Mark Swartz:** Then, did you do your calculation of a total and compare that to the bank's?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** What did you find?

23 **Anita Duty:** We're showing \$16.51 more than the bank.

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

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

26 **Mary Quillen:** I'm sorry. I have just one question to clarify that, Teddy Wayne, because that  
27 adjustment is on this Table 2. Where did he come from?

1 **Anita Duty:** We purchased his property. He was, originally, shown on the order as being the  
2 owner. Then, we purchased his property. So, we paid him the money that accumulated up until  
3 the day he sold it.

4 **Mary Quillen:** Okay. So, he's not going to be carried from this point forward. Teddy Wayne is  
5 out of the picture.

6 **Anita Duty:** He's out. That's right.

7 **Mary Quillen:** Okay. I thought that was what you said, but it's been a long day. Sorry.

8 **Anita Duty:** I understand. Thank you.

9 **Mark Swartz:** We, actually, had a longer day on Thursday. So, as painful as this is, we can say  
10 it can get worse.

11 **Paul Kugelman:** I feel so much better, now. Thank you.

12 **Mark Swartz:** When we have one of those, I'll invite you, Paul, just to share the pain.

13 **Paul Kugelman:** Please do. As long as nothing you give me is worth more than \$25, we're  
14 okay.

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

16 **Donnie Rife:** Motion made, Mr. Chairman, for approval.

17 **Bill Harris:** Second.

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

20 **Board:** Yes.

21 **Bradley Lambert:** Opposed, no. [No response] Let's take about a five minute break, if we  
22 could. Then, we'll try to wrap up.

23 **Item Number 27**

24 **Bradley Lambert:** We're calling Docket Item Number 27. A petition from CNX Gas  
25 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
26 Board's Escrow Agent, attributable to Tract 1A, as depicted upon the annexed table; and (2)  
27 authorization to begin paying royalties directly to the parties listed in the petition; and (3)  
28 dismissal of the coal owner listed in the petition. This is Docket Number VGOB-03-1021-1205-  
29 03. All parties wishing to testify please come forward.

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

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

3 **Mark Swartz:** Thank you. Anita, your name?

4 **Anita Duty:** Anita Duty.

5 **Mark Swartz:** Your employer?

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

7 **Mark Swartz:** You're here, today, on behalf of CNX Gas Company, LLC, with regard to a  
8 petition for disbursement pertaining to Drilling Unit EE37. Correct?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** The reason looks like a House Bill situation where we've got some gas claimants  
11 who are now gas owners. Correct?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** We've given notice to the people, the coal owners, they were in conflict with, the  
14 45-day notice. Correct?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Have we received anything back from the coal owners, proof that they've started  
17 a lawsuit or an agreement?

18 **Anita Duty:** No.

19 **Mark Swartz:** So, they're subject to dismissal. Right?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** Have you prepared a disbursement table?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** That would be at Page 6. We're showing a disbursement from Tract 1A to  
24 Teddy Wayne McGlothlin. Right?

25 **Anita Duty:** Yes, this is also a previous owner.

26 **Mark Swartz:** Right. Then, we've got the going-forward to CNX, who bought from him?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** Okay. So, it's very similar to the last one we saw.

2 **Anita Duty:** It is.

3 **Mark Swartz:** So, Teddy Wayne McGlothlin gets a specific dollar amount, under Table 1?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Then, his interest has come out of escrow and he no longer has an interest and  
6 CNX Gas gets the percentage that you've listed in the third column from the right of the funds on  
7 deposit at that point. Correct?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** Then, that's what the Escrow Agent should use, that 59.1928%, to calculate the  
10 dollar amount due CNX.

11 **Anita Duty:** Yes.

12 **Mark Swartz:** And, you've provided a revised Exhibit E, showing that we still have a need for  
13 escrow, going forward?

14 **Anita Duty:** We do.

15 **Mark Swartz:** And, you've provided an Exhibit EE, showing how to pay forward?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** And, CNX would be getting their money directly, rather than being subject to  
18 escrow?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** Then, we've got the notice information and, then, Exhibit J. That started in  
21 December 2004?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** It looks like the last bank balance you focused on was December 31, 2015?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** Did you assemble a list of all the royalty checks and, then, go looking for a  
26 deposit for each one?

27 **Anita Duty:** We did.

28 **Mark Swartz:** Did you find a deposit?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Did you do your math to come up with a total and compare that to the bank's?

3 **Anita Duty:** Yes, we have \$144.29 more than the bank.

4 **Mark Swartz:** In your calculations.

5 **Anita Duty:** In our calculations.

6 **Mark Swartz:** You gave notice to the coal owner, Coal Mountain?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** And, you're asking that Coal Mountain be dismissed, under the House Bill?

9 **Anita Duty:** Yes.

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

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

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

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

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

15 response] All in favor signify by saying yes.

16 **Board:** Yes.

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

18 **Mark Swartz:** Thank you.

19 **Item Number 28**

20 **Bradley Lambert:** We're calling Docket Item Number 28. A petition from CNX Gas

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

22 Board's Escrow Agent, attributable to Tracts 1E, 2A, & 2B, as depicted upon the annexed table;

23 and (2) authorization to begin paying royalties directly to the parties listed in the petition; and (3)

24 dismissal of coal owners listed in the petition. Docket Number VGOB-03-1118-1223-02. All

25 parties wishing to testify please come forward.

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

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

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

2 **Anita Duty:** Anita Duty.

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

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

5 **Mark Swartz:** You're here, today, on behalf of the petitioner and operator, CNX Gas Company,  
6 LLC, requesting a disbursement from escrow, pertaining to Unit AW124?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** The relief sought is, essentially, a disbursement, a right to direct-pay in the  
9 future and a coal owner dismissal?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** The reasons for the trip, here, today are several. We have some royalty split-  
12 agreements. Correct?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** Then, we have some CBM owners now under the Act. Correct?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** And, we've mailed to the conflicting coal owners, claimants, and given them 45  
17 days notice, as required. Correct?

18 **Anita Duty:** Correct.

19 **Mark Swartz:** Have any of the coal owners written back or responded in any way, providing us  
20 with either evidence of a lawsuit, with regard to title, or an agreement?

