

VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

VIRGINIA GAS AND OIL BOARD HEARING

Tuesday, May 21, 2019

Lebanon, Virginia

**BOARD MEMBERS:**

Mary Quillen- Public Member

Donnie Ratliff- Coal Industry Representative

Bruce Prather- Oil & Gas Industry Representative

Bradley Lambert- Chairman of the Virginia Gas & Oil Board

Bill Harris- Public Member

Rita Surratt- Public Member

**APPEARANCES:**

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

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

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

Paul Kugelman, Jr. – Senior Assistant Attorney General

Daniel W. Ingersoll – Assistant Attorney General

Darlene Gibson- Hearings Coordinator, VA DMME

**Agenda Items**

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1 **Bradley Lambert:** Ladies and Gentlemen, it's well after 9:00. I apologize for a little bit of delay  
2 for the fire drill, but that's some of the things we have to do on a regular basis to make sure we  
3 are all ready for it. I ask this morning if you have cell phones or other communication devices to  
4 please turn those off or put them on vibrate. I'll open our hearings this morning to ask the Board  
5 to please introduce themselves and I'll begin with Ms. Surratt.

6 **Rita Surratt:** I'm Rita Surratt; Public Member, Dickenson County.

7 **Paul Kugelman:** Paul Kugelman, Attorney General's Office.

8 **Bradley Lambert:** Butch Lambert, with the Department of Mines, Minerals & Energy.

9 **Donnie Ratliff:** Donnie Ratliff, representing Coal.

10 **Bill Harris:** I'm Bill Harris, a Public Member. I'm from Wise County.

11 **Bruce Prather:** I'm Bruce Prather; I represent the Oil and Gas Industry on the Board.

12 **Mary Quillen:** Mary Quillen, Public Member.

13 **Bradley Lambert:** Thank you folks and before we begin this morning, we have a little  
14 presentation we need to take care of and we'll do that. Ms. Surratt, on your appointment on the  
15 Board, the Governor would like to present you with your certificate of reappointment along with  
16 a pin.

17 **Rita Surratt:** Well, Thank you. I appreciate it.

18 **Item Number 1**

19 **Bradley Lambert:** Your welcome, you're good for another six years. The next item on our  
20 agenda is the Board will receive public comment. We have no one signed up but if anyone  
21 wishes to come forward at this time to be heard... [No Response] I see no one.

22 **Item Number 2**

23 **Bradley Lambert:** We'll move to item #2 on the agenda: a petition from Pocahontas Gas, LLC,  
24 for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent,  
25 attributable to Tract 5A, as depicted upon the annexed table and this is Docket Number VGOB  
26 97-0121-0562-03. All parties wishing to testify please come forward.

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

28 **Bradley Lambert:** You may begin Mr. Swartz.

29 **Mark Swartz:** Do we need to be sworn in?

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

32 **Kelli Berry:** I do.

33 **Mark Swartz:** Would you state your name for us please?

1 **Kelli Berry**: Kelli Berry.

2 **Mark Swartz**: We were here on this in April, correct?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: And we did all the testimony but we were missing a revised plat?

5 **Kelli Berry**: Yes

6 **Mark Swartz**: It looks like the Board has that?

7 **Kelli Berry**: Yes

8 **Mark Swartz**: And we added?

9 **Kelli Berry**: We identified tract 5B.

10 **Mark Swartz**: Right, which is right in the middle?

11 **Kelli Berry**: Yes

12 **Mark Swartz**: That was important because we had 5A but no 5B and we are disbursing and we  
13 need to have a plat that reflected 5B that was a separate tract to this, I guess it would be to the  
14 southwest a little bit?

15 **Kelli Berry**: Correct.

16 **Mark Swartz**: That was the only reason we continued and we've supplied that and if there are  
17 any questions about it, great? If not, we would be good to go on that one.

18 **Bradley Lambert**: Any questions from the Board? [No Response]. Thank you Mr. Swartz that  
19 revised plat is received and that one will be approved.

20 **Mark Swartz**: Thank you

21 **Kelli Berry**: Thank you.

22 **Item Number 3**

23 **Bradley Lambert**: We're calling docket item number three (3). A petition from Pocahontas  
24 Gas, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's  
25 Escrow Agent, attributable to a portion of Tract 1B, a portion of Tract 1C, and a portion of Tract  
26 5B, as depicted upon the annexed table; (2) authorization to begin payment royalties to the  
27 parties listed in the petition. This is docket number VGOB 98-0324-0632-05. All parties wishing  
28 to testify please come forward.

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

30 **Bradley Lambert**: You may begin Mr. Swartz.

31 **Mark Swartz**: Could you state your name for us again?

1 **Kelli Berry:** Kelli Berry

2 **Mark Swartz:** This is a petition for disbursement, right?

3 **Kelli Berry:** Yes.

4 **Mark Swartz:** Pertaining to what drilling unit?

5 **Kelli Berry:** W37.

6 **Mark Swartz:** It's not a complete disbursement, the escrow account is going to remain, but it's a  
7 partial?

8 **Kelli Berry:** Yes.

9 **Mark Swartz:** The tract, well there's several tracts actually; a portion of 1B, a portion of 1C,  
10 and a portion of 5B, correct?

11 **Kelli Berry:** Yes.

12 **Mark Swartz:** The reasons for the request are at page 2 of the pdf. First of all we've got some  
13 split agreements?

14 **Kelli Berry:** Yes.

15 **Mark Swartz:** I believe you've actually attached those to this, at the end?

16 **Kelli Berry:** Yes.

17 **Mark Swartz:** We have some gas claimants under the Act who are entitled to 100% of the  
18 royalties?

19 **Kelli Berry:** Correct.

20 **Mark Swartz:** We've given notice to the coal owners with regard to that and in fact we've  
21 already dismissed at the prior visit for the coal owners?

22 **Kelli Berry:** Yes, that is correct.

23 **Mark Swartz:** We've got a plat and we actually got two tables here.

24 **Kelli Berry:** Yes.

25 **Mark Swartz:** Table 1, which is pdf page six (6), is an exact dollar amount table and we've seen  
26 that before?

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

28 **Mark Swartz:** This is a result of a conveyance, I think?

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

1 **Mark Swartz**: What you're asking, if the Board approves, is the Escrow Agent be directed to  
2 make payments to the five people identified in Table 1?

3 **Kelli Berry**: Yes.

4 **Mark Swartz**: But in the exact dollar amounts that are in the right hand column; the furthest  
5 column to the right?

6 **Kelli Berry**: Correct.

7 **Mark Swartz**: That needs to be done first?

8 **Kelli Berry**: Correct.

9 **Mark Swartz**: You've identified the five (5) people by name, correct?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: You've given an address for everybody?

12 **Kelli Berry**: Yes.

13 **Mark Swartz**: Then after that occurs, the Escrow Agent should move to Table 2, right?

14 **Kelli Berry**: Yes.

15 **Mark Swartz**: This is a percentage disbursement. There's a column percent of escrow funds  
16 disbursed; actually I think the third column from the right edge?

17 **Kelli Berry**: Yes.

18 **Mark Swartz**: You've given a percentage of what the Escrow Agent should use?

19 **Kelli Berry**: Yes.

20 **Mark Swartz**: Have you identified by name all the people, trusts and companies?

21 **Kelli Berry**: Yes.

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

23 **Kelli Berry**: Yes.

24 **Mark Swartz**: There's a note at the bottom here that there is some math the Escrow Agent needs  
25 to do?

26 **Kelli Berry**: Yes.

27 **Mark Swartz**: What is that?

28 **Kelli Berry**: To deduct the payments made to the prior owners from the totals due for tract 1C.

29 **Mark Swartz**: Then divide that amount, I think?

1 **Kelli Berry**: Yes, by half because the current owners own it in halves.

2 **Mark Swartz**: That comment only pertains to tract 1C?

3 **Kelli Berry**: Only 1C, yes.

4 **Mark Swartz**: In making the disbursements, I've already asked you this, but after having that  
5 adjustment then the percentages should be applied to what we talked about?

6 **Kelli Berry**: Correct.

7 **Mark Swartz**: It looks like you've provided a revised Exhibit E that would be obtained after  
8 disbursements are made?

9 **Kelli Berry**: Correct.

10 **Mark Swartz**: Obviously that's been adjusted because you are going to be paying people  
11 directly?

12 **Kelli Berry**: Yes.

13 **Mark Swartz**: If this is approved?

14 **Kelli Berry**: Yes.

15 **Mark Swartz**: We have a revised Exhibit EE which is kind of a path forward?

16 **Kelli Berry**: Correct

17 **Mark Swartz**: Then we come to Exhibit J, right?

18 **Kelli Berry**: Yes

19 **Mark Swartz**: We have some issues in Exhibit J? This is pdf page thirteen. The things that  
20 you've highlighted in yellow are differences. In order to do Exhibit J, the first step is to locate all  
21 your payment records?

22 **Kelli Berry**: Correct.

23 **Mark Swartz**: Then you go looking for a deposit that matches that?

24 **Kelli Berry**: Correct.

25 **Mark Swartz**: It looks like in this instance; you weren't able to reconcile all those?

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

27 **Mark Swartz**: Are these items you've identified in yellow the differences you cannot reconcile?

28 **Kelli Berry**: Correct.

29 **Mark Swartz**: You have some stuff that's in black or brackets or the cells are outlined in a  
30 slightly darker outline?

1 **Kelli Berry**: Yes.

2 **Mark Swartz**: Does those indicate there were differences but you were able to match them up?

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

4 **Mark Swartz**: From a dollar stand point?

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

6 **Mark Swartz**: As we work through this, we have several pages early on where you've got  
7 problems that you can't reconcile or you were able to reconcile and then eventually the problems  
8 appear to disappear? Right?

9 **Kelli Berry**: Yes.

10 **Mark Swartz**: At the end, you've done your own math to reconcile or compare your balance or  
11 a calculated balance to the balance that the Escrow Agent had on February 28, 2019? Correct?

12 **Kelli Berry**: Yes.

