

**STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT**

In re the Matter of the Application of Ascent :
Resources – Utica, LLC for Unit Operation : Application Date: June 22, 2022
:
:
Bannock N UNN BL Unit :

**APPLICATION OF ASCENT RESOURCES – UTICA, LLC
FOR UNIT OPERATION**

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**STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT**

In re the Matter of the Application of :
Ascent Resources – Utica, LLC for Unit :
Operation :
: :
Bannock N UNN BL Unit :

APPLICATION

Pursuant to R.C. 1509.28, Ascent Resources – Utica, LLC (“Ascent”) hereby respectfully requests the Chief of the Division of Oil and Gas Resources Management (“Division”) to issue an order authorizing Ascent to operate the Unitized Formation and applicable land area in Belmont County, Ohio (hereinafter, the “Bannock N UNN BL Unit”) as a unit according to the Unit Plan attached hereto and as more fully described herein. Ascent makes this request for, and unitization is necessary for, the purpose of increasing substantially the ultimate recovery of oil and natural gas, including related liquids, from the Unitized Formation, and to protect the correlative rights of unit owners, consistent with the public policy of Ohio to conserve and develop the state’s natural resources and prevent waste.

I.
APPLICANT INFORMATION

Ascent is a limited liability company organized under the laws of the State of Oklahoma, with its principal office located at 3501 NW 63rd Street, Oklahoma City, Oklahoma 73116. Ascent is registered as an “owner” with the Division and is in good standing with the Division.

Ascent designates to receive service, and respectfully requests that all orders, correspondence, pleadings, and documents from the Division and other persons concerning this filing be served upon, the following:

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II. PROJECT DESCRIPTION

The Bannock N UNN BL Unit is located in Belmont County, Ohio, and consists of seventy-six (76) separate tracts of land. See Exhibits A-1 and A-2 of the Unit Operating Agreement (showing the plat and tract participations, respectively). The total land area in the Bannock N UNN BL Unit is approximately 669.882 acres¹ and, at the time of this Application, Ascent has the right to drill on and produce from 533.457 acres of the proposed unit – i.e., more than 79% of the unit area, which is well above the sixty-five percent (65%) threshold required by R.C. 1509.28. Ascent seeks a unit order because there are unleased tracts within the Bannock N UNN BL Unit as well as tracts whose ownership may be in question.

Overall, Ascent seeks this unit order to allow it to develop the entirety of the Bannock N UNN BL Unit in accordance with the Unit Plan to protect the correlative rights of all of the interest owners in the unit and prevent the waste of natural resources that would otherwise occur. To effectively and efficiently develop the Unit Area, therefore, Ascent seeks authorization from the Division, as more specifically described herein, to drill and complete two (2) horizontal well(s) in the Unitized Formation, from a well pad located outside the southern end of the unit to efficiently test, develop, operate and produce the Unitized Formation for oil, natural gas, and related liquids production.

Ascent's plan for unit operations (the "Unit Plan") is attached to this Application as Attachment 1. Among other things, the Unit Plan allocates unit production and expenses based upon each tract's surface acreage participation in the unit, includes various operating provisions in the event that other entities or persons become owners in the unit, as that term is understood in the Ohio Revised Code, and conforms to industry standards for the drilling and operating of horizontal wells.

¹ Acreage in the Bannock N UNN BL Unit was calculated using a combination of on-the-ground survey data and deed acreage.

III.
THE CHIEF SHOULD GRANT THIS APPLICATION

A Contents of Application

Pursuant to the Division's *Unitization Application Procedural Guideline* (dated February 1, 2022), a unitization application must include the following:

1. A cover letter requesting unitization.
 - See the cover letter and this Application.
2. An affidavit attesting that the applicant is the owner (as defined in Revised Code Section 1509.01(K)) of at least 65% of the land overlying the pool that is the subject of the unitization request.
 - See Exhibit 9.²
3. A summary of the request for unitization that includes all of the following information:
 - a. A statement describing the reasons why unitization is necessary;
 - b. A description of the plan for development of the unit;
 - c. An identification of the geologic formation(s) to be developed;
 - d. An identification of the amount of acreage included in the unit and how the acreage was determined;
 - e. An estimate of the value of the recovery and net PV10 of oil and gas for each well proposed to be drilled in the unit area;
 - f. An estimate of the cost to drill and operate each well in the proposed unit, including an explanation of what costs are included in the estimate; and
 - g. A designated contact person for the applicant for communication purposes with the Division, including legal counsel for the applicant (if applicable).
 - See entirety of this Application, and in particular Sections II and III(C).
4. A plat map of the unit that identifies the counties, townships, section numbers, parcel boundaries, and all parcels in the unit, including the tract and corresponding parcel number.
 - See Exhibit A-1 to the Unit Operating Agreement.
5. A list identifying all mineral owners in the proposed unit, leased or unleased, that includes the name, current address, parcel number, and respective acreage of each mineral owner. If a mineral owner is a corporation or other business entity, the name of a contact person within that corporation or business.
 - See Exhibit A-2 to the Unit Operating Agreement.
6. A list identifying all unleased mineral owners that includes the name, current address, parcel number, and respective acreage of each unleased mineral owner. If an unleased mineral owner is a corporation or other business entity, the name of a contact person within that corporation or business.
 - See Exhibit A-3 to the Unit Operating Agreement.
7. A list identifying all committed working interest owners in the proposed unit that includes the name, current address, parcel number, and respective acreage of each

² References to Exhibit 1 through Exhibit 11 refer to those exhibits in Attachment 2.

committed working interest owner. If a committed working interest owner is a corporation or other business entity, the name of a contact person within that corporation or business.

- See Exhibit A-4 to the Unit Operating Agreement.

8. A list identifying all uncommitted working interest owners in the proposed unit that includes the name, current address, parcel number, and respective acreage of each uncommitted working interest owner. If an uncommitted working interest owner is a corporation or other business entity, the name of a contact person within that corporation or business.

- See Exhibit A-5 to the Unit Operating Agreement.

9. A list identifying all parcels subject to pending ownership litigation.

- See Exhibit A-6 to the Unit Operating Agreement.

10. A mailing list in Microsoft Excel® format containing only the names and addresses of all mineral owners (leased and unleased) and all working interest owners (committed and uncommitted).

- This list is to be uploaded to the Division's FTP site.

11. A map that shows all of the following:

- a. The boundary of the proposed unit area;
- b. The total acreage of the proposed unit area;
- c. The proposed location of the well pad(s) and wells to be drilled that complies with state setback and spacing requirements;
- d. The tracts of land within the unit area that are leased to the applicant, shown in yellow;
- e. The tracts of land within the unit area that are unleased, shown in red;
- f. The tracts of land within the unit area that are leased to other operators (i.e., uncommitted working interest owners), including an identification of the operators, shown in green;
- g. A four hundred foot boundary around each property in the unit that is not leased by the applicant or that is not subject to an agreement with the applicant;
- h. Identification of each tract within the unit area by parcel number of a size that is legible; and
- i. The scale.

- See Exhibit 3.

12. An aerial photograph of a size that is legible that shows all of the following:

- a. The boundary of the proposed unit area;
- b. The proposed location of the well pad(s) and wells to be drilled;
- c. The tracts of land within the proposed unit area that are unleased outlined in red;
- d. Identification of each tract within the unit area by tract number and corresponding parcel number of a size that is legible; and
- e. The scale.

- See Exhibit 4.
13. A gamma ray-density or gamma-ray resistivity geophysical type log identifying the proposed geological formations to be produced.
- See Exhibit 2.
14. A cross-section showing the applicable formations that the applicant is proposing to drill into and produce from in the unit area.
- See Exhibit 1 and Exhibit 2.
15. A map showing all existing units adjacent to the unit proposed in the application with an identification of any permitted, drilled, and/or producing wells in the existing units.
- See Exhibit 6.
16. An exhibit showing unitized and non-unitized scenarios for each well proposed to be drilled in the proposed unit area and assuming the spacing requirements of R.C. Chapter 1509 and/or Ohio Admin. Code 1501:9: (a) an estimate of the cost to drill and operate, (b) the value of recovery, and (c) the net PV10 of oil and gas.
- a. See Exhibit 5.
17. An exhibit showing the locations and distances of the well(s) to the proposed unit area and an identification of the well(s) by name, permit number, lateral length, and production start date that reserve calculations were based upon.
- See Exhibit 7.
18. An affidavit attesting to attempts to lease the unleased mineral owners and the attempts to commit working interest owners and an exhibit in the form of a spreadsheet that shows the attempts to lease the unleased mineral owners and the attempts to commit working interest owners that includes:
- a. The tract number and parcel number;
 - b. The mineral owner's name;
 - c. The dates of all attempts;
 - d. The address at which the contact was made or attempted;
 - e. The person who was contacted, how contact was made, and by whom;
 - f. The response given by the unleased mineral owner when contacted; and
 - g. Any joint venture or farmout proposal to another operator, if applicable.
- See Exhibit 8.
19. An affidavit attesting that the applicant acted with due diligence to identify all mineral interest owners and their current addresses within the proposed unit.
- See Exhibit 10.
20. A copy of a joint operating agreement for working interest partners, if applicable.
- See Attachment 1.
21. An affidavit attesting to a valid joint venture or other agreements for the proposed unit that discloses all joint venture partners.
- a. Not applicable.

22. Prefilled testimony of a geologist, an engineer, and a landman.

a. See Attachments 3, 4, and 5.

23. Any additional information that the applicant determines is beneficial for the Chief to consider in support of its request.

- See entirety of Application.

Ascent has submitted all of the required information.

B. Legal Standard

R.C. 1509.28 requires the Chief of the Division to issue an order providing for the unit operation of a pool – or a part thereof – if it is reasonably necessary to increase substantially the ultimate recovery of oil and gas, and the value of the estimated additional resource recovery from the unit’s operations exceeds its additional costs. See R.C. 1509.28(A).

The Chief’s order must be on terms and conditions that are just and reasonable and prescribe a plan for unit operations that includes the following:

- (1) a description of the unit area;
- (2) a statement of the nature of the contemplated operations;
- (3) an allocation of production from the unit area not used in unit operations, or otherwise lost, to the separately owned tracts;
- (4) a provision addressing credits and charges to be made for the investment in wells, tanks, pumps, and other equipment contributed to unit operations by owners in the unit;
- (5) a provision addressing how unit operation expenses shall be determined and charged to the separately owned tracts in the unit, and how they will be paid;
- (6) a provision, if necessary, for carrying someone unable to meet their financial obligations in connection with the unit;
- (7) a provision for the supervision and conduct of unit operations in which each person has a vote with a value corresponding to the percentage of unit operations expenses chargeable against that person’s interest;
- (8) the time when operations shall commence and the manner in which, and circumstances under which, unit operations will terminate; and
- (9) such other provisions appropriate for engaging in unit operations and for the protection or adjustment of correlative rights.

See R.C. 1509.28(A). The Chief’s order becomes effective once approved in writing by those owners who will be responsible for paying at least sixty-five percent (65%) of the costs of the unit’s operations and by royalty and unleased fee-owners of sixty-five percent (65%) of the unit’s acreage. Once effective, production that is “allocated to a separately owned tract shall be deemed, for all purposes, to have been actually produced from such tract, and all operations *** [conducted] upon any portion of the unit area shall be deemed for all purposes the conduct of such operations and production from any lease or contract for lands any portion of which is included in the unit area.” R.C. 1509.28(B)(2).

C. Ascent's Application Meets this Standard

i. *The Unitized Formation is Part of a Pool*

The “Unitized Formation” consists of the subsurface portion of the Unit Area (i.e., the lands shown on Exhibit A-1 and identified in Exhibit A-2 to the Unit Operating Agreement) at a stratigraphic interval that is from the top of the Utica Shale formation to the base of the Utica Shale formation, which is also the base of the Point Pleasant interval, and frequently referred to as the Utica/Point Pleasant Formation. The evidence presented with this Application and at the hearing will establish that the Unitized Formation is part of a pool and, thus, an appropriate subject of unit operation under R.C. 1509.28.³ Additionally, that evidence will establish that the Unitized Formation is likely to be reasonably uniformly distributed throughout the Unit Area and thus, it is reasonable for the Unit Plan to allocate unit production and expenses to separately owned tracts on a surface acreage basis.

ii. *Unit Operations Are Reasonably Necessary to Increase Substantially the Ultimate Recovery of Oil and Gas*

The evidence presented in this Application establishes that unit operations are reasonably necessary to increase substantially the ultimate recovery of oil and gas from the lands making up the Bannock N UNN BL Unit. The Unit Plan contemplates the potential drilling of two (2) horizontal well(s) 12,513 and 12,530 feet in completed lateral length.⁴ Ascent estimates that operations under the requested unit order will substantially increase the ultimate resource recovery from this unit if the well(s) are drilled by approximately 41.382 BCFe of natural gas from the Unitized Formation.⁵ Absent an order authorizing unit operations, Ascent would not be able to develop the Unitized Formation beneath the proposed Bannock N UNN BL Unit, leaving that 41.382 BCFe of natural gas stranded.

iii. *The Value of Additional Recovery Exceeds Its Additional Costs*

The evidence presented in this Application establishes that the value of the estimated additional recovery (i.e., the 41.382 BCFe of natural gas referred to above) has an estimated net present value (discounted at a 10% rate) of approximately \$54.696 million and an estimated undiscounted value of \$123.217 million, meaning that the value of that additional resource recovery exceeds the estimated additional costs incident to conducting unit operations to obtain

³ A “pool” is defined under Ohio law as “an underground reservoir containing a common accumulation of oil or gas, or both, but does not include a gas storage reservoir.” R.C. 1509.01(E).

⁴ See Exhibit 3.

⁵ See Exhibit 5. We emphasize that these are only estimates, and like the rest of the estimates set forth in this Application, they should be treated as simply estimates based upon the best information available at the time.

such additional recovery.⁶ See Exhibit 5, showing for each proposed well the estimated value of each well's production and the estimated drilling and operating costs (incorporated here as if fully rewritten herein). In particular, it shows that the capital/drilling costs will be approximately \$16.677 million, and the estimated total operating costs for the first 5 years of production will be approximately \$3,508,340 averaging to approximately \$701,668 per year.

iv. *The Unit Plan Meets the Requirements of R.C. 1509.28*

The Unit Plan proposed by Ascent meets the requirements set forth in R.C. 1509.28. The unit area is described in the Unit Plan at Article 1, as well as on Exhibits A-1 and A-2 to the Unit Operating Agreement. The nature of the contemplated unit operations can be found generally in the Unit Plan at Article 3, with greater specificity throughout, including the Unit Operating Agreement. Unit production and unit expenses are allocated on a surface acreage basis as set forth in the Unit Plan at Articles 3 through 5 (generally), except where otherwise allocated by the Unit Operating Agreement. Payment of unit expenses is addressed generally in Article 3 of the Unit Plan. The Unit Plan provides for payment of costs by other working interest owners in the event a participant is unable to meet its financial obligations related to the unit - see, e.g., Article VI of the Unit Operating Agreement. Voting provisions related to the supervision and conduct of unit operations are set forth in Article 14 of the Unit Plan, with each person having a vote that has a value corresponding to the percentage of unit expenses chargeable against that person's interest. And the commencement and termination of operations are addressed in Articles 11 and 12 of the Unit Plan.⁷

IV.
HEARING

R.C. 1509.28 requires the Chief to hold a hearing to consider this Application when requested by sixty-five percent (65%) of the owners of the land area underlying the proposed unit. R.C. 1509.28(A). That threshold level is met here. See Exhibit 9. Accordingly, Ascent respectfully requests that the Division schedule a hearing on this Application.

V.
CONCLUSION

R.C. 1509.28 requires the Chief of the Division to issue an order for the unit operation of a pool or a part thereof if it is reasonably necessary to increase substantially the recovery of oil

⁶ *Id.*

⁷ See Attachment 1 generally.

and gas, and the value of the estimated additional recovery from the unit's operations exceeds its estimated additional costs. Ascent respectfully submits that the Application meets this standard, and that the terms and conditions of the Unit Plan are just and reasonable and satisfy the requirements of R.C. 1509.28(B). Ascent therefore asks the Chief to issue an order authorizing Ascent to operate the Bannock N UNN BL Unit according to the Unit Plan attached hereto.

Respectfully submitted,

s/James A. Carr II

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Ascent Resources – Utica, LLC

PLAN FOR UNIT OPERATIONS

BANNOCK N UNN BL UNIT **UNION AND WHEELING TOWNSHIP(S)** **BELMONT COUNTY, OHIO**

The following shall constitute the Plan for Unit Operations applicable to the Bannock N UNN BL Unit in Union and Wheeling Township(s), Belmont County, Ohio and having as its purpose the unitized management, operation, and development of the Unitized Formation as herein defined, to advance the public welfare and promote conservation, to increase the ultimate recovery of oil, natural gas, and other substances therefrom, and to avoid waste and protect the correlative rights of the owners of interests therein.

ARTICLE 1: DEFINITIONS

As used in this Plan for Unit Operations:

Division refers to the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management.

Effective Date is the time and date this Plan becomes effective as provided in Article 11.

Oil and Gas Rights are the rights to investigate, explore, prospect, drill, develop, produce, market, transport, and operate within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof, including without limitation the conducting of exploration, geologic and/or geophysical surveys by seismograph, core test, gravity and/or magnetic methods, the injecting of gas, water, air or other fluids into the Unitized Formation, the installation, operation and maintenance of monitoring facilities, the laying of pipelines, building of roads, tanks, power stations, telephone lines, and/or other structures.

Person is any individual, corporation, partnership, association, receiver, trustee, curator, executor, administrator, guardian, fiduciary, or other representative of any kind, any department, agency, or instrumentality of the state, or any governmental subdivision thereof, or any other entity capable of holding an interest in the Unitized Substances or Unitized Formation.

Plan means this Plan for Unit Operations for the Bannock N UNN BL Unit in Union and Wheeling Township(s), Belmont County, Ohio, including, unless otherwise expressly mentioned, any and all attachments and exhibits hereto.

Royalty Interest means a right to or interest in any portion of the Unitized Substances or proceeds from the sale thereof, other than a Working Interest.

Royalty Owner is a Person who owns a Royalty Interest.

Tract means the land identified by a tract number in Exhibit A-2 to the Unit Operating Agreement.

Tract Participation means the fractional interest shown on Exhibit A-2 to the Unit Operating Agreement for allocating Unitized Substances to a Tract.

Uncommitted Working Interest Owner is a Working Interest Owner, other than an Unleased Mineral Owner, who has not agreed to, ratified or otherwise approved this Plan. Uncommitted Working Interest Owners are likely, but not necessarily, to have obtained their interest by lease.

Unit Area (or "Contract Area") means the lands shown on the plat attached as Exhibit A-1 and identified on Exhibit A-2 to the Unit Operating Agreement, including also areas to which this Plan may be extended as herein provided.

Unit Equipment means all personal property, lease and well equipment, plants, and other facilities and equipment taken over or otherwise acquired for the unit account for use in Unit Operations.

Unit Expense means all cost, expense, investment and indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this Plan for or on account of Unit Operations.

Unitized Formation means the subsurface portion of the Unit Area at a stratigraphic interval that is from the top of the Utica Shale formation to the base of the Utica Shale formation, which is also the base of the Point Pleasant interval.

Unit Operating Agreement means the modified A.A.P.L. Form 610-1989 Model Form Operating Agreement that is attached hereto and incorporated herein by reference as if fully rewritten herein and to which all Working Interest Owners are deemed to be parties; provided, however, that in the event two or more Working Interest Owners have agreed to a separate joint operating agreement relating to the supervision and conduct of unit operations contemplated herein, such operating agreement shall control. The Unit Operating Agreement contains provisions for credits and charges among Working Interest Owners for their respective investments in, and expenses for, Unit Operations, including a provision, if necessary, for carrying any Person unable or electing not to participate in Unit Operations. In addition, the Unit Operating Agreement also contains provisions relating to the supervision and conduct of Unit Operations and the manner in which Working Interest Owners may vote. In the event of a conflict between the terms of the Unit Operating Agreement and the other terms of this Plan, excluding the Unit Operating Agreement, such other terms of this Plan shall govern.

Unit Operations are all operations conducted pursuant to this Plan.

Unit Operator is the Person designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations.

Unit Participation is the sum of the interests obtained by multiplying the Working Interest of a Working Interest Owner in each Tract by the Tract Participation of such Tract.

Unitized Substances are all oil, gas, gaseous substances, sulfur, condensate, distillate, and all associated and constituent liquid or liquefiable hydrocarbons within or produced from the Unitized Formation.

Unleased Mineral Owner is a Person who owns Oil and Gas Rights free of a lease or other instrument conveying all or any portion of the Working Interest in such rights to another.

Working Interest means an interest in Unitized Substances in the Unit Area by virtue of a lease, operating agreement, fee title, or otherwise, including a carried interest, the owner of which is obligated to pay, either in cash or out of production or otherwise, a portion of the Unit Expense; however, Oil and Gas Rights that are free of a lease or other instrument creating a Working Interest shall be regarded as a Working Interest to the extent of 87.5% thereof and a Royalty Interest to the extent of the remaining 12.5% thereof, such Royalty Interest to be subject to any post-production costs, taxes, assessments and other fees as may be set forth in the Unit Operating Agreement. A Royalty Interest created out of a Working Interest subsequent to the participation of, subscription to, ratification of, approval by, or consent to this Plan by the owner of such Working Interest shall continue to be subject to such Working Interest burdens and obligations that are stated in this Plan.

Working Interest Owner is a Person who owns a Working Interest.

ARTICLE 2: CREATION AND EFFECT OF UNIT

Oil and Gas Rights Unitized. All Royalty Interests and Working Interests in Oil and Gas Rights in and to the lands identified on Exhibits A-1 and A-2 to the Unit Operating Agreement are hereby unitized insofar as, and only insofar as, the respective Oil and Gas Rights pertain to the Unitized Formation, so that Unit Operations may be conducted with respect to the Unitized Formation as if the Unit Area had been included in a single lease executed by all Royalty Owners, as lessors, in favor of all Working Interest Owners, as lessees, and as if the lease contained all of the provisions of this Plan.

Personal Property Excepted. All lease and well equipment, materials, and other facilities heretofore or hereafter placed by any of the Working Interest Owners on the lands covered hereby shall be deemed to be and shall remain personal property belonging to, and may be removed by,

Working Interest Owners with the prior consent of Unit Operator. The rights and interests therein, as among Working Interest Owners, are set forth in the Unit Operating Agreement.

Continuation of Leases and Term Interests. Unit Operations conducted upon any part of the Unit Area or production of Unitized Substances from any part of the Unitized Formation, except for the purpose of determining payments to Royalty Owners, shall be considered as operations upon or production from each portion of each Tract, and such production or operations shall continue in effect each lease or term, mineral or Royalty Interest, as to all Tracts and formations covered or affected by this Plan just as if such Unit Operations had been conducted and a well had been drilled on and was producing from each portion of each Tract. Each lease shall remain in full force and effect from the date of execution hereof until the Effective Date, and thereafter in accordance with its terms and this Plan.

Titles Unaffected by Unitization. Nothing herein shall be construed to result in any transfer of title to Oil and Gas Rights by any Person to any other Person or to Unit Operator.

Pre-existing Conditions in Unit Area. Working Interest Owners shall not be liable for or assume any obligation with respect to (i) the restoration or remediation of any condition associated with the Unit Area that existed prior to the Effective Date of this Plan, or (ii) the removal and/or plugging and abandonment of any wellbore, equipment, fixtures, facilities or other property located in, on or under the Unit Area prior to the Effective Date of this Plan.

ARTICLE 3: UNIT OPERATIONS

Unit Operator. Unit Operator shall have the exclusive right to conduct Unit Operations, which shall conform to the provisions of this Plan.

Unit Expenses. All Unit Expenses shall be just and reasonable, and shall be charged as set out in the Unit Operating Agreement. Except as otherwise provided in the Unit Operating Agreement, Unit Expenses shall be allocated to each Tract based upon its Tract Participation, and shall be paid by the Tract's Working Interest Owners.

ARTICLE 4: TRACT PARTICIPATIONS

Tract Participations. The Tract Participation of each Tract is identified in Exhibit A-2 to the Unit Operating Agreement and is determined upon an acreage basis as the proportion that the Tract surface acreage of an interest owner bears to the total surface acreage of the Unit Area, calculated as follows: INTEREST OWNER SURFACE ACRES IN EACH TRACT, BEING THE INTEREST OWNER'S DECIMAL INTEREST IN THE TRACT MULTIPLIED BY THE TRACT'S SURFACE ACRES WITHIN THE UNIT AREA, DIVIDED BY THE TOTAL SURFACE ACRES WITHIN THE UNIT AREA. The Tract Participations as shown in Exhibit A-2 to the Unit Operating Agreement are accepted and approved as being fair and equitable.

ARTICLE 5: ALLOCATION OF UNITIZED SUBSTANCES

Allocation of Unitized Substances. All Unitized Substances produced and saved shall be allocated to the several Tracts in accordance with the respective Tract Participations effective during the period that the Unitized Substances were produced. The amount of Unitized Substances allocated to each Tract, regardless of whether the amount is more or less than the actual production of Unitized Substances from the well or wells, if any, on such Tract, shall be deemed for all purposes to have been produced from such Tract.

Distribution Within Tracts. The Unitized Substances allocated to each Tract or portion thereof shall be distributed among, or accounted for to, the Persons entitled to share in the production from such Tract or portion thereof in the same manner, in the same proportions, and upon the same conditions as they would have participated and shared in the production from such Tract, or in the proceeds thereof, had this Plan not been entered into, and with the same legal effect. If any Oil and Gas Rights in a Tract hereafter become divided and owned in severalty as to different parts of the Tract, the owners of the divided interests, in the absence of an agreement providing for a different division, shall share in the Unitized Substances allocated to the Tract, or in the proceeds thereof, in proportion to the surface acreage of their respective parts of the Tract. Any

royalty or other payment which depends upon per well production or pipeline runs from a well or wells on a Tract shall, after the Effective Date, be determined by dividing the Unitized Substances allocated to the Tract by the number of wells on the Tract capable of producing Unitized Substances on the Effective Date; however, if any Tract has no well thereon capable of producing Unitized Substances on the Effective Date, the Tract shall, for the purpose of this determination, be deemed to have one (1) such well thereon.

ARTICLE 6: USE OR LOSS OF UNITIZED SUBSTANCES

Use of Unitized Substances. Working Interest Owners may use or consume Unitized Substances for Unit Operations, including but not limited to, the injection thereof into the Unitized Formation.

Royalty Payments. No royalty, overriding royalty, production, or other payments shall be payable on account of Unitized Substances used, lost, or consumed in Unit Operations, including without limitation the testing of the productivity of any wells drilled in the Unit Area. Royalty payments shall be made to Unleased Mineral Owners beginning with the initial distribution date for production of Unitized Substances from any well within the Bannock N UNN BL Unit.

ARTICLE 7: TITLES

Warranty and Indemnity. Each Person who, by acceptance of produced Unitized Substances or the proceeds from a sale thereof, may claim to own a Working Interest or Royalty Interest in and to any Tract or in the Unitized Substances allocated thereto, shall be deemed to have warranted its title to such interest, and, upon receipt of the Unitized Substances or the proceeds from a sale thereof to the credit of such interest, shall indemnify and hold harmless all other Persons in interest from any loss due to failure, in whole or in part, of its title to any such interest; provided, however, that nothing in this provision shall apply to Unleased Mineral Owners.

Production Where Title is in Dispute. In the event of a possible adverse claim regarding the title or right of any Person claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract or the proceeds from a sale thereof, Unit Operator may: Require that the Person to whom such Unitized Substances are delivered or to whom the proceeds from a sale thereof are paid furnish security for the proper accounting therefor to the rightful owner or owners if the title or right of such Person fails in whole or in part; or withhold and market the portion of Unitized Substances with respect to which title or right may be in dispute, and hold the proceeds thereof until such time as the title or right thereto is established by a final judgment of a court of competent jurisdiction or otherwise to the satisfaction of Unit Operator, whereupon the proceeds so held shall be paid to the Person rightfully entitled thereto.

Transfer of Title. Any conveyance of all or any part of any interest owned by any Person hereto with respect to any Tract shall be made expressly subject to this Plan. No change of title shall be binding upon Unit Operator, or upon any Person hereto other than the Person so transferring, until 7:00 a.m. on the first day of the calendar month next succeeding the date of receipt by Unit Operator of a certified copy of the recorded instrument evidencing such change in ownership.

ARTICLE 8: EASEMENTS, GRANTS, OR USE OF SURFACE

Grant of Easements. Subject to the terms and conditions of the various leases, Unit Operator shall have the right of ingress and egress along with the right to use as much of the surface of the land within the Unit Area as may be reasonably necessary for Unit Operations and the removal of Unitized Substances from the Unit Area.

Use of Water. The following shall apply subject to the terms and conditions of the various leases: Unit Operator shall have and is hereby granted free use of water from the Unit Area for Unit Operations, except water from any well, lake, pond, or irrigation ditch of a Royalty Owner. Unit Operator may convert dry or abandoned wells in the Unit Area for use as water supply or disposal wells.

Surface Damages. Subject to the terms and conditions of the various leases, Working Interest Owners shall reimburse the owner for the market value prevailing in the area of growing crops, livestock, timber, fences, improvements, and structures on the Unit Area that are destroyed or damaged as a result of Unit Operations.

Unleased Property. Notwithstanding anything in this Article 8 to the contrary, and except where otherwise authorized by the Division, there shall be no Unit Operations conducted on the surface of any property located within the Bannock N UNN BL Unit, and there shall be no right of ingress and egress over and no right to use the surface waters of any surface lands located within the Bannock N UNN BL Unit, owned by a non-consenting Unleased Mineral Owner.

ARTICLE 9: CHANGE OF TITLE

Covenant Running with the Land. This Plan shall extend to, be binding upon, and inure to the benefit of the owners of the Royalty Interests and Working Interests in Oil and Gas Rights unitized hereby, and the respective heirs, devisees, legal representatives, successors, and assigns thereof, and shall constitute a covenant running with the lands, leases, and interests impacted hereby.

Waiver of Rights of Partition. No Person affected hereby shall resort to any action to, and shall not, partition Oil and Gas Rights, the Unit Area, the Unitized Formation, the Unitized Substances or the Unit Equipment.

ARTICLE 10: RELATIONSHIPS OF PERSONS

No Partnership. All duties, obligations, and liabilities arising hereunder shall be several and not joint or collective. This Plan is not intended to and shall not be construed to create an association or trust, or to impose a partnership or fiduciary duty, obligation, or liability. Each Person affected hereby shall be individually responsible for its own obligations.

No Joint or Cooperative Refining, Sale or Marketing. This Plan is not intended and shall not be construed to provide, directly or indirectly, for any joint or cooperative refining, sale or marketing of Unitized Substances.

ARTICLE 11: EFFECTIVE DATE

Effective Date. This Plan shall become effective as of, and operations may commence hereunder as of, 7:00 A.M. on the date of an effective order approving this unit by the Division in accordance with the provisions of Ohio Revised Code Section 1509.28; provided, however, that Working Interest Owners may terminate this Plan in the event of a material modification by the Division of all or any part of this Plan in such order by filing a notice of termination with the Division within thirty (30) days of such order becoming final and no longer subject to further appeal. In the event a dispute arises or exists with respect to this Plan, or the order approving this unit issued by the Division, Unit Operator may, in its sole discretion, hold the revenues from the sale of Unitized Substances until such time as such dispute is resolved or, in the Unit Operator's opinion, it is appropriate to distribute such revenues.

ARTICLE 12: TERM

Term. This Plan, unless sooner terminated in the manner hereinafter provided, shall remain in effect for five (5) years from the Effective Date and as long thereafter as Unitized Substances are produced, or are capable of being produced, in paying quantities from the Unit Area without a cessation of more than one hundred and eighty (180) consecutive days, or so long as other Unit Operations are conducted without a cessation of more than one hundred and eighty (180) consecutive days, unless sooner terminated by Working Interest Owners owning a combined Unit Participation of fifty-one percent (51%) or more whenever such Working Interest Owners determine that Unit Operations are no longer warranted. The date of any termination hereunder shall be known as the "Termination Date."

Effect of Termination. Upon termination of this Plan, the further development and operation of the Unitized Formation as a unit shall cease. Each oil and gas lease and other agreement covering lands within the Unit Area shall remain in force for one hundred eighty (180) days after the date on which this Plan terminates, and for such further period as is provided by the lease or other agreement. The relationships among owners of Oil and Gas Rights shall thereafter be governed by the terms and provisions of the leases and other instruments, not including this Plan, affecting the separate Tracts.

Certificate of Termination. Upon termination of this Plan, Unit Operator shall file with the Division and for record in the counties in which the land affected is located a certificate stating that this Plan has terminated and the Termination Date.

Salvaging Equipment Upon Termination. If not otherwise granted by the leases or other instruments affecting the separate Tracts, Working Interest Owners shall have a period of six (6) months after the Termination Date within which to salvage and remove Unit Equipment.

ARTICLE 13: APPROVAL

Original, Counterpart, or Other Instrument. An owner of Oil and Gas Rights or its agent may approve this Plan by signing the original, a counterpart thereof, or other instrument approving this Plan. The signing of any such instrument shall have the same effect as if all Persons had signed the same instrument.

Commitment of Interests to Unit. The approval of this Plan by a Person or their agent shall bind that Person and commit all interests owned or controlled by that Person as of the date of such approval, and additional interests thereafter acquired.

Joinder in Dual Capacity. Execution as herein provided by any Person, as either Working Interest Owner or a Royalty Owner, shall commit all interests owned or controlled by such Person as of the date of such execution and any additional interest thereafter acquired.

ARTICLE 14: MISCELLANEOUS

Determinations by Working Interest Owners. Each Working Interest Owner shall have a voting interest equal to its Unit Participation. All decisions, determinations, or approvals by Working Interest Owners hereunder shall be made by the affirmative vote of one or more parties having a combined voting interest of at least fifty one percent (51%). No vote, however, is required for such determinations if the Unit Operator owns or controls fifty one percent (51%) or more of the Working Interest in the Unit Area.

Severability of Provisions. The provisions of this Plan are severable and if any section, sentence, clause or part thereof is held to be invalid for any reason, such invalidity shall not be construed to affect the validity of the remaining provisions of this Plan.

Laws and Regulations. This Plan shall be governed by and subject to the laws of the State of Ohio, to the valid rules, regulations, orders and permits of the Division, and to all other applicable federal, state, and municipal laws, rules, regulations, orders, and ordinances. Any change of the Unit Area or any amendment to this Plan shall be in accordance with Ohio law.

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

June 22 , 2022 ,

OPERATOR Ascent Resources – Utica, LLC

CONTRACT AREA Bannock N UNN BL Unit, as described in Exhibit “A”

(669.882 acres)

COUNTY OF Belmont , STATE OF Ohio

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OPERATING AGREEMENT

THIS AGREEMENT, entered into by and between Ascent Resources – Utica, LLC, hereinafter designated and referred to as "Operator," and the signatory party or parties other than Operator, sometimes hereinafter referred to individually as "Non-Operator," and collectively as "Non-Operators."

WITNESSETH:

WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land identified in Exhibit "A," and the parties hereto have reached an agreement to explore and develop these Leases and/or Oil and Gas Interests for the production of Oil and Gas to the extent and as hereinafter provided,

NOW, THEREFORE, it is agreed as follows:

ARTICLE I. DEFINITIONS

As used in this agreement, the following words and terms shall have the meanings here ascribed to them:

A. The term "AFE" shall mean an Authority for Expenditure prepared by a party to this agreement for the purpose of estimating the costs to be incurred in conducting an operation hereunder.

B. The term "Completion" or "Complete" shall mean a single operation intended to complete a well as a producer of Oil and Gas in one or more Zones, including, but not limited to, the setting of production casing, perforating, well stimulation and production testing conducted in such operation.

C. The term "Contract Area" or "Unit Area" shall mean all of the lands, Oil and Gas Leases and/or Oil and Gas Interests intended to be Developed and operated for Oil and Gas purposes under this agreement. Such lands, Oil and Gas Leases and Oil and Gas Interests are described in Exhibit "A." **See also Article XVI.K. except as provided in Article I.X.**

D. The term "Deepen" shall mean a single operation whereby a well is drilled to an objective Zone below the deepest Zone in which the well was previously drilled, or below the Deepest Zone proposed in the associated AFE, whichever is the lesser.

E. The terms "Drilling Party" and "Consenting Party" shall mean a party who agrees to join in and pay its share of the cost of any operation conducted under the provisions of this agreement.

F. The term "Drilling Unit" shall mean the area fixed for the drilling of one ~~well~~ ^{or more wells} / by order or rule of any state or federal body having authority. **Operator in its sole discretion so long as consistent with any restrictions in the Oil and Gas Leases or by applicable law.** If a Drilling Unit is not fixed by any such rule or order, a Drilling Unit shall be the drilling unit as established by the ~~pattern of drilling in the Contract Area unless fixed by express agreement of the Drilling Parties.~~ **See also Article XVI.K.**

G. The term "Drillsite" shall mean the Oil and Gas Lease or Oil and Gas Interest on which a proposed well is to be located.

H. The term "Initial Well" shall mean the well required to be drilled by the parties hereto as provided in Article VI.A.

I. The term "Non-Consent Well" shall mean a well in which less than all parties have conducted an operation as provided in Article VI.B.2.

J. The terms "Non-Drilling Party" and "Non-Consenting Party" shall mean a party who elects not to participate in a proposed operation.