21 **Anita Duty:** No.

22 **Mark Swartz:** Then, have you prepared an Exhibit 1, which is fairly lengthy, here, identifying  
23 who you propose to receive the disbursements, giving their addresses and giving the Escrow  
24 Agent the percentages that it should use to calculate dollar amounts?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** So, in Table 1, you've identified the tracts, the people. You've given their  
27 addresses and, in the second column from the right-hand side, given a percentage that the Escrow  
28 Agent should multiply times the balance on hand, at the time the calculation is made, that will  
29 generate the individual dollar amounts. Right?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Those instructions, or Table 1, are at pdf Pages 7, 8 & 9, it looks like. Yes.  
3 Have you provided the Board with an updated Exhibit E?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** And that's escrow, going forward. Correct?

6 **Anita Duty:** It is.

7 **Mark Swartz:** Then, you've also given the Board an Exhibit EE, which specifies how people  
8 are to be paid, going forward?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** It includes the concept that you would be directly paying the people receiving  
11 these disbursements?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Exhibit J starts at Page 70. It looks like the first money was back in 2004?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Then, in '07 it looks like royalties started, probably?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** And, you've tracked that forward to the last bank balance of November 30,  
18 2015?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** Did you make a list of all the royalty checks and, then, go looking for a deposit  
21 for each one?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** Did you find a deposit?

24 **Anita Duty:** We did.

25 **Mark Swartz:** Did you, then, do your math and compare it to the bank balance?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** What did you find?

1 **Anita Duty:** We are showing \$.97 more than the bank.  
2 **Mark Swartz:** That's all I have, Mr. Chairman.  
3 **Bradley Lambert:** Any questions from the Board? [No response] Do I have a motion?  
4 **Donnie Rife:** Motion made for approval, Mr. Chair.  
5 **Bill Harris:** I'll second.  
6 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No  
7 response] All in favor signify by saying yes.  
8 **Board:** Yes.  
9 **Bradley Lambert:** Opposed, no. [No response] One abstention. Mr. Lambert. Thank you, Mr.  
10 Swartz. That is approved.

11 **Item Number 29**

12 **Bradley Lambert:** We're calling Docket Item Number 29. A petition from CNX Gas  
13 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
14 Board's Escrow Agent, attributable to Tract 1A, a portion of 1B, a portion of 1D & 1F, as  
15 depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the  
16 parties listed in the petition; and (3) dismissal of coal owners listed in the petition. Docket  
17 Number VGOB-04-0720-1310-01. All parties wishing to testify please come forward.  
18 **Mark Swartz:** Mark Swartz and Anita Duty  
19 **Bradley Lambert:** You may proceed, Mr. Swartz.  
20 **Mark Swartz:** Your name?  
21 **Anita Duty:** Anita Duty  
22 **Mark Swartz:** Employer?  
23 **Anita Duty:** CNX Land, LLC  
24 **Mark Swartz:** You're here, today, on behalf of CNX Gas Company, LLC, with regard to a  
25 petition for disbursement pertaining to Unit BD119?  
26 **Anita Duty:** Yes.  
27 **Mark Swartz:** The reasons for the visit today are we've got some split agreements. Then, we  
28 have some CBM owners, under the new House Bill?

1 **Anita Duty:** We do.

2 **Mark Swartz:** And you have, presumably, also given notice to the conflicting coal claimant  
3 owners?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Did you receive anything back from them, within the 45 day period, proving  
6 either that they'd commenced a lawsuit or that they had reached an agreement?

7 **Anita Duty:** We did not.

8 **Mark Swartz:** So, they're subject to dismissal?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** I think we've got two tables, here. Yes, we do. If we go to Table 1, that's a pay  
11 an exact amount table. Correct?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Then, we've got a Table 2, which is the percentage table.

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Why do we have Table 1?

16 **Anita Duty:** Loretta Richardson conveyed her interest.

17 **Mark Swartz:** So, this is the amount due her, prior to the date of her conveyance?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Okay. So, that will zero her interest in the escrow account out, when those  
20 payments are made?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** Then, having done that, the Escrow Agent should, then, make the payments  
23 contemplated by Table 2. Correct?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** That is a percentage table, so the Escrow Agent should, with regard to each  
26 person named in Table 2, mail a check to the address you've provided, in an amount calculated  
27 by using the percentage with that company's name in the third column from the right and

1 multiplying that percentage times the balance on hand which will generate a dollar amount.  
2 That's how the Escrow Agent should pay, pursuant to Table 2. Correct?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** Table 2, presumably, pays the buyer forward?

5 **Anita Duty:** It does.

6 **Mark Swartz:** Again, the adjustment column simply deals with that?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** It looks like we're going to be requiring escrow, going forward. We've got an  
9 Exhibit E that shows that.

10 **Anita Duty:** Yes.

11 **Mark Swartz:** We have an Exhibit EE, which catalogs how people are going to be paid, going  
12 forward.

13 **Anita Duty:** It does.

14 **Mark Swartz:** The operator is requesting an ability to pay the people getting these  
15 disbursements directly, on a going forward basis, rather than escrowing their money?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** That's reflected in Exhibit EE?

18 **Anita Duty:** It is.

19 **Mark Swartz:** We've got your notice information. We get to Exhibit J. It looks like there  
20 wasn't much going on, but there was an accounting started in March 31, 2005. There was a  
21 balance, as of that date.

22 **Anita Duty:** Yes.

23 **Mark Swartz:** And, you carried that forward through a bank balance of November 30, 2015.

24 **Anita Duty:** Yes.

25 **Mark Swartz:** Did you prepare a list of all royalty checks and go looking for a deposit for each  
26 one?

27 **Anita Duty:** Yes.

28 **Mark Swartz:** Did you find one?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Did you do your math, in terms of a total and compare that to the bank's balance,  
3 as of November 30, 2015?

4 **Anita Duty:** Yes. The bank has \$38.76 more than our calculation.

5 **Mark Swartz:** Okay. And, the coal owner to be dismissed here would be Swords Creek Land  
6 Partnership. Right?

7 **Anita Duty:** It is.