13 **Mark Swartz**: You've taken into account that we've had several disbursements here?

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

15 **Mark Swartz**: We also had an error that was corrected back in 2006?

16 **Kelli Berry**: Yes.

17 **Mark Swartz**: When you compare your calculation to the banks' balance of February 28, was  
18 there a difference?

19 **Kelli Berry**: Yes

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

21 **Kelli Berry**: The bank showed \$734.85 less than what our deposits reflected.

22 **Mark Swartz**: As you mentioned earlier, you've attached a copy of the royalty split agreement?

23 **Kelli Berry**: Yes.

24 **Mark Swartz**: It's a 50/50 agreement?

25 **Kelli Berry**: It is.

26 **Mark Swartz**: You've attached an affidavit or an updated affidavit with regard to or for  
27 McGuire?

28 **Kelli Berry**: Yes.

1 **Mark Swartz**: Essentially what the affidavit says that the coal owner actually provided the split  
2 agreement copy and proved that at least with regard to the application to the split agreement,  
3 they have an interest in the unit by agreement?

4 **Kelli Berry**: Yes.

5 **Mark Swartz**: Except for that interest and the split agreement interest, they've previously been  
6 dismissed?

7 **Kelli Berry**: Yes.

8 **Mark Swartz**: Lastly, we've got the proof of mailing and so forth in regards to the coal  
9 operator?

10 **Kelli Berry**: Yes.

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

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

13 **Bill Harris**: Mr. Chairman, I have a quick question.

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

15 **Bill Harris**: Let me ask about your Table 1 on page six, that's your disbursement that is a fixed  
16 amount. I noticed the date on this is 09/30/2007. Are these amounts still the same? Do they  
17 accrue interest or do we have to make an adjustment for the 10 or 12 years that's gone by?

18 **Kelli Berry**: No, when a conveyance occurs you will pay the exact dollar amount that was in  
19 escrow at the time of the conveyance. So interest did accrue up till 09/30/2007 and their paid  
20 based on that, so you take the balance at the end of the month in which the conveyance occurred  
21 and that's what you pay them based on and then you would deduct from what you pay them from  
22 the current balance.

23 **Bill Harris**: Okay, from the current?

24 **Kelli Berry**: Yes.

25 **Bill Harris**: So the interest will spill over to Table 2 folks rather than Table 1 folks?

26 **Kelli Berry**: Yes, both.

27 **Bill Harris**: Okay, Thank you.

28 **Bradley Lambert**: I have a follow-up question to Mr. Harris' question. At the time of this  
29 conveyance, if you look at Table 2, is Table 2 being paid back to 2007? Or is it current to date?

30 **Kelli Berry**: Right, once you pay out the balances from 2007, that's why you deduct the amounts  
31 paid to those owners from the current balance due only from that tract, not from the entire  
32 amount in escrow.

33 **Bradley Lambert**: Only from Tract 1C?

1 **Kelli Berry**: Only from that Tract, yes.

2 **Mark Swartz**: So to answer your question in regard to everybody except from 1C, it goes all the  
3 way back in time to Genesis?

4 **Kelli Berry**: Correct, Yes

5 **Mark Swartz**: It is adjusted for 1C?

6 **Bradley Lambert**: It goes back to 2006?

7 **Kelli Berry**: Yes.

8 **Bradley Lambert**: Okay, that was my question. Okay, I thank you, any other questions from the  
9 Board? [No Response] Anything further Mr. Swartz?

10 **Mark Swartz**: No.

11 **Bradley Lambert**: Do we have motion?

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

13 **Bruce Prather**: Second.

14 **Bradley Lambert**: We have a motion; we have a second, any further discussions? [No  
15 Response] All in favor signify with saying yes.

16 **Board**: Yes.

17 **Bradley Lambert**: Opposed, No? [No Response]. Thank you Mr. Swartz, that one is approved.

18 **Item Number 4**

19 **Bradley Lambert**: We're calling docket item number four; a petition from Pocahontas Gas,  
20 LLC, for re-pooling under Oakwood Coalbed Methane Gas Field I, Docket number VGOB 07-  
21 0116-1854-01. All parties wishing to testify please come forward.

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

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

24 **Mark Swartz**: Thank you, will you state your name for us again.

25 **Kelli Berry**: Kelli Berry.

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

27 **Kelli Berry**: CNX Resources.

28 **Mark Swartz**: Are you here on behalf of the applicant Pocahontas Gas, LLC today?

29 **Kelli Berry**: Yes.

1 **Mark Swartz**: Pocahontas Gas, LLC was the Boards designated operator for this unit?

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

3 **Mark Swartz**: This unit was originally pooled in 07?

4 **Kelli Berry**: Yes.

5 **Mark Swartz**: We're talking about an Oakwood unit, correct?

6 **Kelli Berry**: Yes.

7 **Mark Swartz**: Which one?

8 **Kelli Berry**: S54.

9 **Mark Swartz**: We're re-pooling that unit because it looks like some mapping changes, perhaps?

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

11 **Mark Swartz**: We look at the plat; I can see that it is updated as of the seal, April 3, 2019?

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

13 **Mark Swartz**: It's updated to reflect mapping changes through that date, right?

14 **Kelli Berry**: Yes

15 **Mark Swartz**: Which tracts would you recall that change or was it all of them or just limited to a  
16 couple of tracts? It looks like pretty much everything?

17 **Kelli Berry**: A good portion, yes. Tract 1A, 1B, 1D, F, 1G, 1H, 1I, 1L, 1N, 1O, 1P and 2A  
18 changed. Practically all of them changed but not all of them.

19 **Mark Swartz**: So in terms of giving an election option or participation option, it looks like the  
20 Board order probably needs to give people the opportunity to participate because virtually  
21 everybody's percentage changed?

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

23 **Mark Swartz**: It looks like originally two wells, but only one well currently exist in the unit?

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

25 **Mark Swartz**: You've attached the original well estimate?

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

27 **Mark Swartz**: So the people that would be participating at the number that was in play when the  
28 unit was pooled?

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

1 **Mark Swartz:** Rather than updating so much?

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

3 **Mark Swartz:** Obviously you've provided a new Tract ID for the new plat?

4 **Kelli Berry:** Yes.

5 **Mark Swartz:** The plat accounts for a bunch of new tracts, which changes percentages, changes  
6 owners and so forth?

7 **Kelli Berry:** Correct.

8 **Mark Swartz:** And is part of the reason we are here today and for the re-pool is that we are  
9 adding people as respondents that were not previously pooled?

10 **Kelli Berry:** Yes

11 **Mark Swartz:** What did you do to notify people that this unit was going to be re-pooled today  
12 and that we were going to be addressing additional respondents and changes in the percentages,  
13 what did you do to give notice?

14 **Kelli Berry:** Each owner was mailed a copy of the petition by certified mail and we also  
15 published in the Virginia Mountaineer.

16 **Mark Swartz:** When did you mail them?

17 **Kelli Berry:** April 8.

18 **Mark Swartz:** When did you publish?

19 **Kelli Berry:** April 11.

20 **Mark Swartz:** Do you want to add any people as respondents today?

21 **Kelli Berry:** No.

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

23 **Kelli Berry:** No.

24 **Mark Swartz:** We have a new Exhibit B, which is a list of everyone in the unit, correct?

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

26 **Mark Swartz:** And whether they are leased or unleased or whatever?

27 **Kelli Berry:** Yes.

28 **Mark Swartz:** And that has been revised and we've got an Exhibit B2 and that summarizes the  
29 people who have been added as respondents?

30 **Kelli Berry:** Correct.

1 **Mark Swartz:** And the people who have disappeared and gives a reason?

2 **Kelli Berry:** Correct.

3 **Mark Swartz:** Exhibit B2 is at pdf page 20 and then we have a new B3, which is a list of the  
4 people that were previously pooled and being re-pooled and the new people we've added that are  
5 being pooled for the first time?

6 **Kelli Berry:** Correct.

7 **Mark Swartz:** At the end of B3 we always have a summary. The total acreage that is unleased is  
8 what?

9 **Kelli Berry:** 40.52 acres.

10 **Mark Swartz:** The percentage of the unit that represents?

11 **Kelli Berry:** 50.65 %.

12 **Mark Swartz:** As mentioned earlier, we've got a copy of the well cost estimate that was used  
13 originally when this was pooled at \$261,919.10, right?

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

15 **Mark Swartz:** That is the basis for participation?

16 **Kelli Berry:** Yes.

17 **Mark Swartz:** pdf page 24 is revised Exhibit E?

18 **Kelli Berry:** Yes.

19 **Mark Swartz:** At pdf page 30 we have the summary and acres in escrow is how many?

20 **Kelli Berry:** 75.51.

21 **Mark Swartz:** The percentage that represents of the unit?

22 **Kelli Berry:** 94.3875 %.

23 **Mark Swartz:** I think that's all I have on the re-pool, Mr. Chairman.

24 **Bradley Lambert:** Any questions from the Board? [No Response]. I have a question Mr.  
25 Swartz. In talking about B2, the reason for dismissal? Is that not an owner or a part of the reason  
26 for re-pooling and what happen to the Sam Young estate or all of a sudden, did they disappear?  
27 What happened?

28 **Kelli Berry:** Our title information discovered the property had been deeded prior to the well  
29 being drilled and that was not discovered in the original pooling and that changed the ownership  
30 and introduced new owners who were unleased.

31 **Bradley Lambert:** Okay, and the same for Buchanan County?

1 **Mark Swartz:** Yes, tell what happen to Buchanan County.  
2 **Kelli Berry:** Yes, based upon updated title information Buchanan County was not an owner.  
3 **Bradley Lambert:** Okay, any other questions from the Board? [No Response] Anything further  
4 Mr. Swartz?  
5 **Mark Swartz:** No.  
6 **Bradley Lambert:** Do I have a motion?  
7 **Mary Quillen:** Motion to approve.  
8 **Bruce Prather:** Second.  
9 **Bradley Lambert:** I have a motion; I have a second, any further discussion? [No Response] All  
10 in favor signify by saying yes.  
11 **Board:** Yes.  
12 **Bradley Lambert:** Opposed, no? [No Response] Thank you, Mr. Swartz that one is approved.