K. The term "Oil and Gas" shall mean oil, gas, casinghead gas, gas condensate, and/or all other liquid or gaseous hydrocarbons and other marketable substances produced therewith, unless an intent to limit the inclusiveness of this term is specifically stated.

L. The term "Oil and Gas Interests" or "Interests" shall mean unleased fee and mineral interests in Oil and Gas in tracts of land lying within the Contract Area which are owned by parties to this agreement.

M. The terms "Oil and Gas Lease," "Lease" and "Leasehold" shall mean the oil and gas leases or interests therein covering tracts of land lying within the Contract Area which are owned by the parties to this agreement.

N. The term "Plug Back" shall mean / a single operation whereby a deeper Zone is abandoned in order to attempt a Completion in a shallower Zone.

O. The term "Recompletion" or "Recomplete" shall mean an operation whereby a Completion in one Zone is abandoned in order to attempt a Completion in a different Zone within the existing wellbore.

P. The term "Rework" shall mean an operation conducted in the wellbore of a well after it is Completed to secure, restore, or improve production in a Zone which is currently open to production in the wellbore. Such operations include, but are not limited to, well stimulation operations but exclude any routine repair or maintenance work or drilling, Sidetracking, Deepening, Completing, Recompleting, or Plugging Back of a well.

Q. The term "Sidetrack" shall mean / the directional control and intentional deviation of a well from vertical so as to change the bottom hole location **and, in the case of Horizontal Wells (defined hereinafter), an operation by which a lateral wellbore is drilled off of the horizontal wellbore, in each case unless done to straighten the hole or drill around junk in the hole** / to overcome other mechanical difficulties.

R. The term "Zone" shall mean a stratum of earth containing or thought to contain a common accumulation of Oil and Gas separately producible from any other common accumulation of Oil and Gas.

S. The term "Lateral" shall mean that portion of a wellbore that deviates from approximate vertical orientation to approximate horizontal orientation and all wellbore beyond such deviation to Total Measured Depth.

T. The term "Vertical Well" shall mean any well other than a "Horizontal Well".

U. The term "Horizontal Well" shall mean a well containing a single Lateral in which the wellbore deviates ^{or} at an angle of at least eighty degrees (80°) from true vertical and with a horizontal projection exceeding one hundred feet (100') measured from the initial point of penetration into a specific geological interval.

V. The term "Multi-lateral Well" shall mean a Horizontal Well which contains more than one Lateral.

W. The term "Total Measured Depth," when used in connection with a Multi-lateral or Horizontal Well, shall mean the distance from the surface of the ground to the terminus of the wellbore, as measured along the wellbore. Each Lateral taken together with the common vertical wellbore shall be considered a single wellbore and shall have a corresponding Total Measured Depth. When the proposed operation(s) is the drilling of, or operation on, a Multi-lateral or Horizontal Well, the term "depth" or "total depth" wherever used in the Agreement shall be deemed to read "Total Measured Depth" insofar as it applies to such well.

X. The term "Deepen" when used in conjunction with a Multi-lateral or Horizontal Well shall mean an operation whereby a lateral is drilled to a distance greater than the distance set out in the well proposal approved by the participating parties. This shall include reentry of a Vertical Well to convert the well to a Horizontal Well. See also Article XVI.E.2.

Y. For the purposes of this Agreement, as to a Multi-lateral or Horizontal Well, the term "Plug Back" shall mean an operation to test or complete the well at a stratigraphically shallower geological horizon in which the operation has been or is being

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completed and which is not within an existing Lateral.

Z. The term “affiliate” shall mean any Person that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by, or is under common Control with, another Person.

AA. The term “Control” and its derivatives with respect to any Person shall means the possession, directly or indirectly, of the power, directly or indirectly, to direct or cause the direction of the management or policies of the controlled Person, whether through the ownership of equity interests in or voting rights attributable to the equity interests in such Person, by contract or agency, by the general partner of a Person that is a partnership, or otherwise.

BB. The term “Person” shall mean any individual, corporation, company, partnership, limited partnership, limited liability company, trust, estate, governmental authority or any other entity.

Unless the context otherwise clearly indicates, words used in the singular include the plural, the word "person" includes natural and artificial persons, the plural includes the singular, and any gender includes the masculine, feminine, and neuter.

**ARTICLE II.
EXHIBITS**

The following exhibits, as indicated below and attached hereto, are incorporated in and made a part hereof:

- A. Exhibit "A," shall include the following information:
 - (1) Description of lands subject to this agreement,
 - (2) Restrictions, if any, as to depths, formations, or substances,
 - (3) Parties to agreement with addresses and telephone numbers for notice purposes,
 - (4) Percentages or fractional interests of parties to this agreement,
 - (5) Oil and Gas Leases and/or Oil and Gas Interests subject to this agreement.
 - (6) Burdens on production.
- A-1. Plat of Contract Area.**
- A-2. List of Contract Area Leases and/or Interests.**
- A-3. List of Unleased Mineral Owners.**
- A-4. List of Committed Working Interest Owners.**
- A-5. List of Uncommitted Working Interest Owners.**
- A-6. List of Parcels Subject to Pending Ownership Litigation.**
- B. Exhibit "B," Form of Lease.
- C. Exhibit "C," Accounting Procedure.
- D. Exhibit "D," Insurance.
- E. Exhibit "E," Gas Balancing Agreement.
- ~~F. Exhibit "F," Non-Discrimination and Certification of Non-Segregated Facilities.~~
- ~~G. Exhibit "G," Tax Partnership.~~
- F. Other: **Model Form Recording Supplement to Operating Agreement and Financing Agreement.**

If any provision of any exhibit, except Exhibits "E," / "F," and "G," is inconsistent with any provision contained in the body of this agreement, the provisions in the body of this agreement shall prevail.

**ARTICLE III.
INTERESTS OF PARTIES**

A. Oil and Gas Interests:

If any party owns / ~~an~~ ^{or hereafter acquires} Oil and Gas Interest in the Contract Area, that Interest shall be treated for all purposes of this agreement and during the term hereof as if it were covered by the form of Oil and Gas Lease attached hereto as Exhibit "B," and the owner thereof shall be deemed to own both royalty interest in such lease and the interest of the lessee thereunder.

B. Interests of Parties in Costs and Production:

Unless changed by other provisions, all costs and liabilities incurred in operations under this agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties as their interests are set forth in Exhibit "A." In the same manner, the parties shall also own all production of Oil and Gas from the Contract Area subject, however, to the payment of royalties and other burdens on production as described hereafter.

Regardless of which party has contributed any Oil and Gas Lease or Oil and Gas Interest on which royalty or other burdens may be payable and except as otherwise expressly provided in this agreement, each party shall pay or deliver, or ~~cause to be paid or delivered, all burdens on its share of the production from the Contract Area up to, but not in excess of / these burdens set~~ ^{the lowest sum of royalty plus overriding royalty of any Oil and Gas Lease in the Contract Area}

~~forth in such Oil and Gas Lease(s) or Oil and Gas interest(s) contributed hereto and shall indemnify, defend and hold the other parties free from any liability therefor.~~

Except as otherwise expressly provided in this agreement, if any party has contributed hereto any Lease or Interest which is burdened with any royalty, overriding royalty, production payment or other burden on production in excess of the amounts stipulated above, such party so burdened shall assume and alone bear all such excess obligations and shall indemnify, defend and hold the other parties hereto harmless from any and all claims attributable to such excess burden. However, so long as the Drilling Unit for the productive Zone(s) is identical with the Contract Area, each party shall pay or deliver, or cause to be paid or delivered, all burdens on production from the Contract Area due under the terms of the Oil and Gas Lease(s) which such party has contributed to this agreement, and shall indemnify, defend and hold the other parties free from any liability therefor.

No party shall ever be responsible, on a price basis higher than the price received by such party, to any other party's lessor or royalty owner, and if such other party's lessor or royalty owner should demand and receive settlement on a higher price basis, the party contributing the affected Lease shall bear the additional royalty burden attributable to such higher price.

Nothing contained in this Article III.B. shall be deemed an assignment or cross-assignment of interests covered hereby, and in the event two or more parties contribute to this agreement jointly owned Leases, the parties' undivided interests in said Leaseholds shall be deemed separate leasehold interests for the purposes of this agreement.

C. Subsequently Created Interests:

If any party has contributed hereto a Lease or Interest that is burdened with an assignment of production given as security for the payment of money, or if, after the date of this agreement, any party creates an overriding royalty, production payment, net profits interest, assignment of production or other burden payable out of production attributable to its working interest hereunder, such burden shall be deemed a "Subsequently Created Interest." Further, if any party has contributed hereto a Lease or Interest burdened with an overriding royalty, production payment, net profits interests, or other burden payable out of production created prior to the date of this agreement, and such burden **is not recorded or is not referenced by another recorded instrument sufficient for notice purposes in the county records of the applicable county** or is not shown on Exhibit "A," such burden also shall be deemed a Subsequently Created Interest to the extent such burden causes the burdens on such party's Lease or Interest to exceed the amount stipulated in Article III.B. above.

The party whose interest is burdened with the Subsequently Created Interest (the "Burdened Party") shall assume and alone bear, pay and discharge the Subsequently Created Interest and shall indemnify, defend and hold harmless the other parties from and against any liability therefor. Further, if the Burdened Party fails to pay, when due, its share of expenses chargeable hereunder, all provisions of Article VII.B. shall be enforceable against the Subsequently Created Interest in the same manner as they are enforceable against the working interest of the Burdened Party. If the Burdened Party is required under this agreement to assign or relinquish to any other party, or parties, all or a portion of its working interest and/or the production attributable thereto, said other party, or parties, shall receive said assignment and/or production free and clear of said Subsequently Created Interest, and the Burdened Party shall indemnify, defend and hold harmless said other party, or parties, from any and all claims and demands for payment asserted by owners of the Subsequently Created Interest.

**ARTICLE IV.
TITLES**

A. Title Examination:

Title examination shall be made on the / ~~Drillsite~~ ^{wellbore path and} of any proposed well prior to commencement of drilling operations and, / ~~if a majority in interest of the Drilling Parties so requests or~~ ^{thereafter} Operator so elects, title examination shall be made on the entire Drilling Unit, or maximum anticipated Drilling Unit, of the well. The opinion will include the ownership of the working interest, minerals, royalty, overriding royalty and production payments under the applicable Leases. Each party contributing Leases and/or Oil and Gas Interests to be included in the Drillsite or Drilling Unit, if appropriate, shall furnish to Operator all abstracts (including federal lease status reports), title opinions, title papers and curative material in its possession free of charge. All such information not in the possession of or made available to Operator by the parties, but necessary for the examination of the title, shall be obtained by Operator. Operator shall cause title to be examined by attorneys on its staff or by outside attorneys. Copies of all title opinions shall be furnished to each Drilling Party. Costs incurred by Operator in ~~procuring abstracts, fees paid outside attorneys / for title examination (including preliminary, supplemental, shut-in royalty opinions and division order title opinions) and other direct charges as provided in Exhibit "C" shall be borne by the Drilling Parties in the proportion that the interest of each Drilling Party bears to the total interest of all Drilling Parties as such interests appear in Exhibit "A." Operator shall make no charge for services rendered by its staff attorneys or other personnel in the performance of the above functions: that exceeds prevailing rates in the area. Operator may use staff field landmen and title specialists for abstracting and staff attorneys for title examination if such personnel are employed specifically for this purpose and are billed at rates no higher than third party rates billed for similar services in the state where the services are rendered. Operator may also charge a reasonable digital abstracting fee per tract if Operator has imaged and indexed the county records in which the Contract Area is located.~~ ^{and field landmen and title specialists}

Each party shall be responsible for securing curative matter and pooling amendments or agreements required in connection with Leases or Oil and Gas Interests contributed by such party. Operator shall be responsible for the preparation and recording of pooling designations or declarations and communitization agreements as well as the conduct of hearings

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1 before governmental agencies for the securing of spacing or pooling orders or any other orders necessary or appropriate to
2 the conduct of operations hereunder. This shall not prevent any party from appearing on its own behalf at such hearings.
3 Costs incurred by Operator, including fees paid to outside attorneys, which are associated with hearings before governmental
4 agencies, and which costs are necessary and proper for the activities contemplated under this agreement, shall be direct
5 charges to the joint account and shall not be covered by the administrative overhead charges as provided in Exhibit "C."

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1 Operator shall make no charge for services rendered by its staff attorneys or other personnel in the performance of the above
2 functions, **except as provided herein.**

3 No well shall be drilled on the Contract Area until after (1) the title to the ~~Drillsite / or Drilling Unit, if appropriate, has~~ **and wellbore path have**
4 been examined as above provided, and (2) the title has been approved by the examining attorney / or title has been accepted by **engaged or employed by the operator**
5 ~~all of the Drilling Parties in such well.~~ **the Operator.**

6 **B. Loss or Failure of Title:**

7 1. Failure of Title: Should any Oil and Gas Interest or Oil and Gas Lease be lost through failure of title, which results in a
8 reduction of interest from that shown on Exhibit "A," the party credited with contributing the affected Lease or Interest
9 (including, if applicable, a successor in interest to such party) shall have ninety (90) days from final determination of title
10 failure to acquire a new lease or other instrument curing the entirety of the title failure, which acquisition will not be subject
11 to Article VIII.B., and failing to do so, this agreement, nevertheless, shall continue in force as to all remaining Oil and Gas
12 Leases and Interests; and,

13 (a) The party credited with contributing the Oil and Gas Lease or Interest affected by the title failure (including, if
14 applicable, a successor in interest to such party) shall bear alone the entire loss and it shall not be entitled to recover from
15 Operator or the other parties any development or operating costs which it may have previously paid or incurred, but there
16 shall be no additional liability on its part to the other parties hereto by reason of such title failure;

17 (b) There shall be no retroactive adjustment of expenses incurred or revenues received from the operation of the
18 Lease or Interest which has failed, but the interests of the parties contained on Exhibit "A" shall be revised on an acreage
19 basis, as of the time it is determined finally that title failure has occurred, so that the interest of the party whose Lease or
20 Interest is affected by the title failure will thereafter be reduced in the Contract Area by the amount of the Lease or Interest failed;

21 (c) If the proportionate interest of the other parties hereto in any producing well previously drilled on the Contract
22 Area is increased by reason of the title failure, the party who bore the costs incurred in connection with such well attributable
23 to the Lease or Interest which has failed shall receive the proceeds attributable to the increase in such interest (less costs and
24 burdens attributable thereto) until it has been reimbursed for unrecovered costs paid by it in connection with such well
25 attributable to such failed Lease or Interest;

26 (d) Should any person not a party to this agreement, who is determined to be the owner of any Lease or Interest
27 which has failed, pay in any manner any part of the cost of operation, development, or equipment, such amount shall be paid
28 to the party or parties who bore the costs which are so refunded;

29 (e) Any liability to account to a person not a party to this agreement for prior production of Oil and Gas which arises
30 by reason of title failure shall be borne severally by each party (including a predecessor to a current party) who received
31 production for which such accounting is required based on the amount of such production received, and each such party shall
32 severally indemnify, defend and hold harmless all other parties hereto for any such liability to account;

33 (f) No charge shall be made to the joint account for legal expenses, fees or salaries in connection with the defense of
34 the Lease or Interest claimed to have failed, but if the party contributing such Lease or Interest hereto elects to defend its title
35 it shall bear all expenses in connection therewith; and

36 (g) If any party is given credit on Exhibit "A" to a Lease or Interest which is limited solely to ownership of an
37 interest in the wellbore of any well or wells and the production therefrom, such party's absence of interest in the remainder
38 of the Contract Area shall be considered a Failure of Title as to such remaining Contract Area unless that absence of interest
39 is reflected on Exhibit "A."

40 2. Loss by Non-Payment or Erroneous Payment of Amount Due: If, through mistake or oversight, any rental, shut-in well
41 payment, minimum royalty or royalty payment, or other payment necessary to maintain all or a portion of an Oil and Gas
42 Lease or interest is not paid or is erroneously paid, and as a result a Lease or Interest terminates, there shall be no monetary
43 liability against the party who failed to make such payment. Unless the party who failed to make the required payment
44 secures a new Lease or Interest covering the same interest within ninety (90) days from the discovery of the failure to make
45 proper payment, which acquisition will not be subject to Article VIII.B., the interests of the parties reflected on Exhibit "A"
46 shall be revised on an acreage basis, effective as of the date of termination of the Lease or Interest involved, and the party
47 who failed to make proper payment will no longer be credited with an interest in the Contract Area on account of ownership
48 of the Lease or Interest which has terminated. If the party who failed to make the required payment shall not have been fully
49 reimbursed, at the time of the loss, from the proceeds of the sale of Oil and Gas attributable to the lost Lease or Interest,
50 calculated on an acreage basis, for the development and operating costs previously paid on account of such Lease or Interest,
51 it shall be reimbursed for unrecovered actual costs previously paid by it (but not for its share of the cost of any dry hole
52 previously drilled or wells previously abandoned) from so much of the following as is necessary to effect reimbursement:

53 (a) Proceeds of Oil and Gas produced prior to termination of the Lease or Interest, less operating expenses and lease
54 burdens chargeable hereunder to the person who failed to make payment, previously accrued to the credit of the lost Lease or
55 Interest, on an acreage basis, up to the amount of unrecovered costs;

56 (b) Proceeds of Oil and Gas, less operating expenses and lease burdens chargeable hereunder to the person who failed
57 to make payment, up to the amount of unrecovered costs attributable to that portion of Oil and Gas thereafter produced and
58 marketed (excluding production from any wells thereafter drilled) which, in the absence of such Lease or Interest termination,
59 would be attributable to the lost Lease or Interest on an acreage basis and which as a result of such Lease or Interest
60 termination is credited to other parties, the proceeds of said portion of the Oil and Gas to be contributed by the other parties
61 in proportion to their respective interests reflected on Exhibit "A"; and,

62 (c) Any monies, up to the amount of unrecovered costs, that may be paid by any party who is, or becomes, the owner
63 of the Lease or Interest lost, for the privilege of participating in the Contract Area or becoming a party to this agreement.

64 3. Other Losses: All losses of Leases or Interests committed to this agreement, other than those set forth in Articles
65 IV.B.1. and IV.B.2. above, shall be joint losses and shall be borne by all parties in proportion to their interests shown on
66 Exhibit "A." This shall include but not be limited to the loss of any Lease or Interest through failure to develop or because
67 express or implied covenants have not been performed (other than performance which requires only the payment of money),
68 and the loss of any Lease by expiration at the end of its primary term if it is not renewed or extended. There shall be no
69 readjustment of interests in the remaining portion of the Contract Area on account of any joint loss.

70 4. Curing Title: In the event of a Failure of Title under Article IV.B.1. or a loss of title under Article IV.B.2. above, any
71 Lease or Interest acquired by any party hereto (other than the party whose interest has failed or was lost) during the ninety
72 (90) day period provided by Article IV.B.1. and Article IV.B.2. above covering all or a portion of the interest that has failed
73 or was lost shall be offered at cost to the party whose interest has failed or was lost, and the provisions of Article VIII.B.
74 shall not apply to such acquisition.

ARTICLE V.
OPERATOR

A. Designation and Responsibilities of Operator:

Ascent Resources – Utica, LLC shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of this agreement. In its performance of services hereunder for the Non-Operators, Operator shall be an independent contractor not subject to the control or direction of the Non-Operators except as to the type of operation to be undertaken in accordance with the election procedures contained in this agreement. Operator shall not be deemed, or hold itself out as, the agent of the Non-Operators with authority to bind them to any obligation or liability assumed or incurred by Operator as to any third party. Operator shall conduct its activities under this agreement as a reasonable prudent operator, in a good and workmanlike manner, with due diligence and dispatch, in accordance with good oilfield practice, and in compliance with applicable law and regulation, but in no event shall it have any liability as Operator to the ~~other parties / for losses sustained or liabilities incurred~~ ^{their officers, employees or agents,} except such as may result from gross negligence or willful misconduct.

B. Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest hereunder in the Contract Area, or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. Operator may be removed only for good cause by the affirmative vote of Non-Operators owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of Operator; such vote shall not be deemed effective until a written notice has been delivered to the Operator by a Non-Operator detailing the alleged default and Operator has failed to cure the default within thirty (30) days from its receipt of the notice or, if the default concerns an operation then being conducted, within forty-eight (48) hours of its receipt of the notice. For purposes hereof, "good cause" shall mean not only gross negligence or willful misconduct but also the material breach of or inability to meet the standards of operation contained in Article V.A. or material failure or inability to perform its obligations under this agreement.

Subject to Article VII.D.1., such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any ~~single~~ ^{affiliate,} subsidiary, parent or successor corporation shall not be the basis for removal of Operator.

2. Selection of Successor Operator: Upon the resignation or removal of Operator under any provision of this agreement, a successor Operator shall be selected by the parties. The successor Operator shall be selected from the parties owning an interest in the Contract Area at the time such successor Operator is selected. The successor Operator shall be selected by the affirmative vote of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A"; provided, however, if an Operator which has been removed or is deemed to have resigned / fails to vote or votes only to ~~succeed itself, /~~ ^{or any of its affiliates} the successor Operator shall be selected by the affirmative vote of the party or parties owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of the Operator that was removed or resigned ~~/. The former Operator shall promptly deliver to the successor Operator all records and data relating to the operations conducted by the former Operator to the extent such records and data are not already in the possession of the successor operator. Any cost of obtaining or copying the former Operator's records and data shall be charged to the joint account.~~ ^{and its affiliates and, provided further, that the requirement for two (2) or more parties shall not apply in the event that two (2) or fewer parties are entitled to vote.}

3. Effect of Bankruptcy: If Operator becomes insolvent, bankrupt or is placed in receivership, it shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. If a petition for relief under the federal bankruptcy laws is filed by or against Operator, and the removal of Operator is prevented by the ~~/ federal bankruptcy court,~~ ^{terms of the Bankruptcy Code or actions of the federal bankruptcy court, then, to the extent allowed by law,} all Non-Operators and Operator shall comprise an interim operating committee to serve until Operator has elected to reject or assume this agreement pursuant to the Bankruptcy Code, and an election to reject this agreement by Operator as a debtor in possession, or by a trustee in bankruptcy, shall be deemed a resignation as Operator without any action by Non-Operators, except the selection of a successor. During the period of time the operating committee controls operations, all actions shall require the approval of two (2) or more parties owning a majority interest based on ownership as shown on Exhibit "A." In the event there are only two (2) parties to this agreement, during the period of time the operating committee controls operations, a third party acceptable to Operator, Non-Operator and the federal bankruptcy court shall be selected as a member of the operating committee, and all actions shall require the approval of two (2) members of the operating committee without regard for their interest in the Contract Area based on Exhibit "A."

C. Employees and Contractors:

The number of employees or contractors used by Operator in conducting operations hereunder, their selection, and the hours of labor and the compensation for services performed shall be determined Operator, and all such employees or contractors shall be the employees or contractors of Operator.

D. Rights and Duties of Operator:

1. Competitive Rates and Use of Affiliates: All ~~/ wells drilled on~~ ^{operations conducted in} the Contract Area shall be drilled ~~/ on a competitive~~ ^{conducted} contract basis at the usual rates prevailing in the ~~/ area.~~ ^{state where the services were rendered} If it so desires, Operator may employ its own tools and equipment in ~~the drilling of wells,~~ ^{performing such operations} but its charges therefor shall not exceed the prevailing rates in the ~~/ area and the rate of such charges shall be agreed upon by the parties in writing before drilling operations are commenced,~~ ^{state where the services were rendered} and such work shall be performed by Operator under the same terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature. All work performed or materials supplied by affiliates or related parties of Operator shall be performed or supplied at competitive rates, pursuant to written agreement, and in accordance with customs and standards prevailing in the industry.

2. Discharge of Joint Account Obligations: Except as herein otherwise specifically provided, Operator shall promptly pay and discharge expenses incurred in the development and operation of the Contract Area pursuant to this agreement and shall charge each of the parties hereto with their respective proportionate shares upon the expense basis provided in Exhibit "C." Operator shall keep an accurate record of the joint account hereunder, showing expenses incurred and charges and credits made and received.

3. Protection from Liens: Operator shall pay, or cause to be paid, as and when they become due and payable, all accounts of contractors and suppliers and wages and salaries for services rendered or performed, and for materials supplied on, to or in respect of the Contract Area or any operations for the joint account thereof, and shall keep the Contract Area free from

1 liens and encumbrances resulting therefrom except for those resulting from a bona fide dispute as to services rendered or
 2 materials supplied.

3 4. Custody of Funds: Operator shall hold for the account of the Non-Operators any funds of the Non-Operators advanced
 4 or paid to the Operator, either for the conduct of operations hereunder or as a result of the sale of production from the
 5 Contract Area, and such funds shall remain the funds of the Non-Operators on whose account they are advanced or paid until
 6 used for their intended purpose or otherwise delivered to the Non-Operators or applied toward the payment of debts as
 7 provided in Article VII.B. Nothing in this paragraph shall be construed to establish a fiduciary relationship between Operator
 8 and Non-Operators for any purpose other than to account for Non-Operator funds as herein specifically provided. Nothing in
 9 this paragraph shall require the maintenance by Operator of separate accounts for the funds of Non-Operators unless the
 10 parties otherwise specifically agree.

11 5. Access to Contract Area and Records: Operator shall, except as otherwise provided herein, permit each ~~/ Non-Operator~~ ^{Consenting Party}
 12 or its duly authorized representative, at the ~~/ Non-Operator's~~ ^{Consenting Party's} sole risk and cost, full and free access at all reasonable times to
 13 all operations of every kind and character being conducted for the joint account on the Contract Area and to the records of
 14 operations conducted thereon or production therefrom, including Operator's books and records relating thereto. Such access
 15 rights shall not be exercised in a manner interfering with Operator's conduct of an operation hereunder and shall not obligate
 16 Operator to furnish any geologic or geophysical data of an interpretive nature unless the cost of preparation of such
 17 interpretive data was charged to the joint account. Operator will furnish to each ~~/ Non-Operator~~ ^{Consenting Party} upon request copies of any
 18 and all reports and information obtained by Operator in connection with production and related items, including, without
 19 limitation, meter and chart reports, production purchaser statements, run tickets and monthly gauge reports, but excluding
 20 purchase contracts and pricing information to the extent not applicable to the production of the Non-Operator seeking the
 21 information. Any audit of Operator's records relating to amounts expended and the appropriateness of such expenditures
 22 shall be conducted in accordance with the audit protocol specified in Exhibit "C."

23 6. Filing and Furnishing Governmental Reports: Operator will file, and upon written request promptly furnish copies to
 24 each requesting ~~/ Non-Operator~~ ^{Consenting Party} not in default of its payment obligations, all operational notices, reports or applications
 25 required to be filed by local, State, Federal or Indian agencies or authorities having jurisdiction over operations hereunder.
 26 Each Non-Operator shall provide to Operator on a timely basis all information necessary to Operator to make such filings.

27 7. Drilling and Testing Operations: The following provisions shall apply to each well drilled ~~/ hereunder, including but not~~ ^{Sidetracked, Deepened, Completed, Recompleted or Plugged Back}
 28 limited to the Initial Well:

29 (a) Operator will promptly advise ~~/ Non-Operators~~ ^{each Consenting Party} of the date on which the well is spudded, or the date on which
 30 drilling operations are commenced.

31 (b) Operator will send to ~~/ Non-Operators~~ ^{each Consenting Party} such reports, test results and notices regarding the progress of operations on the
 32 well as the ~~/ Non-Operators~~ ^{Consenting Parties} shall reasonably request, including, but not limited to, daily drilling reports, completion reports, and well logs.

33 (c) Operator shall adequately test all Zones encountered which may reasonably be expected to be capable of producing
 34 Oil and Gas in paying quantities as a result of examination of the electric log or any other logs or cores or tests conducted
 35 hereunder.

36 8. Cost Estimates: Upon request of any Consenting Party, Operator shall furnish estimates of current and cumulative costs
 37 incurred for the joint account at reasonable intervals during the conduct of any operation pursuant to this agreement.
 38 Operator shall not be held liable for errors in such estimates so long as the estimates are made in good faith.

39 9. Insurance: At all times while operations are conducted hereunder, Operator shall comply with the workers
 40 compensation law of the state where the operations are being conducted; provided, however, that Operator may be a self-
 41 insurer for liability under said compensation laws in which event the only charge that shall be made to the joint account shall
 42 be as provided in Exhibit "C." Operator shall also carry or provide insurance for the benefit of the joint account of the parties
 43 as outlined in Exhibit "D" attached hereto and made a part hereof. Operator shall require all contractors engaged in work on
 44 or for the Contract Area to comply with the workers compensation law of the state where the operations are being conducted
 45 and to maintain such other insurance as Operator may require.

46 In the event automobile liability insurance is specified in said Exhibit "D," or subsequently receives the approval of the
 47 parties, no direct charge shall be made by Operator for premiums paid for such insurance for Operator's automotive
 48 equipment.

49 **ARTICLE VI.**
 50 **DRILLING AND DEVELOPMENT**

51 **A. Initial Well:**

52 Within eighteen (18) months of the Chief of the Division of Oil and Gas Resources Management, Ohio Department of Natural
 53 Resources, issuing an order authorizing unit operations for the Unit Area, Operator shall commence the drilling of the Initial Well at the
 54 following location:

55 Surface Location: Lat: 40.117321°N
 Long: 81.006448°W
 56 Bottom Hole Location: Lat: 40.149881°N
 Long: 81.028734°W
 57
 58
 59

60 and shall thereafter continue the drilling of the well with due diligence to a depth sufficient in the Operator's reasonable opinion, to
 61 adequately test the Utica / Point Pleasant formation with the Initial Well.
 62
 63
 64
 65

66 The drilling of the Initial Well and the participation therein by all parties is obligatory, subject to Article VI.C.1. as to participation
 67 in Completion operations and Article VI.F. as to termination of operations and Article XI as to occurrence of force majeure.

68 **B. Subsequent Operations:**

69 1. Proposed Operations: If any party hereto should desire to drill any well on the Contract Area other than the Initial Well, or
 70 if any party should desire to Rework, Sidetrack, Deepen, Recomplete or Plug Back a dry hole or a well no longer capable of
 71 producing in paying quantities in which such party has not otherwise relinquished its interest in the proposed objective Zone under
 72 this agreement, the party desiring to drill, Rework, Sidetrack, Deepen, Recomplete or Plug Back such a well shall give written
 73 notice of the proposed operation to the parties who have not otherwise relinquished their interest in such objective Zone
 74

1 under this agreement and to all other parties in the case of a proposal for Sidetracking or Deepening, specifying the work to be
 2 performed, the location, proposed depth, objective Zone and the estimated cost of the operation. The parties to whom such a
 3 notice is delivered shall have thirty (30) days after receipt of the notice within which to notify the party proposing to do the work
 4 whether they elect to participate in the cost of the proposed operation. If a drilling rig is on location, notice of a proposal to
 5 Rework, Sidetrack, Recomplete, Plug Back or Deepen may be given by telephone and the response period shall be limited to forty-
 6 eight (48) hours, ^{inclusive} / ~~exclusive~~ of Saturday, Sunday and legal holidays. Failure of a party to whom such notice is delivered to reply
 7 within the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation.
 8 Any proposal by a party to conduct an operation conflicting with the operation initially proposed shall be delivered to all parties
 9 within the time and in the manner provided in Article VI.B.6. **No Party may elect to participate in any well proposed pursuant to this**
 10 **Agreement with less than its full and undivided working interest in the Contract Area.**
 If all parties to whom such notice is delivered elect to participate in such a proposed operation, the parties shall be
 11 contractually committed to participate therein provided such operations are commenced within the time period hereafter set
 12 forth, and Operator shall, no later than ninety (90) days after expiration of the notice period of thirty (30) days (or as
 13 promptly as practicable after the expiration of the forty-eight (48) hour period when a drilling rig is on location, as the case
 14 may be), actually commence the proposed operation and thereafter complete it with due diligence at the risk and expense of
 15 the parties participating therein; provided, however, said commencement date may be extended upon written notice of same
 16 by Operator to the other parties, for a period of up to thirty (30) additional days if, in the sole opinion of Operator, such
 17 additional time is reasonably necessary to obtain permits from governmental authorities, surface rights (including rights-of-
 18 way) or appropriate drilling equipment, or to complete title examination or curative matter required for title approval or
 19 acceptance. If the actual operation has not been commenced within the time provided (including any extension thereof as
 20 specifically permitted herein or in the force majeure provisions of Article XI) and if any party hereto still desires to conduct
 21 said operation, written notice proposing same must be resubmitted to the other parties in accordance herewith as if no prior
 22 proposal had been made. Those parties that did not participate in the drilling of a well for which a proposal to Deepen or
 23 Sidetrack is made hereunder shall, if such parties desire to participate in the proposed Deepening or Sidetracking operation,
 24 reimburse the Drilling Parties in accordance with Article VI.B.4. in the event of a Deepening operation and in accordance
 25 with Article VI.B.5. in the event of a Sidetracking operation.

26 **2. Operations by Less Than All Parties:**

27 (a) Determination of Participation. If any party to whom such notice is delivered as provided in Article VI.B.1. or
 28 VI.C.1. (Option No. 2) elects not to participate in the proposed operation, then, in order to be entitled to the benefits of this
 29 Article, the party or parties giving the notice and such other parties as shall elect to participate in the operation shall, no
 30 later than ninety (90) days after the expiration of the notice period of thirty (30) days (or as promptly as practicable after the
 31 expiration of the forty-eight (48) hour period when a drilling rig is on location, as the case may be) actually commence the
 32 proposed operation * and complete it with due diligence. Operator shall perform all work for the account of the Consenting
 33 Parties; provided, however, if no drilling rig or other equipment is on location, and if Operator is a Non-Consenting Party,
 34 the Consenting Parties shall either: (i) request Operator to perform the work required by such proposed operation for the
 35 account of the Consenting Parties, or (ii) designate one of the Consenting Parties as Operator to perform such work. The
 36 rights and duties granted to and imposed upon the Operator under this agreement are granted to and imposed upon the party
 37 designated as Operator for an operation in which the original Operator is a Non-Consenting Party. Consenting Parties, when
 38 conducting operations on the Contract Area pursuant to this Article VI.B.2., shall comply with all terms and conditions of this
 39 agreement. ***Nothing contained herein shall prohibit Operator from actually commencing the proposed operation before the**
 40 **expiration of the notice period, nor shall such commencement affect in any way the validity of a party's election or deemed election.**
 If less than all parties approve any proposed operation, the proposing party, immediately after the expiration of the
 41 applicable notice period, shall advise all Parties of the total interest of the parties approving such operation and its
 42 recommendation as to whether the Consenting Parties should proceed with the operation as proposed. Each Consenting Party,
 43 within forty-eight (48) hours (exclusive of Saturday, Sunday, and legal holidays) after delivery of such notice, shall advise the
 44 proposing party of its desire to (i) limit participation to such party's interest as shown on Exhibit "A" or (ii) carry only its
 45 proportionate part (determined by dividing such party's interest in the Contract Area by the interests of all Consenting Parties in
 46 the Contract Area) of Non-Consenting Parties' interests, or (iii) carry its proportionate part (determined as provided in (ii)) of
 47 Non-Consenting Parties' interests together with all or a portion of its proportionate part of any Non-Consenting Parties'
 48 interests that any Consenting Party did not elect to take. Any interest of Non-Consenting Parties that is not carried by a
 49 Consenting Party shall be deemed to be carried by the party proposing the operation if such party does not withdraw its
 50 proposal. Failure to advise the proposing party within the time required shall be deemed an election under (i). In the event a
 51 drilling rig is on location, notice may be given by telephone, and the time permitted for such a response shall not exceed a
 52 total of forty-eight (48) hours (exclusive of Saturday, Sunday and legal holidays). The proposing party, at its election, may
 53 withdraw such proposal if there is less than 100% participation and shall notify all parties of such decision within ten (10)
 54 days, or within twenty-four (24) hours if a drilling rig is on location, following expiration of the applicable response period.
 55 If 100% subscription to the proposed operation is obtained, the proposing party shall promptly notify the Consenting Parties
 56 of their proportionate interests in the operation and the party serving as Operator shall commence such operation within the
 57 period provided in Article VI.B.1., subject to the same extension right as provided therein.