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

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

10 **Mary Quillen:** Just one question, Mr. Chairman. On the Lockharts, these adjusted amounts,  
11 what are those for? Where did that come from?

12 **Anita Duty:** That's the previous owner's payment. That's the same thing where we've got so  
13 much allocated to a tract. We pay a portion out here. We pay the remainder to the new owner.

14 **Mary Quillen:** Okay. So, they were paid this, previously?

15 **Anita Duty:** The original owners were.

16 **Mary Quillen:** Yes. Okay. Thanks. I thought it was a similar thing, but just double-checking.

17 **Anita Duty:** It is. We changed e-forms a little bit, so it works for what we need to do.

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

19 **Donnie Ratliff:** Motion to approve

20 **Donnie Rife:** Second, Mr. Chair.

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

23 **Board:** Yes.

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

25 **Item Number 30**

26 **Bradley Lambert:** We're calling Docket Item Number 30. A petition from CNX Gas  
27 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the

1 Board's Escrow Agent, attributable to Tracts 6 & 7, as depicted upon the annexed table; and (2)  
2 authorization to begin paying royalties directly to the parties listed in the petition; and (3)  
3 dismissal of coal owners listed in the petition. This is Docket Number VGOB-04-1019-1345-01.  
4 All parties wishing to testify please come forward.

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

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

7 **Mark Swartz:** Anita, your name?

8 **Anita Duty:** Anita Duty.

9 **Mark Swartz:** Your employer?

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

11 **Mark Swartz:** You're here, today, on behalf of CNX Gas Company, LLC, the operator who is  
12 seeking some disbursements from escrow and these disbursement requests pertain to Unit  
13 BE118. Correct?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** The reason we're here today is we have a royalty split agreement, on the one  
16 hand and then we have coal owners, as determined by the House Bill.

17 **Anita Duty:** Yes.

18 **Mark Swartz:** Did you provide the coal owners the 45-day notice?

19 **Anita Duty:** We did.

20 **Mark Swartz:** Did you receive anything back from them, within the 45 days, indicating they  
21 had commenced a lawsuit or reached an agreement?

22 **Anita Duty:** No.

23 **Mark Swartz:** They're subject to dismissal, then?

24 **Anita Duty:** They are.

25 **Mark Swartz:** I think we've got just one table, here. Table 1 deals with Tracts 6 & 7. Correct?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** In that table, this is a percentage table?

28 **Anita Duty:** It is.

1 **Mark Swartz:** Except for Lanny Dale Miller, who gets a penny, apparently?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** But, everybody else has got some sort of a percentage?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** And, the Escrow Agent should apply the percentage to the balance on hand. It  
6 will result in a dollar or a cents amount. The Escrow Agent should, then, cut a check in that  
7 resulting amount and mail it to the people identified at the addresses you have provided.  
8 Correct?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** We're still going to have an escrow requirement going forward and you've given  
11 us a revised Exhibit E?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** You have also given us a revised Exhibit EE, which tells us how to pay people,  
14 going forward?

15 **Anita Duty:** It does.

16 **Mark Swartz:** The folks that are getting disbursements should be put on direct pay, at that  
17 point?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Then, we get to Exhibit J. It looks like the first balance is August 31, 2005.  
20 Correct?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** Then, we carry that forward to a bank statement of November 30, 2015?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Did you create a list of all royalty checks issued to the Escrow Agent?

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

26 **Mark Swartz:** Then, did you go looking for a corresponding deposit?

27 **Anita Duty:** Yes.

28 **Mark Swartz:** Did you find a deposit for each check?

1 **Anita Duty:** We did.

2 **Mark Swartz:** Did you do your math to come up with a total and then compare that to the  
3 bank?

4 **Anita Duty:** Yes. We are showing, in our calculation, \$4.07 more than the bank.

5 **Mark Swartz:** We've got a notice to a coal owner and the coal owner subject to dismissal is  
6 Swords Creek Land Partnership. Right?

7 **Anita Duty:** Yes.

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

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

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

11 **Bill Harris:** Second.

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

14 **Board:** Yes.

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

16 **Item Number 31**

17 **Bradley Lambert:** We're calling Docket Item Number 31. A petition from CNX Gas  
18 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
19 Board's Escrow Agent, attributable to Tract 2, as depicted upon the annexed table; and (2)  
20 authorization to begin paying royalties directly to the parties listed in the petition. Docket  
21 Number VGOB-04-1019-1347-01. All parties wishing to testify please come forward.

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

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

24 **Mark Swartz:** Thank you. Anita, your name?

25 **Anita Duty:** Anita Duty.

26 **Mark Swartz:** Your employer?

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

1 **Mark Swartz:** Are you here on behalf of CNX Gas Company, LLC, with regard to a petition  
2 for disbursement from the escrow account maintained pertaining to BF117?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** The reasons, I think, once again, are split agreements and the House Bill.

5 **Anita Duty:** Yes.

6 **Mark Swartz:** Did you give the required notice to coal owners?

7 **Anita Duty:** We did.

8 **Mark Swartz:** Did you get anything back from them within the 45-day period that would  
9 forestall their dismissal?

10 **Anita Duty:** No.

11 **Mark Swartz:** So, you didn't get proof of a lawsuit or an agreement. Correct?

12 **Anita Duty:** We did not.

13 **Mark Swartz:** Okay. It looks like you've got one table, here. Yes. You prepared a Table 1  
14 disbursement. Correct?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** That is at pdf Page 5. It pertains to Tract 2 and you've identified Swords Creek  
17 and Buckhorn Coal as the people to receive the payments?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** It looks like it's pursuant to the split agreement?

20 **Anita Duty:** It is.

21 **Mark Swartz:** They're each to receive 49.4118% of the escrow account.

22 **Anita Duty:** Yes.

23 **Mark Swartz:** The Escrow Agent should simply multiply that percentage times the balance on  
24 hand and cut the checks and send it to those two companies?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** Exhibit J, it looks like you started keeping track of money the month ending  
27 8/31/2005?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** The last bank balance looks like November 30, 2015?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** Did you compile a list of all royalty checks that were cut?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** And sent to the Escrow Agent and, then, go looking for a deposit for each of  
7 those?

8 **Anita Duty:** We did.