13 **Item Number 5**

14 **Bradley Lambert:** Docket item number 5 is a petition from Pocahontas Gas, LLC, for re-  
15 pooling under Nora Coalbed Methane Gas Field. Docket Number VGOB 07-0320-1898-03. All  
16 parties wishing to testify please come forward.  
17 **Mark Swartz:** Mark Swartz and Kelli Berry.  
18 **Bradley Lambert:** You may proceed, Mr. Swartz.  
19 **Mark Swartz:** Kelli, if you will state your name for us again.  
20 **Kelli Berry:** Kelli Berry.  
21 **Mark Swartz:** Who do you work for?  
22 **Kelli Berry:** CNX Resources.  
23 **Mark Swartz:** You're here today on behalf of the applicant, Pocahontas Gas, LLC?  
24 **Kelli Berry:** Yes.  
25 **Mark Swartz:** Pocahontas Gas was appointed by the Board back in 2007; well it looks like their  
26 predecessor as its designated operator?  
27 **Kelli Berry:** Yes.  
28 **Mark Swartz:** Is this a re-pooling?  
29 **Kelli Berry:** Yes.

1 **Mark Swartz**: In what field?

2 **Kelli Berry**: Nora

3 **Mark Swartz**: What Unit?

4 **Kelli Berry**: BG99

5 **Mark Swartz**: I'll have the Board to start at the end of the pdf; this is an unusual but welcomed  
6 sight. We actually have a title conflict that was resolved by court order?

7 **Kelli Berry**: Yes

8 **Mark Swartz**: So we had people claiming. Gas owners and the coal owners competing titles and  
9 we actually have a summary judgement motion that was resolved and the court found and  
10 resolved that conflict claim. Which I think this is the first time I've seen that happen, well, it's  
11 probably happen before but it's a welcome sight.

12 **Kelli Berry**: Yes

13 **Mark Swartz**: So the reason we are here today is resolving the conflict and dismissing the  
14 people that lost and we are rewarding the people that won, basically?

15 **Kelli Berry**: Yes

16 **Mark Swartz**: Let's go back then to the first part of the application. Let's start with the  
17 respondents, what did you do in terms of notice to those maybe interested in the outcome that we  
18 were going to have a hearing today?

19 **Kelli Berry**: All the owners were mailed a copy of the petition by certified mail and it was  
20 published in the Virginia Mountaineer.

21 **Mark Swartz**: When did you mail?

22 **Kelli Berry**: March 28 and April 9

23 **Mark Swartz**: When did you publish?

24 **Kelli Berry**: April 11

25 **Mark Swartz**: I assume you provided certificates of proof of mailing and publications?

26 **Kelli Berry**: Yes

27 **Mark Swartz**: Did you want to add any respondents today?

28 **Kelli Berry**: We are adding the heirs of Mary Leftwich.

29 **Mark Swartz**: That's already in the petition?

30 **Kelli Berry**: Yes

31 **Mark Swartz**: In addition to the folks you've listed in the petition, do you want to add anybody?

1 **Kelli Berry**: No

2 **Mark Swartz**: Do you want to dismiss anybody that you haven't indicated as being dismissed in  
3 the petition?

4 **Kelli Berry**: No

5 **Mark Swartz**: I think we have an updated plat as well, right?

6 **Kelli Berry**: Yes

7 **Mark Swartz**: This was electronically signed and it looks like its dated March 27, 2019?

8 **Kelli Berry**: That's correct

9 **Mark Swartz**: Did you give any new tract identification representing the ownership issues and  
10 the re-plat?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: The plat's at 5 and the tract ID started at pdf 6?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: You have a new Exhibit B, which list all the owners?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: That is at pdf 7?

17 **Kelli Berry**: Yes.

18 **Mark Swartz**: We have B2 which is the exhibit that we use when we are adding people or  
19 dismissing people?

20 **Kelli Berry**: Yes.

21 **Mark Swartz**: And that starts 1A on the pdf, correct?

22 **Kelli Berry**: Yes.

23 **Mark Swartz**: You have a list of people in the various tracts that are effected and you've  
24 identified them by name and address and you've got a reasons; either they are being dismissed,  
25 not an owner because they've lost the court case or a new owner in terms of whether they  
26 prevailed on the court case, this goes on for several pages if I'm not mistaken?

27 **Kelli Berry**: Yes.

28 **Mark Swartz**: So B2, the dismissals or addition Exhibit ends on pdf page 30 and then we've got  
29 B3 which is now the updated list of the respondents, correct?

30 **Kelli Berry**: Correct.

1 **Mark Swartz**: There's a summary at the end of B3, which is at pdf page 41 and that has a  
2 location that we have of how many unleased acres and what's the percentage?

3 **Kelli Berry**: 37.188 acres, 63.2636 % of the unit.

4 **Mark Swartz**: We have again, because this is a re-pool, we have the original cost estimate,  
5 right?

6 **Kelli Berry**: Yes.

7 **Mark Swartz**: It looks like that was dated February 15, 2007?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: Just for one well?

10 **Kelli Berry**: Correct.

11 **Mark Swartz**: We have a new Exhibit E which would reflect the escrow requirements at this  
12 point?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: We've got a revised Exhibit EE as well, which is the going forward?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: We pointed out when we started; we have an actual copy of the judgement order  
17 resolving the summary judgement issue and the conflict?

18 **Kelli Berry**: Correct.

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

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

21 **Mark Swartz**: No.

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

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

24 **Bruce Prather**: Second.

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

27 **Board**: Yes.

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

29

**Item Number 6**

1 **Bradley Lambert**: We're calling docket item number 6, a petition from Pocahontas Gas LLC  
2 for re-pooling under Oakwood Coalbed Methane Gas Field I. Docket Number VGOB 08-0415-  
3 2195-02. All parties wishing to testify please come forward.

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

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

6 **Mark Swartz**: Kelli, would you state your name for us again please?

7 **Kelli Berry**: Kelli Berry.

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

9 **Kelli Berry**: CNX Resources.

10 **Mark Swartz**: Are you here on behalf of Pocahontas Gas, LLC, who is the current operator?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: This is another petition for re-pooling?

13 **Kelli Berry**: Correct.

14 **Mark Swartz**: What field?

15 **Kelli Berry**: Oakwood.

16 **Mark Swartz**: What unit?

17 **Kelli Berry**: R54.

18 **Mark Swartz**: What did you do to notify people who might be interested or claimants that we  
19 were having a hearing today?

20 **Kelli Berry**: We mailed all the owners a copy of the petition by certified mail and also published  
21 in the Virginia Mountaineer.

22 **Mark Swartz**: When did you mail?

23 **Kelli Berry**: March 28.

24 **Mark Swartz**: When did you publish?

25 **Kelli Berry**: April 11.

26 **Mark Swartz**: Did you provide certificates in regards to mailing and proof of publication to the  
27 DGO?

28 **Kelli Berry**: Yes.

29 **Mark Swartz**: Do you want to add any people that weren't listed in your application as  
30 respondents?

1 **Kelli Berry**: No

2 **Mark Swartz**: Do you want to dismiss any respondents?

3 **Kelli Berry**: No.

4 **Mark Swartz**: The reason for the re-pooling is what?

5 **Kelli Berry**: Ongoing due diligence has resulted in mapping, property boundary changes which  
6 have altered the acres or tracts within the unit.

7 **Mark Swartz**: I think you also discovered you had some new owners, if I'm not mistaken?

8 **Kelli Berry**: Yes.

9 **Mark Swartz**: So let's start with the mapping, did you provide a new plat that reflects the best  
10 information that we have currently?

11 **Kelli Berry**: Yes.

12 **Mark Swartz**: That is pdf page 5, right?

13 **Kelli Berry**: Yes.

14 **Mark Swartz**: That was certified on April 2, 2019?

15 **Kelli Berry**: Yes.

16 **Mark Swartz**: You got a new set of Tract ID's that go along with that plat?

17 **Kelli Berry**: Correct.

18 **Mark Swartz**: That reflects all the mapping changes and percentage changes?

19 **Kelli Berry**: Yes.

20 **Mark Swartz**: Do we have a ton of percentage changes here or are we limited to a tract or two?

21 **Kelli Berry**: Virtually every tract.

22 **Mark Swartz**: So in terms of participation options, when this is re-pooled it will help give  
23 everybody a shot?

24 **Kelli Berry**: Yes.

25 **Mark Swartz**: If we go to pdf page 11, we have a new Exhibit B now?

26 **Kelli Berry**: Yes.

27 **Mark Swartz**: Which has the current owners that go with pdf page 17; we have a new Exhibit  
28 B2 which supplies the names of the new unleased owners?

29 **Kelli Berry**: Correct.

1 **Mark Swartz**: At B3, which is a list of the people that were either re-pooled or added to the  
2 pool?

3 **Kelli Berry**: Correct.

4 **Mark Swartz**: We have a summary at the end at pdf page 20, the total acres that are unleased in  
5 this Oakwood unit, how many acres?

6 **Kelli Berry**: 10.10.

7 **Mark Swartz**: And the percentage is what?

8 **Kelli Berry**: 12.6250% of the unit.

9 **Mark Swartz**: In this instance, we have two wells, correct?

10 **Kelli Berry**: Yes.

11 **Mark Swartz**: You've provided the original cost estimate when this unit was first pooled and  
12 those look like they were dated March 12, 2008?

13 **Kelli Berry**: Correct.

14 **Mark Swartz**: Then at pdf page 23, we have a revised Exhibit E for escrow?

15 **Kelli Berry**: Yes .

16 **Mark Swartz**: The summary is at pdf page 27, what are the acres in escrow and the percentages  
17 of the unit in escrow?

18 **Kelli Berry**: 13.56 acres which is 16.95 % of the unit.

19 **Mark Swartz**: Going forward, I thinking we got EE, right?