58 (b) Relinquishment of Interest for Non-Participation. The entire cost and risk of conducting such operations shall be
 59 borne by the Consenting Parties in the proportions they have elected to bear same under the terms of the preceding
 60 paragraph. Consenting Parties shall keep the leasehold estates involved in such operations free and clear of all liens and
 61 encumbrances of every kind created by or arising from the operations of the Consenting Parties. If such an operation results
 62 in a dry hole, then subject to Articles VI.B.6. and VI.E.3., the Consenting Parties shall plug and abandon the well and restore
 63 the surface location at their sole cost, risk and expense; provided, however, that those Non-Consenting Parties that
 64 participated in the drilling, Deepening or Sidetracking of the well shall remain liable for, and shall pay, their proportionate
 65 shares of the cost of plugging and abandoning the well and restoring the surface location insofar only as those costs were not
 66 increased by the subsequent operations of the Consenting Parties. If any well drilled, Reworked, Sidetracked, Deepened,
 67 Recompleted or Plugged Back under the provisions of this Article results in a well capable of producing Oil and/or Gas in
 68 paying quantities, the Consenting Parties shall Complete and equip the well to produce at their sole cost and risk, and the
 69 well shall then be turned over to Operator (if the Operator did not conduct the operation) and shall be operated by it at the
 70 expense and for the account of the Consenting Parties. Upon commencement of operations for the drilling, Reworking,
 71 Sidetracking, Recompleting, Deepening or Plugging Back of any such well by Consenting Parties in accordance with the
 72 provisions of this Article, each Non-Consenting Party shall be deemed to have relinquished to Consenting Parties, and the
 73 Consenting Parties shall own and be entitled to receive, in proportion to their respective interests, all of such Non-
 74 Consenting Party's interest in the well and share of production therefrom or, in the case of a Reworking, Sidetracking,

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1 Deepening, Recompleting or Plugging Back, or a Completion pursuant to Article VI.C.1. Option No. 2, all of such Non-
2 Consenting Party's interest in the production obtained from the operation in which the Non-Consenting Party did not elect
3 to participate. Such relinquishment shall be effective until the proceeds of the sale of such share, calculated at the well, or
4 market value thereof if such share is not sold (after deducting applicable ad valorem, production, severance, and excise taxes,
5 royalty, overriding royalty and other interests not excepted by Article III.C. payable out of or measured by the production
6 from such well accruing with respect to such interest until it reverts), shall equal the total of the following:

7 (i) 500 % of each such Non-Consenting Party's share of the cost of any newly acquired surface equipment
8 beyond the wellhead connections (including but not limited to stock tanks, separators, treaters, pumping equipment and
9 piping), plus ^{500%}~~100%~~ of each such Non-Consenting Party's share of the cost of operation of the well commencing with first
10 production and continuing until each such Non-Consenting Party's relinquished interest shall revert to it under other
11 provisions of this Article, it being agreed that each Non-Consenting Party's share of such costs and equipment will be that
12 interest which would have been chargeable to such Non-Consenting Party had it participated in the well from the beginning
13 of the operations; and

14 (ii) 500 % of (a) that portion of the costs and expenses of drilling, Reworking, Sidetracking, Deepening,
15 Plugging Back, testing, Completing, and Recompleting, after deducting any cash contributions received under Article VIII.C.,
16 and of (b) that portion of the cost of newly acquired equipment in the well (to and including the wellhead connections),
17 which would have been chargeable to such Non-Consenting Party if it had participated therein.

18 Notwithstanding anything to the contrary in this Article VI.B., if the well does not reach the deepest objective Zone
19 described in the notice proposing the well for reasons other than the encountering of granite or practically impenetrable
20 substance or other condition in the hole rendering further operations impracticable, Operator shall give notice thereof to each
21 Non-Consenting Party who submitted or voted for an alternative proposal under Article VI.B.6. to drill the well to a
22 shallower Zone than the deepest objective Zone proposed in the notice under which the well was drilled, and each such Non-
23 Consenting Party shall have the option to participate in the initial proposed Completion of the well by paying its share of the
24 cost of drilling the well to its actual depth, calculated in the manner provided in Article VI.B.4. (a). If any such Non-
25 Consenting Party does not elect to participate in the first Completion proposed for such well, the relinquishment provisions
26 of this Article VI.B.2. (b) shall apply to such party's interest.

27 (c) Reworking, Recompleting or Plugging Back. An election not to participate in the drilling, Sidetracking or
28 Deepening of a well shall be deemed an election not to participate in any Reworking or Plugging Back operation proposed in
29 such a well, or portion thereof, to which the initial non-consent election applied that is conducted at any time prior to full
30 recovery by the Consenting Parties of the Non-Consenting Party's recoupment amount. Similarly, an election not to
31 participate in the Completing or Recompleting of a well shall be deemed an election not to participate in any Reworking
32 operation proposed in such a well, or portion thereof, to which the initial non-consent election applied that is conducted at
33 any time prior to full recovery by the Consenting Parties of the Non-Consenting Party's recoupment amount. Any such
34 Reworking, Recompleting or Plugging Back operation conducted during the recoupment period shall be deemed part of the
35 cost of operation of said well and there shall be added to the sums to be recouped by the Consenting Parties 500 % of
36 that portion of the costs of the Reworking, Recompleting or Plugging Back operation which would have been chargeable to
37 such Non-Consenting Party had it participated therein. If such a Reworking, Recompleting or Plugging Back operation is
38 proposed during such recoupment period, the provisions of this Article VI.B. shall be applicable as between said Consenting
39 Parties in said well.

40 (d) Recoupment Matters. During the period of time Consenting Parties are entitled to receive Non-Consenting Party's
41 share of production, or the proceeds therefrom, Consenting Parties shall be responsible for the payment of all ad valorem,
42 production, severance, excise, gathering and other taxes, and all royalty, overriding royalty and other burdens applicable to
43 Non-Consenting Party's share of production not excepted by Article III.C.

44 In the case of any Reworking, Sidetracking, Plugging Back, Recompleting or Deepening operation, the Consenting
45 Parties shall be permitted to use, free of cost, all casing, tubing and other equipment in the well, but the ownership of all
46 such equipment shall remain unchanged; and upon abandonment of a well after such Reworking, Sidetracking, Plugging Back,
47 Recompleting or Deepening, the Consenting Parties shall account for all such equipment to the owners thereof, with each
48 party receiving its proportionate part in kind or in value, less cost of salvage.

49 Within ninety (90) days after the completion of any operation under this Article, the party conducting the operations
50 for the Consenting Parties shall furnish each Non-Consenting Party with an inventory of the equipment in and connected to
51 the well, and an itemized statement of the cost of drilling, Sidetracking, Deepening, Plugging Back, testing, Completing,
52 Recompleting, and equipping the well for production; or, at its option, the operating party, in lieu of an itemized statement
53 of such costs of operation, may submit a detailed statement of monthly billings. Each month thereafter, during the time the
54 Consenting Parties are being reimbursed as provided above, the party conducting the operations for the Consenting Parties
55 shall furnish the Non-Consenting Parties with an itemized statement of all costs and liabilities incurred in the operation of
56 the well, together with a statement of the quantity of Oil and Gas produced from it and the amount of proceeds realized from
57 the sale of the well's working interest production during the preceding month. In determining the quantity of Oil and Gas
58 produced during any month, Consenting Parties shall use industry accepted methods such as but not limited to metering or
59 periodic well tests. Any amount realized from the sale or other disposition of equipment newly acquired in connection with
60 any such operation which would have been owned by a Non-Consenting Party had it participated therein shall be credited
61 against the total unreturned costs of the work done and of the equipment purchased in determining when the interest of such
62 Non-Consenting Party shall revert to it as above provided; and if there is a credit balance, it shall be paid to such Non-
63 Consenting Party.

64 If and when the Consenting Parties recover from a Non-Consenting Party's relinquished interest the amounts provided
65 for above, the relinquished interests of such Non-Consenting Party shall automatically revert to it as of ^{first day of the month}~~7:00 a.m. on the / day~~
66 following the day on which such recoupment occurs, and, from and after such reversion, such Non-Consenting Party shall
67 own the same interest in such well, the material and equipment in or pertaining thereto, and the production therefrom as
68 such Non-Consenting Party would have been entitled to had it participated in the drilling, Sidetracking, Reworking,
69 Deepening, Recompleting or Plugging Back of said well. Thereafter, such Non-Consenting Party shall be charged with and
70 shall pay its proportionate part of the further costs of the operation of said well in accordance with the terms of this
71 agreement and Exhibit "C" attached hereto.

72 3. Stand-By Costs: When a well which has been drilled or Deepened has reached its authorized depth and all tests have
73 been completed and the results thereof furnished to the parties, or when operations on the well have been otherwise
74 terminated pursuant to Article VI.F., stand-by costs incurred pending response to a party's notice proposing a Reworking,

1 Sidetracking, Deepening, Recompleting, Plugging Back or Completing operation in such a well (including the period required
 2 under Article VI.B.6. to resolve competing proposals) shall be charged and borne as part of the drilling or Deepening
 3 operation just completed. Stand-by costs subsequent to all parties responding, or expiration of the response time permitted,
 4 whichever first occurs, and prior to agreement as to the participating interests of all Consenting Parties pursuant to the terms
 5 of the second grammatical paragraph of Article VI.B.2. (a), shall be charged to and borne as part of the proposed operation,
 6 but if the proposal is subsequently withdrawn because of insufficient participation, such stand-by costs shall be allocated
 7 between the Consenting Parties in the proportion each Consenting Party's interest as shown on Exhibit "A" bears to the total
 8 interest as shown on Exhibit "A" of all Consenting Parties.

9 In the event that notice for a Sidetracking operation is given while the drilling rig to be utilized is on location, any party
 10 may request and receive up to five (5) additional days after expiration of the forty-eight hour response period specified in
 11 Article VI.B.1. within which to respond by paying for all stand-by costs and other costs incurred during such extended
 12 response period; Operator may require such party to pay the estimated stand-by time in advance as a condition to extending
 13 the response period. If more than one party elects to take such additional time to respond to the notice, standby costs shall be
 14 allocated between the parties taking additional time to respond on a day-to-day basis in the proportion each electing party's
 15 interest as shown on Exhibit "A" bears to the total interest as shown on Exhibit "A" of all the electing parties.

16 4. Deepening: If less than all parties elect to participate in a drilling, Sidetracking, or Deepening operation proposed
 17 pursuant to Article VI.B.1., the interest relinquished by the Non-Consenting Parties to the Consenting Parties under Article
 18 VI.B.2. shall relate only and be limited to the lesser of (i) the total depth actually drilled or (ii) the objective depth or Zone
 19 of which the parties were given notice under Article VI.B.1. (~~Initial Objective~~). ~~Such well shall not be Deepened beyond the~~
 20 Initial Objective without first complying with this Article to afford the Non-Consenting Parties the opportunity to participate
 21 in the Deepening operation.

22 In the event any Consenting Party desires to drill or Deepen a Non-Consent Well to a depth below the Initial Objective,
 23 such party shall give notice thereof, complying with the requirements of Article VI.B.1., to all parties (including Non-
 24 Consenting Parties). Thereupon, Articles VI.B.1. and 2. shall apply and all parties receiving such notice shall have the right to
 25 participate or not participate in the Deepening of such well pursuant to said Articles VI.B.1. and 2. If a Deepening operation
 26 is approved pursuant to such provisions, and if any Non-Consenting Party elects to participate in the Deepening operation,
 27 such Non-Consenting party shall pay or make reimbursement (as the case may be) of the following costs and expenses.

28 (a) If the proposal to Deepen is made prior to the Completion of such well as a well capable of producing in paying
 29 quantities, such Non-Consenting Party shall pay (or reimburse Consenting Parties for, as the case may be) that share of costs
 30 and expenses incurred in connection with the drilling of said well from the surface to the Initial Objective which Non-
 31 Consenting Party would have paid had such Non-Consenting Party agreed to participate therein, plus the Non-Consenting
 32 Party's share of the cost of Deepening and of participating in any further operations on the well in accordance with the other
 33 provisions of this Agreement; provided, however, all costs for testing and Completion or attempted Completion of the well
 34 incurred by Consenting Parties prior to the point of actual operations to Deepen beyond the Initial Objective shall be for the
 35 sole account of Consenting Parties.

36 (b) If the proposal is made for a Non-Consent Well that has been previously Completed as a well capable of producing
 37 in paying quantities, but is no longer capable of producing in paying quantities, such Non-Consenting Party shall pay (or
 38 reimburse Consenting Parties for, as the case may be) its proportionate share of all costs of drilling, Completing, and
 39 equipping said well from the surface to the Initial Objective, calculated in the manner provided in paragraph (a) above, less
 40 those costs recouped by the Consenting Parties from the sale of production from the well. The Non-Consenting Party shall
 41 also pay its proportionate share of all costs of re-entering said well. The Non-Consenting Parties' proportionate part (based
 42 on the percentage of such well Non-Consenting Party would have owned had it previously participated in such Non-Consent
 43 Well) of the costs of salvable materials and equipment remaining in the hole and salvable surface equipment used in
 44 connection with such well shall be determined in accordance with Exhibit "C." If the Consenting Parties have recouped the
 45 cost of drilling, Completing, and equipping the well at the time such Deepening operation is conducted, then a Non-
 46 Consenting Party may participate in the Deepening of the well with no payment for costs incurred prior to re-entering the
 47 well for Deepening

48 The foregoing shall not imply a right of any Consenting Party to propose any Deepening for a Non-Consent Well prior
 49 to the drilling of such well to its Initial Objective without the consent of the other Consenting Parties as provided in Article
 50 VI.F.

51 5. Sidetracking: Any party having the right to participate in a proposed Sidetracking operation that does not own an
 52 interest in the affected wellbore at the time of the notice shall, upon electing to participate, tender to the wellbore owners its
 53 proportionate share (equal to its interest in the Sidetracking operation) of the value of that portion of the existing wellbore
 54 to be utilized as follows:

55 (a) If the proposal is for Sidetracking an existing dry hole, reimbursement shall be on the basis of the actual costs
 56 incurred in the initial drilling of the well down to the depth at which the Sidetracking operation is initiated.

57 (b) If the proposal is for Sidetracking a well which has previously produced, reimbursement shall be on the basis of
 58 such party's proportionate share of drilling and equipping costs incurred in the initial drilling of the well down to the depth
 59 at which the Sidetracking operation is conducted, calculated in the manner described in Article VI.B.4(b) above. Such party's
 60 proportionate share of the cost of the well's salvable materials and equipment down to the depth at which the Sidetracking
 61 operation is initiated shall be determined in accordance with the provisions of Exhibit "C."

62 6. Order of Preference of Operations. Except as otherwise specifically provided in this agreement, if any party desires to
 63 propose the conduct of an operation that conflicts with a proposal that has been made by a party under this Article VI, such
 64 party shall have fifteen (15) days from delivery of the initial proposal, in the case of a proposal to drill a well or to perform
 65 an operation on a well where no drilling rig is on location, or twenty-four (24) hours, exclusive of Saturday, Sunday and legal
 66 holidays, from delivery of the initial proposal, if a drilling rig is on location for the well on which such operation is to be
 67 conducted, to deliver to all parties entitled to participate in the proposed operation such party's alternative proposal, such
 68 alternate proposal to contain the same information required to be included in the initial proposal. Each party receiving such
 69 proposals shall elect by delivery of notice to Operator within five (5) days after expiration of the proposal period, or within
 70 twenty-four (24) hours (exclusive of Saturday, Sunday and legal holidays) if a drilling rig is on location for the well that is the
 71 subject of the proposals, to participate in one of the competing proposals. Any party not electing within the time required
 72 shall be deemed not to have voted. The proposal receiving the vote of parties owning the largest aggregate percentage
 73 interest of the parties voting shall have priority over all other competing proposals; in the case of a tie vote, the

1 initial proposal shall prevail. Operator shall deliver notice of such result to all parties entitled to participate in the operation
 2 within five (5) days after expiration of the election period (or within twenty-four (24) hours, exclusive of Saturday, Sunday
 3 and legal holidays, if a drilling rig is on location). Each party shall then have two (2) days (or twenty-four (24) hours if a rig
 4 is on location) from receipt of such notice to elect by delivery of notice to Operator to participate in such operation or to
 5 relinquish interest in the affected well pursuant to the provisions of Article VI.B.2.; failure by a party to deliver notice within
 6 such period shall be deemed an election not to participate in the prevailing proposal.

7 7. Conformity to Spacing Pattern. Notwithstanding the provisions of this Article VI.B.2., it is agreed that no wells shall be
 8 proposed to be drilled to or Completed in or produced from a Zone from which a well located elsewhere on the Contract
 9 Area is producing, unless such well conforms to the then-existing well spacing pattern for such Zone.

10 8. Paying Wells. No party shall conduct any Reworking, Deepening, Plugging Back, Completion, Recompletion, or
 11 Sidetracking operation under this agreement with respect to any well then capable of producing in paying quantities except
 12 with the consent of all parties that have not relinquished interests in the well at the time of such operation.

13 **C. Completion of Wells; Reworking and Plugging Back:**

14 1. Completion: Without the consent of all parties, no well shall be drilled, Deepened or Sidetracked, except any well
 15 drilled, Deepened or Sidetracked pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the drilling,
 16 Deepening or Sidetracking shall include:

- 17 Option No. 1: ~~All~~ / necessary expenditures for the drilling, Deepening, equipping of the well, including tankage and/or surface
 18 facilities. **See also Article XVI.E.**
 19 Option No. 2: ~~All~~ / necessary expenditures for the drilling, Deepening or Sidetracking and testing of the well. When
 20 such well has reached its authorized depth, and all logs, cores and other tests have been completed, and the results
 21 thereof furnished to the parties, Operator shall give immediate notice to the Non-Operators having the right to
 22 participate in a Completion attempt whether or not Operator recommends attempting to Complete the well,
 23 together with Operator's AFE for Completion costs if not previously provided. The parties receiving such notice
 24 shall have forty-eight (48) hours (exclusive of Saturday, Sunday and legal holidays) in which to elect by delivery of
 25 notice to Operator to participate in a recommended Completion attempt or to make a Completion proposal with an
 26 accompanying AFE. Operator shall deliver any such Completion proposal, or any Completion proposal conflicting
 27 with Operator's proposal, to the other parties entitled to participate in such Completion in accordance with the
 28 procedures specified in Article VI.B.6. Election to participate in a Completion attempt shall include consent to all
 29 necessary expenditures for the Completing and equipping of such well, including necessary tankage and/or surface
 30 facilities but excluding any stimulation operation not contained on the Completion AFE. Failure of any party
 31 receiving such notice to reply within the period above fixed shall constitute an election by that party not to
 32 participate in the cost of the Completion attempt; provided, that Article VI.B.6. shall control in the case of
 33 conflicting Completion proposals. If one or more, but less than all of the parties, elect to attempt a Completion, the
 34 provision of Article VI.B.2. hereof (the phrase "Reworking, Sidetracking, Deepening, Recompleting or Plugging
 35 Back" as contained in Article VI.B.2. shall be deemed to include "Completing") shall apply to the operations
 36 thereafter conducted by less than all parties; provided, however, that Article VI.B.2. shall apply separately to each
 37 separate Completion or Recompletion attempt undertaken hereunder, and an election to become a Non-Consenting
 38 Party as to one Completion or Recompletion attempt shall not prevent a party from becoming a Consenting Party
 39 in subsequent Completion or Recompletion attempts regardless whether the Consenting Parties as to earlier
 40 Completions or Recompletion have recouped their costs pursuant to Article VI.B.2.; provided further, that any
 41 recoupment of costs by a Consenting Party shall be made solely from the production attributable to the Zone in
 42 which the Completion attempt is made. Election by a previous Non-Consenting party to participate in a subsequent
 43 Completion or Recompletion attempt shall require such party to pay its proportionate share of the cost of salvable
 44 materials and equipment installed in the well pursuant to the previous Completion or Recompletion attempt,
 45 insofar and only insofar as such materials and equipment benefit the Zone in which such party participates in a
 46 Completion attempt. **See also Article XVI.E.**

47 2. Rework, Recomplete or Plug Back: No well shall be Reworked, Recompleted or Plugged Back except a well Reworked,
 48 Recompleted, or Plugged Back pursuant to the provisions of Article VI.B.2. of this agreement. Consent to the Reworking,
 49 Recompleting or Plugging Back of a well shall include all necessary expenditures in conducting such operations and
 50 Completing and equipping of said well, including necessary tankage and/or surface facilities.

51 **D. Other Operations:**

52 Operator shall not undertake any single project reasonably estimated to require an expenditure in excess of Fifty Thousand
 53 _____ Dollars (\$ 50,000.00) except in connection with the
 54 drilling, Sidetracking, Reworking, Deepening, Completing, Recompleting or Plugging Back of a well that has been previously
 55 authorized by or pursuant to this agreement; provided, however, that, in case of explosion, fire, flood or other sudden
 56 emergency, whether of the same or different nature, Operator may take such steps and incur such expenses as in its opinion
 57 are required to deal with the emergency to safeguard life and property but Operator, as promptly as possible, shall report the
 58 emergency to the other parties. If Operator prepares an AFE for its own use, Operator shall furnish any Non-Operator so
 59 requesting an information copy thereof for any single project costing in excess of Fifty Thousand Dollars
 60 (\$50,000.00). Any party who has not relinquished its interest in a well shall have the right to propose that
 61 Operator perform repair work or undertake the installation of artificial lift equipment or ancillary production facilities such as
 62 salt water disposal wells or to conduct additional work with respect to a well drilled hereunder or other similar project (but
 63 not including the installation of gathering lines or other transportation or marketing facilities, the installation of which shall
 64 be governed by separate agreement between the parties) reasonably estimated to require an expenditure in excess of the
 65 amount first set forth above in this Article VI.D. (except in connection with an operation required to be proposed under
 66 Articles VI.B.1. or VI.C.1. Option No. 2, which shall be governed exclusively by those Articles). Operator shall deliver such
 67 proposal to all parties entitled to participate therein. If within thirty (30) days thereof Operator secures the written consent
 68 of any party or parties owning at least 80 % of the interests of the parties entitled to participate in such operation,
 69 each party having the right to participate in such project shall be bound by the terms of such proposal and shall be obligated
 70 to pay its proportionate share of the costs of the proposed project as if it had consented to such project pursuant to the terms
 71 of the proposal.

72 **E. Abandonment of Wells:**

73 1. Abandonment of Dry Holes: Except for any well drilled or Deepened pursuant to Article VI.B.2., any well which has
 74 been drilled or Deepened under the terms of this agreement and is proposed to be completed as a dry hole shall not be

1 plugged and abandoned without the consent of all parties. Should Operator, after diligent effort, be unable to contact any
 2 party, or should any party fail to reply within forty-eight (48) hours (exclusive of Saturday, Sunday and legal holidays) after
 3 delivery of notice of the proposal to plug and abandon such well, such party shall be deemed to have consented to the
 4 proposed abandonment. All such wells shall be plugged and abandoned in accordance with applicable regulations and at the
 5 cost, risk and expense of the parties who participated in the cost of drilling or Deepening such well. Any party who objects to
 6 plugging and abandoning such well by notice delivered to Operator within forty-eight (48) hours (exclusive of Saturday,
 7 Sunday and legal holidays) after delivery of notice of the proposed plugging shall take over the well as of the end of such
 8 forty-eight (48) hour notice period and conduct further operations in search of Oil and/or Gas subject to the provisions of
 9 Article VI.B.; failure of such party to provide proof reasonably satisfactory to Operator of its financial capability to conduct
 10 such operations or to take over the well within such period or thereafter to conduct operations on such well or plug and
 11 abandon such well shall entitle Operator to retain or take possession of the well and plug and abandon the well. The party
 12 taking over the well shall indemnify Operator (if Operator is an abandoning party) and the other abandoning parties against
 13 liability for any further operations conducted on such well except for the costs of plugging and abandoning the well and
 14 restoring the surface, for which the abandoning parties shall remain proportionately liable.

15 2. Abandonment of Wells That Have Produced: Except for any well in which a Non-Consent operation has been
 16 conducted hereunder for which the Consenting Parties have not been fully reimbursed as herein provided, any well which has
 17 been completed as a producer shall not be plugged and abandoned without the consent of all parties ~~who participated in the cost of drilling the well~~. If all parties consent to
 18 such abandonment, the well shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk
 19 and expense of all the parties hereto. Failure of a party to reply within sixty (60) days of delivery of notice of proposed
 20 abandonment shall be deemed an election to consent to the proposal. If, within sixty (60) days after delivery of notice of the
 21 proposed abandonment of any well, all parties do not agree to the abandonment of such well, those wishing to continue its
 22 operation from the Zone then open to production shall be obligated to take over the well as of the expiration of the
 23 applicable notice period and shall indemnify Operator (if Operator is an abandoning party) and the other abandoning parties
 24 ~~with respect to the well, including the costs of plugging and abandoning the well and restoring the surface~~ against liability for any further operations ~~on the well conducted by such parties~~. Failure of such party or parties to provide
 25 proof reasonably satisfactory to Operator of their financial capability to conduct such operations or to take over the well
 26 within the required period or thereafter to conduct operations on such well shall entitle operator to retain or take possession
 27 of such well and plug and abandon the well.

28 Parties taking over a well as provided herein shall tender to each of the other parties its proportionate share of the value of
 29 the well's salvable material and equipment, determined in accordance with the provisions of Exhibit "C," less the estimated cost
 30 of salvaging and the estimated cost of plugging and abandoning and restoring the surface; provided, however, that in the event
 31 the estimated plugging and abandoning and surface restoration costs and the estimated cost of salvaging are higher than the
 32 value of the well's salvable material and equipment, each of the abandoning parties shall tender to the parties continuing
 33 operations their proportionate shares of the estimated excess cost. Each abandoning party shall assign to the non-abandoning
 34 parties, without warranty, express or implied, as to title or as to quantity, or fitness for use of the equipment and material, all
 35 of its interest in the wellbore of the well and related equipment, together with its interest in the Leasehold insofar and only
 36 insofar as such Leasehold covers the right to obtain production from that wellbore in the Zone then open to production. If the
 37 interest of the abandoning party is or includes an Oil and Gas Interest, such party shall execute and deliver to the non-
 38 abandoning party or parties an oil and gas lease, limited to the wellbore and the Zone then open to production, for a term of
 39 one (1) year and so long thereafter as Oil and/or Gas is produced from the Zone covered thereby, such lease to be on the form
 40 attached as Exhibit "B." The assignments or leases so limited shall encompass the Drilling Unit upon which the well is located.
 41 The payments by, and the assignments or leases to, the assignees shall be in a ratio based upon the relationship of their
 42 respective percentage of participation in the Contract Area to the aggregate of the percentages of participation in the Contract
 43 Area of all assignees. There shall be no readjustment of interests in the remaining portions of the Contract Area.

44 Thereafter, abandoning parties shall have no further responsibility, liability, or interest in the operation of or production
 45 from the well in the Zone then open other than the royalties retained in any lease made under the terms of this Article. Upon
 46 request, Operator shall continue to operate the assigned well for the account of the non-abandoning parties at the rates and
 47 charges contemplated by this agreement, plus any additional cost and charges which may arise as the result of the separate
 48 ownership of the assigned well. Upon proposed abandonment of the producing Zone assigned or leased, the assignor or lessor
 49 shall then have the option to repurchase its prior interest in the well (using the same valuation formula) and participate in
 50 further operations therein subject to the provisions hereof.

51 3. Abandonment of Non-Consent Operations: The provisions of Article VI.E.1. or VI.E.2. above shall be applicable as
 52 between Consenting Parties in the event of the proposed abandonment of any well excepted from said Articles; provided,
 53 however, no well shall be permanently plugged and abandoned unless and until all parties having the right to conduct further
 54 operations therein have been notified of the proposed abandonment and afforded the opportunity to elect to take over the well
 55 in accordance with the provisions of this Article VI.E.; and provided further, that Non-Consenting Parties who own an interest
 56 in a portion of the well shall pay their proportionate shares of abandonment and surface restoration cost for such well as
 57 provided in Article VI.B.2.(b).

58 **F. Termination of Operations:**

59 Upon the commencement of an operation for the drilling, Reworking, Sidetracking, Plugging Back, Deepening, testing,
 60 Completion or plugging of a well, including but not limited to the Initial Well, such operation shall not be terminated without
 61 consent of parties bearing 80% of the costs of such operation; provided, however, that in the event granite or other
 62 practically impenetrable substance or condition in the hole is encountered which renders further operations impractical,
 63 Operator may discontinue operations and give notice of such condition in the manner provided in Article VI.B.1, and the
 64 provisions of Article VI.B. or VI.E. shall thereafter apply to such operation, as appropriate.

65 **G. Taking Production in Kind:**

66 **Option No. 1: Gas Balancing Agreement Attached**

67 Each party shall take in kind or separately dispose of its proportionate share of all Oil and Gas produced from the
 68 Contract Area, exclusive of production which may be used in development and producing operations and in preparing and
 69 treating Oil and Gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking
 70 in kind or separate disposition by any party of its proportionate share of the production shall be borne by such party. Any
 71 party taking its share of production in kind shall be required to pay for only its proportionate share of such part of
 72 Operator's surface facilities which it uses.

73 Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in
 74 production from the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment

1 directly from the purchaser thereof for its share of all production.
 2 If any party fails to make the arrangements necessary to take in kind or separately dispose of its proportionate
 3 share of the Oil produced from the Contract Area, Operator shall have the right, subject to the revocation at will by
 4 the party owning it, but not the obligation, to purchase such Oil or sell it to others at any time and from time to
 5 time, for the account of the non-taking party. Any such purchase or sale by Operator may be terminated by
 6 Operator upon at least ten (10) days written notice to the owner of said production and shall be subject always to
 7 the right of the owner of the production upon at least ten (10) days written notice to Operator to exercise at any
 8 time its right to take in kind, or separately dispose of, its share of all Oil not previously delivered to a purchaser.
 9 Any purchase or sale by Operator of any other party's share of Oil shall be only for such reasonable periods of time
 10 as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a
 11 period in excess of one (1) year.

12 Any such sale by Operator shall be in a manner commercially reasonable under the circumstances but Operator
 13 shall have no duty to share any existing market or to obtain a price equal to that received under any existing
 14 market. The sale or delivery by Operator of a non-taking party's share of Oil under the terms of any existing
 15 contract of Operator shall not give the non-taking party any interest in or make the non-taking party a party to said
 16 contract. No purchase shall be made by Operator without first giving the non-taking party at least ten (10) days
 17 written notice of such intended purchase and the price to be paid or the pricing basis to be used.

18 All parties shall give timely written notice to Operator of their Gas marketing arrangements for the following
 19 month, excluding price, and shall notify Operator immediately in the event of a change in such arrangements.
 20 Operator shall maintain records of all marketing arrangements, and of volumes actually sold or transported, which
 21 records shall be made available to Non-Operators upon reasonable request.

22 In the event one or more parties' separate disposition of its share of the Gas causes split-stream deliveries to separate
 23 pipelines and/or deliveries which on a day-to-day basis for any reason are not exactly equal to a party's respective proportion-
 24 ate share of total Gas sales to be allocated to it, the balancing or accounting between the parties shall be in accordance with
 25 any Gas balancing agreement between the parties hereto, whether such an agreement is attached as Exhibit "E" or is a
 26 separate agreement. Operator shall give notice to all parties of the first sales of Gas from any well under this agreement.

27 **Option No. 2: No Gas Balancing Agreement:**
~~28 Each party shall take in kind or separately dispose of its proportionate share of all Oil and Gas produced from
 29 the Contract Area, exclusive of production which may be used in development and producing operations and in
 30 preparing and treating Oil and Gas for marketing purposes and production unavoidably lost. Any extra expenditures
 31 incurred in the taking in kind or separate disposition by any party of its proportionate share of the production shall
 32 be borne by such party. Any party taking its share of production in kind shall be required to pay for only its
 33 proportionate share of such part of Operator's surface facilities which it uses.
 34 Each party shall execute such division orders and contracts as may be necessary for the sale of its interest in
 35 production from the Contract Area, and, except as provided in Article VII.B., shall be entitled to receive payment
 36 directly from the purchaser thereof for its share of all production.
 37 If any party fails to make the arrangements necessary to take in kind or separately dispose of its proportionate
 38 share of the Oil and/or Gas produced from the Contract Area, Operator shall have the right, subject to the
 39 revocation at will by the party owning it, but not the obligation, to purchase such Oil and/or Gas or sell it to others
 40 at any time and from time to time, for the account of the non-taking party. Any such purchase or sale by Operator
 41 may be terminated by Operator upon at least ten (10) days written notice to the owner of said production and shall
 42 be subject always to the right of the owner of the production upon at least ten (10) days written notice to Operator
 43 to exercise its right to take in kind, or separately dispose of, its share of all Oil and/or Gas not previously delivered
 44 to a purchaser; provided, however, that the effective date of any such revocation may be deferred at Operator's
 45 election for a period not to exceed ninety (90) days if Operator has committed such production to a purchase
 46 contract having a term extending beyond such ten (10) day period. Any purchase or sale by Operator of any other
 47 party's share of Oil and/or Gas shall be only for such reasonable periods of time as are consistent with the
 48 minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1)
 49 year.
 50 Any such sale by Operator shall be in a manner commercially reasonable under the circumstances, but Operator
 51 shall have no duty to share any existing market or transportation arrangement or to obtain a price or transportation
 52 fee equal to that received under any existing market or transportation arrangement. The sale or delivery by
 53 Operator of a non-taking party's share of production under the terms of any existing contract of Operator shall not
 54 give the non-taking party any interest in or make the non-taking party a party to said contract. No purchase of Oil
 55 and Gas and no sale of Gas shall be made by Operator without first giving the non-taking party ten days written
 56 notice of such intended purchase or sale and the price to be paid or the pricing basis to be used. Operator shall give
 57 notice to all parties of the first sale of Gas from any well under this Agreement.
 58 All parties shall give timely written notice to Operator of their Gas marketing arrangements for the following
 59 month, excluding price, and shall notify Operator immediately in the event of a change in such arrangements.
 60 Operator shall maintain records of all marketing arrangements, and of volumes actually sold or transported, which
 61 records shall be made available to Non-Operators upon reasonable request.~~

62 **ARTICLE VII.**

63 **EXPENDITURES AND LIABILITY OF PARTIES**

64 **A. Liability of Parties:**

65 The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations,
 66 and shall be liable only for its proportionate share of the costs of developing and operating the Contract Area. Accordingly, the
 67 liens granted among the parties in Article VII.B. are given to secure only the debts of each severally, and no party shall have
 68 any liability to third parties hereunder to satisfy the default of any other party in the payment of any expense or obligation
 69 hereunder. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other
 70 partnership, joint venture, agency relationship or association, or to render the parties liable as partners, co-venturers, or
 71 principals. In their relations with each other under this agreement, the parties shall not be considered fiduciaries or to have
 72 established a confidential relationship but rather shall be free to act on an arm's-length basis in accordance with their own
 73 respective self-interest, subject, however, to the obligation of the parties to act in good faith in their dealings with each other
 74 with respect to activities hereunder.

1 **B. Liens and Security Interests:**

2 Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas
3 Leases and Oil and Gas Interests in the Contract Area, and a security interest and/or purchase money security interest in any
4 interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection
5 therewith, to secure performance of all of its obligations under this agreement including but not limited to payment of expense,
6 interest and fees, the proper disbursement of all monies paid hereunder, the assignment or relinquishment of interest in Oil
7 and Gas Leases as required hereunder, and the proper performance of operations hereunder. Such lien and security interest
8 granted by each party hereto shall include such party's leasehold interests, working interests, operating rights, and royalty and
9 overriding royalty interests in the Contract Area now owned or hereafter acquired and in lands pooled or unitized therewith or
10 otherwise becoming subject to this agreement, the Oil and Gas when extracted therefrom and equipment situated thereon or
11 used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts
12 (including, without limitation, accounts arising from gas imbalances or from the sale of Oil and/or Gas at the wellhead),
13 contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the
14 foregoing.

15 To perfect the lien and security agreement provided herein, each party hereto shall execute and acknowledge the recording
16 supplement and/or any financing statement prepared and submitted by any party hereto in conjunction herewith or at any time
17 following execution hereof, and Operator is authorized to file this agreement or the recording supplement executed herewith as
18 a lien or mortgage in the applicable real estate records and as a financing statement with the proper officer under the Uniform
19 Commercial Code in the state in which the Contract Area is situated and such other states as Operator shall deem appropriate
20 to perfect the security interest granted hereunder. Any party may file this agreement, the recording supplement executed
21 herewith, or such other documents as it deems necessary as a lien or mortgage in the applicable real estate records and/or a
22 financing statement with the proper officer under the Uniform Commercial Code.

23 Each party represents and warrants to the other parties hereto that the lien and security interest granted by such party to
24 the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security
25 interest against all persons acquiring an interest in Oil and Gas Leases and Interests covered by this agreement by, through or
26 under such party. All parties acquiring an interest in Oil and Gas Leases and Oil and Gas Interests covered by this agreement,
27 whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject
28 to the lien and security interest granted by this Article VII.B. as to all obligations attributable to such interest hereunder
29 whether or not such obligations arise before or after such interest is acquired.

30 To the extent that parties have a security interest under the Uniform Commercial Code of the state in which the
31 Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code.
32 The bringing of a suit and the obtaining of judgment by a party for the secured indebtedness shall not be deemed an
33 election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In
34 addition, upon default by any party in the payment of its share of expenses, interests or fees, or upon the improper use
35 of funds by the Operator, the other parties shall have the right, without prejudice to other rights or remedies, to collect
36 from the purchaser the proceeds from the sale of such defaulting party's share of Oil and Gas until the amount owed by
37 such party, plus interest as provided in "Exhibit C," has been received, and shall have the right to offset the amount
38 owed against the proceeds from the sale of such defaulting party's share of Oil and Gas. All purchasers of production
39 may rely on a notification of default from the non-defaulting party or parties stating the amount due as a result of the
40 default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in
41 this paragraph.

42 If any party fails to pay its share of cost within one hundred twenty (120) days after rendition of a statement therefor by
43 Operator, the non-defaulting parties, including Operator, shall upon request by Operator, pay the unpaid amount in the
44 proportion that the interest of each such party bears to the interest of all such parties. The amount paid by each party so
45 paying its share of the unpaid amount shall be secured by the liens and security rights described in Article VII.B., and each
46 paying party may independently pursue any remedy available hereunder or otherwise.

47 If any party does not perform all of its obligations hereunder, and the failure to perform subjects such party to foreclosure
48 or execution proceedings pursuant to the provisions of this agreement, to the extent allowed by governing law, the defaulting
49 party waives any available right of redemption from and after the date of judgment, any required valuation or appraisalment
50 of the mortgaged or secured property prior to sale, any available right / to stay execution or to require a marshaling of assets
51 / and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party
52 hereby grants to the other parties a power of sale as to any property that is subject to the lien and security rights granted
53 hereunder, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable
54 manner and upon reasonable notice.