9 **Mark Swartz:** And, did you find one?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** Then, did you do your math to come up with a balance and compare that to the  
12 bank?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** What did you find?

15 **Anita Duty:** We are showing \$2.62 more, in our calculation, than the bank is showing.

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

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

18 **Bill Harris:** Motion for approval

19 **Donnie Rife:** Second, Mr. Chairman

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

22 **Board:** Yes.

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

24 **Mark Swartz:** Thank you.

1 **Item Number 32**

2 **Bradley Lambert:** We're calling Docket Item Number 32. A petition from CNX Gas  
3 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
4 Board's Escrow Agent, attributable to Tracts 2A, 2B, 2C, 2D & 2E, as depicted upon the annexed  
5 table; (2) authorization to begin paying royalties directly to the parties listed in the petition; and  
6 (3) dismissal of coal owner listed in the petition. Docket Number VGOB-06-0117-1558-01. All  
7 parties wishing to testify please come forward.

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

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

10 **Mark Swartz:** Your name?

11 **Anita Duty:** Anita Duty.

12 **Mark Swartz:** Your employer?

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

14 **Mark Swartz:** Are you here on behalf of CNX Gas Company, LLC, today, the operator and  
15 petitioner, with regard to a disbursement request pertaining to Unit AV130?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** It looks like the reasons are split agreements and gas owners under the House  
18 Bill.

19 **Anita Duty:** Yes.

20 **Mark Swartz:** Did you provide the coal owners with the 45-day notice?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** Did you receive back from them, within the 45 days, either proof of a lawsuit or  
23 proof of an agreement?

24 **Anita Duty:** We did not.

25 **Mark Swartz:** So, they are subject to dismissal?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** Here, it looks like a fairly extensive Table 1.

28 **Anita Duty:** Yes.

1 **Mark Swartz:** It starts at Page 6 and continues on over to Page 8. On that table, have you  
2 identified the tracts that we're talking about?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** For each person or company who is to receive a disbursement, have you given  
5 their name and provided an address?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** And, this is a percentage disbursement table?

8 **Anita Duty:** It is.

9 **Mark Swartz:** So, the Escrow Agent should take the percentage in the column that's second  
10 from the right-hand margin of the page, take that percentage, multiply it times the deposit on  
11 hand and it will come up with a dollar amount for each person to receive. Correct?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Are there any special arrangements, with regard to any of these payments or do  
14 they go to the people that you've identified at the addresses you've given?

15 **Anita Duty:** Just to the individuals

16 **Mark Swartz:** Okay. Have you provided a revised Exhibit E that reflects the current escrow  
17 status?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Have you provided the Board with a revised EE, which shows going forward  
20 payments?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** Have you, in EE, reflected that the people receiving these disbursements, as a  
23 result of today's hearing, would be put on direct pay?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** We've got proof of mailing and certifications, in that regard. Then, we get to  
26 Exhibit J, which starts in May 2008.

27 **Anita Duty:** Yes.

28 **Mark Swartz:** It goes through an ending balance of March 31, 2015.

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Is this, now, in some other unit?

3 **Anita Duty:** No.

4 **Mark Swartz:** For that period of time, did you look for all of the royalty checks that you had  
5 sent to the Escrow Agents?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** Then, did you take that list and look for a corresponding deposit?

8 **Anita Duty:** We did.

9 **Mark Swartz:** Did you find one?

10 **Anita Duty:** We did.

11 **Mark Swartz:** Then, did you do the math to come up with your own total and, then, compare  
12 that to the bank's total?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** When you did that, what was the difference?

15 **Anita Duty:** The bank is showing \$2.08 more.

16 **Mark Swartz:** The coal owner to be dismissed, here, is Coal Mountain Mining Company,  
17 Limited Partnership. Right?

18 **Anita Duty:** Yes.

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

20 **Bradley Lambert:** Questions from the Board? [No response] Do I have a motion?

21 **Donnie Rife:** Motion made for approval, Mr. Chair.

22 **Bill Harris:** Second.

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

25 **Board:** Yes.

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

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

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

2 **Item Number 33**

3 **Bradley Lambert:** We're calling Docket Item Number 33. A petition from CNX Gas  
4 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the  
5 Board's Escrow Agent, attributable to Tracts 2A, 2D, 2H, 2I, 2L, 2M, and 2N, as depicted upon  
6 the annexed table; (2) authorization to begin paying royalties directly to the parties listed in the  
7 petition; and (3) dismissal of coal owner listed in the petition. Docket Number VGOB-02-0521-  
8 1029-06. All parties wishing to testify please come forward.

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

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

11 **Mark Swartz:** Thank you. Anita, your name?

12 **Anita Duty:** Anita Duty.

13 **Mark Swartz:** Your employer?

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

15 **Mark Swartz:** And, you're here on behalf of CNX Gas Company, LLC, with regard to a  
16 petition for disbursement from escrow pertaining to Unit EE38?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** It looks like we've got three reasons, here. We've got a court case that was  
19 resolved. We've got some split agreements?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** Then, we've got the House Bill.

22 **Anita Duty:** Yes.

23 **Mark Swartz:** With regard to the House Bill, did you mail to the coal owners?

24 **Anita Duty:** We did.

25 **Mark Swartz:** Within the 45-day notice period, did you receive anything back from them? For  
26 example, a deed or agreement or a lawsuit?

27 **Anita Duty:** No.

28 **Mark Swartz:** So, they're subject to dismissal?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** We've got two tables, in this case. Table 1 is an exact dollar amount table.  
3 Table 2, which is fairly extensive, is that a percentage table?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Why do we have Table 1?

6 **Anita Duty:** CNX purchased Earl Cordill's interest. We are going to pay him up until the date.

7 **Mark Swartz:** Of the transaction.

8 **Anita Duty:** Yes.

9 **Mark Swartz:** So, the \$4,591.98...

10 **Anita Duty:** It's Earl and Linda. We're doing 50/50. They're divorced.

11 **Mark Swartz:** Okay. There's a lot of that. So, they each get a check for \$4,591.98. Correct?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** And, that check represents their interest in the escrowed royalties before the date  
14 that they sold?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** And, those are exact dollar amounts that the Escrow Agent should pay, directly,  
17 to them?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Then, we go to Table 2 and this is a percentage. You've got the adjustment  
20 amount column that you've applied to them.