20 **Kelli Berry**: Yes.

21 **Mark Swartz**: And that's it?

22 **Kelli Berry**: Yes.

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

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

25 **Donald Ratliff**: Mr. Chairman.

26 **Bradley Lambert**: Mr. Ratliff.

27 **Donald Ratliff**: On the plat, on 1B there are two 1B's but there's a line that's got a little (z)  
28 through it, what's that symbol stand for? What is that?

29 **Kelli Berry**: That is a land hook which indicates the owner is the same for both tracts.

1 **Donald Ratliff**: So that is why there's two 1Bs and two 2s and two 1Ms?

2 **Kelli Berry**: Yes.

3 **Donald Ratliff**: Thank you.

4 **Bradley Lambert**: Any other questions from the Board? [No Response] Anything further Mr.  
5 Swartz?

6 **Mark Swartz**: No.

7 **Bradley Lambert**: Do we have motion?

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

9 **Bruce Prather**: Second.

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

12 **Board**: Yes.

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

14 **Item Number 7**

15 **Bradley Lambert**: Docket Item 7: on the Board's own motion, the Board will re-visit allowing  
16 the Director to be given approval/permissions for adding more than two wells to a unit in the  
17 Oakwood I and Oakwood II Field Orders for projected mine works. Mr. Swartz, I know a lot of  
18 the Board members weren't here last month; could you give us a little background and update?

19 **Mark Swartz**: Yes, and subject to correction. When the Oakwood fielders were promulgated,  
20 we had something called the Oil and Gas Conservation Board. We didn't have the Gas and Oil  
21 Board yet and that order was in 1990. Recently, in the last few months, Rick and I have had  
22 discussions about his comfort level in approving additional wells in the Oakwood units and  
23 whether he, as Director, actually had delegated authority. It kind of took me by surprise because  
24 the Director's before him went to some extent and Rick as well, have been approving wells in the  
25 Oakwood units to accommodating increased density driven by de-gas in advance of mining. So, I  
26 went back and looked at the original Oakwood order and because Rick was telling me he had  
27 looked at that and he questioned whether or not it expressly allows him to do that or his  
28 predecessors. So I looked at the order, gave it a fair amount of thought and had further  
29 discussions. I've been doing this for a while and we've had problems along these lines before:  
30 where there has been a loss sometimes of history; and I have a feeling we've had an Oil and Gas  
31 Conservation Board order (not a VGOB order) that must have allowed that because I can't  
32 imagine the original Directors were allowing additional wells in these units. I remember  
33 operating under the assumption that we could do that, that the Oakwood order would allow us to,  
34 but neither one of us can find it. When we did away with the original commission and went to  
35 the Board, there's been some documentation issues that perhaps the predecessor of this Board  
36 wasn't good at keeping records, so I don't know. In any event, my feeling is having carefully  
37 read the Oakwood order, the only paragraph that comes close to delegating this authority to the

1 Director is paragraph seven which says ‘the Virginia Oil and Gas Inspector may consider and  
2 grant location exceptions on a case by case basis for proposed coalbed methane gas wells drilled  
3 in the Oakwood coalbed gas field.’ To me, I guess you could expansively interpret the location  
4 exceptions to include multiple wells, but I have a little trouble with that and I think Rick does as  
5 well. So let’s talk about the efficiency issues, in the Oakwood field where we have mining and  
6 lots of it with still ongoing. There are many units that have multiple wells, more than two  
7 certainly, sometimes four, five or six that are driven by de-gassing in advance of mining and we  
8 have to come in front of the Board for every one of those, we’re all going to be spending a lot of  
9 time doing that and you’re going to be spending a lot of docket items and having meetings that  
10 you might not otherwise have. So our feeling was if the Director is satisfied that the projections  
11 or the plans are consistent with the density he’s seeing in the permit applications, that’s not an  
12 unreasonable solution to streamlining that process. I’m glad we still have Mr. Kugelman on the  
13 Board here because we have a fairly recent example of delegation of Board responsibility to the  
14 Director, in terms of the disbursement issues. I assume you remember we would have been here  
15 hundreds and hundreds of times and so our suggestion was, and I hope Rick will weigh in here,  
16 our suggestion was to have the Board delegate this limited authority, in terms of approving  
17 multiple wells, if they are driven by mine projections or mine plans. The statute actually allows,  
18 not the delegation, but allows the Board or directs the Board...45.1361 320C has a provision that  
19 says to the extent possible the Board shall allow wells to be drilled within units to conform to  
20 mine plans or mine projections to accommodate de-gas. Obviously that was the original Oil and  
21 Gas Act recognized being able to do that so there’s certainly authority for the Board to have ten  
22 wells in the unit if they feel like it’s driven by de-gas. So you’ve got statutory authority to do that  
23 and our recommendation would be to delegate that authority to the Director, under that section of  
24 the statute and to continue a process that we followed for 20 some years, maybe incorrectly or  
25 maybe not, so that’s our recommendation on that. As to the extent of questions, I’ll do my best or  
26 Rick, Mr. Chairman?

27 **Paul Kugelman:** Mark, I’m looking at C, 361 320C, and you have to forgive me because I’m not  
28 intimately familiar how the de-gassing works, I know why it’s done but I’m looking at the  
29 introductory clause here and ‘in establishing or modifying a drilling unit for coalbed methane gas  
30 wells’. In advance of the mining, are they establishing units as well on top of that? So here’s the  
31 scenario I’m envisioning and it’s maybe not a real scenario, so I’m just kind of confessing my  
32 ignorance here. So there’s a vein of coal and on top of that, let’s assume there’s no unit but they  
33 are going to mine and you want to drill and vent coalbed methane gas which will probably use it  
34 for production in advance of the mining for safety reasons, is that a real scenario where there  
35 wouldn’t be a unit on top of the vein?

36 **Mark Swartz:** No, I think the Oakwood field is 100,000 acres roughly and so in the Oakwood  
37 field there’s 100,000 acres of units, so we’re starting with a unit.

38 **Paul Kugelman:** Okay, there’s a unit there already? That’s the only question I had.

39 **Mark Swartz:** Yes, it’s already there. Now the question is, if this Board has already pooled the  
40 unit then the option would be to come to the Board to modify to allow to have more than one  
41 well. So we are trying to avoid doing that, but we’ve got a bunch of voluntary units too, so you  
42 need to kind of reflect on that so we could potentially be in front of the Director saying we have  
43 a voluntary unit, so one of these Oakwood units is a voluntary unit so we didn’t have to pool it  
44 but we want to drill multiple wells, we’re giving you both scenarios but we are always starting in

1 the Oakwood field, I don't know how many units there are, but there are a lot. We've got a unit  
2 and then it's a question, are we creating a unit and we've got a mine plan that we are asking you  
3 to do that? But we are coming back and mining under an existing unit whether it's voluntary or  
4 whatever, that would be the reason.

5 **Paul Kugelman**: Okay, so are they going to be drilled in accordance with the Mine development  
6 plans?

7 **Mark Swartz**: Or projections, right.

8 **Paul Kugelman**: Okay, alright.

9 **Mark Swartz**: Frankly, to be up front about this, we've had discussions from time to time with  
10 Rick and with the Chairman about the quality of the projections or the plans and that's something  
11 that we're asking the Director would have discretion to make a judgement on that on whether or  
12 not, we've persuaded him the coal is mineable and we may get there.

13 **Rick Cooper**: I guess I might point out is the only thing we want to do if the Board had  
14 approved this historically; we're just having trouble finding it. We just wanted the Board to  
15 reaffirm the Director has that authority and under terms and conditions, there's no generic  
16 approval under mine projections or reasonable mine projections in a mining plan that allows that.  
17 Just to allow that now, I just wanted the Board to reaffirm that the Director had the authority to  
18 do that.

19 **Mary Quillen**: Mr. Chairman, just one question for Mr. Cooper. To the best of my knowledge  
20 and I've been on this Board for a significant amount of time, I don't recall ever having anything  
21 come before the Board that would be questioned and what I'm saying is that no problem has ever  
22 come before us with this.

23 **Mark Swartz**: Which is evident that we've been doing it for years, right?

24 **Mary Quillen**: Mr. Cooper, is this a problem for you?

25 **Rick Cooper**: It's not a problem for me but just for clarification as mining progresses from point  
26 A to point B and advances, you know you start out with one well per unit; two wells per unit but  
27 with a typical long wall mining which is what this is, it's not uncommon to have twelve wells in  
28 a unit or at least fourteen wells.

29 **Mary Quillen**: Right.

30 **Rick Cooper**: It's not uncommon at all. So I guess, looking at this for today, the coal companies  
31 have contacted us and they are going out in advance to put in multiple wells; five years, 10 years,  
32 15 years at best and I'm not against that but I wanted to make sure I had the authority to approve  
33 it. I think their argument is that every molecule of gas they remove from the mines help with  
34 safety and a lot of that is not going to be cost conscious and their probably not going to recover  
35 their dollars from some of these wells and I think they are aware of that but willing to invest their  
36 dollars to remove the gas.

37 **Bradley Lambert**: Just for the Board's information, this mainly pertains to Coronado Buchanan.  
38 Large Buchanan mines as far as we are talking about and to further discuss the issue I had a

1 meeting with mine management a couple weeks ago of where they hit conditions or situations  
2 that their projections they had planned a mine, there's problems they can't do it so they are going  
3 to move their long wall to a completely different section so more reason that would make sense  
4 for Rick to be able to do this.

5 **Paul Kugelman**: So he can have some more flexibility?

6 **Bradley Lambert**: Yes and to make a quicker response time for the mine to be able to alleviate  
7 the methane.

8 **Mark Swartz**: Another point that Rick just raised and to comment on is the cost issue. These  
9 wells don't make economic sense, from a gassing point but they make safety sense from a  
10 mining stand point and that's the reason why the Board doesn't allow us to recapture the cost of  
11 fourteen wells in a unit when we are participating, but that's factored into your job. That's  
12 basically two wells per unit, but what can we recover, so a lot of these wells make no economic  
13 sense from an Oil and Gas stand point. They generate revenue but they are not going to return  
14 their cost.