55 Each party agrees that the other parties shall be entitled to utilize the provisions of Oil and Gas lien law or other lien
56 law of any state in which the Contract Area is situated to enforce the obligations of each party hereunder. Without limiting
57 the generality of the foregoing, to the extent permitted by applicable law, Non-Operators agree that Operator may invoke or
58 utilize the mechanics' or materialmen's lien law of the state in which the Contract Area is situated in order to secure the
59 payment to Operator of any sum due hereunder for services performed or materials supplied by Operator.

60 **C. Advances:**

61 Operator, at its election, shall have the right from time to time to demand and receive from one or more of the other
62 parties payment in advance of their respective shares of the estimated amount of the expense to be incurred in operations
63 hereunder during the next succeeding month, which right may be exercised only by submission to each such party of an
64 itemized statement of such estimated expense, together with an invoice for its share thereof. Each such statement and invoice
65 for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month.
66 Each party shall pay to Operator its proportionate share of such estimate within/ ~~fifteen (15)~~ ^{thirty (30)} days after such estimate and
67 invoice is received. If any party fails to pay its share of said estimate within said time, the amount due shall bear interest as
68 provided in Exhibit "C" until paid. Proper adjustment shall be made monthly between advances and actual expense to the end
69 that each party shall bear and pay its proportionate share of actual expenses incurred, and no more.

70 **D. Defaults and Remedies:**

71 If any party fails to discharge any financial obligation under this agreement, including without limitation the failure to
72 make any advance under the preceding Article VII.C. or any other provision of this agreement, within the period required for
73 such payment hereunder, then in addition to the remedies provided in Article VII.B. or elsewhere in this agreement, the
74 remedies specified below shall be applicable. For purposes of this Article VII.D., all notices and elections shall be delivered

1 only by Operator, except that Operator shall deliver any such notice and election requested by a non-defaulting Non-Operator,
 2 and when Operator is the party in default, the applicable notices and elections can be delivered by any Non-Operator.
 3 Election of any one or more of the following remedies shall not preclude the subsequent use of any other remedy specified
 4 below or otherwise available to a non-defaulting party.

5 1. Suspension of Rights: Any party may deliver to the party in default a Notice of Default, which shall specify the default,
 6 specify the action to be taken to cure the default, and specify that failure to take such action will result in the exercise of one
 7 or more of the remedies provided in this Article. If the default is not cured within thirty (30) days of the delivery of such
 8 Notice of Default, all of the rights of the defaulting party granted by this agreement may upon notice be suspended until the
 9 default is cured, without prejudice to the right of the non-defaulting party or parties to continue to enforce the obligations of
 10 the defaulting party previously accrued or thereafter accruing under this agreement. If Operator is the party in default, the
 11 Non-Operators shall have in addition the right, by vote of Non-Operators owning a majority in interest in the Contract Area
 12 after excluding the voting interest of Operator, to appoint a new Operator effective immediately. The rights of a defaulting
 13 party that may be suspended hereunder at the election of the non-defaulting parties shall include, without limitation, the right
 14 to receive information as to any operation conducted hereunder during the period of such default, the right to elect to
 15 participate in an operation proposed under Article VI.B. of this agreement, the right to participate in an operation being
 16 conducted under this agreement even if the party has previously elected to participate in such operation, and the right to
 17 receive proceeds of production from any well subject to this agreement.

18 2. Suit for Damages: Non-defaulting parties or Operator for the benefit of non-defaulting parties may sue (at joint
 19 account expense) to collect the amounts in default, plus interest accruing on the amounts recovered from the date of default
 20 until the date of collection at the rate specified in Exhibit "C" attached hereto. Nothing herein shall prevent any party from
 21 suing any defaulting party to collect consequential damages accruing to such party as a result of the default.

22 3. Deemed Non-Consent: The non-defaulting party may deliver a written Notice of Non-Consent Election to the
 23 defaulting party at any time after the expiration of the thirty-day cure period following delivery of the Notice of Default, in
 24 which event if the billing is for the drilling a new well or the Plugging Back, Sidetracking, Reworking or Deepening of a
 25 well which is to be or has been plugged as a dry hole, or for the Completion or Recompletion of any well, the defaulting
 26 party will be conclusively deemed to have elected not to participate in the operation and to be a Non-Consenting Party with
 27 respect thereto under Article VI.B. or VI.C., as the case may be, to the extent of the costs unpaid by such party,
 28 notwithstanding any election to participate theretofore made. If election is made to proceed under this provision, then the
 29 non-defaulting parties may not elect to sue for the unpaid amount pursuant to Article VII.D.2.

30 Until the delivery of such Notice of Non-Consent Election to the defaulting party, such party shall have the right to cure
 31 its default by paying its unpaid share of costs plus interest at the rate set forth in Exhibit "C," provided, however, such
 32 payment shall not prejudice the rights of the non-defaulting parties to pursue remedies for damages incurred by the non-
 33 defaulting parties as a result of the default. Any interest relinquished pursuant to this Article VII.D.3. shall be offered to the
 34 non-defaulting parties in proportion to their interests, and the non-defaulting parties electing to participate in the ownership
 35 of such interest shall be required to contribute their shares of the defaulted amount upon their election to participate therein.

36 4. Advance Payment: If a default is not cured within thirty (30) days of the delivery of a Notice of Default, Operator, or
 37 Non-Operators if Operator is the defaulting party, may thereafter require advance payment from the defaulting
 38 party of such defaulting party's anticipated share of any item of expense for which Operator, or Non-Operators, as the case may
 39 be, would be entitled to reimbursement under any provision of this agreement, whether or not such expense was the subject of
 40 the previous default. Such right includes, but is not limited to, the right to require advance payment for the estimated costs of
 41 drilling a well or Completion of a well as to which an election to participate in drilling or Completion has been made. If the
 42 defaulting party fails to pay the required advance payment, the non-defaulting parties may pursue any of the remedies provided
 43 in the Article VII.D. or any other default remedy provided elsewhere in this agreement. Any excess of funds advanced remaining
 44 when the operation is completed and all costs have been paid shall be promptly returned to the advancing party.

45 5. Costs and Attorneys' Fees: In the event any party is required to bring legal proceedings to enforce any financial
 46 obligation of a party hereunder, the prevailing party in such action shall be entitled to recover all court costs, costs of
 47 collection, and a reasonable attorney's fee, which the lien provided for herein shall also secure.

48 **E. Rentals, Shut-in Well Payments and Minimum Royalties:**

49 Rentals, shut-in well payments and minimum royalties which may be required under the terms of any lease shall be paid
 50 by the party or parties who subjected such lease to this agreement at its or their expense. In the event two or more parties
 51 own and have contributed interests in the same lease to this agreement, such parties may designate one of such parties to
 52 make said payments for and on behalf of all such parties. Any party may request, and shall be entitled to receive, proper
 53 evidence of all such payments. In the event of failure to make proper payment of any rental, shut-in well payment or
 54 minimum royalty through mistake or oversight where such payment is required to continue the lease in force, any loss which
 55 results from such non-payment shall be borne in accordance with the provisions of Article IV.B.2.

56 Operator shall notify Non-Operators of the anticipated completion of a shut-in well, or the shutting in or return to
 57 production of a producing well, at least five (5) days (excluding Saturday, Sunday, and legal holidays) prior to taking such
 58 action, or at the earliest opportunity permitted by circumstances, but assumes no liability for failure to do so. In the event of
 59 failure by Operator to so notify Non-Operators, the loss of any lease contributed hereto by Non-Operators for failure to make
 60 timely payments of any shut-in well payment shall be borne jointly by the parties hereto under the provisions of Article
 61 IV.B.3.

62 **F. Taxes:**

63 Beginning with the first calendar year after the effective date hereof, Operator shall render for ad valorem taxation all
 64 property subject to this agreement which by law should be rendered for such taxes, and it shall pay all such taxes assessed
 65 thereon before they become delinquent. Prior to the rendition date, each Non-Operator shall furnish Operator information as
 66 to burdens (to include, but not be limited to, royalties, overriding royalties and production payments) on Leases and Oil and
 67 Gas Interests contributed by such Non-Operator. If the assessed valuation of any Lease is reduced by reason of its being
 68 subject to outstanding excess royalties, overriding royalties or production payments, the reduction in ad valorem taxes
 69 resulting therefrom shall inure to the benefit of the owner or owners of such Lease, and Operator shall adjust the charge to
 70 such owner or owners so as to reflect the benefit of such reduction. If the ad valorem taxes are based in whole or in part
 71 upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to
 72 the joint account shall be made and paid by the parties hereto in accordance with the tax value generated by each party's
 73 working interest. Operator shall bill the other parties for their proportionate shares of all tax payments in the manner
 74 provided in Exhibit "C."

1 If Operator considers any tax assessment improper, Operator may, at its discretion, protest within the time and manner
2 prescribed by law, and prosecute the protest to a final determination, unless all parties agree to abandon the protest prior to final
3 determination. During the pendency of administrative or judicial proceedings, Operator may elect to pay, under protest, all such taxes
4 and any interest and penalty. When any such protested assessment shall have been finally determined, Operator shall pay the tax for
5 the joint account, together with any interest and penalty accrued, and the total cost shall then be assessed against the parties, and be
6 paid by them, as provided in Exhibit "C."

7 Each party shall pay or cause to be paid all production, severance, excise, gathering and other taxes imposed upon or with respect
8 to the production or handling of such party's share of Oil and Gas produced under the terms of this agreement.

9 **ARTICLE VIII.**

10 **ACQUISITION, MAINTENANCE OR TRANSFER OF INTEREST**

11 **A. Surrender of Leases:**

12 The Leases covered by this agreement, insofar as they embrace acreage in the Contract Area, shall not be surrendered in whole
13 or in part unless all parties consent thereto; **however, no consent shall be necessary to release a lease which has expired or otherwise**
14 **terminated in accordance with its terms.**

15 ~~However, should~~ ^{Should} / any party desire to surrender its interest in any Lease or in any portion thereof, such party shall give written
16 notice of the proposed surrender to all parties, and the parties to whom such notice is delivered shall have thirty (30) days after
17 delivery of the notice within which to notify the party proposing the surrender whether they elect to consent thereto. Failure of a
18 party to whom such notice is delivered to reply within said 30-day period shall constitute a consent to the surrender of the Leases
19 described in the notice. If all parties do not agree or consent thereto, the party desiring to surrender shall assign, without express or
20 implied warranty of title, all of its interest in such Lease, or portion thereof, and any well, material and equipment which may be
21 located thereon and any rights in production thereafter secured, to the parties not consenting to such surrender. If the interest of the
22 assigning party is or includes an Oil and Gas Interest, the assigning party shall execute and deliver to the party or parties not
23 consenting to such surrender an oil and gas lease covering such Oil and Gas Interest for a term of one (1) year and so long
24 thereafter as Oil and/or Gas is produced from the land covered thereby, such lease to be on the form attached hereto as Exhibit "B."
25 Upon such assignment or lease, the assigning party shall be relieved from all obligations thereafter accruing, but not theretofore
26 accrued, with respect to the interest assigned or leased and the operation of any well attributable thereto, and the assigning party
27 shall have no further interest in the assigned or leased premises and its equipment and production other than the royalties retained
28 in any lease made under the terms of this Article. The party assignee or lessee shall pay to the party assignor or lessor the
29 reasonable salvage value of the latter's interest in any well's salvable materials and equipment attributable to the assigned or leased
30 acreage. The value of all salvable materials and equipment shall be determined in accordance with the provisions of Exhibit "C," less
31 the estimated cost of salvaging and the estimated cost of plugging and abandoning and restoring the surface. If such value is less
32 than such costs, then the party assignor or lessor shall pay to the party assignee or lessee the amount of such deficit. If the
33 assignment or lease is in favor of more than one party, the interest shall be shared by such parties in the proportions that the
34 interest of each bears to the total interest of all such parties. If the interest of the parties to whom the assignment is to be made
35 varies according to depth, then the interest assigned shall similarly reflect such variances.

36 Any assignment, lease or surrender made under this provision shall ~~not reduce or change the assignor's, lessor's or surrendering~~
37 ~~party's interest as it was immediately before the assignment, lease or surrender in the balance of the Contract Area;~~ ^{pursuant to Article XVI, M} and the acreage
38 assigned, leased or surrendered, and subsequent operations thereon, shall ~~not thereafter be subject to the terms and provisions of this~~
39 ~~agreement but shall be deemed subject to an Operating Agreement in the form of this agreement.~~

40 **B. Renewal or Extension of Leases:**

41 If any party secures a renewal or replacement of an Oil and Gas Lease or Interest subject to this agreement, then all other parties
42 shall be notified promptly upon such acquisition or, in the case of a replacement Lease taken before expiration of an existing Lease,
43 promptly upon expiration of the existing Lease. The parties notified shall have the right for a period of thirty (30) days following
44 delivery of such notice in which to elect to participate in the ownership of the renewal or replacement Lease, insofar as such Lease
45 affects lands within the Contract Area, by paying to the party who acquired it their proportionate shares of the acquisition cost
46 allocated to that part of such Lease within the Contract Area, which shall be in proportion to the interest held at that time by the
47 parties in the Contract Area. Each party who participates in the purchase of a renewal or replacement Lease shall be given an
48 assignment of its proportionate interest therein by the acquiring party. ^{without warranty of title, except as to acts by, through or under the acquiring party.}

49 If some, but less than all, of the parties elect to participate in the purchase of a renewal or replacement Lease, it shall be owned
50 by the parties who elect to participate therein, in a ratio based upon the relationship of their respective percentage of participation in
51 the Contract Area to the aggregate of the percentages of participation in the Contract Area of all parties participating in the
52 purchase of such renewal or replacement Lease. The acquisition of a renewal or replacement Lease by any or all of the parties hereto
53 shall ~~not~~ ^{pursuant to Article XVI, L} cause a readjustment of the interests of the parties stated in Exhibit "A" / ~~but~~ and any renewal or replacement Lease in which
54 less than all parties elect to participate shall ~~not~~ ^{not} be subject to this agreement ~~but shall be deemed subject to a separate Operating~~
55 ~~Agreement in the form of this agreement.~~

56 If the interests of the parties in the Contract Area vary according to depth, then their right to participate proportionately in
57 renewal or replacement Leases and their right to receive an assignment of interest shall also reflect such depth variances.

58 The provisions of this Article shall apply to renewal or replacement Leases whether they are for the entire interest covered by
59 the expiring Lease or cover only a portion of its area or an interest therein. Any renewal or replacement Lease taken before the
60 expiration of its predecessor Lease, or taken or contracted for or becoming effective within six (6) months after the expiration of the
61 existing Lease, shall be subject to this provision so long as this agreement is in effect at the time of such acquisition or at the time
62 the renewal or replacement Lease becomes effective; but any Lease taken or contracted for more than six (6) months after the
63 expiration of an existing Lease shall not be deemed a renewal or replacement Lease and shall not be subject to the provisions of this
64 agreement.

65 The provisions in this Article shall ~~also~~ ^{not} be applicable to extensions of Oil and Gas Leases.

66 **C. Acreage or Cash Contributions:**

67 While this agreement is in force, if any party contracts for a contribution of cash towards the drilling of a well or any other
68 operation on the Contract Area, such contribution shall be paid to the party who conducted the drilling or other operation and shall
69 be applied by it against the cost of such drilling or other operation. If the contribution be in the form of acreage, the party to whom
70 the contribution is made shall promptly tender an assignment of the acreage, without warranty of title, to the Drilling Parties in the
71 proportions said Drilling Parties shared the cost of drilling the well. Such acreage shall become a separate Contract Area and, to the
72 extent possible, be governed by provisions identical to this agreement. Each party shall promptly notify all other parties of any
73 acreage or cash contributions it may obtain in support of any well or any other operation on the Contract Area. The above
74 provisions shall also be applicable to optional rights to earn acreage outside the Contract Area which are in support of well drilled
inside Contract Area.

1 If any party contracts for any consideration relating to disposition of such party's share of substances produced hereunder,
2 such consideration shall not be deemed a contribution as contemplated in this Article VIII.C.

3 **D. Assignment; Maintenance of Uniform Interest:**

4 ~~For the purpose of maintaining uniformity of ownership in the Contract Area in the Oil and Gas Leases, Oil and Gas~~
5 ~~Interests, wells, equipment and production covered by this agreement no party shall sell, encumber, transfer or make other~~
6 ~~disposition of its interest in the Oil and Gas Leases and Oil and Gas Interests embraced within the Contract Area or in wells,~~
7 ~~equipment and production unless such disposition covers either:~~

- 8 ~~1. the entire interest of the party in all Oil and Gas Leases, Oil and Gas Interests, wells, equipment and production; or~~
9 ~~2. an equal undivided percent of the party's present interest in all Oil and Gas Leases, Oil and Gas Interests, wells,~~
10 ~~equipment and production in the Contract Area.~~

11 Every sale, encumbrance, transfer or other disposition made by any party shall be made expressly subject to this agreement
12 and shall be made without prejudice to the right of the other parties, and any transferee of an ownership interest in any Oil and
13 Gas Lease or Interest shall be deemed a party to this agreement as to the interest conveyed from and after the effective date of
14 the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale,
15 encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after they have received a copy of the
16 instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. No assignment or other
17 disposition of interest by a party shall relieve such party of obligations previously incurred by such party hereunder with respect
18 to the interest transferred, including without limitation the obligation of a party to pay all costs attributable to an operation
19 conducted hereunder in which such party has agreed to participate prior to making such assignment, and the lien and security
20 interest granted by Article VII.B. shall continue to burden the interest transferred to secure payment of any such obligations.

21 If, at any time the interest of any party is divided among and owned by four or more co-owners, Operator, at its discretion,
22 may require such co-owners to appoint a single trustee or agent with full authority to receive notices, approve expenditures,
23 receive billings for and approve and pay such party's share of the joint expenses, and to deal generally with, and with power to
24 bind, the co-owners of such party's interest within the scope of the operations embraced in this agreement; however, all such co-
25 owners shall have the right to enter into and execute all contracts or agreements for the disposition of their respective shares of
26 the Oil and Gas produced from the Contract Area and they shall have the right to receive, separately, payment of the sale
27 proceeds thereof.

28 **E. Waiver of Rights to Partition:**

29 If permitted by the laws of the state or states in which the property covered hereby is located, each party hereto owning an
30 undivided interest in the Contract Area waives any and all rights it may have to partition and have set aside to it in severalty its
31 undivided interest therein.

32 **F. Preferential Right to Purchase**

33 (Optional: Check if applicable)

34 ~~Should any party desire to sell all or any part of its interests under this agreement, or its rights and interests in the Contract~~
35 ~~Area, it shall promptly give written notice to the other parties, with full information concerning its proposed disposition, which~~
36 ~~shall include the name and address of the prospective transferee (who must be ready, willing and able to purchase), the purchase~~
37 ~~price, a legal description sufficient to identify the property, and all other terms of the offer. The other parties shall then have an~~
38 ~~optional prior right, for a period of ten (10) days after notice is delivered, to purchase for the stated consideration on the~~
39 ~~same terms and conditions the interest which the other party proposes to sell; and, if this optional right is exercised, the~~
40 ~~purchasing parties shall share the purchased interest in the proportions that the interest of each bears to the total interest of all~~
41 ~~purchasing parties. However, there shall be no preferential right to purchase in those cases where any party wishes to mortgage~~
42 ~~its interests, or to transfer title to its interest to its mortgagee in lieu of or pursuant to foreclosure of a mortgage of its interests,~~
43 ~~or to dispose of its interests by merger, reorganization, consolidation, or by sale of all or substantially all of its Oil and Gas assets~~
44 ~~to any party, or by transfer of its interests to a subsidiary or parent company or to a subsidiary of a parent company, or to any~~
45 ~~company in which such party owns a majority of the stock.~~

46 **ARTICLE IX.**

47 **INTERNAL REVENUE CODE ELECTION**

48 If, for federal income tax purposes, this agreement and the operations hereunder are regarded as a partnership, and if the
49 parties have not otherwise agreed to form a tax partnership pursuant to Exhibit "G" or other agreement between them, each
50 party thereby affected elects to be excluded from the application of all of the provisions of Subchapter "K," Chapter 1, Subtitle
51 "A," of the Internal Revenue Code of 1986, as amended ("Code"), as permitted and authorized by Section 761 of the Code and
52 the regulations promulgated thereunder. Operator is authorized and directed to execute on behalf of each party hereby affected
53 such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Federal Internal
54 Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by
55 Treasury Regulation §1.761. Should there be any requirement that each party hereby affected give further evidence of this
56 election, each such party shall execute such documents and furnish such other evidence as may be required by the Federal Internal
57 Revenue Service or as may be necessary to evidence this election. No such party shall give any notices or take any other action
58 inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Contract
59 Area is located or any future income tax laws of the United States contain provisions similar to those in Subchapter "K," Chapter
60 1, Subtitle "A," of the Code, under which an election similar to that provided by Section 761 of the Code is permitted, each party
61 hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing election, each
62 such party states that the income derived by such party from operations hereunder can be adequately determined without the
63 computation of partnership taxable income.

64 **ARTICLE X.**

65 **CLAIMS AND LAWSUITS**

66 Operator may settle any single uninsured third party damage claim or suit arising from operations hereunder if the expenditure
67 does not exceed Fifty Thousand Dollars (~~\$50,000.00~~) and if the payment is in complete settlement
68 of such claim or suit. If the amount required for settlement exceeds the above amount, the parties hereto shall assume and take over
69 the further handling of the claim or suit, unless such authority is delegated to Operator. All costs and expenses of handling settling,
70 or otherwise discharging such claim or suit shall be a the joint expense of the parties participating in the operation from which the
71 claim or suit arises. If a claim is made against any party or if any party is sued on account of any matter arising from operations
72 hereunder over which such individual has no control because of the rights given Operator by this agreement, such party shall
73 immediately notify all other parties, and the claim or suit shall be treated as any other claim or suit involving operations hereunder.

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**ARTICLE XI.
FORCE MAJEURE**

If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this agreement, other than the obligation to indemnify or make money payments or furnish security, that party shall give to all other parties prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so far as they are affected by the force majeure, shall be suspended during, but no longer than, the continuance of the force majeure. The term "force majeure," as here employed, shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the party claiming suspension.

The affected party shall use all reasonable diligence to remove the force majeure situation as quickly as practicable. The requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor difficulty by the party involved, contrary to its wishes; how all such difficulties shall be handled shall be entirely within the discretion of the party concerned.

**ARTICLE XII.
NOTICES**

All notices authorized or required between the parties by any of the provisions of this agreement, unless otherwise specifically provided, shall be in writing and delivered in person or by United States mail, courier service, ~~telex, / telegram,~~ ^{electronic mail,} telex, telecopier or any other form of facsimile, postage or charges prepaid, and addressed to such parties at the addresses listed on Exhibit "A." All telephone or oral notices permitted by this agreement shall be confirmed immediately thereafter by written notice. The originating notice given under any provision hereof shall be deemed delivered only when received by the party to whom such notice is directed, and the time for such party to deliver any notice in response thereto shall run from the date the originating notice is received. "Receipt" for purposes of this agreement with respect to written notice delivered hereunder shall be actual delivery of the notice to the address of the party to be notified specified in accordance with this agreement, or to the telecopy, ~~telex, / teletype~~ ^{electronic mail} machine of such party. The second or any responsive notice shall be deemed delivered when deposited in the United States mail or at the office of the courier or telegraph service, or upon transmittal by ~~telex, / telecopy~~ ^{electronic mail,} or facsimile, or when personally delivered to the party to be notified, provided, that when response is required within 24 or 48 hours, such response shall be given orally or by telephone, ~~telex, / telecopy~~ ^{electronic mail,} or other facsimile within such period. Each party shall have the right to change its address at any time, and from time to time, by giving written notice thereof to all other parties. If a party is not available to receive notice orally or by telephone when a party attempts to deliver a notice required to be delivered within 24 or 48 hours, the notice may be delivered in writing by any other method specified herein and shall be deemed delivered in the same manner provided above for any responsive notice.

**ARTICLE XIII.
TERM OF AGREEMENT**

This agreement shall remain in full force and effect as to the Oil and Gas Leases and/or Oil and Gas Interests subject hereto for the period of time selected below; provided, however, no party hereto shall ever be construed as having any right, title or interest in or to any Lease or Oil and Gas Interest contributed by any other party beyond the term of this agreement.

~~Option No. 1: So long as any of the Oil and Gas Leases subject to this agreement remain or are continued in force as to any part of the Contract Area, whether by production, extension, renewal or otherwise~~

Option No. 2: In the event the well described in Article VI.A., or any subsequent well drilled under any provision of this agreement, results in the Completion of a well as a well capable of production of Oil and/or Gas in paying quantities, this agreement shall continue in force so long as any such well is capable of production, and for an additional period of ninety (90) days thereafter; provided, however, if, prior to the expiration of such additional period, one or more of the parties hereto are engaged in drilling, Reworking, Deepening, Sidetracking, Plugging Back, testing or attempting to Complete or Re-complete a well or wells hereunder, this agreement shall continue in force until such operations have been completed and if production results therefrom, this agreement shall continue in force as provided herein. In the event the well described in Article VI.A., or any subsequent well drilled hereunder, results in a dry hole, and no other well is capable of producing Oil and/or Gas from the Contract Area, this agreement shall terminate unless drilling, Deepening, Sidetracking, Completing, Re-completing, Plugging Back or Reworking operations are commenced within ninety (90) days from the date of abandonment of said well. "Abandonment" for such purposes shall mean either (i) a decision by all parties not to conduct any further operations on the well or (ii) the elapse of 180 days from the conduct of any operations on the well, whichever first occurs.

The termination of this agreement shall not relieve any party hereto from any expense, liability or other obligation or any remedy therefor which has accrued or attached prior to the date of such termination.

Upon termination of this agreement and the satisfaction of all obligations hereunder, in the event a memorandum of this Agreement has been filed of record, Operator is authorized to file of record in all necessary recording offices a notice of termination, and each party hereto agrees to execute such a notice of termination as to Operator's interest, upon request of Operator, if Operator has satisfied all its financial obligations.

**ARTICLE XIV.
COMPLIANCE WITH LAWS AND REGULATIONS**

A. Laws, Regulations and Orders:

This agreement shall be subject to the applicable laws of the state in which the Contract Area is located, to the valid rules, regulations, and orders of any duly constituted regulatory body of said state; and to all other applicable federal, state, and local laws, ordinances, rules, regulations and orders.

B. Governing Law:

This agreement and all matters pertaining hereto, including but not limited to matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the law of the state in which the Contract Area is located. ~~If the Contract Area is in two or more states, the law of the state of _____ shall govern.~~

C. Regulatory Agencies:

Nothing herein contained shall grant, or be construed to grant, Operator the right or authority to waive or release any rights, privileges, or obligations which Non-Operators may have under federal or state laws or under rules, regulations or

1 orders promulgated under such laws in reference to oil, gas and mineral operations, including the location, operation, or
2 production of wells, on tracts offsetting or adjacent to the Contract Area.

3 With respect to the operations hereunder, Non-Operators agree to release Operator from any and all losses, damages,
4 injuries, claims and causes of action arising out of, incident to or resulting directly or indirectly from Operator's interpretation
5 or application of rules, rulings, regulations or orders of the Department of Energy or Federal Energy Regulatory Commission
6 or predecessor or successor agencies to the extent such interpretation or application was made in good faith and does not
7 constitute gross negligence. Each Non-Operator further agrees to reimburse Operator for such Non-Operator's share of
8 production or any refund, fine, levy or other governmental sanction that Operator may be required to pay as a result of such
9 an incorrect interpretation or application, together with interest and penalties thereon owing by Operator as a result of such
10 incorrect interpretation or application.

11 **ARTICLE XV.**
12 **MISCELLANEOUS**

13 **A. Execution:**

14 This agreement shall be binding upon each Non-Operator when this agreement or a counterpart thereof has been
15 executed by such Non-Operator and Operator notwithstanding that this agreement is not then or thereafter executed by all of
16 the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which
17 own, in fact, an interest in the Contract Area. Operator may, however, by written notice to all Non-Operators who have
18 become bound by this agreement as aforesaid, given at any time prior to the actual spud date of the Initial Well but in no
19 event later than five days prior to the date specified in Article VI.A. for commencement of the Initial Well, terminate this
20 agreement if Operator in its sole discretion determines that there is insufficient participation to justify commencement of
21 drilling operations. In the event of such a termination by Operator, all further obligations of the parties hereunder shall cease
22 as of such termination. In the event any Non-Operator has advanced or prepaid any share of drilling or other costs
23 hereunder, all sums so advanced shall be returned to such Non-Operator without interest. In the event Operator proceeds
24 with drilling operations for the Initial Well without the execution hereof by all persons listed on Exhibit "A" as having a
25 current working interest in such well, Operator shall indemnify Non-Operators with respect to all costs incurred for the
26 Initial Well which would have been charged to such person under this agreement if such person had executed the same and
27 Operator shall receive all revenues which would have been received by such person under this agreement if such person had
28 executed the same.

29 **B. Successors and Assigns:**

30 This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs,
31 devisees, legal representatives, successors and assigns, and the terms hereof shall be deemed to run with the Leases or
32 Interests included within the Contract Area.

33 **C. Counterparts:**

34 This instrument may be executed in any number of counterparts, each of which shall be considered an original for all
35 purposes.

36 **D. Severability:**

37 For the purposes of assuming or rejecting this agreement as an executory contract pursuant to federal bankruptcy laws,
38 this agreement shall not be severable, but rather must be assumed or rejected in its entirety, and the failure of any party to
39 this agreement to comply with all of its financial obligations provided herein shall be a material default.

40 **ARTICLE XVI.**

41 **OTHER PROVISIONS**

42 **A. Conflicts:**

43 **Notwithstanding anything herein contained to the contrary, it is understood and agreed that if there is any conflict between any**
44 **part of or all of the terms and provisions of Article XVI and any other terms and provisions of this Agreement, the terms and**
45 **provisions of this Article XVI shall prevail and control.**

46 **B. Priority of Operations:**

47 **If at any time there is more than one operation proposed in connection with any well subject to this Agreement and if the**
48 **Consenting Parties do not agree on the sequence of proposed operations, such proposed operations shall be conducted in the following**
49 **sequence:**

- 50
- 51 **First: testing, coring or logging;**
 - 52 **Second: completion attempts without plugging back in ascending order from**
53 **deepest to shallowest depths;**
 - 54 **Third: sidetracking in the order of least deviation from the original bottom hole location to the greatest deviation;**
 - 55 **Fourth: deepening of a well below the authorized depth in descending order from shallowest to deepest depths;**
 - 56 **Fifth: plugging back and completion attempts in ascending order from deepest to shallowest depths.**
- 57

58 **C. Netting and Setoff:**

59 **Except for any payments related to charges on any joint interest billing that a Non-Operator has disputed in good faith, in the**
60 **event that Non-Operator does not remit payment for any operating costs or charges assessable to Non-Operators and permitted under**
61 **this Agreement within forty five (45) days after the date payment is due, Operator is authorized to deduct such costs or charges, and**
62 **to remit to such Non-Operators their respective net share of any proceeds attributable to the interest of such Non-Operators being**
63 **received directly from any purchasers of production from the Contract Area. The foregoing provisions shall not diminish Operator's**
64 **lien rights contained within this Agreement.**

65 **D. Multiple Billing:**

66 **In no event shall Operator be required to make more than four billings for the entire interest credited to each Non-Operator on Exhibit**
67 **"A". If any Non-Operator to this Agreement disposes of any part or all of the interest credited to it on Exhibit "A", hereinafter referred**
68 **to as "Selling Party," such Selling Party shall be solely responsible for billing its assignee or assignees and shall remain primarily**
69

1 liable to the other Parties for the interest or interests assigned until such time as Selling Party has (1) designated and qualified the assignees
2 to receive the billing for its interest, (2) designated assignees have been approved and accepted by Operator, and (3) has furnished to
3 Operator written notice of the conveyance and photocopy of the recorded assignments by which the transfer is made. The sale or other
4 disposition of any interest in the leases covered by this Agreement shall be made specifically subject to the provisions of this Article.
5 Operator's approval shall not be unreasonably withheld.
6

7 **E. Horizontal Wells:**

8 1. Notwithstanding anything contained herein to the contrary, (i) the provisions of Article VI.C.1 Option No. 1 shall apply to any
9 Horizontal Well or Multi-lateral Well proposed hereunder, and (ii) the provisions of Article VI.C.1. Option No. 2 shall apply to all
10 other wells proposed hereunder that are not expressly proposed as Horizontal Wells or Multi-lateral Wells. To be effective as a
11 Horizontal Well Proposal, such proposal must include an AFE, the corresponding anticipated Unit and Contract Area size and
12 dimensions within which the well will be drilled, and other accompanying documents that clearly indicate the well being proposed is
13 a Horizontal Well or Multi-lateral Well. As to any possible conflicts that may arise during the completion phase of a Horizontal Well
14 or Multi-lateral Well, priority shall be given first to a Lateral drain hole of the authorized depth, and then to objective formations in
15 ascending order above the authorized depth, and then to objective formations in descending order below the authorized depth.

16 2. Operator shall have the right to cease drilling a Horizontal Well or Multi-lateral Well at any time, for any reason, and such
17 Horizontal Well or Multi-lateral Well shall be deemed to have reached its objective depth so long as Operator has drilled such
18 Horizontal Well or Multi-lateral Well to the objective formation and has drilled laterally in the objective formation for a distance
19 which is at least equal to fifty percent (50%) of the length of the total horizontal drainhole displacement (displacement from true
20 vertical) proposed for the operation. In like manner, Operator may continue drilling to extend a proposed lateral in a Horizontal
21 Well or Multi-lateral Well up to 10% longer than the length proposed in the proposal approved by the Parties if in Operator's sole
22 judgment, it would be reasonably prudent to do so.
23

24 **F. Sidetracking:**

25 Notwithstanding the provisions of Article VI.B(5), "Sidetracking", such paragraph shall not be applicable to operations in the
26 lateral portion of a Horizontal Well or Multi-lateral Well. Drilling operations which are intended to recover penetration of the target
27 interval which are conducted in a Horizontal Well or Multi-lateral Well shall be considered as included in the original proposed
28 drilling operations.
29

30 **G. Further Assurances:**

31 In connection with this Agreement, the parties agree to execute and deliver such additional documents and instruments and to perform
32 such additional acts as may be necessary or appropriate to effectuate, carry out, and perform all the terms, provisions and conditions of
33 this Agreement. Without limiting the generality of the foregoing, the parties agree to execute and deliver to Operator one or more Recording
34 Supplement to Operating Agreement and Financing Statement in the form of Exhibit "H" in recordable form, giving notice of the existence
35 of this Agreement, which Operator shall cause to be recorded in the county or counties in which any portion of the Contract Area is located.
36

37 **H. Covenants Running with the Land:**

38 The terms, provisions, covenants and conditions of this Agreement shall be deemed to be covenants running with the lands, the
39 lease or leases and leasehold estate covered hereby, and all of the terms, provisions, covenants and conditions of this Agreement shall
40 be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.
41

42 **I. Headings:**

43 All headings in this Agreement are for reference purposes only and have no binding effect on the terms, conditions or
44 provisions of this Agreement.
45

46 **J. Indemnity for Access to Contract Area:**

47 Each Non-Operator shall indemnify and hold Operator harmless against any and all liability in excess of insurance coverage
48 carried for the joint account for injury to each such Non-Operator's officers, employees and/or agents resulting from and in any way
49 relating to such officers', employees', and/or agents' presence on the Contract Area. The Non-Operators indemnity to Operator shall
50 also apply to any other person whose presence on the Contract Area is at the insistence of such Non-Operator.
51

52 **K. Contract Area and Drilling Unit:**

53 "Contract Area" or "Unit Area" shall mean a contiguous area in size and configuration as determined by the Operator in order
54 to accommodate anticipated wells, wellbore paths and wellbore lengths located or to be located within the anticipated Drilling Unit.
55 The Contract Area shall be, to the extent practicable, the same as the Drilling Unit, and shall include all Oil and Gas Leases and Oil
56 and Gas Interests within the boundary of the Contract Area, and may include oil and gas leases or oil and gas interests not controlled
57 or owned by the Parties to this Agreement or other interests which cannot be included in the Drilling Unit at the time the Drilling
58 Unit is formed or created but are reasonably anticipated to be controlled or acquired by the Parties in the future. The Parties shall
59 make good faith efforts to include otherwise stranded acreage in a Contract Area where reasonably practical.
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62 **L. Working Interest Adjustment:**

63 Any recalculation or adjustment of the Parties' Exhibit "A" working interests pursuant to Articles VIII.A, VIII.B or XVI.M of
64 this Agreement shall be recalculated or adjusted after written notice is provided to the affected party(ies) of such recalculation or
65 adjustment of working interest. Such recalculation or adjustment shall be made effective as of the date of the lease surrender, renewal,
66 acquisition and/or Contract Area / Drilling Unit Adjustment; provided, however, any such recalculation or adjustment to the Parties'
67 working interests prior to the date of the first sale of production from such Drilling Unit shall be made effective as of the date first
68 costs were incurred on and for such Drilling Unit.
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70 This Article XVI.L shall not apply to loss or failure of title pursuant to Article IV.B of this Agreement.
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M. Contract Area / Drilling Unit Adjustment:

It is recognized by the Parties that it may be prudent and/or necessary to enlarge or reduce the size of an existing Contract Area / Drilling Unit and/or include within an existing Contract Area / Drilling Unit acreage which was not initially included therein. Without the consent of the Parties, an existing Contract Area / Drilling Unit may not be enlarged or reduced in size. Such consent shall not be unreasonably withheld, delayed or conditioned. The party proposing such enlargement or reduction to an existing Contract Area / Drilling Unit shall notify the other party(ies) in writing, providing an explanation for the Contract Area / Drilling Unit modification proposal. To the extent a Contract Area / Drilling Unit is modified pursuant to this Agreement, the working interests of the Parties shall be recalculated in the manner set forth in Article XVI.L and a modified declaration of pooled unit shall be prepared and filed of record.