21 **Anita Duty:** We do.

22 **Mark Swartz:** You've identified, on Table 2, the tracts that the payments pertain to?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** You've given the recipient's name and address. Correct?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** For each person or company, you've provided, in the third column from the  
27 right-hand margin, a percentage that the Escrow Agent should use and apply that percentage to

1 the balance on hand and that will generate the dollar amount of the check to be paid to each  
2 person?

3 **Anita Duty:** Yes, it will.

4 **Mark Swartz:** With regard to going forward, it looks like, since we've got a revised Exhibit E,  
5 that there is still going to be an escrow requirement.

6 **Anita Duty:** Yes.

7 **Mark Swartz:** I assume we have an Exhibit EE, which we do. In that EE, have you indicated  
8 the going forward payments?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** On EE, have you contemplated that we'll paying, directly, the people that are  
11 receiving the disbursements on Table 2?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** So, we're not going to escrow that money, going forward?

14 **Anita Duty:** No.

15 **Mark Swartz:** Then, we should have a bunch of notice and mailing information. We do.  
16 Exhibit J. It looks like you started this.... There was a bank balance in April 2003 and you  
17 carried that forward. The last month, it looks like, was February 29 because it was leap year, but  
18 we've got 2/28/2016.

19 **Anita Duty:** Yes.

20 **Mark Swartz:** Did you compile a list of your royalty checks?

21 **Anita Duty:** We did.

22 **Mark Swartz:** Did you, then, go looking for a deposit for each one of them?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Did you find one?

25 **Anita Duty:** Yes. We also found an error.

26 **Mark Swartz:** Okay. But, you found all of the royalty checks that you wrote to Escrow  
27 Agents?

28 **Anita Duty:** Yes.

1 **Mark Swartz:** Okay.

2 **Anita Duty:** Except for the one that was incorrectly deposited in 2008.

3 **Mark Swartz:** Okay. So, when you were looking for the list, you found one that, apparently,  
4 went into Unit N20?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** Then, having found that, has the money found its way back into this escrow?

7 **Anita Duty:** Yes. We notified Mr. Cooper and he had it transferred.

8 **Mark Swartz:** Once that occurred, did you do your math to see what you thought the balance  
9 should be?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** Then, you looked at the February 2016, First Bank balance and they had quite a  
12 bit more money.

13 **Anita Duty:** \$2,234.31

14 **Mark Swartz:** That money is in addition to the money you paid in?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** And, you gave notice to the coal owner that we talked about, earlier, and Coal  
17 Mountain Mining Company should be dismissed.

18 **Anita Duty:** Yes.

19 **Mark Swartz:** That's all I have.

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

21 **Rick Cooper:** Mr. Chairman, I've got a question.

22 **Bradley Lambert:** Mr. Cooper.

23 **Rick Cooper:** Is there any issue with Arthur Stilwell that we need to know about, in this  
24 petition or the previous petition?

25 **Anita Duty:** Yes.

26 **Bradley Lambert:** Why didn't you tell us?

27 **Anita Duty:** That's what I was going over, there.

1 **Rick Cooper:** We're on it, now.

2 **Anita Duty:** They weren't following me until just now, I think.

3 **Bradley Lambert:** Okay.

4 **Anita Duty:** Mr. Stilwell had been, back when David Asbury was here, Mr. Stilwell was paid  
5 out an incorrect amount. I believe he was asked to return that overpayment and he refused to do  
6 that. Since then, we have, kind of, any time he has had a disbursement, throughout the course of  
7 disbursements, we have actually been able to re-deposit money, anything that he was paid out,  
8 put that in there to go toward his, I guess, re-coupable balance or whatever you want to call it.  
9 He is, actually, in AB130 and EE38, getting a small disbursement. So, I was asking Mr. Cooper  
10 did we want to have those payments put into the account that's actually short because that's going  
11 to be one of our things that's going to come up on our extension and things like that, that we're  
12 going to file. Not extension, but application we're going to file, to kind of let you know.

13 **Bradley Lambert:** Arthur Stilwell?

14 **Anita Duty:** Arthur Stilwell. Yes.

15 **Paul Kugelman:** Does Mr. Stilwell know that you all are doing this, here, today?

16 **Anita Duty:** He got notice of this. He doesn't know that I'm bringing it up, I don't think.

17 **Donnie Rife:** But, he didn't like the thought of having to pay it back for your mistake? Is that  
18 what you're saying?

19 **Rick Cooper:** How much money was that, Ms. Duty, approximately?

20 **Anita Duty:** Was it about \$12,000?

21 **Rick Cooper:** Pretty good size check.

22 **Anita Duty:** Yes.

23 **Donnie Rife:** Does he know that you're correcting this on your own merit?

24 **Anita Duty:** He is aware that he was overpaid. He knows that he was overpaid. He was written  
25 letters. I'm not sure if he wrote one back or if he just...

26 **Rick Cooper:** In his defense, he out-right refused to send the money back.

27 **Paul Kugelman:** In his defense?

28 **Rick Cooper:** He had already cashed the money. He said he didn't have the money to send  
29 back, I believe is what had happened.

1 **Anita Duty:** I can't remember exactly how, but it wasn't...

2 **Rick Cooper:** It wasn't a pleasant conversation.

3 **Anita Duty:** Yes.

4 **Paul Kugelman:** You wouldn't have a pleasant conversation with anybody looking for \$12,000.

5 **Anita Duty:** It wasn't like we didn't catch it, immediately. I think maybe the Escrow Agent  
6 misinterpreted the escrow calculation sheet, or something.

7 **Paul Kugelman:** You all don't have a judgment against him, or anything. You're just doing  
8 this.

9 **Anita Duty:** It's the escrow account that he's overpaid on is short. So, anything that we need to  
10 do from that, in the future, we...

11 **Paul Kugelman:** I understand what you're doing. I'm just...