15 **Bruce Prather**: Did you say originally that the Inspector was one that approved these?

16 **Mark Swartz**: The Director.

17 **Bruce Prather**: I thought you said Inspector originally and he's the Director.

18 **Bradley Lambert**: Actually, let me clarify that Mr. Prather. In the statute Mr. Cooper is the  
19 Mine Inspector and he still has staff under him but in the statute he is the Inspector.

20 **Bruce Prather**: I know he's the Director but I just want to make sure the problem here.

21 **Bradley Lambert**: And to add to Rick's role, when these things come up as far as ventilation  
22 purposes, Rick works directly with our Mine Safety Division to make sure that they are in  
23 coordination with the well drilling and the ventilation in the mine.

24 **Mary Quillen**: I think basically what we're hearing is you just want to have documentation and I  
25 don't blame you, I like documentation and just to reaffirm what has been the procedure and what  
26 was approved originally.

27 **Rick Cooper**: That is correct.

28 **Mark Swartz**: Nobody can reach back in time but can delegate going forward. What happened  
29 in the past, happened.

30 **Paul Kugelman**: Do we have any concerns from before today?

31 **Mark Swartz**: I don't think so.

32 **Paul Kugelman**: I mean, if somebody challenged it, we could deal with it.

33 **Mark Swartz**: Yea, but I am looking at this as a going forward solution, what's in the past, is in  
34 the past.

1 **Paul Kugelman**: Right.

2 **Donald Ratliff**: All of these are vented? None of these are capped?

3 **Rick Cooper**: They are all capped.

4 **Donald Ratliff**: I'm ready to do it and go.

5 **Bradley Lambert**: Okay.

6 **Donald Ratliff**: I make a motion that we authorize the Director to approve de-gas wells at  
7 advance mining after evaluating the permits and plans and coordinate it with DM.

8 **Mary Quillen**: Second.

9 **Bradley Lambert**: I have a motion, any further discussions?

10 **Bill Harris**: Do we need to specify Oakwood I & II?

11 **Paul Kugelman**: I would think so.

12 **Bradley Lambert**: Yes, I think so.

13 **Paul Kugelman**: It needs to be a limited delegation and it needs to be clear what the scope of the  
14 delegation is and I don't know how Mr. Cooper feels about this but it may be prudent to have some sort  
15 of language in the delegation, where if he doesn't feel like it meets with that, it comes up to the  
16 Board for review.

17 **Mark Swartz**: I'm just going to leave it to you for draft, I mean you did the last one and as for  
18 the delegation, this is something you do in your job. I don't delegate to people in the  
19 Government so I'm kind of punting it to you. You've done it recently.

20 **Paul Kugelman**: Do you want to see it before its tendered?

21 **Mark Swartz**: I would like that.

22 **Paul Kugelman**: Mr. Scott, have you've been following the discussion, would you like to be  
23 involved in reviewing that as well? Just for the record, Mr. Ingersoll is here on behalf of the  
24 Attorney General's Office and it's our understanding he will be taking over representation of the  
25 Board in the next coming months and I have a feeling this will be an appropriate first step into  
26 representing the Board, as Mr. Kugelman is trying to clear his desk.

27 **Donald Ratliff**: So I need to withdraw my motion and we will have it in writing next time we  
28 meet, then we will have something to look at and approve?

29 **Paul Kugelman**: I think that will be appropriate and I don't think it will be inappropriate to have  
30 a verbal delegation, at this point, if there is anything pending, so he can deal with it. It's the  
31 Board's pleasure, but I think you could do that.

32 **Donald Ratliff**: I'll amend the motion to reflect Mr. Kugelman's remarks and you ladies can  
33 figure that out.

1 **Paul Kugelman**: Is that work with you Mr. Cooper?

2 **Rick Cooper**: Yes, that will work fine.

3 **Bradley Lambert**: So I have an amended motion, do I have a second?

4 **Mary Quillen**: Second.

5 **Bradley Lambert**: Any further discussions? [No Response] All in favor signify by saying yes.

6 **Board**: Yes.

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

8 **Mark Swartz**: I appreciate your help. Thank you.

9 **Bradley Lambert**: Thank you folks. Let's take about 5 minutes.

10 **Item Number 8**

11 **Bradley Lambert**: Okay, Ladies and Gentlemen, we will get back to the session this morning if  
12 I can get booted back up. We're calling docket item number 8, a petition from EnerVest  
13 Operating, LLC, for pooling of Well V-530399. Docket Number VGOB-14-0714-4055-01. All  
14 parties wishing to testify please come forward.

15 **Tim Scott**: Tim Scott, Gus Janson and Chuck Akers for EnerVest Operating, LLC.

16 **Sarah Gilmer**: Mr. Janson and Mr. Akers, do you swear and affirm your testimony is the truth,  
17 the whole truth and nothing but the truth?

18 **Gus Janson**: Yes.

19 **Chuck Akers**: Yes.

20 **Bradley Lambert**: Good morning Gentlemen. Mr. Scott, you may start.

21 **Tim Scott**: Thank you. Mr. Akers, please state your name, to whom you are employed and your  
22 job description.

23 **Chuck Akers**: My name is Charles Akers, Jr. I'm employed by EnerVest Operating. My title is  
24 Director of Land.

25 **Tim Scott**: This is a re-pooling application, is that correct?

26 **Chuck Akers**: That is correct, yes.

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

28 **Chuck Akers**: 112.69 acres.

29 **Tim Scott**: EnerVest does have significant portions of this unit under lease, is that correct?

30 **Chuck Akers**: That is correct, yes.

1 **Tim Scott**: Are we going to dismiss any parties respondent today?

2 **Chuck Akers**: No

3 **Tim Scott**: How was notice of the hearing provided to the parties listed on Exhibit B3?

4 **Chuck Akers**: By certified mail, return receipt requested.

5 **Tim Scott**: You provided proof of mailing to the Board, is that correct?

6 **Chuck Akers**: Yes, we have.

7 **Tim Scott**: Are there any unknown or un-locatable owners in this unit?

8 **Chuck Akers**: No

9 **Tim Scott**: And EnerVest is authorized to transact business in the Commonwealth, is that right?

10 **Chuck Akers**: Yes

11 **Tim Scott**: There is a blanket bond on file with the Department?

12 **Chuck Akers**: Yes, that is correct.

13 **Tim Scott**: If you were able to reach an agreement with the parties listed on Exhibit B3, what  
14 lease terms do you offer?

15 **Chuck Akers**: \$25.00 an acre for a 5-year paid up lease and a 1/8 royalty.

16 **Tim Scott**: This is a fair compensation for a lease in this area, is that correct?

17 **Chuck Akers**: That is correct, yes.

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

19 **Chuck Akers**: 64.42%

20 **Tim Scott**: Your efforts to lease is ongoing, is that correct?

21 **Chuck Akers**: That is correct.

22 **Tim Scott**: In what percentage of the unit are you seeking to pool today?

23 **Chuck Akers**: 35.58%

24 **Tim Scott**: You said there were no unknown or un-locatable owners, is that right?

25 **Chuck Akers**: That's correct, yes.

26 **Tim Scott**: So there's no escrow requirement for this unit, is that also correct?

27 **Chuck Akers**: That is also correct, yes.

28 **Tim Scott**: Are you seeking or asking the Board to pool the parties listed on Exhibit B3?

1 **Chuck Akers**: Yes

2 **Tim Scott**: EnerVest is the named operator for unit, is that also correct?

3 **Chuck Akers**: Yes.

4 **Tim Scott**: If the Board grants our application today and enters an order for re-pooling as  
5 requested, what will be the address used for any elections made out in an order entered by the  
6 Board?

7 **Chuck Akers**: EnerVest Operating, LLC, 408 West Main Street Abingdon, VA, 24210.  
8 Attention Chuck Akers.

9 **Tim Scott**: That is for all communications, is that correct?

10 **Chuck Akers**: Yes.

11 **Tim Scott**: That's all I have for Mr. Akers.

12 **Bradley Lambert**: Mr. Scott, is this a pooling or a re-pooling?

13 **Tim Scott**: Re-pooling.

14 **Bradley Lambert**: Re-pooling and what's the reason for re-pooling?

15 **Tim Scott**: The order is expiring. That's correct, isn't it Mr. Akers?

16 **Chuck Akers**: Correct, yes.

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

18 **Tim Scott**: Thank you, Mr. Janson your name, to whom you are employed and your job  
19 description, please?

20 **Gus Janson**: My name is Gus Janson. I'm employed by EnerVest Operating, LLC as the  
21 Geology advisor.

22 **Tim Scott**: You've participated in the preparation of this application, is that correct?

23 **Gus Janson**: I did.

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

25 **Gus Janson**: Yes, the proposed depth is 6,124 feet.

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

27 **Gus Janson**: The estimated reserves are 877 million cubic feet of gas.

28 **Tim Scott**: You participated in preparation of the AFE, is that also correct?

29 **Gus Janson**: I did.

1 **Tim Scott**: Are you familiar with the proposed well cost?

2 **Gus Janson**: I am.

3 **Tim Scott**: What is the estimated dry hole cost for this well?

4 **Gus Janson**: The estimated dry hole cost is \$230,300.

5 **Tim Scott**: The completed well cost?

6 **Gus Janson**: \$514,200.

7 **Tim Scott**: In your opinion, if the Board grants our application today, would it prevent waste,  
8 promote conservation and protect correlative rights?

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

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

11 **Bradley Lambert**: Any questions from the Board? [No Response] Mr. Scott, I go back to my  
12 previous question.

13 **Tim Scott**: Yes, sir.

14 **Bradley Lambert**: The application suggests that it is a pooling order, I know you said that's a  
15 re-pooling and that's okay, it seems like we have it different.

16 **Tim Scott**: We did ask for the relief sought of re-pooling in the heading of the application, if it  
17 was not stated all the way through, it is a re-pooling request.