To the extent the Contract Area is modified pursuant to this Agreement, this Agreement shall be amended with revised Exhibits “A,” “A-1,” and “A-2” and a new Recording Supplement to Operating Agreement and Financing Agreement shall be prepared and filed of record.

This Article XVI.M shall not apply to the loss or failure of title pursuant to Article IV.B of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this agreement shall be effective as of the 9th day of November,

2018.

Ascent Resources – Utica, LLC, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610-1989 Model Form Operating Agreement, as published in computerized form by Forms On-A-Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes, ~~in~~ Articles, ~~have been made to the form.~~

OPERATOR

ATTEST OR WITNESS

Ascent Resources – Utica, LLC
an Oklahoma limited liability company

By: Kade R. Smith

Title: Attorney-in-Fact
Address: 3501 NW 63rd, Oklahoma City, Oklahoma 73116

NON-OPERATORS

ATTEST OR WITNESS

By: _____

Title: _____
Address: _____

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

On this, the ____ day of _____, 20____, before me _____, the undersigned officer, personally appeared Kade R. Smith, who acknowledged himself to be the Attorney-in-Fact of **Ascent Resources – Utica, LLC**, an Oklahoma limited liability company, and that he as such Attorney-in-Fact, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the limited liability company by himself as Attorney-in-Fact.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: _____
Signature/Notary Public: _____
Name/Notary Public (print): _____

STATE OF _____)
) §
COUNTY OF _____)

On this, the ____ day of _____, 20____, before me _____, the undersigned officer, personally appeared _____, who acknowledged himself to be the Sr. Vice President, Land of _____ and that he as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as _____.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: _____
Signature/Notary Public: _____
Name/Notary Public (print): _____

EXHIBIT “A”

Attached to and made a part of that certain Operating Agreement dated June 22, 2022, as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Bannock N UNN BL Unit.

(1) **Identification of lands subject to this Agreement.**

The Contract Area is shown on Exhibit “A-1” attached hereto.

(2) **Restrictions as to depths and formations.**

This Agreement shall cover the Unit Area from the top of the Utica Shale formation to the base of the Utica Shale formation, which is also the base of the Point Pleasant interval (as more particularly defined in Article 1 of the Unit Plan).

(3) **Percentages or fractional interests of parties to this Agreement.***

The owners and interests of the owners are set forth in Exhibit “A-2” attached hereto.

(4) **Oil and gas leases and/or oil and gas interests subject to this Agreement.**

<u>Operator</u>	<u>Working Interest</u>
Ascent Resources – Utica, LLC	79.634398%*
<u>Non-Operator</u>	
<u>Unleased Mineral Owners</u>	<u>20.365602%*</u>
Total:	<u>100.000000%</u>

(5) **Addresses of parties for notice purposes.**

Ascent Resources – Utica, LLC
3501 NW 63rd Street
Oklahoma City, Oklahoma 73116
Attention: Serena Evans, Vice President - Land

The names and addresses of the remaining parties are set forth in Exhibit “A-3,” Exhibit “A-4,” Exhibit “A-5,” and Exhibit “A-6” attached hereto.

*It is understood by the Parties that the working interests listed in this Agreement (and any attachments hereto) are estimates only and are subject to change based upon final verification of title, due diligence, or surveying work that may be performed upon approval by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management. The Parties’ interests shall be adjusted to reflect the actual interest owned by the parties in the Contract Area.

End of Exhibit “A”

TWP: 9
RNG: 5
SEC: 9

TWP: 9
RNG: 5
SEC: 3

TWP: 9
RNG: 5
SEC: 2

TWP: 9
RNG: 5
SEC: 8

Please See
Exhibit A-1b

WHEELING

TWP: 9
RNG: 5
SEC: 7

TWP: 9
RNG: 5
SEC: 1

Belmont County

Please See
Exhibit A-1c

TWP: 6
RNG: 5
SEC: 12

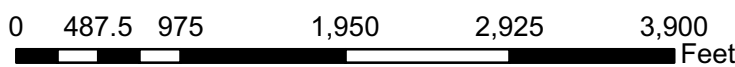
UNION

TWP: 8
RNG: 5
SEC: 6

BANNOCK N UNN BL JOA Exhibit A-1a



NAD 1927 StatePlane Ohio South FIPS 3402

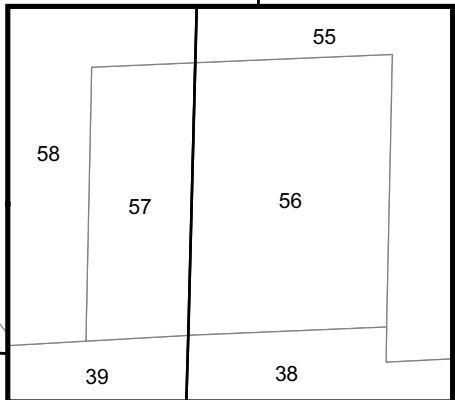


1 INCH = 975 ft.

- BANNOCK N UNN BL UNIT - 669.882 Ac.
- MUNICIPAL TOWNSHIPS
- PLSS SECTION
- TAX PARCELS
- COUNTY BOUNDARIES

Belmont County

TWP: 9
RNG: 5
SEC: 9



TWP: 9
RNG: 5
SEC: 2

TWP: 9
RNG: 5
SEC: 8

WHEELING

TWP: 9
RNG: 5
SEC: 7

TWP: 9
RNG: 5
SEC: 1

BANNOCK N UNN BL JOA Exhibit A-1b

0 285 570 1,140 1,710 2,280 Feet

1 INCH = 570 ft.

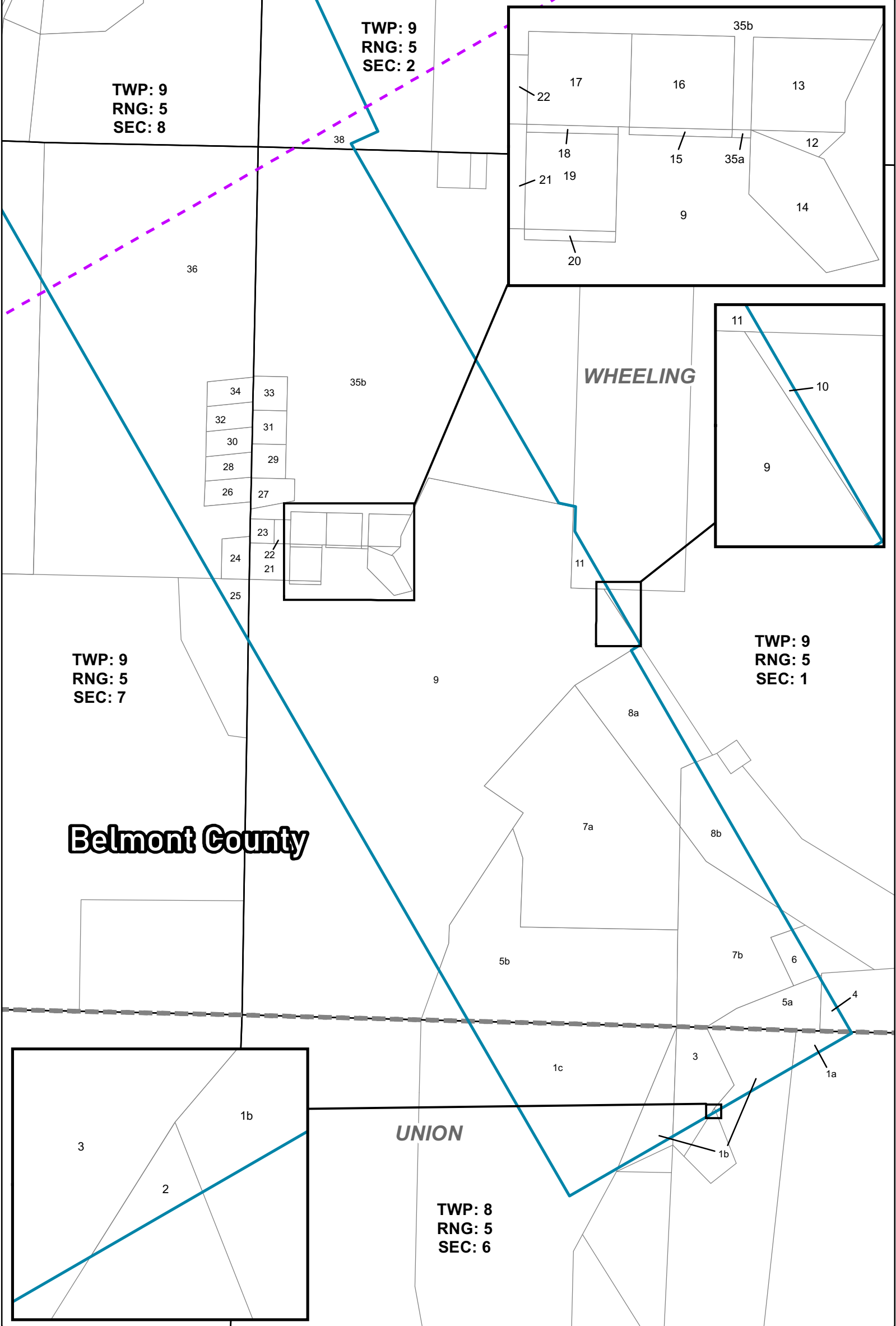
- BANNOCK N UNN BL UNIT - 669,882 Ac.
- MUNICIPAL TOWNSHIPS
- PLSS SECTION
- TAX PARCELS
- COUNTY BOUNDARIES



NAD 1927 StatePlane Ohio South FIPS 3402

EXHIBIT A-1b UNIT PARCEL CHART:

TRACT NO.	PARCEL NO.	AREA IN UNIT (ACRES)
35b	51-00394.000	58.264
36	51-00227.000	50.869
37	51-00228.000	4.691
38	51-00241.001	12.096
39	51-00189.000	27.271
40	51-00189.001	3.340
41	51-00079.000	1.145
42	51-00018.004	3.843
43	51-00018.006	3.259
44	51-00018.000	2.702
45	51-00081.000	1.360
46	51-00018.005	0.796
47	51-00018.009	0.002
48	51-00018.003	0.431
49	51-00018.002	0.919
50	51-00018.001	0.992
51	51-00096.000	1.305
52	51-00036.000	3.148
53	51-00209.000	4.952
54	51-00239.000	0.628
55	51-00422.003	0.914
56	51-00066.000	0.150
57	51-00067.000	0.078
58	51-00210.000	42.691
59	51-00191.000	39.113
60	51-00191.001	0.772
61	51-00191.002	0.070
62	51-00191.003	0.121
63	51-00204.000	5.095
64	51-00235.000	12.993
65	51-00121.000	0.127
66	51-00122.000	0.011
67	51-00172.000	9.452
68	51-00233.000	86.025
69	51-00233.002	1.682
70	51-00233.001	0.823
71	51-00398.000	50.767
72	51-00173.000	20.819
73	51-00176.000	8.623
74	51-00142.000	0.183
75	51-00230.001	1.036
76	51-00120.000	0.239

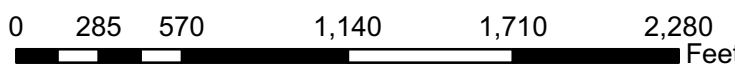


Belmont County

WHEELING

UNION

**BANNOCK N UNN BL
JOA Exhibit A-1c**



1 INCH = 570 ft.

- BANNOCK N UNN BL UNIT - 669.882 Ac.
- MUNICIPAL TOWNSHIPS
- PLSS SECTION
- TAX PARCELS
- COUNTY BOUNDARIES

EXHIBIT A-1c UNIT PARCEL CHART:

TRACT NO.	PARCEL NO.	AREA IN UNIT (ACRES)
1a	39-00525.000	0.926
1b	39-00525.000	6.248
1c	39-00525.000	17.659
2	39-60043.000	0.011
3	39-00527.000	3.796
4	51-00014.000	0.693
5a	51-00221.000	3.036
5b	51-00221.000	22.150
6	51-00146.003	1.158
7a	51-00146.001	26.690
7b	51-00146.001	12.525
8a	51-00146.000	7.203
8b	51-00146.000	4.316
9	51-00432.000	80.289
10	51-00214.002	0.107
11	51-00195.000	1.025
12	51-00071.000	0.123
13	51-00072.000	1.000
14	51-00078.000	1.011
15	51-00433.000	0.084
16	51-00435.000	0.999
17	51-00421.000	0.998
18	51-00421.000	0.074
19	51-00419.000	0.925
20	51-00419.000	0.102
21	51-00112.000	1.270
22	51-00022.000	0.339
23	51-00023.000	0.501
24	51-00227.002	1.000
25	51-00145.000	0.833
26	51-00227.001	1.003
27	51-00394.002	1.001
28	51-00049.000	0.986
29	51-00434.001	1.002
30	51-00080.000	0.992
31	51-00111.000	1.004
32	51-00093.000	0.992
33	51-00394.001	1.007
34	51-00089.000	0.992
35a	51-00394.000	0.015
35b	51-00394.000	58.264
36	51-00227.000	50.869
38	51-00241.001	12.096

MASTER UNIT PARCEL CHART:

TRACT NO.	PARCEL NO.	AREA IN UNIT (ACRES)	EXHIBIT
1a	39-00525.000	0.926	A-1c
1b	39-00525.000	6.248	A-1c
1c	39-00525.000	17.659	A-1c
2	39-60043.000	0.011	A-1c
3	39-00527.000	3.796	A-1c
4	51-00014.000	0.693	A-1c
5a	51-00221.000	3.036	A-1c
5b	51-00221.000	22.150	A-1c
6	51-00146.003	1.158	A-1c
7a	51-00146.001	26.690	A-1c
7b	51-00146.001	12.525	A-1c
8a	51-00146.000	7.203	A-1c
8b	51-00146.000	4.316	A-1c
9	51-00432.000	80.289	A-1c
10	51-00214.002	0.107	A-1c
11	51-00195.000	1.025	A-1c
12	51-00071.000	0.123	A-1c
13	51-00072.000	1.000	A-1c
14	51-00078.000	1.011	A-1c
15	51-00433.000	0.084	A-1c
16	51-00435.000	0.999	A-1c
17	51-00421.000	0.998	A-1c
18	51-00421.000	0.074	A-1c
19	51-00419.000	0.925	A-1c
20	51-00419.000	0.102	A-1c
21	51-00112.000	1.270	A-1c
22	51-00022.000	0.339	A-1c
23	51-00023.000	0.501	A-1c
24	51-00227.002	1.000	A-1c
25	51-00145.000	0.833	A-1c
26	51-00227.001	1.003	A-1c
27	51-00394.002	1.001	A-1c
28	51-00049.000	0.986	A-1c
29	51-00434.001	1.002	A-1c
30	51-00080.000	0.992	A-1c
31	51-00111.000	1.004	A-1c
32	51-00093.000	0.992	A-1c
33	51-00394.001	1.007	A-1c
34	51-00089.000	0.992	A-1c
35a	51-00394.000	0.015	A-1c
35b	51-00394.000	58.264	A-1b/A-1c
36	51-00227.000	50.869	A-1b/A-1c
37	51-00228.000	4.691	A-1b
38	51-00241.001	12.096	A-1b/A-1c
39	51-00189.000	27.271	A-1b
40	51-00189.001	3.340	A-1b
41	51-00079.000	1.145	A-1b
42	51-00018.004	3.843	A-1b
43	51-00018.006	3.259	A-1b
44	51-00018.000	2.702	A-1b
45	51-00081.000	1.360	A-1b
46	51-00018.005	0.796	A-1b
47	51-00018.009	0.002	A-1b
48	51-00018.003	0.431	A-1b
49	51-00018.002	0.919	A-1b
50	51-00018.001	0.992	A-1b
51	51-00096.000	1.305	A-1b
52	51-00036.000	3.148	A-1b
53	51-00209.000	4.952	A-1b
54	51-00239.000	0.628	A-1b
55	51-00422.003	0.914	A-1b
56	51-00066.000	0.150	A-1b
57	51-00067.000	0.078	A-1b
58	51-00210.000	42.691	A-1b
59	51-00191.000	39.113	A-1b
60	51-00191.001	0.772	A-1b
61	51-00191.002	0.070	A-1b
62	51-00191.003	0.121	A-1b
63	51-00204.000	5.095	A-1b
64	51-00235.000	12.993	A-1b
65	51-00121.000	0.127	A-1b
66	51-00122.000	0.011	A-1b
67	51-00172.000	9.452	A-1b
68	51-00233.000	86.025	A-1b
69	51-00233.002	1.682	A-1b
70	51-00233.001	0.823	A-1b
71	51-00398.000	50.767	A-1b
72	51-00173.000	20.819	A-1b
73	51-00176.000	8.623	A-1b
74	51-00142.000	0.183	A-1b
75	51-00230.001	1.036	A-1b
76	51-00120.000	0.239	A-1b
TOTALS:		669.882	



Exhibit A-2

All Mineral Owners in the proposed Bannock N UNN BL Unit.

Tract Number	Lease ID Number (Optional)	Mineral Owner	Leased Yes or No	Decimal Interest in Tract	Surface Acres in Unit (Net)	Tract Participation in Unit	Tax Map Parcel ID	Township	County	Consenting Working Interest Percentage	Applicant Working Interest Percentage	Address	City	State	Zip
1a	PENDING	Capstone Holding Company	Yes	1.000000	0.926	0.138233%	39-00525.000	Union	Belmont	0.138233%	0.138233%	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972
1b	Unleased Mineral Interest	Charles G. Melchiori, Jr.	No	0.200000	1.250	0.186540%	39-00525.000	Union	Belmont	0.000000%	0.000000%	57024 Somerton Highway	Barnesville	OH	43713
1b	Unleased Mineral Interest	Martha Stockert	No	0.200000	1.250	0.186540%	39-00525.000	Union	Belmont	0.000000%	0.000000%	11 Delbarton Drive	Madison	NJ	07490
1b	Unleased Mineral Interest	The Unknown Heirs of Nancy Gilli, deceased	No	0.200000	1.250	0.186540%	39-00525.000	Union	Belmont	0.000000%	0.000000%	Unknown	Unknown	Unknown	Unknown
1b	Unleased Mineral Interest	Alice Robinson	No	0.200000	1.250	0.186540%	39-00525.000	Union	Belmont	0.000000%	0.000000%	109 Everleigh Court	Lexington	SC	29072
1b	Unleased Mineral Interest	Naomi Calovini	No	0.200000	1.250	0.186540%	39-00525.000	Union	Belmont	0.000000%	0.000000%	70180 Beal Road	Lafferty	OH	43951
1c	UTC012630000	Jorden Family MR, LLC	Yes	1.000000	17.659	2.636136%	39-00525.000	Union	Belmont	2.636136%	2.636136%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039
		Capstone Holding Company*										Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972
2	UTC008986000	Trustees of Union Township	Yes	1.000000	0.011	0.001642%	39-60043.000	Union	Belmont	0.001642%	0.001642%	Attn: Shane Kildow, Justin Demarchi, and Anthony Kolanski, Trustees of Union Township 70098 Alexander Street	Lafferty	OH	43951
3	UTC003965000	Charles G. Melchiori, Jr.	Yes	0.200000	0.759	0.113333%	39-00527.000	Union	Belmont	0.113333%	0.113333%	57024 Somerton Highway	Barnesville	OH	43713
3	UTC003965000	Martha Stockert	Yes	0.200000	0.759	0.113333%	39-00527.000	Union	Belmont	0.113333%	0.113333%	11 Delbarton Drive	Madison	NJ	07490
3	UTC003965000	The Unknown Heirs of Nancy Gilli, deceased	Yes	0.200000	0.759	0.113333%	39-00527.000	Union	Belmont	0.113333%	0.113333%	Unknown	Unknown	Unknown	Unknown
3	UTC003965000	Alice Robinson	Yes	0.200000	0.759	0.113333%	39-00527.000	Union	Belmont	0.113333%	0.113333%	109 Everleigh Court	Lexington	SC	29072
3	UTC003965000	Naomi Calovini	Yes	0.200000	0.759	0.113333%	39-00527.000	Union	Belmont	0.113333%	0.113333%	70180 Beal Road	Lafferty	OH	43951
4	UTC012475000 UTC012474000	Lisa K. Arnold, as survivorship tenant	Yes	1.000000	0.693	0.103451%	51-00014.000	Wheeling	Belmont	0.103451%	0.103451%	71675 Chini Orchard Road	Flushing	OH	43977
	UTC012473000 UTC012474000	Kris R. Chini, as survivorship tenant	Yes									72510 Markatan Street	Flushing	OH	43977
5a	Unleased Mineral Interest	Charles G. Melchiori, Jr.	No	0.200000	0.607	0.090643%	51-00221.000	Wheeling	Belmont	0.000000%	0.000000%	57024 Somerton Highway	Barnesville	OH	43713
5a	Unleased Mineral Interest	Martha Stockert	No	0.200000	0.607	0.090643%	51-00221.000	Wheeling	Belmont	0.000000%	0.000000%	11 Delbarton Drive	Madison	NJ	07490
5a	Unleased Mineral Interest	The Unknown Heirs of Nancy Gilli, deceased	No	0.200000	0.607	0.090643%	51-00221.000	Wheeling	Belmont	0.000000%	0.000000%	Unknown	Unknown	Unknown	Unknown
5a	Unleased Mineral Interest	Alice Robinson	No	0.200000	0.607	0.090643%	51-00221.000	Wheeling	Belmont	0.000000%	0.000000%	109 Everleigh Court	Lexington	SC	29072
5a	Unleased Mineral Interest	Naomi Calovini	No	0.200000	0.607	0.090643%	51-00221.000	Wheeling	Belmont	0.000000%	0.000000%	70180 Beal Road	Lafferty	OH	43951
5b	UTC030002001	Jorden Family MR, LLC	Yes	1.000000	22.150	3.306552%	51-00221.000	Wheeling	Belmont	3.306552%	3.306552%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039
		Capstone Holding Company*										Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972
6	UTC002027000	Michael S. Drake	Yes	1.000000	1.158	0.172866%	51-00146.003	Wheeling	Belmont	0.172866%	0.172866%	71080 Gas Station Shippy Road	Saint Clairsville	OH	43950
7a	UTC016401000	Jorden Family MR, LLC	Yes	1.000000	26.690	3.984284%	51-00146.001	Wheeling	Belmont	3.984284%	3.984284%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039
		Michael S. Drake*										71080 Gas Station Shippy Road	Saint Clairsville	OH	43950
7b	UTC002027000	Michael S. Drake	Yes	1.000000	12.525	1.869732%	51-00146.001	Wheeling	Belmont	1.869732%	1.869732%	71080 Gas Station Shippy Road	Saint Clairsville	OH	43950

8a	UTC010601000	Jorden Family MR, LLC	Yes	1.000000	7.203	1.075264%	51-00146.000	Wheeling	Belmont	1.075264%	1.075264%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039	
		Lisa K. Arnold, as survivorship tenant*										71675 Chini Orchard Road	Flushing	OH	43977	
		Kris R. Chini, as survivorship tenant*										72510 Markatan Street	Flushing	OH	43977	
8b	UTC012475000	Lisa K. Arnold, as survivorship tenant	Yes	1.000000	4.316	0.644293%	51-00146.000	Wheeling	Belmont	0.644293%	0.644293%	71675 Chini Orchard Road	Flushing	OH	43977	
	UTC012473000	Kris R. Chini, as survivorship tenant										72510 Markatan Street	Flushing	OH	43977	
	UTC012474000															
9	UTC001153000	Edward Chini, Sr.	Yes	1.000000	80.289	11.985544%	51-00432.000	Wheeling	Belmont	11.985544%	11.985544%	71939 Chini Orchard Road	Flushing	OH	43977	
10	UTC001718000	The James P. Shippy Irrevocable Trust, by Tracie A. Campbell, Trustee	Yes	1.000000	0.107	0.015973%	51-00214.002	Wheeling	Belmont	0.015973%	0.015973%	Attn: Tracie A. Campbell, Trustee 5310 Corey Hunt Road	Bristolville	OH	44402	
11	UTC003965000	Ohio River Collieries Company	Yes	1.000000	1.025	0.153012%	51-00195.000	Wheeling	Belmont	0.153012%	0.153012%	Attn: Thomas G, Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950	
12	UTC030002001	Jorden Family MR, LLC	Yes	1.000000	0.123	0.018361%	51-00071.000	Wheeling	Belmont	0.018361%	0.018361%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039	
		Ohio River Collieries Company*										Attn: Thomas G, Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950	
13	UTC015253000	Capstone Holding Company	Yes	1.000000	1.000	0.149280%	51-00072.000	Wheeling	Belmont	0.149280%	0.149280%	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972	
14	UTC030002001	Jorden Family MR, LLC	Yes	1.000000	1.011	0.150922%	51-00078.000	Wheeling	Belmont	0.150922%	0.150922%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039	
		Ohio River Collieries Company*										Attn: Thomas G, Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950	
15	UTC030002001	Jorden Family MR, LLC	Yes	1.000000	0.084	0.012540%	51-00433.000	Wheeling	Belmont	0.012540%	0.012540%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039	
		Ohio River Collieries Company*										Attn: Thomas G, Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950	
16	UTC015253000	Capstone Holding Company	Yes	1.000000	0.999	0.149131%	51-00435.000	Wheeling	Belmont	0.149131%	0.149131%	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972	
17	UTC015253000	Capstone Holding Company	Yes	1.000000	0.998	0.148981%	51-00421.000	Wheeling	Belmont	0.148981%	0.148981%	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972	
18	UTC030002001	Jorden Family MR, LLC	Yes	1.000000	0.074	0.011047%	51-00421.000	Wheeling	Belmont	0.011047%	0.011047%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039	
		Ohio River Collieries Company*										Attn: Thomas G, Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950	
19	UTC030002001	Jorden Family MR, LLC	Yes	1.000000	0.925	0.138084%	51-00419.000	Wheeling	Belmont	0.138084%	0.138084%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039	
		Erin D. Scott*										71570 Chini Orchard Road	Flushing	OH	43977	
20	UTC030002001	Jorden Family MR, LLC	Yes	1.000000	0.102	0.015227%	51-00419.000	Wheeling	Belmont	0.015227%	0.015227%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039	
		Ohio River Collieries Company*										Attn: Thomas G, Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950	
21	UTC030002001	Jorden Family MR, LLC	Yes	1.000000	1.270	0.189586%	51-00112.000	Wheeling	Belmont	0.189586%	0.189586%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039	
		Patricia T. Locke*										24 Forrest View Drive	Kingwood	WV	26537	
22	PENDING	Robert J. Kolanski and wife Deborah L. Kolanski, as survivorship tenants	Yes	1.000000	0.339	0.050606%	51-00022.000	Wheeling	Belmont	0.050606%	0.050606%	71575 Chini Orchard Road	Flushing	OH	43977	
23	PENDING	Robert J. Kolanski and wife Deborah L. Kolanski, as survivorship tenants	Yes	1.000000	0.501	0.074789%	51-00023.000	Wheeling	Belmont	0.074789%	0.074789%	71575 Chini Orchard Road	Flushing	OH	43977	
24	UTC004229000	Michael Magnani and wife, Kelly Magnani, as survivorship tenants	Yes	1.000000	1.000	0.149280%	51-00227.002	Wheeling	Belmont	0.149280%	0.149280%	71640 Chini Orchard Road	Flushing	OH	43977	

25	UTC012630000	Jorden Family MR, LLC	Yes	1.000000	0.833	0.124350%	51-00145.000	Wheeling	Belmont	0.124350%	0.124350%	Attn: Robert W. Jorden and Ralph W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039
		Edward Chini, Sr.*										71939 Chini Orchard Road	Flushing	OH	43977
26	UTC022638000	Charles D. Marano, Sr. and wife, Patricia L. Marano	Yes	1.000000	1.003	0.149728%	51-00227.001	Wheeling	Belmont	0.149728%	0.149728%	71710 Chini Orchard Road	Flushing	OH	43977
27	UTC029811000	Capstone Holding Company	Yes	1.000000	1.001	0.149429%	51-00394.002	Wheeling	Belmont	0.149429%	0.149429%	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972
28	UTC022638000	Charles D. Marano, Sr. and wife, Patricia L. Marano, as survivorship tenants	Yes	1.000000	0.986	0.147190%	51-00049.000	Wheeling	Belmont	0.147190%	0.147190%	71710 Chini Orchard Road	Flushing	OH	43977
29	UTC015253000	Capstone Holding Company	Yes	1.000000	1.002	0.149579%	51-00434.001	Wheeling	Belmont	0.149579%	0.149579%	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972
30	UTC008433000	Steve E. Forro and wife, Michele R. Forro, as survivorship tenants	Yes	1.000000	0.992	0.148086%	51-00080.000	Wheeling	Belmont	0.148086%	0.148086%	71740 Chini Orchard Road	Flushing	OH	43977
31	UTC015253000	Capstone Holding Company	Yes	1.000000	1.004	0.149877%	51-00111.000	Wheeling	Belmont	0.149877%	0.149877%	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972
32	UTC022646000	Randy A. Tyrell and wife, Terri J. Tyrell, as survivorship tenants	Yes	1.000000	0.992	0.148086%	51-00093.000	Wheeling	Belmont	0.148086%	0.148086%	71750 Chini Orchard Drive	Flushing	OH	43977
33	UTC015253000	Capstone Holding Company	Yes	1.000000	1.007	0.150325%	51-00394.001	Wheeling	Belmont	0.150325%	0.150325%	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972
34	UTC006272000	Bradly L. McGrath	Yes	1.000000	0.992	0.148086%	51-00089.000	Wheeling	Belmont	0.148086%	0.148086%	71770 Chini Orchard Road	Flushing	OH	43977
35a	UTC010601000	Jorden Family MR, LLC	Yes	1.000000	0.015	0.002239%	51-00394.000	Wheeling	Belmont	0.002239%	0.002239%	Attn: Ralph W. Jorden and Robert W. Jorden, Manager's Agents 6938 Lighthouse Point	Maineville	OH	45039
		Ohio River Collieries Company*										Attn: Thomas G. Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950
35b	PENDING	Capstone Holding Company	Yes	1.000000	58.264	8.697651%	51-00394.000	Wheeling	Belmont	8.697651%	8.697651%	Attn: Danny E. Taylor, Treasurer P.O. Box 115	Bannock	OH	43972
36	UTC019872000	Bounty Minerals, LLC	Yes	0.500000	25.435	3.796863%	51-00227.000	Wheeling	Belmont	3.796863%	3.796863%	Attn: Tracie R. Palmer, President 777 Main Street, Suite 3400	Fort Worth	TX	76102
36	Unleased Mineral Interest	The Steve Vcelka 05/20/2005 Irrevocable Trust, by Trustees James Michael Vcelka, Jessica Lynn Schafer, and Sandra Zielinski	No	0.500000	25.435	3.796863%	51-00227.000	Wheeling	Belmont	0.000000%	0.000000%	Attn: James Michael Vcelka and Jessica Lynn Schafer, Trustees 71941 Barylak Road	Flushing	OH	43977
												Attn: Sandra Zielinski, Trustee 44345 Lafferty Road	Saint Clairsville	OH	43950
37	UTC019872000	Bounty Minerals, LLC	Yes	0.500000	2.346	0.350136%	51-00228.000	Wheeling	Belmont	0.350136%	0.350136%	Attn: Tracie R. Palmer, President 777 Main Street, Suite 3400	Fort Worth	TX	76102
37	Unleased Mineral Interest	The Steve Vcelka 05/20/2005 Irrevocable Trust, by Trustees James Michael Vcelka, Jessica Lynn Schafer, and Sandra Zielinski	No	0.500000	2.346	0.350136%	51-00228.000	Wheeling	Belmont	0.000000%	0.000000%	Attn: James Michael Vcelka and Jessica Lynn Schafer, Trustees 71941 Barylak Road	Flushing	OH	43977
												Attn: Sandra Zielinski, Trustee 44345 Lafferty Road	Saint Clairsville	OH	43950
38	UTC003972000	Edward Chini, Sr. (Life Tenant) The Edward Chini Jr. Trust dated May 21, 2018, by Trustee Edward Chini, Jr. (Remainderman)	Yes	1.000000	12.096	1.805691%	51-00241.001	Wheeling	Belmont	1.805691%	1.805691%	71939 Chini Orchard Road	Flushing	OH	43977
39	UTC012115000	John A. Humphrey	Yes	1.000000	27.271	4.071015%	51-00189.000	Wheeling	Belmont	4.071015%	4.071015%	72460 Uniontown Flushing Road	Flushing	OH	43977
40	UTC012115000	John A. Humphrey	Yes	1.000000	3.340	0.498595%	51-00189.001	Wheeling	Belmont	0.498595%	0.498595%	72460 Uniontown Flushing Road	Flushing	OH	43977
41	UTC014998000	Dwain E. Knight and wife, Ann L. Knight, as survivorship tenants	Yes	1.000000	1.145	0.170926%	51-00079.000	Wheeling	Belmont	0.170926%	0.170926%	72400 Blair Road	Flushing	OH	43977
42	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.801	0.119517%	51-00018.004	Wheeling	Belmont	0.119517%	0.119517%	206 Fort Stanton Road	Alto	NM	88312
42	UTC024812000	Island Resources	Yes	0.208333	0.801	0.119517%	51-00018.004	Wheeling	Belmont	0.119517%	0.119517%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
42	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	2.242	0.334648%	51-00018.004	Wheeling	Belmont	0.334648%	0.334648%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
43	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.679	0.101355%	51-00018.006	Wheeling	Belmont	0.101355%	0.101355%	206 Fort Stanton Road	Alto	NM	88312
43	UTC024812000	Island Resources	Yes	0.208333	0.679	0.101355%	51-00018.006	Wheeling	Belmont	0.101355%	0.101355%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
43	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	1.901	0.283794%	51-00018.006	Wheeling	Belmont	0.283794%	0.283794%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
44	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.563	0.084032%	51-00018.000	Wheeling	Belmont	0.084032%	0.084032%	206 Fort Stanton Road	Alto	NM	88312
44	UTC024812000	Island Resources	Yes	0.208333	0.563	0.084032%	51-00018.000	Wheeling	Belmont	0.084032%	0.084032%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024