12 **Anita Duty:** I'm just saying that's how it was handled, in the past. I know David Asbury had a  
13 running total, somewhere. The last email that I have about it, it was a little over \$3,000. It was a  
14 Hurt McGuire/Arthur Stilwell royalty agreement. Hurt McGuire returned their half, but Mr.  
15 Stilwell never did. We were just able to recoup from other units that he was disbursed from, to  
16 reimburse the account that's under.

17 **Mary Quillen:** How much did you say he still owed back?

18 **Anita Duty:** \$3,000. A little over \$3,000, I think, was the last that I had.

19 **Mary Quillen:** Almost \$9,000 you've recovered. That's good.

20 **Mark Swartz:** He's person number 21 on this sheet. It looks like he's got \$184 coming right  
21 here, which makes some progress.

22 **Anita Duty:** I think the other unit was \$200 something.

23 **Bradley Lambert:** He's one of several in Tract 2N. How was he overpaid \$12,000?

24 **Anita Duty:** Not from these units.

25 **Mark Swartz:** A different unit.

26 **Anita Duty:** Is it T37?

27 **Rick Cooper:** I'm not sure, to be honest.

28 **Anita Duty:** It's one of them...a T or an S unit.

1 **Mark Swartz:** In the prior unit, what did he have coming? As long as we're here and we're  
2 talking about it, I would recommend we get that money into the appropriate escrow account, that  
3 his money should be directed to T36 to continue to chip away at that and get the right balance in  
4 there.

5 **Rick Cooper:** \$203 on the previous docket item

6 **Mark Swartz:** If you add that to this, he's at almost \$400 going back into T36?

7 **Anita Duty:** Yes. That's one of the units that we're going to.... There are some things that we  
8 can't resolve and we're going to tell you all that there's a certain group of units that we've got to  
9 give to you all to...

10 **Mary Quillen:** Where is that money going?

11 **Mark Swartz:** It will go back into escrow for T36, where it came out of. He should have paid it  
12 back.

13 **Anita Duty:** The escrow account is short, not...

14 **Mary Quillen:** You said you'd need to get it back into the right account.

15 **Mark Swartz:** Right, because at some point the difference is going to have to be made up.

16 **Mary Quillen:** What you have been holding out has been designated to that account that was  
17 overpaid. Correct? Okay. I just misunderstood what you said.

18 **Anita Duty:** We haven't held anything. The unit that he is in is an inactive unit, right now. The  
19 unit that he was paid out of is an inactive unit. It's underneath the Sealed Gob.

20 **Mary Quillen:** Right.

21 **Anita Duty:** What we're saying is any disbursement that comes after that is going to be \$3,000  
22 short to anybody else that's going to get paid.

23 **Mark Swartz:** We're trying to make that up and it started out at \$13,000 and, now, we're down  
24 to \$3,000.

25 **Mary Quillen:** But, what I was asking is that money going.... Has any money been put into that  
26 account that was overpaid?

27 **Mark Swartz:** Underpaid because it's short.

28 **Anita Duty:** It's an inactive account. We don't pay any more money into it because that  
29 account's no longer active. It's underneath a Sealed Gob.

1 **Rick Cooper:** I guess what Ms. Quillen is asking, any money attributed to Arthur Stilwell is  
2 going back into the deficit that you all had from his disbursement.

3 **Anita Duty:** No.

4 **Rick Cooper:** It's not. That was your question. Right?

5 **Mary Quillen:** Yes.

6 **Anita Duty:** That's what we were asking, if we wanted to do that with these two disbursements,  
7 put that toward what he still owes.

8 **Mary Quillen:** Okay. That was my question. Is it going into an account? You say the account  
9 is inactive because the well is no longer producing. Correct?

10 **Anita Duty:** Well, it produces as a Sealed Gob, now.

11 **Mary Quillen:** As a Gob. Oh, okay.

12 **Anita Duty:** What we want to do is take whatever funds that he was going to be paid out today  
13 and put it into the account that he was overpaid years ago.

14 **Mary Quillen:** Yes.

15 **Anita Duty:** To kind of help reimburse.

16 **Mary Quillen:** Right.

17 **Donnie Rife:** He's been notified that this is being done?

18 **Mark Swartz:** Well, he got notice for the hearing, today. You don't show up, good luck.

19 **Paul Kugelman:** But, the notice that he got is, "You are getting money from this disbursement."  
20 It's not that, "We're going to take your money and put it somewhere else."

21 **Anita Duty:** Right.

22 **Paul Kugelman:** That's the fundamental problem.

23 **Donnie Rife:** Most people get a notice that they've got money waiting on them and they still  
24 won't open it.

25 **Paul Kugelman:** If they get a notice that money is getting taken from them...

26 **Anita Duty:** He actually owes. He knows he owes. That's not a secret.

27 **Mark Swartz:** He knows that money is being taken from him, historically, because we've  
28 recouped \$10,000.

1 **Anita Duty:** It's in the orders. It's actually written into the order, saying that they are going to  
2 recoup the money from one account and transfer it.

3 **Paul Kugelman:** That's the way it's been done by the Board, in the past?

4 **Anita Duty:** It was written into the order.

5 **Rick Cooper:** I don't know how many times this has happened, but this particular one, it's  
6 written into the order that the money would be recouped.

7 **Anita Duty:** It was put on record of what we were doing before, or what the Board was doing.

8 **Donnie Rife:** I don't mind you recouping the money. I can understand that, but I can't  
9 understand you recouping the money without his knowledge.

10 **Mark Swartz:** If we've got a prior order of this Board saying, "We're going to recoup that  
11 \$13,000," he's got notice.

12 **Paul Kugelman:** This Board doesn't have the authority to do recoupment for you.

13 **Anita Duty:** It's not for us.

14 **Mark Swartz:** It's not for us. Your account is short.

15 **Mary Quillen:** It's the escrow account that's short.

16 **Mark Swartz:** It's not our money.

17 **Anita Duty:** We're just bringing it up. I mean, we're going to come to you and tell you that this  
18 account, T37, is \$3,000 short and it is because of Arthur Stilwell is the reason.

19 **Rick Cooper:** That's the reason I brought it up, so we could have the discussion, today. We  
20 may have it, later, but we need to have that discussion today.

21 **Anita Duty:** This is going to come up before June.

22 **Mary Quillen:** Do you know what the reason was he was overpaid?