18 **Bradley Lambert**: The relief sought I am looking at on page 2, pdf 2. It says a pooling order.

19 **Tim Scott**: I will revise that Mr. Chairman and resubmit.

20 **Bradley Lambert**: Thank you, any other questions from the Board? [No Response] Anything  
21 further Mr. Scott?

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

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

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

25 **Bruce Prather**: Second.

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

28 **Board**: Yes.

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

30 **Donald Ratliff**: I abstain, Mr. Chairman.

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

2 **Tim Scott**: Thank you, Mr. Chairman.

3 **Item Number 9**

4 **Bradley Lambert**: We're calling docket item number 9. A petition from EnerVest Operating,  
5 LLC, for pooling of Well No. VCI-538279. Docket Number VGOB-19-0319-4203. All parties  
6 wishing to testify please come forward.

7 **Tim Scott**: Again Tim Scott, Gus Janson and Chuck Akers for EnerVest Operating, LLC.

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

9 **Tim Scott**: Thank you Mr. Chairman. Mr. Akers, state your name, to whom you're employed  
10 and your job description.

11 **Chuck Akers**: My name is Charles Akers, Jr.; I'm employed by EnerVest Operating, LLC and  
12 I'm the Director of Land.

13 **Tim Scott**: Are you familiar with this application, is that correct?

14 **Chuck Akers**: Yes, I am.

15 **Tim Scott**: Is this unit located within Nora Coalbed Gas field?

16 **Chuck Akers**: Yes it is.

17 **Tim Scott**: How many acres does it contain?

18 **Chuck Akers**: 58.77 acres.

19 **Tim Scott**: In this particular case, EnerVest is both an owner and an operator, is that correct?

20 **Chuck Akers**: Yes, that is correct.

21 **Tim Scott**: Are we going to dismiss any respondents listed on Exhibit B3 today?

22 **Chuck Akers**: No, we're not.

23 **Tim Scott**: So we have just unknowns, is that correct?

24 **Chuck Akers**: That's correct.

25 **Tim Scott**: So how was notice of this hearing provided to those parties listed on B3?

26 **Chuck Akers**: By publication in the Bluefield Daily Telegraph on April 24, 2019.

27 **Tim Scott**: Have we provided proof of publication for the Board, is that correct?

28 **Chuck Akers**: Yes, we have.

29 **Tim Scott**: As I have indicated earlier, we do have unknowns in this unit, is that right?

1 **Chuck Akers**: That's correct, yes.

2 **Tim Scott**: I believe back in February, EnerVest provided a statement to Mr. Cooper to the due  
3 diligent efforts to locate these individuals.

4 **Chuck Akers**: Yes, we have.

5 **Tim Scott**: Those efforts are ongoing, is that correct?

6 **Chuck Akers**: That is correct.

7 **Tim Scott**: Again, EnerVest is authorized to transact business in the Commonwealth?

8 **Chuck Akers**: Yes, we are.

9 **Tim Scott**: A blanket bond is on file, is that correct?

10 **Chuck Akers**: Yes, that is correct.

11 **Tim Scott**: If you were able to reach and locate these individuals that are on B3, what offer  
12 would you make per lease for this unit?

13 **Chuck Akers**: \$25.00 an acre for a 5-year paid up lease with a 1/8 royalty.

14 **Tim Scott**: This is fair compensation for a lease in this area?

15 **Chuck Akers**: Yes, that is correct.

16 **Tim Scott**: What percentage of the unit does EnerVest own or have under lease?

17 **Chuck Akers**: 99.9978333%.

18 **Tim Scott**: That does include acreage that EnerVest owns in the simple interest in the minerals,  
19 is that right?

20 **Chuck Akers**: That is correct.

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

22 **Chuck Akers**: 0.00216667%

23 **Tim Scott**: Because we have unknowns there is an escrow requirement, is that right?

24 **Chuck Akers**: That is correct, yes.

25 **Tim Scott**: What tract or tracts will be subject to escrow and the percentage of the unit that  
26 would be subject to escrow?

27 **Chuck Akers**: 0.00216667%..

28 **Tim Scott**: Is that Tract 2, is that right?

29 **Chuck Akers**: That is correct, yes.

1 **Tim Scott**: Your requesting the Board to pool the unleased parties listed on Exhibit B3?

2 **Chuck Akers**: Yes.

3 **Tim Scott**: EnerVest will be named the operator for this unit, is that also correct?

4 **Chuck Akers**: Yes.

5 **Tim Scott**: If the Board enters an order granting our application today and elections under that  
6 order, what would be the address used for making any of the elections?

7 **Chuck Akers**: EnerVest Operating, LLC, 408 West Main Street, Abingdon, VA, 24210.  
8 Attention Chuck Akers.

9 **Tim Scott**: Would that be the address for all correspondence regarding any order entered by the  
10 Board?

11 **Chuck Akers**: Yes, it would.

12 **Tim Scott**: That's all I have for Mr. Akers.

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

14 **Tim Scott**: Thank you Mr. Chairman. Mr. Janson, your name, to whom you're employed and  
15 your description.

16 **Gus Janson**: My name is Gus Janson; I'm employed by EnerVest Operating, LLC as a Geology  
17 advisor.

18 **Tim Scott**: Your familiar with this application, is that right?

19 **Gus Janson**: I am.

20 **Tim Scott**: What is the proposed depth for this well?

21 **Gus Janson**: The proposed depth is 2,060 feet.

22 **Tim Scott**: Are you familiar with the estimated reserve with this unit?

23 **Gus Janson**: Yes, the estimated reserve for the unit is 825 million cubic feet of gas.

24 **Tim Scott**: You're also familiar with the proposed well cost?

25 **Gus Janson**: Yes.

26 **Tim Scott**: What's the estimated dry well cost for this unit?

27 **Gus Janson**: The estimated dry well cost is \$146,400.

28 **Tim Scott**: The completed well cost?

29 **Gus Janson**: The estimated completed well cost is \$370,400.

1 **Tim Scott**: You did participate in the AFE, is that correct?

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

3 **Tim Scott**: In your opinion if the Board grants application today, would it prevent waste,  
4 promote conservation and protect correlative rights?

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

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

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

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

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

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

11 **Bruce Prather**: Second.

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

14 **Board**: Yes

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

16 **Donald Ratliff**: I abstain, Mr. Chairman.

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

18 **Item Number 10**

19 **Bradley Lambert**: We're calling the next item on the docket. Item number 10 a petition from  
20 EnerVest Operating, LLC for pooling of Well VCI-530580, Docket Number VGOB 19-0416-  
21 4205. All parties wishing to testify please come forward.

22 **Tim Scott**: Mr. Chairman, we are going to withdraw that application today.

23 **Bradley Lambert**: Withdrawn?

24 **Tim Scott**: Yes, sir.

25 **Item Number 11**

26 **Bradley Lambert**: For docket item number 11. I'm going to ask Mr. Ratliff if he will preside  
27 over that docket number, I have a conflict with that application. Mr. Ratliff?

28 **Donald Ratliff**: I've got a conflict with it, too.

29 **Bradley Lambert**: Mr. Ratliff has a conflict too, Mr. Harris?

1 **Bill Harris:** I can do it. The next item is number 11, a petition from EnerVest Operating, LLC  
2 for pooling of Well No VIC-530574, Ervinton District, Dickenson County, Virginia. The Docket  
3 Number is VGOB 19-0416-4204; this is continued from April, 2019. Would all persons who  
4 wish to speak to this please come forward.

5 **Tim Scott:** Tim Scott, Gus Janson and Chuck Akers for EnerVest Operating, LLC

6 **Bill Harris:** The record will show there are no others. You may proceed.

7 **Tim Scott:** Thank you. Mr. Akers, state your name, to whom you're employed and your job  
8 description one more time, please.

9 **Chuck Akers:** My name is Charles Akers, Jr.; I'm employed by EnerVest Operating, LLC. My  
10 job description is Director of Land.

11 **Tim Scott:** Your familiar with this application, is that right?

12 **Chuck Akers:** Yes, I am.

13 **Tim Scott:** The unit in located in the Nora Coalbed Gas field, is that also correct?

14 **Chuck Akers:** Yes.

15 **Tim Scott:** How many acres does the unit contain?

16 **Chuck Akers:** 58.77 acres.

17 **Tim Scott:** EnerVest owns drilling rights and is an owner of this unit, is that correct?

18 **Chuck Akers:** That is correct, yes.

19 **Tim Scott:** Are we going to dismiss any parties' respondents that are listed on B3?

20 **Chuck Akers:** No, we are not.

21 **Tim Scott:** How was the notice provided to those parties listed on B3?

22 **Chuck Akers:** By certified mail, return receipt requested.

23 **Tim Scott:** We've provided proof of mailing to the Board, is that correct?

24 **Chuck Akers:** Yes.

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

26 **Chuck Akers:** No, we do not.

27 **Tim Scott:** So we have no escrow requirement, is that right?

28 **Chuck Akers:** That's correct, yes.

29 **Tim Scott:** EnerVest is authorized to transact business in the Commonwealth, is that right?

1 **Chuck Akers:** That is correct, yes.

2 **Tim Scott:** There is a bond on file with the Department, is that right?

3 **Chuck Akers:** Yes

4 **Tim Scott:** What would be the lease terms do you offer to any person or party respondent listed  
5 on Exhibit B3?

6 **Chuck Akers:** \$25.00 an acre for a 5-year paid up lease with a 1/8 royalty.

7 **Tim Scott:** This is fair compensation for a lease in this area?

8 **Chuck Akers:** Yes, that is correct.

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

10 **Chuck Akers:** 95.78895833%

11 **Tim Scott:** Approximately?

12 **Chuck Akers:** Approximately, yes.

13 **Tim Scott:** This does include acreage EnerVest owns with simple interest to minerals, is that  
14 right?

15 **Chuck Akers:** That is correct, yes.

16 **Tim Scott:** What percentages are you seeking to pool today?