44	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	1.576	0.235290%	51-00018.000	Wheeling	Belmont	0.235290%	0.235290%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
45	UTC022649000	Richard Louis Nucci	Yes	1.000000	1.360	0.203021%	51-00018.000	Wheeling	Belmont	0.203021%	0.203021%	207 Morrirstown Street	Flushing	OH	43977
46	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.166	0.024756%	51-00018.005	Wheeling	Belmont	0.024756%	0.024756%	206 Fort Stanton Road	Alto	NM	88312
46	UTC024812000	Island Resources	Yes	0.208333	0.166	0.024756%	51-00018.005	Wheeling	Belmont	0.024756%	0.024756%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
46	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	0.464	0.069316%	51-00018.005	Wheeling	Belmont	0.069316%	0.069316%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
47	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.000	0.000062%	51-00018.009	Wheeling	Belmont	0.000062%	0.000062%	206 Fort Stanton Road	Alto	NM	88312
47	UTC024812000	Island Resources	Yes	0.208333	0.000	0.000062%	51-00018.009	Wheeling	Belmont	0.000062%	0.000062%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
47	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	0.001	0.000174%	51-00018.009	Wheeling	Belmont	0.000174%	0.000174%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
48	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.090	0.013404%	51-00018.003	Wheeling	Belmont	0.013404%	0.013404%	206 Fort Stanton Road	Alto	NM	88312
48	UTC024812000	Island Resources	Yes	0.208333	0.090	0.013404%	51-00018.003	Wheeling	Belmont	0.013404%	0.013404%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
48	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	0.251	0.037531%	51-00018.003	Wheeling	Belmont	0.037531%	0.037531%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
49	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.191	0.028581%	51-00018.002	Wheeling	Belmont	0.028581%	0.028581%	206 Fort Stanton Road	Alto	NM	88312
49	UTC024812000	Island Resources	Yes	0.208333	0.191	0.028581%	51-00018.002	Wheeling	Belmont	0.028581%	0.028581%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
49	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	0.536	0.080027%	51-00018.002	Wheeling	Belmont	0.080027%	0.080027%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
50	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.207	0.030851%	51-00018.001	Wheeling	Belmont	0.030851%	0.030851%	206 Fort Stanton Road	Alto	NM	88312
50	UTC024812000	Island Resources	Yes	0.208333	0.207	0.030851%	51-00018.001	Wheeling	Belmont	0.030851%	0.030851%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
50	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	0.579	0.086383%	51-00018.001	Wheeling	Belmont	0.086383%	0.086383%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
51	UTC022631000	Chris Howard Vance	Yes	1.000000	1.305	0.194810%	51-00096.000	Wheeling	Belmont	0.194810%	0.194810%	65540 Barkcamp Park Road	Belmont	OH	43718
52	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.656	0.097903%	51-00036.000	Wheeling	Belmont	0.097903%	0.097903%	206 Fort Stanton Road	Alto	NM	88312
52	UTC024812000	Island Resources	Yes	0.208333	0.656	0.097903%	51-00036.000	Wheeling	Belmont	0.097903%	0.097903%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
52	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	1.836	0.274128%	51-00036.000	Wheeling	Belmont	0.274128%	0.274128%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
53	UTC018021000	Golden Eagle Resources II, LLC	Yes	0.500000	2.476	0.369617%	51-00209.000	Wheeling	Belmont	0.369617%	0.369617%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
53	UTC022834000	Joseph Kevin Mudrak	Yes	0.500000	2.476	0.369617%	51-00209.000	Wheeling	Belmont	0.369617%	0.369617%	105 Bethel Lane	Saint Clairsville	OH	43950
54	UTC001641000	Ernest C. Banks, Jr., and wife, Kate E. Banks, as survivorship tenants	Yes	1.000000	0.628	0.093748%	51-00239.000	Wheeling	Belmont	0.093748%	0.093748%	46950 Locust Place	Saint Clairsville	OH	43950
55	UTC002985000	Travis A. Pinkston	Yes	1.000000	0.914	0.136442%	51-00422.003	Wheeling	Belmont	0.136442%	0.136442%	72395 Uniontown Flushing Road	Flushing	OH	43977
56	UTC002985000	Travis A. Pinkston	Yes	1.000000	0.150	0.022392%	51-00066.000	Wheeling	Belmont	0.022392%	0.022392%	72395 Uniontown Flushing Road	Flushing	OH	43977
57	UTC002985000	Travis A. Pinkston	Yes	1.000000	0.078	0.011644%	51-00067.000	Wheeling	Belmont	0.011644%	0.011644%	72395 Uniontown Flushing Road	Flushing	OH	43977
58	UTC001799000	Shirley Jeffers	Yes	1.000000	42.691	6.372913%	51-00210.000	Wheeling	Belmont	6.372913%	6.372913%	528 Summerdale Northwest	Massillon	OH	44646
59	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	8.149	1.216414%	51-00191.000	Wheeling	Belmont	1.216414%	1.216414%	206 Fort Stanton Road	Alto	NM	88312
59	UTC024812000	Island Resources	Yes	0.208333	8.149	1.216414%	51-00191.000	Wheeling	Belmont	1.216414%	1.216414%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
59	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	22.816	3.405961%	51-00191.000	Wheeling	Belmont	3.405961%	3.405961%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
60	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.161	0.024009%	51-00191.001	Wheeling	Belmont	0.024009%	0.024009%	206 Fort Stanton Road	Alto	NM	88312
60	UTC024812000	Island Resources	Yes	0.208333	0.161	0.024009%	51-00191.001	Wheeling	Belmont	0.024009%	0.024009%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
60	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	0.450	0.067226%	51-00191.001	Wheeling	Belmont	0.067226%	0.067226%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
61	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.015	0.002177%	51-00191.002	Wheeling	Belmont	0.002177%	0.002177%	206 Fort Stanton Road	Alto	NM	88312
61	UTC024812000	Island Resources	Yes	0.208333	0.015	0.002177%	51-00191.002	Wheeling	Belmont	0.002177%	0.002177%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
61	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	0.041	0.006096%	51-00191.002	Wheeling	Belmont	0.006096%	0.006096%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
62	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	0.025	0.003763%	51-00191.003	Wheeling	Belmont	0.003763%	0.003763%	206 Fort Stanton Road	Alto	NM	88312

62	UTC024812000	Island Resources	Yes	0.208333	0.025	0.003763%	51-00191.003	Wheeling	Belmont	0.003763%	0.003763%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
62	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	0.071	0.010537%	51-00191.003	Wheeling	Belmont	0.010537%	0.010537%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
63	UTC024815000	Ronaldo M. Michelena	Yes	0.208333	1.061	0.158455%	51-00204.000	Wheeling	Belmont	0.158455%	0.158455%	206 Fort Stanton Road	Alto	NM	88312
63	UTC024812000	Island Resources	Yes	0.208333	1.061	0.158455%	51-00204.000	Wheeling	Belmont	0.158455%	0.158455%	Attn: Frederick W. Zimmerman, President 6760 Portwest Drive	Houston	TX	77024
63	UTC024816000	Golden Eagle Resources II, LLC	Yes	0.583333	2.972	0.443673%	51-00204.000	Wheeling	Belmont	0.443673%	0.443673%	Attn: Michael Faust, Member 1801 Smith Street, Suite 2000	Houston	TX	77002
64	UTC022621000	Paul E. White	Yes	0.500000	6.497	0.969798%	51-00235.000	Wheeling	Belmont	0.969798%	0.969798%	72645 Uniontown Flushing Road	Flushing	OH	43977
64	UTC022619000	The Estate of Thaddeus J. White, deceased**	Yes	0.500000	6.497	0.969798%	51-00235.000	Wheeling	Belmont	0.969798%	0.969798%	Attn: Marilyn White, Administratrix 72645 Uniontown Flushing Road	Flushing	OH	43977
65	UTC022619000	Marilyn Kay White	Yes	0.500000	0.064	0.009479%	51-00121.000	Wheeling	Belmont	0.009479%	0.009479%	72645 Uniontown Flushing Road	Flushing	OH	43977
65	UTC022619000	The Estate of Thaddeus J. White, deceased**	Yes	0.500000	0.064	0.009479%	51-00121.000	Wheeling	Belmont	0.009479%	0.009479%	Attn: Marilyn White, Administratrix 72645 Uniontown Flushing Road	Flushing	OH	43977
66	UTC022621000	Paul E. White	Yes	0.500000	0.006	0.000821%	51-00122.000	Wheeling	Belmont	0.000821%	0.000821%	72645 Uniontown Flushing Road	Flushing	OH	43977
66	UTC022619000	The Estate of Thaddeus J. White, deceased**	Yes	0.500000	0.006	0.000821%	51-00122.000	Wheeling	Belmont	0.000821%	0.000821%	Attn: Marilyn White, Administratrix 72645 Uniontown Flushing Road	Flushing	OH	43977
67	UTC008385000	John P. Dutton and wife, Rita G. Dutton, as survivorship tenants	Yes	1.000000	9.452	1.410995%	51-00172.000	Wheeling	Belmont	1.410995%	1.410995%	PO Box 152	Bannock	OH	43972
68	Unleased Mineral Interest	Bedway Land and Minerals Company	No	1.000000	86.025	12.841814%	51-00233.000	Wheeling	Belmont	0.000000%	0.000000%	Attn: Jonathan Bedway, President 67877 Pancoast Road North	Belmont	OH	43718
69	Unleased Mineral Interest	Bedway Land and Minerals Company	No	1.000000	1.682	0.251089%	51-00233.002	Wheeling	Belmont	0.000000%	0.000000%	Attn: Jonathan Bedway, President 67877 Pancoast Road North	Belmont	OH	43718
70	Unleased Mineral Interest	Bedway Land and Minerals Company	No	1.000000	0.823	0.122857%	51-00233.001	Wheeling	Belmont	0.000000%	0.000000%	Attn: Jonathan Bedway, President 67877 Pancoast Road North	Belmont	OH	43718
71	UTC003965000	Ohio River Collieries Company	Yes	1.000000	50.767	7.578499%	51-00398.000	Wheeling	Belmont	7.578499%	7.578499%	Attn: Thomas G. Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950
72	Unleased Mineral Interest	Ohio River Collieries Company	No	0.500000	10.410	1.553930%	51-00173.000	Wheeling	Belmont	0.000000%	0.000000%	Attn: Thomas G. Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950
72	PENDING	Ascent Utica Minerals, LLC	Yes	0.500000	10.410	1.553930%	51-00173.000	Wheeling	Belmont	1.553930%	1.553930%	Attn: Mike McLaughlin 3501 Northwest 63rd Street	Oklahoma City	OK	73116
73	UTC008385000	John P. Dutton and wife, Rita G. Dutton, as survivorship tenants	Yes	1.000000	8.623	1.287242%	51-00176.000	Wheeling	Belmont	1.287242%	1.287242%	PO Box 152	Bannock	OH	43972
74	Unleased Mineral Interest	The John Bedway Revocable Trust, dated 12/21/2000, by United National Bank, Trustee	No	0.500000	0.092	0.013659%	51-00142.000	Wheeling	Belmont	0.000000%	0.000000%	Attn: United National Bank, Trustee 21 Twelfth Street	Wheeling	WV	26003
74	Unleased Mineral Interest	Trust Agreement dated 11/20/2009, by Jonathan Bedway and Marquita Bedway, Trustees	No	0.500000	0.092	0.013659%	51-00142.000	Wheeling	Belmont	0.000000%	0.000000%	Attn: Jonathan Bedway, Trustee 68039 Pancoast Road North	Belmont	OH	43718
												Attn: Marquita Bedway, Trustee 15 Dodge Place, #1	Grosse Point	MI	48230
75	UTC017755000 PENDING	Ryan Watson	Yes	1.000000	1.036	0.154654%	51-00230.001	Wheeling	Belmont	0.154654%	0.154654%	110 Wood Street	Flushing	OH	43977
76	Unleased Mineral Interest	Bedway Land and Minerals Company	No	1.000000	0.239	0.035678%	51-00120.000	Wheeling	Belmont	0.000000%	0.000000%	Attn: Jonathan Bedway, President 67877 Pancoast Road North	Belmont	OH	43718
				Total Leased Acres:	533.457	100.000000%			Total:	79.634398%	79.634398%				
				Total Unit Acres:	669.882										
				*Indicates a non-participating royalty interest owner											
				**Indicates an estate currently pending in probate court											
End of Exhibit A-2															

Exhibit A-3

All Unleased Mineral Owners in the proposed Bannock N UNN BL Unit.

Tract Number	Lease ID Number (Optional)	Mineral Owner	Leased Yes or No	Decimal Interest in Tract	Surface Acres in Unit (Net)	Tract Participation in Unit	Tax Map Parcel ID	Tract Surface Use	Township	County	Address	City	State	Zip
1b	Unleased Mineral Interest	Charles G. Melchiori, Jr.	No	0.200000	1.250	0.186540%	39-00525.000	Vacant	Union	Belmont	57024 Somerton Highway	Barnesville	OH	43713
1b	Unleased Mineral Interest	Martha Stockert	No	0.200000	1.250	0.186540%	39-00525.000	Vacant	Union	Belmont	11 Delbarton Drive	Madison	NJ	07490
1b	Unleased Mineral Interest	The Unknown Heirs of Nancy Gilli, deceased	No	0.200000	1.250	0.186540%	39-00525.000	Vacant	Union	Belmont	Unknown	Unknown	Unknown	Unknown
1b	Unleased Mineral Interest	Alice Robinson	No	0.200000	1.250	0.186540%	39-00525.000	Vacant	Union	Belmont	109 Everleigh Court	Lexington	SC	29072
1b	Unleased Mineral Interest	Naomi Calovini	No	0.200000	1.250	0.186540%	39-00525.000	Vacant	Union	Belmont	70180 Beal Road	Lafferty	OH	43951
5a	Unleased Mineral Interest	Charles G. Melchiori, Jr.	No	0.200000	0.607	0.090643%	51-00221.000	Vacant	Wheeling	Belmont	57024 Somerton Highway	Barnesville	OH	43713
5a	Unleased Mineral Interest	Martha Stockert	No	0.200000	0.607	0.090643%	51-00221.000	Vacant	Wheeling	Belmont	11 Delbarton Drive	Madison	NJ	07490
5a	Unleased Mineral Interest	The Unknown Heirs of Nancy Gilli, deceased	No	0.200000	0.607	0.090643%	51-00221.000	Vacant	Wheeling	Belmont	Unknown	Unknown	Unknown	Unknown
5a	Unleased Mineral Interest	Alice Robinson	No	0.200000	0.607	0.090643%	51-00221.000	Vacant	Wheeling	Belmont	109 Everleigh Court	Lexington	SC	29072
5a	Unleased Mineral Interest	Naomi Calovini	No	0.200000	0.607	0.090643%	51-00221.000	Vacant	Wheeling	Belmont	70180 Beal Road	Lafferty	OH	43951
36	Unleased Mineral Interest	The Steve Vcelka 05/20/2005 Irrevocable Trust, by Trustees James Michael Vcelka, Jessica Lynn Schafer, and Sandra Zielinski	No	0.500000	25.435	3.796863%	51-00227.000	Vacant	Wheeling	Belmont	Attn: James Michael Vcelka and Jessica Lynn Schafer, Trustees 71941 Barylak Road	Flushing	OH	43977
											Attn: Sandra Zielinski, Trustee 44345 Lafferty Road	Saint Clairsville	OH	43950
37	Unleased Mineral Interest	The Steve Vcelka 05/20/2005 Irrevocable Trust, by Trustees James Michael Vcelka, Jessica Lynn Schafer, and Sandra Zielinski	No	0.500000	2.346	0.350136%	51-00228.000	Agricultural	Wheeling	Belmont	Attn: James Michael Vcelka and Jessica Lynn Schafer, Trustees 71941 Barylak Road	Flushing	OH	43977
											Attn: Sandra Zielinski, Trustee 44345 Lafferty Road	Saint Clairsville	OH	43950
68	Unleased Mineral Interest	Bedway Land and Minerals Company	No	1.000000	86.025	12.841814%	51-00233.000	Vacant	Wheeling	Belmont	Attn: Jonathan Bedway, President 67877 Pancoast Road North	Belmont	OH	43718
69	Unleased Mineral Interest	Bedway Land and Minerals Company	No	1.000000	1.682	0.251089%	51-00233.002	Vacant	Wheeling	Belmont	Attn: Jonathan Bedway, President 67877 Pancoast Road North	Belmont	OH	43718
70	Unleased Mineral Interest	Bedway Land and Minerals Company	No	1.000000	0.823	0.122857%	51-00233.001	Residential	Wheeling	Belmont	Attn: Jonathan Bedway, President 67877 Pancoast Road North	Belmont	OH	43718
72	Unleased Mineral Interest	Ohio River Collieries Company	No	0.500000	10.410	1.553930%	51-00173.000	Agricultural	Wheeling	Belmont	Attn: Thomas G. Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950
74	Unleased Mineral Interest	The John Bedway Revocable Trust, dated 12/21/2000, by United National Bank, Trustee	No	0.500000	0.092	0.013659%	51-00142.000	Vacant	Wheeling	Belmont	Attn: United National Bank, Trustee 21 Twelfth Street	Wheeling	WV	26003

74	Unleased Mineral Interest	Trust Agreement dated 11/20/2009, by Jonathan Bedway and Marquita Bedway, Trustees	No	0.500000	0.092	0.013659%	51-00142.000	Vacant	Wheeling	Belmont	Attn: Jonathan Bedway, Trustee 68039 Pancoast Road North	Belmont	OH	43718
											Attn: Marquita Bedway, Trustee 15 Dodge Place, #1	Grosse Point	MI	48230
76	Unleased Mineral Interest	Bedway Land and Minerals Company	No	1.000000	0.239	0.035678%	51-00120.000	Vacant	Wheeling	Belmont	Attn: Jonathan Bedway, President 67877 Pancoast Road North	Belmont	OH	43718
				Total Unleased Acres:	136.425	20.365602%								
				Total Unit Acres:	669.882									
End of Exhibit A-3														

Exhibit A-4

All Consenting Working Interest Owners in the proposed Bannock N UNN BL Unit.

Tract Number	Consenting Working Interest Owner	Address	City	State	Zip	Leased Yes or No	Decimal Interest in Tract	Surface Acres in Unit (Net)	Tract Participation in Unit	Tax Map Parcel ID	Township	County
1a	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.926	0.138233%	39-00525.000	Union	Belmont
1c	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	17.659	2.636136%	39-00525.000	Union	Belmont
2	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.011	0.001642%	39-60043.000	Union	Belmont
3	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	3.796	0.566667%	39-00527.000	Union	Belmont
4	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.693	0.103451%	51-00014.000	Wheeling	Belmont
5b	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	22.150	3.306552%	51-00221.000	Wheeling	Belmont
6	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.158	0.172866%	51-00146.003	Wheeling	Belmont
7a	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	26.690	3.984284%	51-00146.001	Wheeling	Belmont
7b	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	12.525	1.869732%	51-00146.001	Wheeling	Belmont
8a	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	7.203	1.075264%	51-00146.000	Wheeling	Belmont
8b	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	4.316	0.644293%	51-00146.000	Wheeling	Belmont
9	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	80.289	11.985544%	51-00432.000	Wheeling	Belmont
10	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.107	0.015973%	51-00214.002	Wheeling	Belmont
11	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.025	0.153012%	51-00195.000	Wheeling	Belmont
12	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.123	0.018361%	51-00071.000	Wheeling	Belmont
13	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.000	0.149280%	51-00072.000	Wheeling	Belmont
14	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.011	0.150922%	51-00078.000	Wheeling	Belmont
15	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.084	0.012540%	51-00433.000	Wheeling	Belmont

16	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.999	0.149131%	51-00435.000	Wheeling	Belmont
17	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.998	0.148981%	51-00421.000	Wheeling	Belmont
18	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.074	0.011047%	51-00421.000	Wheeling	Belmont
19	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.925	0.138084%	51-00419.000	Wheeling	Belmont
20	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.102	0.015227%	51-00419.000	Wheeling	Belmont
21	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.270	0.189586%	51-00112.000	Wheeling	Belmont
22	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.339	0.050606%	51-00022.000	Wheeling	Belmont
23	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.501	0.074789%	51-00023.000	Wheeling	Belmont
24	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.000	0.149280%	51-00227.002	Wheeling	Belmont
25	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.833	0.124350%	51-00145.000	Wheeling	Belmont
26	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.003	0.149728%	51-00227.001	Wheeling	Belmont
27	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.001	0.149429%	51-00394.002	Wheeling	Belmont
28	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.986	0.147190%	51-00049.000	Wheeling	Belmont
29	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.002	0.149579%	51-00434.001	Wheeling	Belmont
30	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.992	0.148086%	51-00080.000	Wheeling	Belmont
31	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.004	0.149877%	51-00111.000	Wheeling	Belmont
32	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.992	0.148086%	51-00093.000	Wheeling	Belmont
33	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.007	0.150325%	51-00394.001	Wheeling	Belmont
34	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.992	0.148086%	51-00089.000	Wheeling	Belmont
35a	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.015	0.002239%	51-00394.000	Wheeling	Belmont
35b	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	58.264	8.697651%	51-00394.000	Wheeling	Belmont

36	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	0.500000	25.435	3.796863%	51-00227.000	Wheeling	Belmont
37	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	0.500000	2.346	0.350136%	51-00228.000	Wheeling	Belmont
38	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	12.096	1.805691%	51-00241.001	Wheeling	Belmont
39	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	27.271	4.071015%	51-00189.000	Wheeling	Belmont
40	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	3.340	0.498595%	51-00189.001	Wheeling	Belmont
41	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.145	0.170926%	51-00079.000	Wheeling	Belmont
42	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	3.843	0.573683%	51-00018.004	Wheeling	Belmont
43	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	3.259	0.486504%	51-00018.006	Wheeling	Belmont
44	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	2.702	0.403355%	51-00018.000	Wheeling	Belmont
45	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.360	0.203021%	51-00081.000	Wheeling	Belmont
46	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.796	0.118827%	51-00018.005	Wheeling	Belmont
47	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.002	0.000299%	51-00018.009	Wheeling	Belmont
48	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.431	0.064340%	51-00018.003	Wheeling	Belmont
49	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.919	0.137188%	51-00018.002	Wheeling	Belmont
50	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.992	0.148086%	51-00018.001	Wheeling	Belmont
51	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.305	0.194810%	51-00096.000	Wheeling	Belmont
52	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	3.148	0.469934%	51-00036.000	Wheeling	Belmont
53	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	4.952	0.739235%	51-00209.000	Wheeling	Belmont
54	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.628	0.093748%	51-00239.000	Wheeling	Belmont
55	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.914	0.136442%	51-00422.003	Wheeling	Belmont
56	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.150	0.022392%	51-00066.000	Wheeling	Belmont

57	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.078	0.011644%	51-00067.000	Wheeling	Belmont
58	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	42.691	6.372913%	51-00210.000	Wheeling	Belmont
59	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	39.113	5.838790%	51-00191.000	Wheeling	Belmont
60	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.772	0.115244%	51-00191.001	Wheeling	Belmont
61	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.070	0.010450%	51-00191.002	Wheeling	Belmont
62	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.121	0.018063%	51-00191.003	Wheeling	Belmont
63	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	5.095	0.760582%	51-00204.000	Wheeling	Belmont
64	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	12.993	1.939595%	51-00235.000	Wheeling	Belmont
65	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.127	0.018959%	51-00121.000	Wheeling	Belmont
66	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	0.011	0.001642%	51-00122.000	Wheeling	Belmont
67	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	9.452	1.410995%	51-00172.000	Wheeling	Belmont
71	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	50.767	7.578499%	51-00398.000	Wheeling	Belmont
72	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	0.500000	10.410	1.553930%	51-00173.000	Wheeling	Belmont
73	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	8.623	1.287242%	51-00176.000	Wheeling	Belmont
75	Ascent Resources - Utica, LLC Attn: Kade Smith	3501 NW 63rd Street	Oklahoma City	OK	73116	Yes	1.000000	1.036	0.154654%	51-00230.001	Wheeling	Belmont
							Total Consenting Acres:	533.457	79.634398%			
							Total Unit Acres:	669.882				

End of Exhibit A-4

Exhibit A-5

All Non-Consenting Working Interest Owners in the proposed Bannock N UNN BL Unit.

Tract Number	Non-Consenting Working Interest Owner	Address	City	State	Zip	Leased Yes or No	Decimal Interest in Tract	Surface Acres in Unit (Net)	Tract Participation in Unit	Tax Map Parcel ID	Township	County
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There are no non-consenting working interest owners in the Bannock N UNN BL Unit.

End of Exhibit A-5

Exhibit A-6

All parcels subject to pending ownership litigation or potential adverse ownership claims in the proposed Bannock N UNN BL Unit.

Tract Number	Ownership Dispute Parties	Address	City	State	Zip	Leased Yes or No	Potential Decimal Interest in Tract	Potential Surface Acres in Unit (Net)	Potential Tract Participation in Unit	Tax Map Parcel ID	Township	County
1b	Karen Bowman	1003 Lincoln Avenue	Bridgeport	OH	43912	Yes	0.200000	1.250	0.186540%	39-00525.000	Union	Belmont
	Jamie Lamb	5200 Chaps Court	Columbus	OH	43221							
	Janice Gwin	44944 Split Oak Drive	Saint Clairsville	OH	43950							
	Greg Gilli	54470 Key-Bellaire Road	Bellaire	OH	43906							
	Cheryl Butler	2746 Chesire Road	Delaware	OH	43015							
1b	Michael Gilli	57621 Hospital Road	Bellaire	OH	43906	Yes	1.000000	6.248	0.932702%	39-00525.000	Union	Belmont
1b	Capstone Holding Company	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972	Yes	1.000000	6.248	0.932702%	39-00525.000	Union	Belmont
3	Ohio River Collieries Company	Attn: Thomas G. Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950	Yes	1.000000	3.796	0.566667%	39-00527.000	Union	Belmont
3	Karen Bowman	1003 Lincoln Avenue	Bridgeport	OH	43912	Yes	0.200000	0.759	0.113333%	39-00527.000	Union	Belmont
	Jamie Lamb	5200 Chaps Court	Columbus	OH	43221							
	Janice Gwin	44944 Split Oak Drive	Saint Clairsville	OH	43950							
	Greg Gilli	54470 Key-Bellaire Road	Bellaire	OH	43906							
	Cheryl Butler	2746 Chesire Road	Delaware	OH	43015							
3	Michael Gilli	57621 Hospital Road	Bellaire	OH	43906	Yes	1.000000	3.036	0.453214%	51-00221.000	Wheeling	Belmont
5a	Karen Bowman	1003 Lincoln Avenue	Bridgeport	OH	43912	Yes	0.200000	0.607	0.090643%	51-00221.000	Wheeling	Belmont
	Jamie Lamb	5200 Chaps Court	Columbus	OH	43221							
	Janice Gwin	44944 Split Oak Drive	Saint Clairsville	OH	43950							
	Greg Gilli	54470 Key-Bellaire Road	Bellaire	OH	43906							
	Cheryl Butler	2746 Chesire Road	Delaware	OH	43015							
5a	Michael Gilli	57621 Hospital Road	Bellaire	OH	43906	No	1.000000	3.036	0.453214%	51-00221.000	Wheeling	Belmont
5a	Capstone Holding Company	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972	No	1.000000	3.036	0.453214%	51-00221.000	Wheeling	Belmont
5b	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	22.150	3.306552%	51-00221.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
5b	Capstone Holding Company	Attn: Danny E. Taylor, Treasurer PO Box 115	Bannock	OH	43972	No	1.000000	22.150	3.306552%	51-00221.000	Wheeling	Belmont
7a	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	26.690	3.984284%	51-00146.001	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
7a	Michael S. Drake	71080 Gas Station Shippy Road	Saint Clairsville	OH	43950	Yes	1.000000	26.690	3.984284%	51-00146.001	Wheeling	Belmont
8a	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	7.203	1.075264%	51-00146.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
9	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	80.289	11.985544%	51-00432.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
12	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	0.123	0.018361%	51-00071.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
12	Joshua L. Parsons, as survivorship tenant	71501 Chini Orchard Road	Flushing	OH	43977	No	1.000000	0.123	0.018361%	51-00071.000	Wheeling	Belmont

	Tricia L. Kyer, as survivorship tenant	71501 Chini Orchard Road	Flushing	OH	43977	No						
	Joshua L. Parsons, as survivorship tenant*	71501 Chini Orchard Road	Flushing	OH	43977	Yes						
	Tricia L. Kyer, as survivorship tenant*	71501 Chini Orchard Road	Flushing	OH	43977	Yes						
14	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	1.011	0.150922%	51-00078.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	Steve T. Wirics and wife, Billie Jo Wirics, as survivorship tenants	71462 Chini Orchard Road	Flushing	OH	43977	No						
	Steve T. Wirics and wife, Billie Jo Wirics, as survivorship tenants*	71462 Chini Orchard Road	Flushing	OH	43977	Yes						
17	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	0.998	0.148981%	51-00421.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
19	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	0.925	0.138084%	51-00419.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
20	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	0.102	0.015227%	51-00419.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
21	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	1.270	0.189586%	51-00112.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
25	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	0.833	0.124350%	51-00145.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
35a	The Unknown Heirs of Thomas J. Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No	1.000000	0.015	0.002239%	51-00394.000	Wheeling	Belmont
	The Unknown Heirs of Mary Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Patricia Manion Benito, deceased	Unknown	Unknown	Unknown	Unknown	No						
	The Unknown Heirs of Isabelle Jorden, deceased	Unknown	Unknown	Unknown	Unknown	No						
64	Marilyn Wright	72645 Uniontown Flushing Road	Flushing	OH	43977	No	0.500000	6.497	0.969798%	51-00235.000	Wheeling	Belmont
	Melissa K. Bower	6149 Township Road 87	Mt. Gilead	OH	43338	No						
	Thaddeus J. White Jr.	72684 Uniontown Flushing Road	Flushing	OH	43977	No						
	Eric White	47040 Magee Road	Saint Clairsville	OH	43950	No						
	Erin Mayo	44820 Belmont Centerville Road	Belmont	OH	43718	No						
65	Marilyn Wright	72645 Uniontown Flushing Road	Flushing	OH	43977	No	0.500000	0.064	0.009479%	51-00121.000	Wheeling	Belmont
	Melissa K. Bower	6149 Township Road 87	Mt. Gilead	OH	43338	No						
	Thaddeus J. White Jr.	72684 Uniontown Flushing Road	Flushing	OH	43977	No						
	Eric White	47040 Magee Road	Saint Clairsville	OH	43950	No						
	Erin Mayo	44820 Belmont Centerville Road	Belmont	OH	43718	No						
66	Marilyn Wright	72645 Uniontown Flushing Road	Flushing	OH	43977	No	0.500000	0.006	0.000821%	51-00122.000	Wheeling	Belmont
	Melissa K. Bower	6149 Township Road 87	Mt. Gilead	OH	43338	No						
	Thaddeus J. White Jr.	72684 Uniontown Flushing Road	Flushing	OH	43977	No						
	Eric White	47040 Magee Road	Saint Clairsville	OH	43950	No						
	Erin Mayo	44820 Belmont Centerville Road	Belmont	OH	43718	No						
72	Ascent Utica Minerals, LLC	Attn: Mike McLaughlin 3501 Northwest 63rd Street	Oklahoma City	OK	73116	Yes	0.500000	10.410	1.553930%	51-00173.000	Wheeling	Belmont

72	Ohio River Collieries Company	Attn: Thomas G. Gentile, President 70245 Bannock Uniontown Road	Saint Clairsville	OH	43950	No	0.500000	10.410	1.553930%	51-00173.000	Wheeling	Belmont
72	The Unknown Heirs of Sarah M. Nesbitt, deceased	Unknown	Unknown	Unknown	Unknown	No	0.333333	6.940	1.035954%	51-00173.000	Wheeling	Belmont
	Marilyn McCorkle	8837 Pine Drive	Beulah	CO	81023	No						
	Kent McCorkle	300 Southeast Flagstone Court	Cedaredge	CO	81413	No						
	Barbara Lacy McCorkle	1310 Holmes Drive	Colorado Springs	CO	80909	No						
	The Martha Burriss Hadley Trust, by Pittsburgh National Bank, Trustee	249 Fifth Avenue	Pittsburgh	PA	15222	No						
	Donald Hadley Albrecht	670 Ad Hoc Road	Great Falls	VA	22066	Yes						
	The Richards Revocable Trust dated 12/12/1995, by Donald Hadley Albrecht, Trustee	Attn: Donald Hadley Albrecht, Trustee 670 Ad Hoc Road	Great Falls	VA	22066	Yes						
Jean Hadley Richards, by Personal Representative, Donald Hadley Albrecht	Attn: Donald Hadley Albrecht, Personal Representative 670 Ad Hoc Road	Great Falls	VA	22066	Yes							
72	The Unknown Heirs of Jean H. Richards, deceased	Unknown	Unknown	Unknown	Unknown	Yes	0.333333	6.940	1.035954%	51-00173.000	Wheeling	Belmont
	Richard Luther Albrecht	7860 East Benson Highway, Unit 141	Tucson	AZ	85756	Yes						
	Carol Davis LaVine	16610 North Wylie Drive	Nine Mile Falls	WA	99026	Yes						
	Pamela Davis McCrillis	5002 Brophy Road	Eagle Point	OR	97524	Yes						
	Sylvia Stuart Flutcher	109 Randall Street	Reinbeck	IA	50669	Yes						
	Stephanie Chapman	12789 Elm Street	Thornton	CO	80241	No						
	Cynthia Pitcher	9700 East Illif Avenue, Apt H 89	Denver	CO	80231	No						
	John Pitcher	1799 South Dayton Street, Apt. 232	Denver	CO	80247	No						
	Anthony Donald Vetta	3100 Vail Avenue	Pueblo	CO	81005	Yes						
	Andrew Dean Fox	30620 Aldred Road	Pueblo	CO	81006	Yes						
	Stacy Lynne Richards	11 39th York Street, Unit 205	Denver	CO	80206	Yes						
	Robert Timothy McCrillis	2977 Kilaine Drive	Simi Valley	CA	93063	Yes						
	Tamara Jean Snaith	5010 Brophy Road	Eagle Point	OR	97524	Yes						
	Heidi Lee LaVine	1212 Vine Street	Fulton	MO	65251	No						
Chad Edward LaVine	5904 North Royal Drive	Spokane	WA	99208	Yes							
72	The Unknown Heirs of John E. Campbell, deceased	Unknown	Unknown	Unknown	Unknown	No	0.166667	3.470	0.517977%	51-00173.000	Wheeling	Belmont
	James H. Jackson	470 3rd Street South, Unit 501	St. Petersburg	FL	33701	Yes						
	Sheryl L. Morelli	8415 Southeast 47th Street	Mercer Island	WA	98040	Yes						
	Ronald J. Agresta	4105 Rockingham Drive	Raleigh	NC	27609	Yes						
	Michelle A. Hall	788 Mohawk Street	Columbus	OH	43206	Yes						
	Heather S. Deters	801 Princeton Drive	Terrace Park	OH	45174	Yes						
Wendy S. Giambrone	297 Neruda Avenue	Columbus	OH	43215	Yes							
72	The Unknown Heirs of Harry Campbell, deceased	Unknown	Unknown	Unknown	Unknown	No	0.166667	3.470	0.517977%	51-00173.000	Wheeling	Belmont
	Linda Marie Hill	2010 Southwest 38th Street	Redmond	OR	97756	No						
	Rosella Lee Campbell	239 Old National Road	Old Washington	OH	43768	No						
	Harry William Gilmore	64214 Arrowhead Road	Cambridge	OH	43725	No						
	Donald C. Kemp	2146 East High Avenue	New Philadelphia	OH	44663	No						
Doris Ellen Kemp Fordyce	61566 Ridge Avenue	Cambridge	OH	43725	No							
74	Bedway Land and Minerals Company	Attn: Jonathan Bedway, President 67877 Pancoast Road North	Belmont	OH	43718	No	1.000000	0.183	0.027318%	51-00142.000	Wheeling	Belmont
72	The Unknown Heirs of Sarah M. Nesbitt, deceased	Unknown	Unknown	Unknown	Unknown	No	0.333333	6.940	1.035954%	51-00173.000	Wheeling	Belmont
	Marilyn McCorkle	8837 Pine Drive	Beulah	CO	81023	No						
	Kent McCorkle	300 Southeast Flagstone Court	Cedaredge	CO	81413	No						
	Barbara Lacy McCorkle	1310 Holmes Drive	Colorado Springs	CO	80909	No						
	The Martha Burriss Hadley Trust, by Pittsburgh National Bank, Trustee	249 Fifth Avenue	Pittsburgh	PA	15222	No						
Donald Hadley Albrecht	670 Ad Hoc Road	Great Falls	VA	22066	Yes							

75	The Richards Revocable Trust dated 12/12/1995, by Donald Hadley Albrecht, Trustee	Attn: Donald Hadley Albrecht, Trustee 670 Ad Hoc Road	Great Falls	VA	22066	Yes	0.333333	0.345	0.051551%	51-00230.001	Wheeling	Belmont
	Jean Hadley Richards, by Personal Representative, Donald Hadley Albrecht	Attn: Donald Hadley Albrecht, Personal Representative 670 Ad Hoc Road	Great Falls	VA	22066	Yes						
	The Unknown Heirs of Jean H. Richards, deceased	Unknown	Unknown	Unknown	Unknown	Yes						
	Richard Luther Albrecht	7860 East Benson Highway, Unit 141	Tucson	AZ	85756	Yes						
	Carol Davis LaVine	16610 North Wylie Drive	Nine Mile Falls	WA	99026	Yes						
	Pamela Davis McCrillis	5002 Brophy Road	Eagle Point	OR	97524	Yes						
	Sylvia Stuart Flutcher	109 Randall Street	Reinbeck	IA	50669	Yes						
	Stephanie Chapman	12789 Elm Street	Thornton	CO	80241	No						
	Cynthia Pitcher	9700 East Illif Avenue, Apt H 89	Denver	CO	80231	No						
	John Pitcher	1799 South Dayton Street, Apt. 232	Denver	CO	80247	No						
	Anthony Donald Vetta	3100 Vail Avenue	Pueblo	CO	81005	Yes						
	Andrew Dean Fox	30620 Aldred Road	Pueblo	CO	81006	Yes						
	Stacy Lynne Richards	11 39th York Street, Unit 205	Denver	CO	80206	Yes						
	Robert Timothy McCrillis	2977 Kilaine Drive	Simi Valley	CA	93063	Yes						
	75	Tamara Jean Snaith	5010 Brophy Road	Eagle Point	OR	97524						
Heidi Lee LaVine		1212 Vine Street	Fulton	MO	65251	No						
Chad Edward LaVine		5904 North Royal Drive	Spokane	WA	99208	Yes						
The Unknown Heirs of John E. Campbell, deceased		Unknown	Unknown	Unknown	Unknown	No						
James H. Jackson		470 3rd Street South, Unit 501	St. Petersburg	FL	33701	Yes						
Sheryl L. Morelli		8415 Southeast 47th Street	Mercer Island	WA	98040	Yes						
Ronald J. Agresta		4105 Rockingham Drive	Raleigh	NC	27609	Yes						
75	Michelle A. Hall	788 Mohawk Street	Columbus	OH	43206	Yes	0.166667	0.173	0.025776%	51-00230.001	Wheeling	Belmont
	Heather S. Deters	801 Princeton Drive	Terrace Park	OH	45174	Yes						
	Wendy S. Giambrone	297 Neruda Avenue	Columbus	OH	43215	Yes						
	The Unknown Heirs of Harry Campbell, deceased	Unknown	Unknown	Unknown	Unknown	No						
	Linda Marie Hill	2010 Southwest 38th Street	Redmond	OR	97756	No						
Rosella Lee Campbell	239 Old National Road	Old Washington	OH	43768	No							
Harry William Gilmore	64214 Arrowhead Road	Cambridge	OH	43725	No							
Donald C. Kemp	2146 East High Avenue	New Philadelphia	OH	44663	No							
Doris Ellen Kemp Fordyce	61566 Ridge Avenue	Cambridge	OH	43725	No							
*Indicates a non-participating royalty interest potential claimant					Total Acres Subject to Pending Ownership Litigation or Potential Ownership Claims:		199.443	29.772781%				
					Total Unit Acres:		669.882					
End of Exhibit A-6												

EXHIBIT "B"

Attached to and made a part of that certain Operating Agreement dated June 22, 2022, as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Bannock N UNN BL Unit.