23 **Paul Kugelman:** Error.

24 **Anita Duty:** The Escrow Agent misinterpreted the.... Does it have it in the order? Does it say  
25 how it happened?

26 **Rick Cooper:** I would have to re-visit that, to be honest. I'm not sure, right now. That was  
27 several years ago.

28 **Anita Duty:** It was.

1 **Rick Cooper:** It's not been recently.

2 **Mary Quillen:** So, this was paid out by the Escrow Agent, at that time?

3 **Anita Duty:** Yes.

4 **Mary Quillen:** Per an order that they received...

5 **Mark Swartz:** And may have misunderstood.

6 **Mary Quillen:** So, we don't know. Is there a copy of that order that was sent to the Escrow  
7 Agent?

8 **Mark Swartz:** I'm sure there is.

9 **Mary Quillen:** At that time, who was the Escrow Agent? Was it Wachovia?

10 **Rick Cooper:** In '07?

11 **Mary Quillen:** No.

12 **Rick Cooper:** That would be First Bank and Trust.

13 **Mary Quillen:** No, not in '07. It had to be Wachovia.

14 **Anita Duty:** Wachovia went up to 2010. 2000-2010 was Wachovia.

15 **Mary Quillen:** That's right. It was Wachovia.

16 **Paul Kugelman:** Do you all have the order and the petition?

17 **Rick Cooper:** It's all electronic. We can pull it up here, in just a second, maybe.

18 **Mary Quillen:** How long did it take to discover that he had been overpaid?

19 **Anita Duty:** I don't know that, yet.

20 **Mary Quillen:** Was this something that came out of the audit, or something?

21 **Anita Duty:** I have some stuff scanned in here. There's a letter from David Asbury to me in  
22 June 2009. He's just saying, "The purpose of this letter is to confirm discussions regarding  
23 overpayment for T36. An error was discovered when preparing the '06 disbursement that may  
24 have involved misinterpretation of the exhibits."

25 **Rick Cooper:** We have, in our 0681, the fourth disbursement on S35, it says, "Because of an  
26 overpayment to Arthur Stilwell, Unit T36, VGOB-98-0324-0625-05, in 2007, a portion of the  
27 T36 overpayment will be recovered from transfer of funds that occur, when disbursed into T36."

1 **Paul Kugelman:** That letter is to whom?

2 **Rick Cooper:** That was a Board order approved...brought in front of the Board and approved in  
3 '07.

4 **Donnie Rife:** In '07?

5 **Rick Cooper:** Yes.

6 **Donnie Rife:** It's just coming back to us in 2016?

7 **Rick Cooper:** We're here to resolve these issues.

8 **Anita Duty:** Here's a letter. I've got this scanned into my stuff from Mr. Asbury, he kind of  
9 explains it right there. It said misinterpretation of exhibits.

10 **Paul Kugelman:** Let me know if the order said to pay Mr. Asbury or how he got paid or did the  
11 bank pay him more than...

12 **Rick Cooper:** Mr. Stilwell?

13 **Paul Kugelman:** Excuse me. Mr. Stilwell. We don't need the answer to that, right now.

14 **Bradley Lambert:** So, are you recouping from T37 every time Mr. Stilwell is due a  
15 disbursement?

16 **Rick Cooper:** T36, I believe.

17 **Bradley Lambert:** T36. I'm sorry.

18 **Anita Duty:** Actually, it says the result, "Both parties were paid a sum of \$42,562, rather than  
19 the amount due of \$21,281 each." It's like they were double-paid. So, it was more than I  
20 thought. It's \$21,000, not \$12,000. "Thus, a combined overpayment of \$42,562.46 was  
21 disbursed, in error, against the 2007 unit balance."

22 **Rick Cooper:** So, instead of splitting the payment in half, it was doubled.

23 **Mark Swartz:** The bank doubled the payment and, then, claimed that, "We misunderstood the  
24 exhibit." I mean, this is coming back to me, now. When something like that happens, I usually  
25 hear about it. They double-paid. Hurt McGuire coughed up their overpayment, which is, I think,  
26 how you get back down to that number. We've been recouping against Mr. Stilwell because he  
27 spent the money.

28 **Mary Quillen:** It seems to me like there could have been some kind of legal action.

29 **Mark Swartz:** But, we've got it from \$13,000 to \$3,000, by recoument, which is a cost-  
30 effective way to replenish that money.

1 **Mary Quillen:** You're right.

2 **Mark Swartz:** We've got another opportunity, today, for \$400. I think we spent more than  
3 \$400 worth of time, today, talking about it. It's an opportunity. The next time we come back  
4 maybe we'll flag it a little better for you.

5 **Rick Cooper:** Technically, he hasn't lost any money. He, actually, was overpaid, in advance,  
6 any monies that would have been due him. He was paid well in advance.

7 **Mary Quillen:** That's true.

8 **Paul Kugelman:** Was the overpayment and that order entered the same year or within three  
9 years?

10 **Rick Cooper:** I'm not sure.

11 **Sarah Gilmer:** March 16, 2010. That is for the S35, Docket Number 0681-04.

12 **Paul Kugelman:** The statute of limitations doesn't apply to the Commonwealth, but I'm not so  
13 sure we've got that. It seems like it's within three years. I think it's good.

14 **Bradley Lambert:** I think we just need to move forward with this one. If he hasn't complained  
15 in seven years and he knows it's being recouped, he should be here, before the Board, if he's got  
16 a problem.

17 **Mark Swartz:** He knows he scored. That's why he's not here.

18 **Bradley Lambert:** Just to clarify one thing, a question I had earlier. He's recouping every time  
19 he has a disbursement due him, we're recouping those funds?

20 **Rick Cooper:** That's what CNX is doing, recouping every time Arthur Stilwell is disbursed  
21 funds. They're recouping monies that they've already paid to him.

22 **Bradley Lambert:** Since 2010?

23 **Rick Cooper:** Correct. '07?

24 **Anita Duty:** We're not recouping anything.

25 **Rick Cooper:** You're not making payments.

26 **Bradley Lambert:** But, you're not making payments to him. You're putting it back in T37?

27 **Mark Swartz:** We're just not paying it out to him.