17 **Chuck Akers:** Approximately 4.21104167%

18 **Tim Scott:** We do not have an escrow requirement, is that right?

19 **Chuck Akers:** No, we do not.

20 **Tim Scott:** Your requesting the Board to pool the unleased parties on Exhibit B3, is that right?

21 **Chuck Akers:** That is correct, yes.

22 **Tim Scott:** EnerVest is to be named the Operator of this unit, is that also correct?

23 **Chuck Akers:** Yes, that is correct.

24 **Tim Scott:** If the Board grants our application today and enters an order regarding this docket  
25 item, what is the address used for making any elections under an order entered by the Board?

26 **Chuck Akers:** EnerVest Operating, LLC, 408 West Main Street, Abingdon, VA, 24210.  
27 Attention Chuck Akers.

28 **Tim Scott:** This is the address for this unit, is that also correct?

29 **Chuck Akers:** That is correct, yes.

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

2 **Bill Harris**: Any questions from the Board Members? [No Response] Fine, you may proceed.

3 **Tim Scott**: Thank you. Mr. Janson, state your name, to whom you're employed and your job  
4 description, please?

5 **Gus Janson**: My name is Gus Janson; I'm employed by EnerVest Operating, LLC as the  
6 Geology Advisor.

7 **Tim Scott**: You're familiar with this application?

8 **Gus Janson**: I am.

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

10 **Gus Janson**: Yes, the proposed depth is 2,665 feet.

11 **Tim Scott**: The estimated reserves for this unit?

12 **Gus Janson**: The estimated reserves are 830 million cubic feet of gas.

13 **Tim Scott**: Did you prepare or participate in the preparation of the AFE that is with the  
14 application, is that right?

15 **Gus Janson**: I did

16 **Tim Scott**: Are you familiar with the closed well cost?

17 **Gus Janson**: I am.

18 **Tim Scott**: What's the estimated dry hole cost for this well?

19 **Gus Janson**: The estimated dry hole cost is \$146,000.

20 **Tim Scott**: The estimated completed well cost?

21 **Gus Janson**: Estimated completed well cost is \$395,150.

22 **Tim Scott**: In your opinion, if our application is granted, would it prevent waste, promote  
23 conservation and protect correlative rights?

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

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

26 **Bill Harris**: Any further questions from the Board Members? [No Response] Are you through  
27 with your presentation?

28 **Tim Scott**: Yes, sir.

29 **Bill Harris**: We will entertain a motion relative to this item.

1 **Mary Quillen**: Motion to approve.  
2 **Bruce Prather**: Second.  
3 **Bill Harris**: Fine, it's been moved and seconded; do we have any further discussions? [No  
4 Response] All in favor say yes.  
5 **Board**: Yes.  
6 **Bill Harris**: Opposed, no?  
7 **Donald Ratliff**: I abstain.  
8 **Bradley Lambert**: I abstain.  
9 **Bill Harris**: Abstention from Mr. Ratliff and from the Chair. Fine that's approved.

10 **Bradley Lambert**: Thank you Mr. Harris.  
11 **Tim Scott**: Thank you.

#### 12 **Item Number 12**

13 **Bradley Lambert**: We're calling docket number 12 a petition from EnerVest Operating, LLC  
14 for pooling of Well VCI-503367, Docket Number VGOB 19-0416-4206. All parties wishing to  
15 testify please come forward.  
16 **Tim Scott**: We are going to withdraw this application as well, Mr. Chairman.

17 **Bradley Lambert**: Withdraw? Okay.

#### 18 **Item Numbers 13, 14 & 15**

19 **Bradley Lambert**: We're calling docket item number 13 a petition from EnerVest Operating,  
20 LLC for pool of Well VCI-531533, Docket Number VGOB 19-0416-4207. All parties wishing to  
21 testify please come forward.  
22 **Tim Scott**: Mr. Chairman, for items 13, 14 & 15, we are going to ask for those to be continued  
23 until July. We are still studying the economics on some of those and I'll send a certified letter to  
24 Mr. Lamey; he's the party respondent. He's the Trustee for Yellow Poplar Lumber Company to  
25 make sure he's notified of that continuance.

26 **Bradley Lambert**: Okay, thank you gentlemen. Let's see, let me read those into the record while  
27 were here. Docket Number 14, a petition from EnerVest Operating, LLC for pooling of Well  
28 VCI-531534 Docket Number VGOB 19-0416-4208 will be continued until July. Docket Number  
29 15 a petition from EnerVest Operating LLC for pooling of Well VCI-531535, this is Nora Grid  
30 AJ-75. Docket Number VGOB 19-0416-4209 will be continued until July.

#### 31 **Item Number 16**

32 **Bradley Lambert**: Docket Number 16, a petition from EnerVest Operating, LLC for pooling of  
33 Unit VH-530556 Docket Number VGOB 19-0521-4211 continued until July.

1 **Bill Harris**: Mr. Chairman.

2 **Tim Scott**: 16, we are going to hear.

3 **Bradley Lambert**: Okay, we are going to hear 16. I'm sorry, just 13, 14 & 15. We're going to  
4 hear 16, we read it into the record, all parties wishing to testify please come forward.

5 **Tim Scott**: We're ready to roll.

6 **Bradley Lambert**: Okay.

7 **Tim Scott**: Tim Scott, Gus Janson and Chuck Akers for EnerVest Operating, LLC.

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

9 **Tim Scott**: Thank you Mr. Chairman. Mr. Akers, one more time; your name, job description and  
10 by whom you are employed?

11 **Chuck Akers**: Charles Akers, Jr., I'm employed by EnerVest Operating, LLC, Director of Land.

12 **Tim Scott**: You are familiar with this application, is that correct?

13 **Chuck Akers**: Yes, I am.

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

15 **Chuck Akers**: 420 acres.

16 **Tim Scott**: So it's depicted that multiple units along the straight line or the horizontal, is that  
17 correct?

18 **Chuck Akers**: That is correct.

19 **Tim Scott**: Are there any parties respondent we are going to dismiss today?

20 **Chuck Akers**: No, we are not.

21 **Tim Scott**: How was notice of this hearing provided to parties listed on Exhibit B3?

22 **Chuck Akers**: By certified mail, return receipt requested.

23 **Tim Scott**: There are proofs provided to the Board, is that correct?

24 **Chuck Akers**: Yes.

25 **Tim Scott**: Do we have any unknown or un-locatable parties for this unit?

26 **Chuck Akers**: No, we do not.

27 **Tim Scott**: EnerVest is authorized to transact business in the Commonwealth, is that right?

28 **Chuck Akers**: That is correct, yes.

1 **Tim Scott**: There's a bond on file?

2 **Chuck Akers**: Yes.

3 **Tim Scott**: What lease terms would you offer for any party listed on Exhibit B3 if you were to  
4 be able to reach an agreement?

5 **Chuck Akers**: \$25.00 an acre for a 5-year paid up lease with a 1/8 royalty.

6 **Tim Scott**: You consider this to be fair compensation for a lease in this area?

7 **Chuck Akers**: Yes, we do.

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

9 **Chuck Akers**: 91.94%.

10 **Tim Scott**: That includes both leased and simple ownership, is that right?

11 **Chuck Akers**: It does.

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

13 **Chuck Akers**: 8.06%.

14 **Tim Scott**: You just testified we have no unknowns or un-locatable, or we don't have any  
15 conflicts, is that right?

16 **Chuck Akers**: Yes, that is correct

17 **Tim Scott**: There is no escrow requirement, is that right?

18 **Chuck Akers**: Yes.

19 **Tim Scott**: You're requesting the Board to pool the unleased parties listed on Exhibit B3?

20 **Chuck Akers**: Yes, we are.

21 **Tim Scott**: And that EnerVest be named the Operator of this unit?

22 **Chuck Akers**: Yes.

23 **Tim Scott**: If the Board were to grant our application today and elections to be made under any  
24 order entered by the Board, what would be the address used for making such elections?

25 **Chuck Akers**: EnerVest Operating, LLC, 408 West Main Street, Abingdon, VA, 24210.  
26 Attention Chuck Akers.

27 **Tim Scott**: That would be the address for all communications, is that right?

28 **Chuck Akers**: Yes, it would.

29 **Tim Scott**: That's all I have for Mr. Akers.

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

2 **Bruce Prather**: Mr. Chairman.

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

4 **Bruce Prather**: Is this Well part of the Roaring Fork group that you got when you bought the  
5 thing from Range, you know there's 21 wells, is this one of them?

6 **Gus Janson**: This is a proposed well, are you talking about the acreage that is involved?

7 **Bruce Prather**: Yes.

8 **Gus Janson**: We're pooling it as the former ACIN acreage which is now controlled by a  
9 company out of Texas who is listed on the application.

10 **Bruce Prather**: The thing about it is if it is part of the Roaring Fork thing, I'm going to have to  
11 excuse myself.

12 **Gus Janson**: I'm not sure how the Roaring Fork partnership is, going forward of the changes in  
13 ownership.

14 **Bruce Prather**: We've got a working agreement with them and still have an interest in it, if it's  
15 one of those wells. There are 21 of them.

16 **Gus Janson**: Again, this is a new proposed well.

17 **Bruce Prather**: A new proposed well?

18 **Gus Janson**: Yes.

19 **Bruce Prather**: Is it on that group of 21?

20 **Gus Janson**: I don't think so. I don't know that for a fact because I'm not sure if I can identify  
21 the 21 wells.

22 **Bruce Prather**: All of those wells went into the Nora System, that's the reason Range bought  
23 them. And so is this North of the canyon on the Nora System in Wise County?

24 **Gus Janson**: This is off Rt. 72 just North of Coeburn, if that helps you.

25 **Bruce Prather**: Okay, that's pretty close.

26 **Gus Janson**: It's on that edge of Nora field or the Nora Acreage.

27 **Bruce Prather**: I think I'll probably excuse myself from this one.

28 **Bradley Lambert**: You may continue Mr. Scott.

29 **Tim Scott**: Mr. Janson; your name, to whom you're employed and your job description.