**PAID-UP
OIL & GAS LEASE**

Lease No. _____

This Lease made this _____ day of _____, 20____, by and between: _____ whose address is _____ hereinafter collectively called "Lessor," and _____ an _____, whose address is _____ hereinafter called "Lessee."

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, or from other lands, using methods and techniques which are not restricted to current technology, including, without limitation, the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads over and across the Leasehold for use in development of the Leasehold or other lands, electric power and telephone facilities, water impoundments, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from other lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface of the Leasehold for the drilling of a wellbore(s) for use in development of the Leasehold or other lands.

DESCRIPTION. The Leasehold is located in the Township of _____, in the County of _____, in the State of **Ohio**, and described as follows:

Township: _____; Range: _____; Section _____: Tax Parcel No.: _____, Containing _____ acres

and described for the purposes of this agreement as containing a total of _____ Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of **Five (5)** years from 12:00 A.M. _____ (effective date) to 11:59 P.M. _____ (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of **Five (5)** years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's

sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

NO AUTOMATIC TERMINATION OR FORFEITURE.

(A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

(B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

PAYMENTS TO LESSOR. In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

(A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. **The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.**

(B) ROYALTY: For all oil and gas substances that are produced and sold from the lease premises, Lessor shall receive as its royalty 1/8th (12.5%) percent of the sales proceeds actually received by Lessee from the sale of such production, less this same percentage share of all post production costs, as defined below, and less this same percentage share of all production, severance and ad valorem taxes. As used in this provision, post production costs shall mean (i) all losses of produced volumes (whether by use as fuel, line loss, flaring, venting or otherwise) and (ii) all costs actually incurred by Lessee from and after the wellhead to the point of sale, including, without limitation, all gathering, dehydration, compression, treatment, processing, marketing and transportation costs incurred in connection with the sale of such production. For royalty calculation purposes, Lessee shall never be required to adjust the sales proceeds to account for the purchaser's costs or charges downstream from the point of sale. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).

(C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (including, without limitation, hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.

(D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall, after the primary term, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.

(F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

(G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.

(H) TITLE: If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved. Lessor represents and warrants that there is no existing oil and gas lease which is presently in effect covering the Leasehold.

(I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.

(J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.

(K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or re-enter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If, at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this lease is not being maintained by any other provision contained herein and no other payments are being made to Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year, proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions

contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

COVENANTS. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease which will take effect upon expiration of this Lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

TITLE CURATIVE. Lessor agrees to execute consents, affidavits, ratifications, amendments, permits and other instruments as Lessee may request to carry out the purpose of this lease, including without limitation, applications necessary to obtain driveway entrance permits, and approvals of drilling or production units which Lessee may seek to form pursuant to governmental authorization.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS. All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, other Acts of God, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure. If this Lease is the subject matter of any lawsuit, arbitration proceeding, or other action, then this Lease shall not expire during the pendency of such lawsuit, arbitration proceeding, or other action, or any appeal thereof, and the period of the lawsuit, arbitration proceeding, or other action, and any appeal thereof, shall be added to the term of this Lease.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, Lessor hereunto sets hand and seal.

Lessor

ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) SS:

On this, the ____ day of _____ 20__, before me _____, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged that _____ executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: _____
Signature/Notary Public: _____
Name/Notary Public (print): _____

Recorder: Return to Ascent Resources – Utica, LLC at P.O. Box 18756, Oklahoma City, OK 73154

End of Exhibit “B”

Exhibit "C" ACCOUNTING PROCEDURE JOINT OPERATIONS

1 Attached to and made part of that certain Operating Agreement dated June 22, 2022, as approved by the Ohio Department of Natural Resources,
2 Division of Oil and Gas Resources Management, for the Bannock N UNN BL Unit.
3
4
5
6

I. GENERAL PROVISIONS

7
8 **IF THE PARTIES FAIL TO SELECT EITHER ONE OF COMPETING "ALTERNATIVE" PROVISIONS, OR SELECT ALL THE**
9 **COMPETING "ALTERNATIVE" PROVISIONS, ALTERNATIVE 1 IN EACH SUCH INSTANCE SHALL BE DEEMED TO HAVE**
10 **BEEN ADOPTED BY THE PARTIES AS A RESULT OF ANY SUCH OMISSION OR DUPLICATE NOTATION.**

11
12 **IN THE EVENT THAT ANY "OPTIONAL" PROVISION OF THIS ACCOUNTING PROCEDURE IS NOT ADOPTED BY THE**
13 **PARTIES TO THE AGREEMENT BY A TYPED, PRINTED OR HANDWRITTEN INDICATION, SUCH PROVISION SHALL NOT**
14 **FORM A PART OF THIS ACCOUNTING PROCEDURE, AND NO INFERENCE SHALL BE MADE CONCERNING THE INTENT**
15 **OF THE PARTIES IN SUCH EVENT.**
16

1. DEFINITIONS

17
18 All terms used in this Accounting Procedure shall have the following meaning, unless otherwise expressly defined in the Agreement:
19

20
21 **"Affiliate"** means for a person, another person that controls, is controlled by, or is under common control with that person. In this
22 definition, (a) control means the ownership by one person, directly or indirectly, of more than fifty percent (50%) of the voting securities
23 of a corporation or, for other persons, the equivalent ownership interest (such as partnership interests), and (b) "person" means an
24 individual, corporation, partnership, trust, estate, unincorporated organization, association, or other legal entity.
25

26
27 **"Agreement"** means the operating agreement, farmout agreement, or other contract between the Parties to which this Accounting
28 Procedure is attached.
29

30
31 **"Controllable Material"** means Material that, at the time of acquisition or disposition by the Joint Account, as applicable, is so classified
32 in the Material Classification Manual most recently recommended by the Council of Petroleum Accountants Societies (COPAS).
33

34
35 **"Equalized Freight"** means the procedure of charging transportation cost to the Joint Account based upon the distance from the nearest
36 Railway Receiving Point to the property.
37

38
39 **"Excluded Amount"** means a specified excluded trucking amount most recently recommended by COPAS.
40

41
42 **"Field Office"** means a structure, or portion of a structure, whether a temporary or permanent installation, the primary function of which is
43 to directly serve daily operation and maintenance activities of the Joint Property and which serves as a staging area for directly chargeable
44 field personnel.
45

46
47 **"First Level Supervision"** means those employees whose primary function in Joint Operations is the direct oversight of the Operator's
48 field employees and/or contract labor directly employed On-site in a field operating capacity. First Level Supervision functions may
49 include, but are not limited to:
50

- 51 • Responsibility for field employees and contract labor engaged in activities that can include field operations, maintenance,
52 construction, well remedial work, equipment movement and drilling
- 53 • Responsibility for day-to-day direct oversight of rig operations
- 54 • Responsibility for day-to-day direct oversight of construction operations
- 55 • Coordination of job priorities and approval of work procedures
- 56 • Responsibility for optimal resource utilization (equipment, Materials, personnel)
- 57 • Responsibility for meeting production and field operating expense targets
- 58 • Representation of the Parties in local matters involving community, vendors, regulatory agents and landowners, as an incidental
59 part of the supervisor's operating responsibilities
- 60 • Responsibility for all emergency responses with field staff
- 61 • Responsibility for implementing safety and environmental practices
- 62 • Responsibility for field adherence to company policy
- 63 • Responsibility for employment decisions and performance appraisals for field personnel
- 64 • Oversight of sub-groups for field functions such as electrical, safety, environmental, telecommunications, which may have group
65 or team leaders.
66

67
68 **"Joint Account"** means the account showing the charges paid and credits received in the conduct of the Joint Operations that are to be
69 shared by the Parties, but does not include proceeds attributable to hydrocarbons and by-products produced under the Agreement.
70

71
72 **"Joint Operations"** means all operations necessary or proper for the exploration, appraisal, development, production, protection,
73 maintenance, repair, abandonment, and restoration of the Joint Property.
74

1 **“Joint Property”** means the real and personal property subject to the Agreement.

2
3 **“Laws”** means any laws, rules, regulations, decrees, and orders of the United States of America or any state thereof and all other
4 governmental bodies, agencies, and other authorities having jurisdiction over or affecting the provisions contained in or the transactions
5 contemplated by the Agreement or the Parties and their operations, whether such laws now exist or are hereafter amended, enacted,
6 promulgated or issued.

7
8 **“Material”** means personal property, equipment, supplies, or consumables acquired or held for use by the Joint Property.

9
10 **“Non-Operators”** means the Parties to the Agreement other than the Operator.

11
12 **“Offshore Facilities”** means platforms, surface and subsea development and production systems, and other support systems such as oil and
13 gas handling facilities, living quarters, offices, shops, cranes, electrical supply equipment and systems, fuel and water storage and piping,
14 heliport, marine docking installations, communication facilities, navigation aids, and other similar facilities necessary in the conduct of
15 offshore operations, all of which are located offshore.

16
17 **“Off-site”** means any location that is not considered On-site as defined in this Accounting Procedure.

18
19 **“On-site”** means on the Joint Property when in direct conduct of Joint Operations. The term “On-site” shall also include that portion of
20 Offshore Facilities, Shore Base Facilities, fabrication yards, and staging areas from which Joint Operations are conducted, or other
21 facilities that directly control equipment on the Joint Property, regardless of whether such facilities are owned by the Joint Account.

22
23 **“Operator”** means the Party designated pursuant to the Agreement to conduct the Joint Operations.

24
25 **“Parties”** means legal entities signatory to the Agreement or their successors and assigns. Parties shall be referred to individually as
26 “Party.”

27
28 **“Participating Interest”** means the percentage of the costs and risks of conducting an operation under the Agreement that a Party agrees,
29 or is otherwise obligated, to pay and bear.

30
31 **“Participating Party”** means a Party that approves a proposed operation or otherwise agrees, or becomes liable, to pay and bear a share of
32 the costs and risks of conducting an operation under the Agreement.

33
34 **“Personal Expenses”** means reimbursed costs for travel and temporary living expenses.

35
36 **“Railway Receiving Point”** means the railhead nearest the Joint Property for which freight rates are published, even though an actual
37 railhead may not exist.

38
39 **“Shore Base Facilities”** means onshore support facilities that during Joint Operations provide such services to the Joint Property as a
40 receiving and transshipment point for Materials; debarkation point for drilling and production personnel and services; communication,
41 scheduling and dispatching center; and other associated functions serving the Joint Property.

42
43 **“Supply Store”** means a recognized source or common stock point for a given Material item.

44
45 **“Technical Services”** means services providing specific engineering, geoscience, or other professional skills, such as those performed by
46 engineers, geologists, geophysicists, and technicians, required to handle specific operating conditions and problems for the benefit of Joint
47 Operations; provided, however, Technical Services shall not include those functions specifically identified as overhead under the second
48 paragraph of the introduction of Section III (*Overhead*). Technical Services may be provided by the Operator, Operator’s Affiliate, Non-
49 Operator, Non-Operator Affiliates, and/or third parties.

50 51 2. **STATEMENTS AND BILLINGS**

52
53 The Operator shall bill Non-Operators on or before the last day of the month for their proportionate share of the Joint Account for the
54 preceding month. Such bills shall be accompanied by statements that identify the AFE (authority for expenditure), lease or facility, and all
55 charges and credits summarized by appropriate categories of investment and expense. Controllable Material shall be separately identified
56 and fully described in detail, or at the Operator’s option, Controllable Material may be summarized by major Material classifications.
57 Intangible drilling costs, audit adjustments, and unusual charges and credits shall be separately and clearly identified.

58
59 The Operator may make available to Non-Operators any statements and bills required under Section I.2 and/or Section I.3.A (*Advances*
60 *and Payments by the Parties*) via email, electronic data interchange, internet websites or other equivalent electronic media in lieu of paper
61 copies. The Operator shall provide the Non-Operators instructions and any necessary information to access and receive the statements and
62 bills within the timeframes specified herein. A statement or billing shall be deemed as delivered twenty-four (24) hours (exclusive of
63 weekends and holidays) after the Operator notifies the Non-Operator that the statement or billing is available on the website and/or sent via
64 email or electronic data interchange transmission. Each Non-Operator individually shall elect to receive statements and billings
65 electronically, if available from the Operator, or request paper copies. Such election may be changed upon thirty (30) days prior written
66 notice to the Operator.

3. ADVANCES AND PAYMENTS BY THE PARTIES

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- A. Unless otherwise provided for in the Agreement, the Operator may require the Non-Operators to advance their share of the estimated cash outlay for the succeeding month's operations within fifteen (15) days after receipt of the advance request or by the first day of the month for which the advance is required, whichever is later. The Operator shall adjust each monthly billing to reflect advances received from the Non-Operators for such month. If a refund is due, the Operator shall apply the amount to be refunded to the subsequent month's billing or advance, unless the Non-Operator sends the Operator a written request for a cash refund. The Operator shall remit the refund to the Non-Operator within fifteen (15) days of receipt of such written request.
- B. Except as provided below, each Party shall pay its proportionate share of all bills in full within fifteen (15) days of receipt date. If payment is not made within such time, the unpaid balance shall bear interest compounded monthly at the prime rate published by the *Wall Street Journal* on the first day of each month the payment is delinquent, plus three percent (3%), per annum, or the maximum contract rate permitted by the applicable usury Laws governing the Joint Property, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts. If the *Wall Street Journal* ceases to be published or discontinues publishing a prime rate, the unpaid balance shall bear interest compounded monthly at the prime rate published by the Federal Reserve plus three percent (3%), per annum. Interest shall begin accruing on the first day of the month in which the payment was due. Payment shall not be reduced or delayed as a result of inquiries or anticipated credits unless the Operator has agreed. Notwithstanding the foregoing, the Non-Operator may reduce payment, provided it furnishes documentation and explanation to the Operator at the time payment is made, to the extent such reduction is caused by:
- (1) being billed at an incorrect working interest or Participating Interest that is higher than such Non-Operator's actual working interest or Participating Interest, as applicable; or
 - (2) being billed for a project or AFE requiring approval of the Parties under the Agreement that the Non-Operator has not approved or is not otherwise obligated to pay under the Agreement; or
 - (3) being billed for a property in which the Non-Operator no longer owns a working interest, provided the Non-Operator has furnished the Operator a copy of the recorded assignment or letter in-lieu. Notwithstanding the foregoing, the Non-Operator shall remain responsible for paying bills attributable to the interest it sold or transferred for any bills rendered during the thirty (30) day period following the Operator's receipt of such written notice; or
 - (4) charges outside the adjustment period, as provided in Section I.4 (*Adjustments*).

4. ADJUSTMENTS

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- A. Payment of any such bills shall not prejudice the right of any Party to protest or question the correctness thereof; however, all bills and statements, including payout statements, rendered during any calendar year shall conclusively be presumed to be true and correct, with respect only to expenditures, after twenty-four (24) months following the end of any such calendar year, unless within said period a Party takes specific detailed written exception thereto making a claim for adjustment. The Operator shall provide a response to all written exceptions, whether or not contained in an audit report, within the time periods prescribed in Section I.5 (*Expenditure Audits*).
- B. All adjustments initiated by the Operator, except those described in items (1) through (4) of this Section I.4.B, are limited to the twenty-four (24) month period following the end of the calendar year in which the original charge appeared or should have appeared on the Operator's Joint Account statement or payout statement. Adjustments that may be made beyond the twenty-four (24) month period are limited to adjustments resulting from the following:
- (1) a physical inventory of Controllable Material as provided for in Section V (*Inventories of Controllable Material*), or
 - (2) an offsetting entry (whether in whole or in part) that is the direct result of a specific joint interest audit exception granted by the Operator relating to another property, or
 - (3) a government/regulatory audit, or
 - (4) a working interest ownership or Participating Interest adjustment.

5. EXPENDITURE AUDITS

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- A. A Non-Operator, upon written notice to the Operator and all other Non-Operators, shall have the right to audit the Operator's accounts and records relating to the Joint Account within the twenty-four (24) month period following the end of such calendar year in which such bill was rendered; however, conducting an audit shall not extend the time for the taking of written exception to and the adjustment of accounts as provided for in Section I.4 (*Adjustments*). Any Party that is subject to payout accounting under the Agreement shall have the right to audit the accounts and records of the Party responsible for preparing the payout statements, or of the Party furnishing information to the Party responsible for preparing payout statements. Audits of payout accounts may include the volumes of hydrocarbons produced and saved and proceeds received for such hydrocarbons as they pertain to payout accounting required under the Agreement. Unless otherwise provided in the Agreement, audits of a payout account shall be conducted within the twenty-four (24) month period following the end of the calendar year in which the payout statement was rendered.

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Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner that will result in a minimum of inconvenience to the Operator. The Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator. The audits shall not be conducted more than once each year without prior approval of the Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of

1 those Non-Operators approving such audit.

2 The Non-Operator leading the audit (hereinafter “lead audit company”) shall issue the audit report within ninety (90) days after
3 completion of the audit testing and analysis; however, the ninety (90) day time period shall not extend the twenty-four (24) month
4 requirement for taking specific detailed written exception as required in Section I.4.A (*Adjustments*) above. All claims shall be
5 supported with sufficient documentation.

6
7 A timely filed written exception or audit report containing written exceptions (hereinafter “written exceptions”) shall, with respect to
8 the claims made therein, preclude the Operator from asserting a statute of limitations defense against such claims, and the Operator
9 hereby waives its right to assert any statute of limitations defense against such claims for so long as any Non-Operator continues to
10 comply with the deadlines for resolving exceptions provided in this Accounting Procedure. If the Non-Operators fail to comply with
11 the additional deadlines in Section I.5.B or I.5.C, the Operator’s waiver of its rights to assert a statute of limitations defense against
12 the claims brought by the Non-Operators shall lapse, and such claims shall then be subject to the applicable statute of limitations,
13 provided that such waiver shall not lapse in the event that the Operator has failed to comply with the deadlines in Section I.5.B or
14 I.5.C.

15
16 B. The Operator shall provide a written response to all exceptions in an audit report within one hundred eighty (180) days after Operator
17 receives such report. Denied exceptions should be accompanied by a substantive response. If the Operator fails to provide substantive
18 response to an exception within this one hundred eighty (180) day period, the Operator will owe interest on that exception or portion
19 thereof, if ultimately granted, from the date it received the audit report. Interest shall be calculated using the rate set forth in Section
20 I.3.B (*Advances and Payments by the Parties*).

21
22 C. The lead audit company shall reply to the Operator’s response to an audit report within ninety (90) days of receipt, and the Operator
23 shall reply to the lead audit company’s follow-up response within ninety (90) days of receipt; provided, however, each Non-Operator
24 shall have the right to represent itself if it disagrees with the lead audit company’s position or believes the lead audit company is not
25 adequately fulfilling its duties. Unless otherwise provided for in Section I.5.E, if the Operator fails to provide substantive response
26 to an exception within this ninety (90) day period, the Operator will owe interest on that exception or portion thereof, if ultimately
27 granted, from the date it received the audit report. Interest shall be calculated using the rate set forth in Section I.3.B (*Advances and*
28 *Payments by the Parties*).

29
30 D. If any Party fails to meet the deadlines in Sections I.5.B or I.5.C or if any audit issues are outstanding fifteen (15) months after
31 Operator receives the audit report, the Operator or any Non-Operator participating in the audit has the right to call a resolution
32 meeting, as set forth in this Section I.5.D or it may invoke the dispute resolution procedures included in the Agreement, if applicable.
33 The meeting will require one month’s written notice to the Operator and all Non-Operators participating in the audit. The meeting
34 shall be held at the Operator’s office or mutually agreed location, and shall be attended by representatives of the Parties with
35 authority to resolve such outstanding issues. Any Party who fails to attend the resolution meeting shall be bound by any resolution
36 reached at the meeting. The lead audit company will make good faith efforts to coordinate the response and positions of the
37 Non-Operator participants throughout the resolution process; however, each Non-Operator shall have the right to represent itself.
38 Attendees will make good faith efforts to resolve outstanding issues, and each Party will be required to present substantive information
39 supporting its position. A resolution meeting may be held as often as agreed to by the Parties. Issues unresolved at one meeting may
40 be discussed at subsequent meetings until each such issue is resolved.

41
42 If the Agreement contains no dispute resolution procedures and the audit issues cannot be resolved by negotiation, the dispute shall
43 be submitted to mediation. In such event, promptly following one Party’s written request for mediation, the Parties to the dispute
44 shall choose a mutually acceptable mediator and share the costs of mediation services equally. The Parties shall each have present
45 at the mediation at least one individual who has the authority to settle the dispute. The Parties shall make reasonable efforts to
46 ensure that the mediation commences within sixty (60) days of the date of the mediation request. Notwithstanding the above, any
47 Party may file a lawsuit or complaint (1) if the Parties are unable after reasonable efforts, to commence mediation within sixty (60)
48 days of the date of the mediation request, (2) for statute of limitations reasons, or (3) to seek a preliminary injunction or other
49 provisional judicial relief, if in its sole judgment an injunction or other provisional relief is necessary to avoid irreparable damage or
50 to preserve the status quo. Despite such action, the Parties shall continue to try to resolve the dispute by mediation.

51
52 **E. (Optional Provision – Forfeiture Penalties)**

53 *If the Non-Operators fail to meet the deadline in Section I.5.C, any unresolved exceptions that were not addressed by the Non-*
54 *Operators within one (1) year following receipt of the last substantive response of the Operator shall be deemed to have been*
55 *withdrawn by the Non-Operators. If the Operator fails to meet the deadlines in Section I.5.B or I.5.C, any unresolved exceptions that*
56 *were not addressed by the Operator within one (1) year following receipt of the audit report or receipt of the last substantive response*
57 *of the Non-Operators, whichever is later, shall be deemed to have been granted by the Operator and adjustments shall be made,*
58 *without interest, to the Joint Account.*

59
60 **6. APPROVAL BY PARTIES**

61 **A. GENERAL MATTERS**

62
63 Where an approval or other agreement of the Parties or Non-Operators is expressly required under other Sections of this Accounting
64 Procedure and if the Agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, the
65
66

1 Operator shall notify all Non-Operators of the Operator's proposal and the agreement or approval of a majority in interest of the
2 Non-Operators shall be controlling on all Non-Operators.

3
4 This Section I.6.A applies to specific situations of limited duration where a Party proposes to change the accounting for charges from
5 that prescribed in this Accounting Procedure. This provision does not apply to amendments to this Accounting Procedure, which are
6 covered by Section I.6.B.

7
8 **B. AMENDMENTS**

9
10 If the Agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, this Accounting
11 Procedure can be amended by an affirmative vote of two (2) or more Parties, one of which is the Operator,
12 having a combined working interest of at least Twelve percent (12%), which approval shall be binding on all Parties,
13 provided, however, approval of at least one (1) Non-Operator shall be required.

14
15 **C. AFFILIATES**

16
17 For the purpose of administering the voting procedures of Sections I.6.A and I.6.B, if Parties to this Agreement are Affiliates of each
18 other, then such Affiliates shall be combined and treated as a single Party having the combined working interest or Participating
19 Interest of such Affiliates.

20
21 For the purposes of administering the voting procedures in Section I.6.A, if a Non-Operator is an Affiliate of the Operator, votes
22 under Section I.6.A shall require the majority in interest of the Non-Operator(s) after excluding the interest of the Operator's
23 Affiliate.

24
25 **II. DIRECT CHARGES**

26
27 The Operator shall charge the Joint Account with the following items:

28
29 **1. RENTALS AND ROYALTIES**

30
31 Lease rentals and royalties paid by the Operator, on behalf of all Parties, for the Joint Operations.

32
33 **2. LABOR**

34
35 **A.** Salaries and wages, including incentive compensation programs as set forth in COPAS MFI-37 ("Chargeability of Incentive
36 Compensation Programs"), for:

- 37
38 (1) Operator's field employees directly employed On-site in the conduct of Joint Operations,
39
40 (2) Operator's employees directly employed on Shore Base Facilities, Offshore Facilities, or other facilities serving the Joint
41 Property if such costs are not charged under Section II.6 (*Equipment and Facilities Furnished by Operator*) or are not a
42 function covered under Section III (*Overhead*),
43
44 (3) Operator's employees providing First Level Supervision,
45
46 (4) Operator's employees providing On-site Technical Services for the Joint Property if such charges are excluded from the
47 overhead rates in Section III (*Overhead*),
48
49 (5) Operator's employees providing Off-site Technical Services for the Joint Property if such charges are excluded from the
50 overhead rates in Section III (*Overhead*).

51
52 Charges for the Operator's employees identified in Section II.2.A may be made based on the employee's actual salaries and wages,
53 or in lieu thereof, a day rate representing the Operator's average salaries and wages of the employee's specific job category.

54
55 Charges for personnel chargeable under this Section II.2.A who are foreign nationals shall not exceed comparable compensation paid
56 to an equivalent U.S. employee pursuant to this Section II.2, unless otherwise approved by the Parties pursuant to Section
57 I.6.A (*General Matters*).

58
59 **B.** Operator's cost of holiday, vacation, sickness, and disability benefits, and other customary allowances paid to employees whose
60 salaries and wages are chargeable to the Joint Account under Section II.2.A, excluding severance payments or other termination
61 allowances. Such costs under this Section II.2.B may be charged on a "when and as-paid basis" or by "percentage assessment" on the
62 amount of salaries and wages chargeable to the Joint Account under Section II.2.A. If percentage assessment is used, the rate shall
63 be based on the Operator's cost experience.

64
65 **C.** Expenditures or contributions made pursuant to assessments imposed by governmental authority that are applicable to costs
66 chargeable to the Joint Account under Sections II.2.A and B.

- 1 D. Personal Expenses of personnel whose salaries and wages are chargeable to the Joint Account under Section II.2.A when the
2 expenses are incurred in connection with directly chargeable activities.
- 3
4 E. Reasonable relocation costs incurred in transferring to the Joint Property personnel whose salaries and wages are chargeable to the
5 Joint Account under Section II.2.A. Notwithstanding the foregoing, relocation costs that result from reorganization or merger of a
6 Party, or that are for the primary benefit of the Operator, shall not be chargeable to the Joint Account. Extraordinary relocation
7 costs, such as those incurred as a result of transfers from remote locations, such as Alaska or overseas, shall not be charged to the
8 Joint Account unless approved by the Parties pursuant to Section I.6.A (*General Matters*).
- 9
10 F. Training costs as specified in COPAS MFI-35 (“Charging of Training Costs to the Joint Account”) for personnel whose salaries and
11 wages are chargeable under Section II.2.A. This training charge shall include the wages, salaries, training course cost, and Personal
12 Expenses incurred during the training session. The training cost shall be charged or allocated to the property or properties directly
13 benefiting from the training. The cost of the training course shall not exceed prevailing commercial rates, where such rates are
14 available.
- 15
16 G. Operator’s current cost of established plans for employee benefits, as described in COPAS MFI-27 (“Employee Benefits Chargeable
17 to Joint Operations and Subject to Percentage Limitation”), applicable to the Operator’s labor costs chargeable to the Joint Account
18 under Sections II.2.A and B based on the Operator’s actual cost not to exceed the employee benefits limitation percentage most
19 recently recommended by COPAS.
- 20
21 H. Award payments to employees, in accordance with COPAS MFI-49 (“Awards to Employees and Contractors”) for personnel whose
22 salaries and wages are chargeable under Section II.2.A.

23 3. MATERIAL

24
25 Material purchased or furnished by the Operator for use on the Joint Property in the conduct of Joint Operations as provided under Section
26 IV (*Material Purchases, Transfers, and Dispositions*). Only such Material shall be purchased for or transferred to the Joint Property as
27 may be required for immediate use or is reasonably practical and consistent with efficient and economical operations. The accumulation
28 of surplus stocks shall be avoided.

29 4. TRANSPORTATION

- 30
31 A. Transportation of the Operator’s, Operator’s Affiliate’s, or contractor’s personnel necessary for Joint Operations.
- 32
33 B. Transportation of Material between the Joint Property and another property, or from the Operator’s warehouse or other storage point
34 to the Joint Property, shall be charged to the receiving property using one of the methods listed below. Transportation of Material
35 from the Joint Property to the Operator’s warehouse or other storage point shall be paid for by the Joint Property using one of the
36 methods listed below:
- 37
38 (1) If the actual trucking charge is less than or equal to the Excluded Amount the Operator may charge actual trucking cost or a
39 theoretical charge from the Railway Receiving Point to the Joint Property. The basis for the theoretical charge is the per
40 hundred weight charge plus fuel surcharges from the Railway Receiving Point to the Joint Property. The Operator shall
41 consistently apply the selected alternative.
- 42
43 (2) If the actual trucking charge is greater than the Excluded Amount, the Operator shall charge Equalized Freight. Accessorial
44 charges such as loading and unloading costs, split pick-up costs, detention, call out charges, and permit fees shall be charged
45 directly to the Joint Property and shall not be included when calculating the Equalized Freight.

46 5. SERVICES

47
48 The cost of contract services, equipment, and utilities used in the conduct of Joint Operations, except for contract services, equipment, and
49 utilities covered by Section III (*Overhead*), or Section II.7 (*Affiliates*), or excluded under Section II.9 (*Legal Expense*). Awards paid to
50 contractors shall be chargeable pursuant to COPAS MFI-49 (“Awards to Employees and Contractors”).

51
52 The costs of third party Technical Services are chargeable to the extent excluded from the overhead rates under Section III (*Overhead*).

53 6. EQUIPMENT AND FACILITIES FURNISHED BY OPERATOR

54
55 In the absence of a separately negotiated agreement, equipment and facilities furnished by the Operator will be charged as follows:

- 56
57 A. The Operator shall charge the Joint Account for use of Operator-owned equipment and facilities, including but not limited to
58 production facilities, Shore Base Facilities, Offshore Facilities, and Field Offices, at rates commensurate with the costs of ownership
59 and operation. The cost of Field Offices shall be chargeable to the extent the Field Offices provide direct service to personnel who
60 are chargeable pursuant to Section II.2.A (*Labor*). Such rates may include labor, maintenance, repairs, other operating expense,
61 insurance, taxes, depreciation using straight line depreciation method, and interest on gross investment less accumulated depreciation
62 not to exceed _____ ten _____ percent (____ 10 ____%) per annum; provided, however, depreciation shall not be charged when the
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1 equipment and facilities investment have been fully depreciated. The rate may include an element of the estimated cost for
2 abandonment, reclamation, and dismantlement. Such rates shall not exceed the average commercial rates currently prevailing in the
3 immediate area of the Joint Property.

- 4
5 B. In lieu of charges in Section II.6.A above, the Operator may elect to use average commercial rates prevailing in the immediate area
6 of the Joint Property, less twenty percent (20%). If equipment and facilities are charged under this Section II.6.B, the Operator shall
7 adequately document and support commercial rates and shall periodically review and update the rate and the supporting
8 documentation. For automotive equipment, the Operator may elect to use rates published by the Petroleum Motor Transport
9 Association (PMTA) or such other organization recognized by COPAS as the official source of rates.

10 7. AFFILIATES

- 11
12 A. Charges for an Affiliate's goods and/or services used in operations requiring an AFE or other authorization from the Non-Operators
13 may be made without the approval of the Parties provided (i) the Affiliate is identified and the Affiliate goods and services are
14 specifically detailed in the approved AFE or other authorization, and (ii) the total costs for such Affiliate's goods and services billed
15 to such individual project do not exceed \$ 50,000.00. If the total costs for an Affiliate's goods and services charged to such
16 individual project are not specifically detailed in the approved AFE or authorization or exceed such amount, charges for such
17 Affiliate shall require approval of the Parties, pursuant to Section I.6.A (*General Matters*).
- 18
19 B. For an Affiliate's goods and/or services used in operations not requiring an AFE or other authorization from the Non-Operators,
20 charges for such Affiliate's goods and services shall require approval of the Parties, pursuant to Section I.6.A (*General Matters*), if the
21 charges exceed \$ 100,000.00 in a given calendar year.
- 22
23 C. The cost of the Affiliate's goods or services shall not exceed average commercial rates prevailing in the area of the Joint Property,
24 unless the Operator obtains the Non-Operators' approval of such rates. The Operator shall adequately document and support
25 commercial rates and shall periodically review and update the rate and the supporting documentation; provided, however,
26 documentation of commercial rates shall not be required if the Operator obtains Non-Operator approval of its Affiliate's rates or
27 charges prior to billing Non-Operators for such Affiliate's goods and services. Notwithstanding the foregoing, direct charges for
28 Affiliate-owned communication facilities or systems shall be made pursuant to Section II.12 (*Communications*).

29
30 If the Parties fail to designate an amount in Sections II.7.A or II.7.B, in each instance the amount deemed adopted by the Parties as a
31 result of such omission shall be the amount established as the Operator's expenditure limitation in the Agreement. If the Agreement
32 does not contain an Operator's expenditure limitation, the amount deemed adopted by the Parties as a result of such omission shall be
33 zero dollars (\$ 0.00).

34 8. DAMAGES AND LOSSES TO JOINT PROPERTY

35
36 All costs or expenses necessary for the repair or replacement of Joint Property resulting from damages or losses incurred, except to the
37 extent such damages or losses result from a Party's or Parties' gross negligence or willful misconduct, in which case such Party or Parties
38 shall be solely liable.

39
40 The Operator shall furnish the Non-Operator written notice of damages or losses incurred as soon as practicable after a report has been
41 received by the Operator.

42 9. LEGAL EXPENSE

43
44 Recording fees and costs of handling, settling, or otherwise discharging litigation, claims, and liens incurred in or resulting from
45 operations under the Agreement, or necessary to protect or recover the Joint Property, to the extent permitted under the Agreement. Costs
46 of the Operator's or Affiliate's legal staff or outside attorneys, including fees and expenses, are not chargeable unless approved by the
47 Parties pursuant to Section I.6.A (*General Matters*) or otherwise provided for in the Agreement.

48
49 Notwithstanding the foregoing paragraph, costs for procuring abstracts, fees paid to outside attorneys for title examinations (including
50 preliminary, supplemental, shut-in royalty opinions, division order title opinions), and curative work shall be chargeable to the extent
51 permitted as a direct charge in the Agreement.

52 10. TAXES AND PERMITS

53
54 All taxes and permitting fees of every kind and nature, assessed or levied upon or in connection with the Joint Property, or the production
55 therefrom, and which have been paid by the Operator for the benefit of the Parties, including penalties and interest, except to the extent the
56 penalties and interest result from the Operator's gross negligence or willful misconduct.

57
58 If ad valorem taxes paid by the Operator are based in whole or in part upon separate valuations of each Party's working interest, then
59 notwithstanding any contrary provisions, the charges to the Parties will be made in accordance with the tax value generated by each Party's
60 working interest.

1 Costs of tax consultants or advisors, the Operator's employees, or Operator's Affiliate employees in matters regarding ad valorem or other
2 tax matters, are not permitted as direct charges unless approved by the Parties pursuant to Section I.6.A (*General Matters*).

3
4 Charges to the Joint Account resulting from sales/use tax audits, including extrapolated amounts and penalties and interest, are permitted,
5 provided the Non-Operator shall be allowed to review the invoices and other underlying source documents which served as the basis for
6 tax charges and to determine that the correct amount of taxes were charged to the Joint Account. If the Non-Operator is not permitted to
7 review such documentation, the sales/use tax amount shall not be directly charged unless the Operator can conclusively document the
8 amount owed by the Joint Account.

9 10 **11. INSURANCE**

11 Net premiums paid for insurance required to be carried for Joint Operations for the protection of the Parties. If Joint Operations are
12 conducted at locations where the Operator acts as self-insurer in regard to its worker's compensation and employer's liability insurance
13 obligation, the Operator shall charge the Joint Account manual rates for the risk assumed in its self-insurance program as regulated by the
14 jurisdiction governing the Joint Property. In the case of offshore operations in federal waters, the manual rates of the adjacent state shall be
15 used for personnel performing work On-site, and such rates shall be adjusted for offshore operations by the U.S. Longshoreman and
16 Harbor Workers (USL&H) or Jones Act surcharge, as appropriate.

17 18 **12. COMMUNICATIONS**

19
20 Costs of acquiring, leasing, installing, operating, repairing, and maintaining communication facilities or systems, including satellite, radio
21 and microwave facilities, between the Joint Property and the Operator's office(s) directly responsible for field operations in accordance
22 with the provisions of COPAS MFI-44 ("Field Computer and Communication Systems"). If the communications facilities or systems
23 serving the Joint Property are Operator-owned, charges to the Joint Account shall be made as provided in Section II.6 (*Equipment and*
24 *Facilities Furnished by Operator*). If the communication facilities or systems serving the Joint Property are owned by the Operator's
25 Affiliate, charges to the Joint Account shall not exceed average commercial rates prevailing in the area of the Joint Property. The Operator
26 shall adequately document and support commercial rates and shall periodically review and update the rate and the supporting
27 documentation.

28 29 **13. ECOLOGICAL, ENVIRONMENTAL, AND SAFETY**

30
31 Costs incurred for Technical Services and drafting to comply with ecological, environmental and safety Laws or standards recommended by
32 Occupational Safety and Health Administration (OSHA) or other regulatory authorities. All other labor and functions incurred for
33 ecological, environmental and safety matters, including management, administration, and permitting, shall be covered by Sections II.2
34 (*Labor*), II.5 (*Services*), or Section III (*Overhead*), as applicable.