28 **Anita Duty:** It's not on our side.

1 **Paul Kugelman:** They're filling the hole in. T36 has a \$21,000 hole in it and you all are filling  
2 it back in.

3 **Donnie Rife:** Is he, at least, being notified that he had such-and-such amount of money put back  
4 into the escrow that was his that, now, is not his?

5 **Bradley Lambert:** He knows. Folks, here is what we're going to do. We're going to move  
6 forward with this one the way we've been doing, the way the Board order says. If Mr. Stilwell  
7 wants to come before the Board with an issue, we'll deal with it, at that time.

8 **Rick Cooper:** The only question I would have, where would the monies due on these two  
9 petitions, where would that money for Arthur Stilwell go?

10 **Mark Swartz:** I think they just said we were going to put it in T36. That's what I would like to  
11 see happen, absolutely.

12 **Bradley Lambert:** That's what we understood, earlier.

13 **Rick Cooper:** Yes. I just want to make sure, for record, that we were clear on that.

14 **Bradley Lambert:** Okay. So, we don't need a motion or anything on that one. We're just going  
15 to abide by the Board order that was written and keep going. Anything further on 33?

16 **Mark Swartz:** Let me just look and see who the coal owner was. We're good.

17 **Bradley Lambert:** Do I have a motion on 33?

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

19 **Donnie Ratliff:** Second, Mr. Chairman.

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

22 **Board:** Yes.

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

24 **Mark Swartz:** Thank you.

25 **Item Number 34**

26 **Bradley Lambert:** We're calling Docket Item Number 34. A petition from CNX Gas  
27 Company, LLC, for (1) disbursement of escrowed funds heretofore deposited with the Board's  
28 Escrow Agent, attributable to Tract 1J, as depicted upon the annexed table; and (2) authorization

1 to begin paying royalties directly to the parties listed in the petition. Docket Number VGOB-02-  
2 0618-1033-04. All parties wishing to testify please come forward.

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

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

5 **Mark Swartz:** Anita, your name?

6 **Anita Duty:** Anita Duty.

7 **Mark Swartz:** Your employer?

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

9 **Mark Swartz:** You're here, today, on behalf of CNX Gas Company, LLC, pertaining to a  
10 petition for disbursement from escrowed funds that are related to production from FF34.  
11 Correct?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** In this one, all we're talking about, apparently, is a split agreement. Right?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** It's a 50/50 agreement?

16 **Anita Duty:** It is.

17 **Mark Swartz:** You've seen it?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** And, you've prepared a Table 1 to implement disbursements, based on the  
20 agreement?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** It pertains to Tract 1J?

23 **Anita Duty:** It does.

24 **Mark Swartz:** Have you identified, by name and address, the people or companies that are to  
25 receive the disbursements?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** In the second column from the right, have you given a percentage for each?

1 **Anita Duty:** Yes, I have.

2 **Mark Swartz:** Is the Escrow Agent to be instructed to use that percentage, multiply times the  
3 balance on hand at the time of the disbursement to come up with a dollar amount to pay each of  
4 these four people or companies?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** You prepared a revised Exhibit E that indicates there's a requirement for escrow,  
7 going forward?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** Have you prepared a revised Exhibit EE, showing how the pay is going to work,  
10 going forward?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** With regard to the people receiving these disbursements, are you asking for  
13 permission to pay them directly, going forward?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** We've got your proof of mailing information and we've got an Exhibit J,  
16 reconciliation, that started in April 2003 and goes through an ending balance on January 31,  
17 2016?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Did you make a list of royalty checks that you had sent to Escrow Agents and,  
20 then, look for a corresponding deposit?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** Did you find a deposit for every one?

23 **Anita Duty:** We did.

24 **Mark Swartz:** Then, did you do your math to account for what you paid in, disbursements,  
25 interest and fees reported by the bank, and come up with a number and compare that to the bank?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** And, when you did that, what did you find?

1 **Anita Duty:** Our calculations showed \$71.35 more. There were some corrections that were  
2 done on these units. They're, actually, started. September 2005-September 2006 the deposits  
3 were being posted into that account incorrectly.

4 **Mark Swartz:** There were, actually, deposits made into this account that should have gone  
5 somewhere else?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** So, you found all the correct deposits, but then there were some random,  
8 additional ones?

9 **Anita Duty:** Right.

10 **Mark Swartz:** And, you got that money out and put it where it belonged.

11 **Anita Duty:** Correct.

12 **Mark Swartz:** That was corrected, it looks like, back in 2012.

13 **Anita Duty:** It was.

14 **Mark Swartz:** Given the fact it's a royalty split agreement, I think we're done.

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

16 **Donnie Rife:** Motion made for approval, Mr. Chair.

17 **Bill Harris:** Second.

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

20 **Board:** Yes.

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

22 **Mark Swartz:** Appreciate you all. Thank you.

23 **Bradley Lambert:** Thank you.

24 **Item Number 39**

25 **Bradley Lambert:** The Board will receive an update from the Board and Division activities  
26 from the staff.

1 **Rick Cooper:** Pretty much, what I've got is just reiterating what Ms. Maney said, earlier, just  
2 giving the Board an update. Calendar year, last year, 2015, through December, we disbursed  
3 4.492 million dollars. So far, this year, we have disbursed 2.5 million dollars. We have broken  
4 the 7 million dollar mark that we have, actually, disbursed out. We're continuing to work on our  
5 unfunded accounts. We hope to bring a couple more of those in front of the Board in the very  
6 near future. That's all we have to update on.

7 **Item Number 40**

8 **Bradley Lambert:** The next item is the minutes from the March Board hearing. Any discussion  
9 of the minutes? Any additions, corrections, deletions? [No response] If not, may I have a  
10 motion to accept, as written?

11 **Donnie Rife:** Motion made to accept the minutes, as presented, Mr. Chair.

12 **Bill Harris:** Second.

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

14 **Board:** Yes.

15 **Bradley Lambert:** Opposed, no. [No response] I need a motion to adjourn.

16 **Donnie Rife:** Motion made, Mr. Chair.

17 **Bill Harris:** Second.

18 **Bradley Lambert:** We're adjourned.