30 **Gus Janson**: My name is Gus Janson; I'm employed by EnerVest Operating, LLC as a geology  
31 advisor.

1 **Tim Scott**: Mr. Janson, we've had to make some revisions to our AFE today, is that correct?

2 **Gus Janson**: Correct.

3 **Tim Scott**: Please tell the Board what we're doing here.

4 **Gus Janson**: The proposed depth listed in the application, the AFE is incorrect. It's been  
5 transposed from the well plat which represented the lateral length of 8,500 but the actual total  
6 measured depth of the well would be 14,408.5 feet so we need to correct those pages and correct  
7 it in the application. I also will point out the AFE references the pay zone to be the Ravencliff,  
8 Big Lime and Weir, where it is actually proposed Lower Huron. This well is part of our  
9 coordination with the Department of Energy of the test well. This is the Lower Huron test well.  
10 It's part of that project. This would be the Lower Huron lateral horizontal. We've brought  
11 forward the vertical well that's also part of this project already that will be part of the monitoring  
12 well for this well.

13 **Tim Scott**: So we are going to provide a revised AFE in that application to correct reflecting  
14 these revisions is that correct?

15 **Gus Janson**: Correcting that measured depth of the well.

16 **Tim Scott**: Are you familiar the estimated reserves for the unit?

17 **Gus Janson**: Yes.

18 **Tim Scott**: What would those be?

19 **Gus Janson**: The estimated reserves of this unit is a little higher than normal, for the estimated  
20 gas to be recovered from this well due to the extended length of the horizontal of the proposed  
21 well.

22 **Tim Scott**: You are also familiar with the estimated cost of this well, is that correct?

23 **Gus Janson**: The estimated dry hole cost well is \$1,078,700.

24 **Tim Scott**: The completed well cost?

25 **Gus Janson**: The estimated completed Well cost is \$1,977,100.

26 **Tim Scott**: In your opinion, if the Board grants our application today, would it prevent waste,  
27 promote conservation and protect correlative rights?

28 **Gus Janson**: Yes it would.

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

30 **Bradley Lambert**: Did you say it was North of Coeburn? Just for our information, is this up on  
31 the old Paramount Surface Mines was?

32 **Gus Janson**: Yes, if you are familiar with what was designated as the Turkey Farm, it's on that  
33 property up there.

1 **Bradley Lambert**: Yes, Thank you, any questions from the Board? [No Response] Anything  
2 further Mr. Scott?

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

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

5 **Mary Quillen**: Motion to approve, including those corrections that you will be submitting to Mr.  
6 Cooper.

7 **Bill Harris**: Second.

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

10 **Board**: Yes.

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

12 **Bruce Prather**: I abstain.

13 **Donald Ratliff**: I abstain too.

14 **Bradley Lambert**: One abstention and second abstention from Mr. Prather and Mr. Ratliff.

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

16 **Bradley Lambert**: Thank you gentleman. I appreciate it.

17 **Item Number 17**

18 **Bradley Lambert**: Next item on the agenda, the Board will receive an update of the Board and  
19 Division activities from the staff, Mr. Cooper?

20 **Rick Cooper**: I just wanted to point out since the coal dismissal; we have now written checks as  
21 recorded during the last hearing, a little over 15,000 checks for \$20,183,569, we still have a  
22 balance of \$10 million in the account. It's almost we are getting deposits about the same rate we  
23 are actually disbursing out. The last several months, the escrow total hasn't changed much but  
24 there has been some success on the W-9's. I'm not sure exactly how many but there has been  
25 some discovery and Ms. Maney did write some checks out of the old W9 account. She'll report  
26 on that when she's here. We're still processing a lot of them, for example; if you see in May,  
27 \$37,000 is what she disbursed out. I would say; Sarah can correct me, I think that's about 2,000  
28 checks or close to that amount. A lot of these dockets have 200-400 people. I welcome any  
29 questions, if the Board has any?

30 **Bruce Prather**: Rick, do you think from now on, we don't have to worry about our funding for  
31 First State Bank on their help on this on the banking part of it? You know we had that problem  
32 with the previous bank.

33 **Rick Cooper**: For an awareness of the Board, the contract with the bank expires in December  
34 and I am sure that will be a pending issue that maybe in July Ms. Maney may speak of. The bank

1 gets 1% to manage these accounts and I guess when that contract was written five years ago and  
2 five years prior to that, it's become a bit more complicated. I don't know for sure but it would  
3 not surprise me to see she may ask 2-3% to manage this account. I think we are just getting .65 in  
4 interest, so everyone needs to be aware of that. I think the Board, if the Board directs me, we  
5 need to let her do that because in the end if the bank decides to not renew the contract which we  
6 could renew it for five more years, we have to start the bidding process at least ninety days prior  
7 for interviews and so forth.

8 **Mary Quillen**: They have done such a really good job of handling everything and reporting  
9 everything. I mean compared to what we have seen over the last number of years. I don't think  
10 we can risk losing them.

11 **Bruce Prather**: If we are going to stay at \$10 million as a balance on an annual basis, it looks to  
12 me like we would be in pretty good shape.

13 **Rick Cooper**: I would think that balance would drop and I think that is what their concern is too.  
14 They use this as capital investment money but I would think as we do address unknown or un-  
15 locatable and that type of thing in the near future I could see by this time next year, at least half  
16 of that account is disbursed, if not more. I think Ms. Maney and the associates at the bank are  
17 aware of that too and I think they will present that. I guess their welcoming us to let them come  
18 whenever the Board decides.

19 **Bradley Lambert**: I think we decided at last discussion it would be July, to come back in July?

20 **Rick Cooper**: Yes. She can bring her representative and introduce that again. We don't have to  
21 resolve in July but we probably need to get that process started.

22 **Mary Quillen**: I think your right; we don't want to be caught in between escrow agents.

23 **Rick Cooper**: Yes, that would be terrible.

24 **Paul Kugelman**: Just to break down to the Board, I think it's important. So out of the \$10  
25 million that is left, about \$3-4 million is unknown or un-locatable?

26 **Rick Cooper**: Yes, I think the way we have it currently structured. The information we gather by  
27 working with the companies and they've provided this to us, so we could be off a little bit but we  
28 are not off that much. There's about \$3 million in unknown or unlocatable and there's about  
29 \$2.4, or a little over \$2 million in titling litigation. It could resolve next week or it could be 10  
30 years, we really don't know that. We know there's about \$4 million that can be disbursed, as you  
31 see these disbursements coming forward, there more difficult now. There are multiple people and  
32 we have a lot of those issues. There's about \$4 million yet to disburse out of the coal dismissal.

33 **Mary Quillen**: The disbursement for May tells you that and how more complicated or how wide  
34 spread the people are.

35 **Rick Cooper**: That is correct and I believe it shows the migration of people over 2 or 3  
36 generations that we've been sending checks to over 30 states and we send a lot to Germany also,  
37 don't we Ms. Gilmer? We think those are Military people, we send them to Puerto Rico so over  
38 two or three generations, there's a great migration of people.

1 **Paul Kugelman**: What's the other \$6 million balance? We've talked about \$3 for unknown or  
2 un-locatable, a couple for contested gas right ownership, what's the balance?

3 **Rick Cooper**: So there's \$10 million total, we can say over \$3 of unknown or unlocatable, over  
4 \$2 million tied up on titling and over \$4 million on coal dismissals so that all adds up to \$10.1  
5 million.

6 **Paul Kugelman**: What do you mean by coal dismissals? I know what the coal dismissals are,  
7 who owns that gas?

8 **Rick Cooper**: Those are petitions that are bringing forward now; the \$4 million is disburseable  
9 funds.

10 **Paul Kugelman**: Okay, so that's where you're getting it could go down even further.

11 **Rick Cooper**: That is correct; we would think it would go down further.

12 **Paul Kugelman**: Thank you. It's going to be tough to get somebody to manage that.

13 **Rick Cooper**: Yes, it's very difficult to explain to the people the process. Ms. Maney has been  
14 really good; actually she's been excellent to work with. We've contacted her for a lot of items  
15 and she works well with the industry also, they have a great communication and if we could  
16 renew that contract, I think it would be beneficial to all parties.

17 **Bruce Prather**: As long as we're not selling principle to the bank.

18 **Rick Cooper**: I don't see that in the foreseeable future, if you do it on a percentage basis of  
19 whatever interest you're getting, you would never be in the principle balance.

20 **Paul Kugelman**: I don't think legally the Board could authorize spending out of the principle to  
21 pay for 3<sup>rd</sup> party management that would be a taking at some point.

22 **Rick Cooper**: Correct.

23 **Mary Quillen**: We granted that several years ago and before, we don't want that to happen  
24 again.

25 **Bradley Lambert**: Anything further Mr. Cooper?

26 **Rick Cooper**: No, sir that's it.

27 **Item Number 18**

28 **Bradley Lambert**: Two items, we will not have a June Board hearing. Most of the staff is going  
29 to be out of town on other issues and we have just a limited docket as well. Also, I would like to  
30 pose a question for the Board, are your iPad's working okay? Or are they slow or need  
31 upgraded? We just need feedback from the Board on how's that is working. If it's okay, then we  
32 will leave them alone but they are old and I see time for an upgrade if the Board felt like it? [No  
33 Response] Okay, we will keep these ones we got then, anything else? [No Response] The  
34 minutes from the last hearing, has the folks had a chance to review our minutes or are there any  
35 additions or corrections? If not, I'll ask for approval. [No Response]

- 1 **Donald Ratliff**: Motion to approve the minutes as presented.
- 2 **Mary Quillen**: Second.
- 3 **Bradley Lambert**: Any further discussions? I have a motion and I have a second. [No
- 4 Response] All in favor signify by saying yes.
- 5 **Board**: Yes.
- 6 **Bradley Lambert**: I'll entertain a motion to adjourn.
- 7 **Bill Harris**: Motion to adjourn.
- 8 **Bruce Prather**: Second.
- 9 **Bradley Lambert**: Thank you folks, we are adjourned.