35
36 Costs to provide or have available pollution containment and removal equipment plus actual costs of control and cleanup and resulting
37 responsibilities of oil and other spills as well as discharges from permitted outfalls as required by applicable Laws, or other pollution
38 containment and removal equipment deemed appropriate by the Operator for prudent operations, are directly chargeable.

39 40 **14. ABANDONMENT AND RECLAMATION**

41
42 Costs incurred for abandonment and reclamation of the Joint Property, including costs required by lease agreements or by Laws.

43 44 **15. OTHER EXPENDITURES**

45
46 Any other expenditure not covered or dealt with in the foregoing provisions of this Section II (*Direct Charges*), or in Section III
47 (*Overhead*) and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the
48 Joint Operations. Charges made under this Section II.15 shall require approval of the Parties, pursuant to Section I.6.A (*General Matters*).

49 50 51 **III. OVERHEAD**

52
53 As compensation for costs not specifically identified as chargeable to the Joint Account pursuant to Section II (*Direct Charges*), the Operator
54 shall charge the Joint Account in accordance with this Section III.

55
56 Functions included in the overhead rates regardless of whether performed by the Operator, Operator's Affiliates or third parties and regardless
57 of location, shall include, but not be limited to, costs and expenses of:

- 58
59
- 60 • warehousing, other than for warehouses that are jointly owned under this Agreement
 - 61 • design and drafting (except when allowed as a direct charge under Sections II.13, III.1.A(ii), and III.2, Option B)
 - 62 • inventory costs not chargeable under Section V (*Inventories of Controllable Material*)
 - 63 • procurement
 - 64 • administration
 - 65 • accounting and auditing
 - 66 • gas dispatching and gas chart integration

- human resources
- management
- supervision not directly charged under Section II.2 (*Labor*)
- legal services not directly chargeable under Section II.9 (*Legal Expense*)
- taxation, other than those costs identified as directly chargeable under Section II.10 (*Taxes and Permits*)
- preparation and monitoring of permits and certifications; preparing regulatory reports; appearances before or meetings with governmental agencies or other authorities having jurisdiction over the Joint Property, other than On-site inspections; reviewing, interpreting, or submitting comments on or lobbying with respect to Laws or proposed Laws.

Overhead charges shall include the salaries or wages plus applicable payroll burdens, benefits, and Personal Expenses of personnel performing overhead functions, as well as office and other related expenses of overhead functions.

1. OVERHEAD—DRILLING AND PRODUCING OPERATIONS

As compensation for costs incurred but not chargeable under Section II (*Direct Charges*) and not covered by other provisions of this Section III, the Operator shall charge on either:

- (**Alternative 1**) Fixed Rate Basis, Section III.1.B.
- (**Alternative 2**) Percentage Basis, Section III.1.C.

A. TECHNICAL SERVICES

- (i) Except as otherwise provided in Section II.13 (*Ecological Environmental, and Safety*) and Section III.2 (*Overhead – Major Construction and Catastrophe*), or by approval of the Parties pursuant to Section I.6.A (*General Matters*), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for **On-site** Technical Services, including third party Technical Services:

(**Alternative 1 – Direct**) shall be charged direct to the Joint Account.

(**Alternative 2 – Overhead**) shall be covered by the overhead rates.

- (ii) Except as otherwise provided in Section II.13 (*Ecological, Environmental, and Safety*) and Section III.2 (*Overhead – Major Construction and Catastrophe*), or by approval of the Parties pursuant to Section I.6.A (*General Matters*), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for **Off-site** Technical Services, including third party Technical Services:

(**Alternative 1 – All Overhead**) shall be covered by the overhead rates.

(**Alternative 2 – All Direct**) shall be charged direct to the Joint Account.

(**Alternative 3 – Drilling Direct**) shall be charged direct to the Joint Account, only to the extent such Technical Services are directly attributable to drilling, re-drilling, deepening, or sidetracking operations, through completion, temporary abandonment, or abandonment if a dry hole. Off-site Technical Services for all other operations, including workover, recompletion, abandonment of producing wells, and the construction or expansion of fixed assets not covered by Section III.2 (*Overhead - Major Construction and Catastrophe*) shall be covered by the overhead rates.

Notwithstanding anything to the contrary in this Section III, Technical Services provided by Operator's Affiliates are subject to limitations set forth in Section II.7 (*Affiliates*). Charges for Technical personnel performing non-technical work shall not be governed by this Section III.1.A, but instead governed by other provisions of this Accounting Procedure relating to the type of work being performed.

B. OVERHEAD—FIXED RATE BASIS

- (1) The Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate per month \$ 13,923.64 (prorated for less than a full month)

Producing Well Rate per month \$ 1,392.36

- (2) Application of Overhead—Drilling Well Rate shall be as follows:

- (a) Charges for onshore drilling wells shall begin on the spud date and terminate on the date the drilling and/or completion equipment used on the well is released, whichever occurs later. Charges for offshore and inland waters drilling wells shall begin on the date the drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location, or is released, whichever occurs first. No charge shall be made during suspension of drilling and/or completion operations for fifteen (15) or more consecutive calendar days.

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(b) Charges for any well undergoing any type of workover, recompletion, and/or abandonment for a period of five (5) or more consecutive work-days shall be made at the Drilling Well Rate. Such charges shall be applied for the period from date operations, with rig or other units used in operations, commence through date of rig or other unit release, except that no charges shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

(3) Application of Overhead—Producing Well Rate shall be as follows:

(a) An active well that is produced, injected into for recovery or disposal, or used to obtain water supply to support operations for any portion of the month shall be considered as a one-well charge for the entire month.

(b) Each active completion in a multi-completed well shall be considered as a one-well charge provided each completion is considered a separate well by the governing regulatory authority.

(c) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well, unless the Drilling Well Rate applies, as provided in Sections III.1.B.(2)(a) or (b). This one-well charge shall be made whether or not the well has produced.

(d) An active gas well shut in because of overproduction or failure of a purchaser, processor, or transporter to take production shall be considered as a one-well charge provided the gas well is directly connected to a permanent sales outlet.

(e) Any well not meeting the criteria set forth in Sections III.1.B.(3) (a), (b), (c), or (d) shall not qualify for a producing overhead charge.

(4) The well rates shall be adjusted on the first day of April each year following the effective date of the Agreement; provided, however, if this Accounting Procedure is attached to or otherwise governing the payout accounting under a farmout agreement, the rates shall be adjusted on the first day of April each year following the effective date of such farmout agreement. The adjustment shall be computed by applying the adjustment factor most recently published by COPAS. The adjusted rates shall be the initial or amended rates agreed to by the Parties increased or decreased by the adjustment factor described herein, for each year from the effective date of such rates, in accordance with COPAS MFI-47 (“Adjustment of Overhead Rates”).

2. OVERHEAD—MAJOR CONSTRUCTION AND CATASTROPHE

To compensate the Operator for overhead costs incurred in connection with a Major Construction project or Catastrophe, the Operator shall either negotiate a rate prior to the beginning of the project, or shall charge the Joint Account for overhead based on the following rates for any Major Construction project in excess of the Operator’s expenditure limit under the Agreement, or for any Catastrophe regardless of the amount. If the Agreement to which this Accounting Procedure is attached does not contain an expenditure limit, Major Construction Overhead shall be assessed for any single Major Construction project costing in excess of \$100,000 gross.

1 Major Construction shall mean the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly
2 discernible as a fixed asset required for the development and operation of the Joint Property, or in the dismantlement, abandonment,
3 removal, and restoration of platforms, production equipment, and other operating facilities.

4 Catastrophe is defined as a sudden calamitous event bringing damage, loss, or destruction to property or the environment, such as an oil
5 spill, blowout, explosion, fire, storm, hurricane, or other disaster. The overhead rate shall be applied to those costs necessary to restore the
6 Joint Property to the equivalent condition that existed prior to the event.

7
8 A. If the Operator absorbs the engineering, design and drafting costs related to the project:

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10 (1) 5 % of total costs if such costs are less than \$100,000; plus
11
12 (2) 3 % of total costs in excess of \$100,000 but less than \$1,000,000; plus
13
14 (3) 2 % of total costs in excess of \$1,000,000.

15
16 B. If the Operator charges engineering, design and drafting costs related to the project directly to the Joint Account:

- 17
18 (1) 5 % of total costs if such costs are less than \$100,000; plus
19
20 (2) 3 % of total costs in excess of \$100,000 but less than \$1,000,000; plus
21
22 (3) 2 % of total costs in excess of \$1,000,000.

23
24 Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single Major
25 Construction project shall not be treated separately, and the cost of drilling and workover wells and purchasing and installing pumping
26 units and downhole artificial lift equipment shall be excluded. For Catastrophes, the rates shall be applied to all costs associated with each
27 single occurrence or event.

28
29 On each project, the Operator shall advise the Non-Operator(s) in advance which of the above options shall apply.

30
31 For the purposes of calculating Catastrophe Overhead, the cost of drilling relief wells, substitute wells, or conducting other well operations
32 directly resulting from the catastrophic event shall be included. Expenditures to which these rates apply shall not be reduced by salvage or
33 insurance recoveries. Expenditures that qualify for Major Construction or Catastrophe Overhead shall not qualify for overhead under any
34 other overhead provisions.

35
36 In the event of any conflict between the provisions of this Section III.2 and the provisions of Sections II.2 (*Labor*), II.5 (*Services*), or II.7
37 (*Affiliates*), the provisions of this Section III.2 shall govern.

39 3. AMENDMENT OF OVERHEAD RATES

40
41 The overhead rates provided for in this Section III may be amended from time to time if, in practice, the rates are found to be insufficient
42 or excessive, in accordance with the provisions of Section I.6.B (*Amendments*).

43 44 45 IV. MATERIAL PURCHASES, TRANSFERS, AND DISPOSITIONS

46
47 The Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for direct purchases, transfers, and
48 dispositions. The Operator shall provide all Material for use in the conduct of Joint Operations; however, Material may be supplied by the Non-
49 Operators, at the Operator's option. Material furnished by any Party shall be furnished without any express or implied warranties as to quality,
50 fitness for use, or any other matter.

51 52 1. DIRECT PURCHASES

53
54 Direct purchases shall be charged to the Joint Account at the price paid by the Operator after deduction of all discounts received. The
55 Operator shall make good faith efforts to take discounts offered by suppliers, but shall not be liable for failure to take discounts except to
56 the extent such failure was the result of the Operator's gross negligence or willful misconduct. A direct purchase shall be deemed to occur
57 when an agreement is made between an Operator and a third party for the acquisition of Material for a specific well site or location.
58 Material provided by the Operator under "vendor stocking programs," where the initial use is for a Joint Property and title of the Material
59 does not pass from the manufacturer, distributor, or agent until usage, is considered a direct purchase. If Material is found to be defective
60 or is returned to the manufacturer, distributor, or agent for any other reason, credit shall be passed to the Joint Account within sixty (60)
61 days after the Operator has received adjustment from the manufacturer, distributor, or agent.

2. TRANSFERS

A transfer is determined to occur when the Operator (i) furnishes Material from a storage facility or from another operated property, (ii) has assumed liability for the storage costs and changes in value, and (iii) has previously secured and held title to the transferred Material. Similarly, the removal of Material from the Joint Property to a storage facility or to another operated property is also considered a transfer; provided, however, Material that is moved from the Joint Property to a storage location for safe-keeping pending disposition may remain charged to the Joint Account and is not considered a transfer. Material shall be disposed of in accordance with Section IV.3 (*Disposition of Surplus*) and the Agreement to which this Accounting Procedure is attached.

A. PRICING

The value of Material transferred to/from the Joint Property should generally reflect the market value on the date of physical transfer. Regardless of the pricing method used, the Operator shall make available to the Non-Operators sufficient documentation to verify the Material valuation. When higher than specification grade or size tubulars are used in the conduct of Joint Operations, the Operator shall charge the Joint Account at the equivalent price for well design specification tubulars, unless such higher specification grade or sized tubulars are approved by the Parties pursuant to Section I.6.A (*General Matters*). Transfers of new Material will be priced using one of the following pricing methods; provided, however, the Operator shall use consistent pricing methods, and not alternate between methods for the purpose of choosing the method most favorable to the Operator for a specific transfer:

- (1) Using published prices in effect on date of movement as adjusted by the appropriate COPAS Historical Price Multiplier (HPM) or prices provided by the COPAS Computerized Equipment Pricing System (CEPS).
 - (a) For oil country tubulars and line pipe, the published price shall be based upon eastern mill carload base prices (Houston, Texas, for special end) adjusted as of date of movement, plus transportation cost as defined in Section IV.2.B (*Freight*).
 - (b) For other Material, the published price shall be the published list price in effect at date of movement, as listed by a Supply Store nearest the Joint Property where like Material is normally available, or point of manufacture plus transportation costs as defined in Section IV.2.B (*Freight*).
- (2) Based on a price quotation from a vendor that reflects a current realistic acquisition cost.
- (3) Based on the amount paid by the Operator for like Material in the vicinity of the Joint Property within the previous twelve (12) months from the date of physical transfer.
- (4) As agreed to by the Participating Parties for Material being transferred to the Joint Property, and by the Parties owning the Material for Material being transferred from the Joint Property.

B. FREIGHT

Transportation costs shall be added to the Material transfer price using the method prescribed by the COPAS Computerized Equipment Pricing System (CEPS). If not using CEPS, transportation costs shall be calculated as follows:

- (1) Transportation costs for oil country tubulars and line pipe shall be calculated using the distance from eastern mill to the Railway Receiving Point based on the carload weight basis as recommended by the COPAS MFI-38 ("Material Pricing Manual") and other COPAS MFIs in effect at the time of the transfer.
- (2) Transportation costs for special mill items shall be calculated from that mill's shipping point to the Railway Receiving Point. For transportation costs from other than eastern mills, the 30,000-pound interstate truck rate shall be used. Transportation costs for macaroni tubing shall be calculated based on the interstate truck rate per weight of tubing transferred to the Railway Receiving Point.
- (3) Transportation costs for special end tubular goods shall be calculated using the interstate truck rate from Houston, Texas, to the Railway Receiving Point.
- (4) Transportation costs for Material other than that described in Sections IV.2.B.(1) through (3), shall be calculated from the Supply Store or point of manufacture, whichever is appropriate, to the Railway Receiving Point

Regardless of whether using CEPS or manually calculating transportation costs, transportation costs from the Railway Receiving Point to the Joint Property are in addition to the foregoing, and may be charged to the Joint Account based on actual costs incurred. All transportation costs are subject to Equalized Freight as provided in Section II.4 (*Transportation*) of this Accounting Procedure.

C. TAXES

Sales and use taxes shall be added to the Material transfer price using either the method contained in the COPAS Computerized Equipment Pricing System (CEPS) or the applicable tax rate in effect for the Joint Property at the time and place of transfer. In either case, the Joint Account shall be charged or credited at the rate that would have governed had the Material been a direct purchase.

D. CONDITION

(1) Condition "A" – New and unused Material in sound and serviceable condition shall be charged at one hundred percent (100%) of the price as determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*). Material transferred from the Joint Property that was not placed in service shall be credited as charged without gain or loss; provided, however, any unused Material that was charged to the Joint Account through a direct purchase will be credited to the Joint Account at the original cost paid less restocking fees charged by the vendor. New and unused Material transferred from the Joint Property may be credited at a price other than the price originally charged to the Joint Account provided such price is approved by the Parties owning such Material, pursuant to Section I.6.A (*General Matters*). All refurbishing costs required or necessary to return the Material to original condition or to correct handling, transportation, or other damages will be borne by the divesting property. The Joint Account is responsible for Material preparation, handling, and transportation costs for new and unused Material charged to the Joint Property either through a direct purchase or transfer. Any preparation costs incurred, including any internal or external coating and wrapping, will be credited on new Material provided these services were not repeated for such Material for the receiving property.

(2) Condition "B" – Used Material in sound and serviceable condition and suitable for reuse without reconditioning shall be priced by multiplying the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) by seventy-five percent (75%).

Except as provided in Section IV.2.D(3), all reconditioning costs required to return the Material to Condition "B" or to correct handling, transportation or other damages will be borne by the divesting property.

If the Material was originally charged to the Joint Account as used Material and placed in service for the Joint Property, the Material will be credited at the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) multiplied by sixty-five percent (65%).

Unless otherwise agreed to by the Parties that paid for such Material, used Material transferred from the Joint Property that was not placed in service on the property shall be credited as charged without gain or loss.

(3) Condition "C" – Material that is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced by multiplying the price determined in Sections IV.2.A (*Pricing*), IV.2.B (*Freight*), and IV.2.C (*Taxes*) by fifty percent (50%).

The cost of reconditioning may be charged to the receiving property to the extent Condition "C" value, plus cost of reconditioning, does not exceed Condition "B" value.

(4) Condition "D" – Material that (i) is no longer suitable for its original purpose but useable for some other purpose, (ii) is obsolete, or (iii) does not meet original specifications but still has value and can be used in other applications as a substitute for items with different specifications, is considered Condition "D" Material. Casing, tubing, or drill pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing, or drill pipe utilized as line pipe shall be priced at used line pipe prices. Casing, tubing, or drill pipe used as higher pressure service lines than standard line pipe, e.g., power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods shall be priced on a non-upset basis. For other items, the price used should result in the Joint Account being charged or credited with the value of the service rendered or use of the Material, or as agreed to by the Parties pursuant to Section 1.6.A (*General Matters*).

(5) Condition "E" – Junk shall be priced at prevailing scrap value prices.

E. OTHER PRICING PROVISIONS

(1) Preparation Costs

Subject to Section II (*Direct Charges*) and Section III (*Overhead*) of this Accounting Procedure, costs incurred by the Operator in making Material serviceable including inspection, third party surveillance services, and other similar services will be charged to the Joint Account at prices which reflect the Operator's actual costs of the services. Documentation must be provided to the Non-Operators upon request to support the cost of service. New coating and/or wrapping shall be considered a component of the Materials and priced in accordance with Sections IV.1 (*Direct Purchases*) or IV.2.A (*Pricing*), as applicable. No charges or credits shall be made for used coating or wrapping. Charges and credits for inspections shall be made in accordance with COPAS MFI-38 ("Material Pricing Manual").

(2) Loading and Unloading Costs

Loading and unloading costs related to the movement of the Material to the Joint Property shall be charged in accordance with the methods specified in COPAS MFI-38 ("Material Pricing Manual").

3. DISPOSITION OF SURPLUS

Surplus Material is that Material, whether new or used, that is no longer required for Joint Operations. The Operator may purchase, but shall be under no obligation to purchase, the interest of the Non-Operators in surplus Material.

Dispositions for the purpose of this procedure are considered to be the relinquishment of title of the Material from the Joint Property to either a third party, a Non-Operator, or to the Operator. To avoid the accumulation of surplus Material, the Operator should make good faith efforts to dispose of surplus within twelve (12) months through buy/sale agreements, trade, sale to a third party, division in kind, or other dispositions as agreed to by the Parties.

Disposal of surplus Materials shall be made in accordance with the terms of the Agreement to which this Accounting Procedure is attached. If the Agreement contains no provisions governing disposal of surplus Material, the following terms shall apply:

- The Operator may, through a sale to an unrelated third party or entity, dispose of surplus Material having a gross sale value that is less than or equal to the Operator's expenditure limit as set forth in the Agreement to which this Accounting Procedure is attached without the prior approval of the Parties owning such Material.
- If the gross sale value exceeds the Agreement expenditure limit, the disposal must be agreed to by the Parties owning such Material.
- Operator may purchase surplus Condition "A" or "B" Material without approval of the Parties owning such Material, based on the pricing methods set forth in Section IV.2 (*Transfers*).
- Operator may purchase Condition "C" Material without prior approval of the Parties owning such Material if the value of the Materials, based on the pricing methods set forth in Section IV.2 (*Transfers*), is less than or equal to the Operator's expenditure limitation set forth in the Agreement. The Operator shall provide documentation supporting the classification of the Material as Condition C.
- Operator may dispose of Condition "D" or "E" Material under procedures normally utilized by Operator without prior approval of the Parties owning such Material.

4. SPECIAL PRICING PROVISIONS

A. PREMIUM PRICING

Whenever Material is available only at inflated prices due to national emergencies, strikes, government imposed foreign trade restrictions, or other unusual causes over which the Operator has no control, for direct purchase the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, making it suitable for use, and moving it to the Joint Property. Material transferred or disposed of during premium pricing situations shall be valued in accordance with Section IV.2 (*Transfers*) or Section IV.3 (*Disposition of Surplus*), as applicable.

B. SHOP-MADE ITEMS

Items fabricated by the Operator's employees, or by contract laborers under the direction of the Operator, shall be priced using the value of the Material used to construct the item plus the cost of labor to fabricate the item. If the Material is from the Operator's scrap or junk account, the Material shall be priced at either twenty-five percent (25%) of the current price as determined in Section IV.2.A (*Pricing*) or scrap value, whichever is higher. In no event shall the amount charged exceed the value of the item commensurate with its use.

C. MILL REJECTS

Mill rejects purchased as "limited service" casing or tubing shall be priced at eighty percent (80%) of K-55/J-55 price as determined in Section IV.2 (*Transfers*). Line pipe converted to casing or tubing with casing or tubing couplings attached shall be priced as K-55/J-55 casing or tubing at the nearest size and weight.

V. INVENTORIES OF CONTROLLABLE MATERIAL

The Operator shall maintain records of Controllable Material charged to the Joint Account, with sufficient detail to perform physical inventories.

Adjustments to the Joint Account by the Operator resulting from a physical inventory of Controllable Material shall be made within twelve (12) months following the taking of the inventory or receipt of Non-Operator inventory report. Charges and credits for overages or shortages will be valued for the Joint Account in accordance with Section IV.2 (*Transfers*) and shall be based on the Condition "B" prices in effect on the date of physical inventory unless the inventorying Parties can provide sufficient evidence another Material condition applies.

1 **1. DIRECTED INVENTORIES**

2 Physical inventories shall be performed by the Operator upon written request of a majority in working interests of the Non-Operators
3 (hereinafter, "directed inventory"); provided, however, the Operator shall not be required to perform directed inventories more frequently
4 than once every five (5) years. Directed inventories shall be commenced within one hundred eighty (180) days after the Operator receives
5 written notice that a majority in interest of the Non-Operators has requested the inventory. All Parties shall be governed by the results of
6 any directed inventory.

7
8 Expenses of directed inventories will be borne by the Joint Account; provided, however, costs associated with any post-report follow-up
9 work in settling the inventory will be absorbed by the Party incurring such costs. The Operator is expected to exercise judgment in keeping
10 expenses within reasonable limits. Any anticipated disproportionate or extraordinary costs should be discussed and agreed upon prior to
11 commencement of the inventory. Expenses of directed inventories may include the following:

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13 A. A per diem rate for each inventory person, representative of actual salaries, wages, and payroll burdens and benefits of the personnel
14 performing the inventory or a rate agreed to by the Parties pursuant to Section I.6.A (*General Matters*). The per diem rate shall also
15 be applied to a reasonable number of days for pre-inventory work and report preparation.
16
17 B. Actual transportation costs and Personal Expenses for the inventory team.
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19 C. Reasonable charges for report preparation and distribution to the Non-Operators.
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21

22 **2. NON-DIRECTED INVENTORIES**

23 A. OPERATOR INVENTORIES

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25 Physical inventories that are not requested by the Non-Operators may be performed by the Operator, at the Operator's discretion. The
26 expenses of conducting such Operator-initiated inventories shall not be charged to the Joint Account.
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28 B. NON-OPERATOR INVENTORIES

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30 Subject to the terms of the Agreement to which this Accounting Procedure is attached, the Non-Operators may conduct a physical
31 inventory at reasonable times at their sole cost and risk after giving the Operator at least ninety (90) days prior written notice. The
32 Non-Operator inventory report shall be furnished to the Operator in writing within ninety (90) days of completing the inventory
33 fieldwork.
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35 C. SPECIAL INVENTORIES

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37 The expense of conducting inventories other than those described in Sections V.1 (*Directed Inventories*), V.2.A (*Operator*
38 *Inventories*), or V.2.B (*Non-Operator Inventories*), shall be charged to the Party requesting such inventory; provided, however,
39 inventories required due to a change of Operator shall be charged to the Joint Account in the same manner as described in Section
40 V.1 (*Directed Inventories*).
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EXHIBIT “D”

Attached to and made a part of that certain Operating Agreement dated June 22, 2022, as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Bannock N UNN BL Unit.

1. Operator shall procure and maintain, at all times while conducting operations under this Agreement, the following insurance coverages with limits not less than those specified below:

A. Workers’ Compensation Employer’s Liability	Statutory \$1,000,000 Each Accident
B. General Liability including bodily injury and property damage liability	\$5,000,000 Each Occurrence Limit
C. Auto Liability	\$1,000,000 Combined Single Limit
D. Excess or Umbrella Liability	\$20,000,000 Each Occurrence Limit
E. Cost of Well Control and Care, Custody and Control	\$5,000,000 Combined Single Limit and \$250,000 CCC
F. Pollution Liability	\$15,000,000 Each Incident Limit

2. The insurance described in 1. above shall include Non-Operator as additional insured (except Workers’ Compensation) and shall include a waiver by the insurer of all rights of subrogation in favor of Non-Operator. Such insurance shall be carried at the joint expense of the parties hereto and all premiums and other costs and expenses related thereto shall be charged to the Joint Account in accordance with the Accounting Procedure attached as Exhibit “C” to this Agreement, unless prior to spud a party hereto who desires to provide its own insurance or self-insurance provides Operator with a certificate of insurance evidencing such individual coverage.

3. Operator shall endeavor to have its contractors and subcontractors comply with applicable Workers’ Compensation laws, rules and regulations and carry such insurance as Operator may deem necessary.

4. Operator shall not be liable to Non-Operator for loss suffered because of insufficiency of the insurance procured and maintained for the Joint Account nor shall Operator be liable to Non-Operator for any loss occurring by reason of Operator’s inability to procure or maintain the insurance provided for herein. If, in Operator’s opinion, at any time during the term of this Agreement, Operator is unable to procure or maintain said insurance on commercially reasonable terms, or Operator reduces the limits of insurance, Operator shall promptly so notify Non-Operator in writing.

5. In the event of loss not covered by the insurance provided for herein, such loss shall be charged to the Joint Account and borne by the parties in accordance with their respective percentage of participation as determined by this Agreement.

6. Any party hereto may individually and at its own expense procure such additional insurance as it desires; provided, however, such party shall provide Operator with a certificate of insurance evidencing such coverage before spud of the well and such coverage shall include a waiver by the insurer of all rights of subrogation in favor of the parties hereto.

End of Exhibit “D”

EXHIBIT “E”

Attached to and made a part of that certain Operating Agreement dated June 22, 2022, as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Bannock N UNN BL Unit.

Gas Balancing Agreement

I. DEFINITIONS:

For the purposes of this Gas Balancing Agreement (“GBA”) the following terms shall be defined as follows:

- (a) “Affiliate” shall have the meaning ascribed to such term in the Operating Agreement.
- (b) The “Allowable” is the maximum rate of Gas production from each Gas Well permitted from time to time by the regulatory authority having jurisdiction.
- (c) “Balance” is the condition occurring when a party has utilized, sold or disposed of a Quantity of Gas equal to the same percentage of the cumulative Gas production as such party’s Percentage Ownership during the period of such cumulative Gas production.
- (d) “Deliverability” shall mean the maximum sustainable daily Gas withdrawal from a Gas Well which may be accomplished without detriment to ultimate recovery of reserves as determined by Operator acting in good faith and taking into account relevant operational factors including, but not limited to, pipeline capacity and pressure and the maximum producing capability of the Gas Well based on data reported to the appropriate governmental agency having jurisdiction.
- (e) “Gas” shall mean all gaseous hydrocarbons produced from each Gas Well but shall not include liquid hydrocarbons.
- (f) “Gas Well” shall mean each well subject to the Operating Agreement that produces gas. If a single Gas Well is completed in two or more reservoirs, such Gas Well will be considered a separate Gas Well with respect to, but only as to, each reservoir from which the Gas production is not commingled in the well bore.
- (g) “MMBtu” shall mean one million British thermal units.
- (h) “Operating Agreement” means the operating agreement between the Parties to which this GBA is attached.
- (i) “Operator” means the Party designated as operator under the Operating Agreement.
- (j) “Overproduced” is the condition occurring when a party has utilized, disposed of or sold a greater Quantity of Gas from a particular Gas Well at any given time (individually or through its gas purchaser) than if such party were in Balance.
- (k) “parties” means the legal entities that are signatory to the Operating Agreement, or their successors and assigns. Parties shall be referred to individually as a party.
- (l) “Percentage Ownership” is the percentage interest of each party in each Gas Well as set forth in or determined in accordance with the provisions of the Operating Agreement, as such interest may change from time to time.
- (m) “Percentage of Proceeds Sale” means a sale of Gas processed in a gas processing plant the price for which is computed as a percentage of the proceeds from the resale of residue gas and natural gas liquids attributable to such Gas.
- (n) “Quantity” shall mean the number of units of Gas expressed in MMBtus.

(o) "Underproduced" is the condition occurring when a party has utilized, disposed of or sold a lesser Quantity of Gas from a particular Well at any given time (individually or through its gas purchaser) than if such party were in Balance.

II. APPLICATION OF THIS AGREEMENT

The provisions of this GBA shall be separately applicable to each Gas Well to the end that Gas production from one Gas Well may not be utilized for the purposes of balancing underproduction of Gas from any other Gas Well.

III. OVERPRODUCTION

A. Right to Take All Gas Produced

Subject to the other provisions herein, during any period when any party hereto is not marketing or otherwise disposing of or utilizing its Percentage Ownership of the Allowable or Deliverability, as applicable, of Gas from any Gas Well, the other parties shall be entitled--but shall not have the obligation--to take, in addition to their own Percentage Ownership of Gas, that portion of such other party's Percentage Ownership of Gas which said party is not marketing, utilizing or otherwise disposing of, and shall be entitled to take such Gas production and deliver same to its or their purchasers in accordance with the provisions herein. Each such taking party shall have the right to take its pro rata portion of each such non-taking party's share, said pro rata portion being based on the ratio of its Percentage Ownership to the Percentage Ownership of all parties in the same balancing status (either Overproduced or Underproduced) who elect to take such non-taking party's share of gas; provided, however, an Underproduced party desiring to take a non-taking party's share of Gas shall take precedence over an Overproduced party which wishes to take such non-taking party's Gas, and an Overproduced party shall be entitled to take a non-taking party's share of Gas only to the extent that an Underproduced party has elected not to take said Gas. The Gas of a party not taking its production shall be allocated to a taking party hereunder prior to calculation of percentage entitlement to make up Gas from an Overproduced party under Article IV, below.

Notwithstanding the foregoing, all parties shall share in and own the liquid hydrocarbons recovered from Gas by primary separation equipment in accordance with their respective Percentage Ownership, which liquid hydrocarbon ownership shall be unaffected by this GBA. One or more parties may arrange to have their Gas processed in a gas processing plant for the recovery of liquefiable hydrocarbons. Nothing in this GBA shall afford a basis for balancing any liquefiable hydrocarbons recovered from a Gas processing plant. Each party taking Gas shall own all of the Gas delivered to its purchaser.

B. Limitation on Overproduced Party's Right to Take Gas

Notwithstanding the provisions of Article III.A., above, if during any time and from time to time an Overproduced party shall have taken more than one hundred percent (100%) of such party's Percentage Ownership share of the estimated ultimate recoverable reserves for a Gas Well as determined by Operator acting in good faith, said Overproduced party shall not, after receipt of written notice of said fact from Operator, be entitled to take, sell or otherwise dispose of Gas from such Gas Well until such time as said party is no longer Overproduced; provided, however, said Overproduced party may take Gas from such Gas Well without restriction if and for so long as the other parties are not taking Gas from such Gas Well their full share of the Gas or as otherwise authorized by all of the Underproduced parties. Also, no Overproduced party shall at any time be entitled to take, sell or otherwise dispose of more than 300% of its Percentage Ownership of the Allowable from a Gas Well or, if there is no Allowable established, of the Deliverability of a Gas Well.

C. Credit For Gas in Storage

Each party who markets less than its Percentage Ownership of the Gas produced shall be credited with Gas in storage equal to its Percentage Ownership share of the Gas produced, less the Gas actually marketed and taken by said party, and less such Party's Percentage Ownership share of the Gas, vented, used or lost in lease operations.

IV. RIGHT OF UNDERPRODUCED PARTY TO MAKE UP PRODUCTION

Any Underproduced party may commence making up its underproduction provided it has given written notice to the Operator not later than the fifth day of the month preceding the month in which it wishes to commence making up its underproduction, or within such other time as Operator may from time to time reasonably establish.

In addition to its Percentage Ownership and its rights to a non-taking party's Gas under Article III, above, each Underproduced party will be entitled to take up to an additional twenty-five percent (25%) of the monthly Quantity of each Overproduced party's Percentage Ownership in Gas produced during any month; provided, however, nothing in this Article IV shall reduce the right of any Overproduced party to take a Quantity of Gas available for sale during any month less than seventy-five percent (75%) of its Percentage Ownership in Gas produced in said month.

If at any time more than one Underproduced party is taking a Quantity of Gas in excess of its Percentage Ownership in Gas production in order to balance its Gas production account ("Makeup"), then each such Underproduced party shall be entitled to take such Makeup in proportion that its Percentage Ownership bears to the total Percentage Ownership of all Underproduced parties desiring to take Makeup from the Well. Any portion of the Makeup to which an Underproduced party is entitled and which is not taken by such Underproduced party may be taken by any other Underproduced party in the proportion that its Percentage Ownership bears to the total Percentage Ownership of all Underproduced parties desiring to take such untaken portion of Makeup.

V. MONTHLY DATA AND STATEMENTS TO BE PROVIDED

The Operator will establish and maintain a current Gas account which shows the Gas balance which exists for all the parties and will furnish each of these parties a monthly statement showing the total Quantity of Gas sold and taken in kind and the current and cumulative over and under account of each party within ninety (90) days following the end of each applicable month. Operator shall not incur any liability to any party for errors in the data provided by each party or third parties or for other matters pertaining to gas balancing statements (e.g., transporter's allocation of Gas). Each party shall be responsible for promptly providing written notification to Operator of any error(s) or inaccuracy(ies) contained in any gas balancing statement which it receives.

VI. PAYMENT OF ROYALTIES AND PRODUCTION TAXES

At all times while Gas is produced from a Well, each party hereto will make, or cause to be made, settlement with respective royalty owners to whom each is accountable in accordance with the actual volumes of Gas taken by such party. Upon written request from any party, any other party shall provide on a monthly basis, any additional information which such requesting party may require in order to comply with its obligation to pay royalty pursuant to the terms hereof including, without limitation, name, address, decimal interest, tax identification and, to the extent it has same, title opinions and abstracts of ownership. The term "royalty owner" includes owners of royalty, overriding royalties, production payments and similar interests. Each party agrees to indemnify and hold harmless each other party from any and all claims asserted by its royalty owners and its Gas Purchasers for which said indemnifying party is responsible. Each party producing and/or delivering Gas to its purchaser shall pay, or cause to be paid, any and all production, severance and other similar taxes due on such Gas in accordance with the actual volumes of Gas taken by such party.

VII. CASH SETTLEMENTS

A. Events Occasioning Cash Settlements

A cash settlement of any imbalance of Gas production: (i) shall be made when production from a Gas Well permanently ceases or the Operating Agreement otherwise terminates (each being referred to herein as “Termination”); and (ii) shall be made by an Overproduced party at the request and option of any Underproduced party or parties upon the sale, transfer, assignment, mortgage or other disposition to an unaffiliated entity (herein individually or collectively referred to as a “Transfer”), by an Overproduced party of all or any portion of its Percentage Ownership in any Gas Well unless (x) the Transfer documentation clearly provides that the assignee has expressly assumed the gas balance position of, and the liability for gas imbalances from, the assignor, and (y) the assignee is not a known credit risk and the assignor has provided to the other parties evidence of the creditworthiness of assignee prior to the date that the applicable Transfer becomes effective taking into account the potential liability associated with the applicable gas imbalance. (A cash settlement pursuant to clause (ii) above may hereinafter be referred to as an “Optional Cash Settlement”.) The parties acknowledge that a cash settlement may be made on more than one occasion pursuant to the terms of this GBA.

B. Notification of Proposed Transfer By Overproduced Party

When an Overproduced party elects to Transfer all or a portion of its Percentage Ownership (except to an Affiliate, or where the liability for prior period gas imbalances is assumed by an assignee), it shall give notice to all other parties to the Operating Agreement of its intended Transfer and the anticipated closing date. Each Underproduced party shall have fifteen (15) days from the receipt of such notice in which to elect to receive a cash settlement from the transferring party for the transferring party’s share of overproduction allocable to the Underproduced party. Such election shall be made in writing and sent to the transferring party and Operator. An Underproduced party’s election not to request a cash settlement at the time of Transfer by an Overproduced party shall not, subject to the provisions of Article VII.E, below, preclude said Underproduced party from sharing in cash settlement at Termination or from requesting a cash settlement upon subsequent Transfer by an Overproduced party.

C. Quantity of Gas

Within one hundred twenty (120) days after Termination, Operator shall provide a statement captioned “Final Quantity Statement” showing on a party-by-party basis the net unrecouped underproduction, the overproduction and the months and years in which such underproduction and overproduction occurred. Quantities of Gas for which settlement is due shall be determined by accruing the monthly overproduction and underproduction in the order of accrual of said overproduction and underproduction; i.e. makeup Quantities taken by an Underproduced party shall be applied against the oldest overproduction and underproduction then outstanding. In the event an Optional Cash Settlement is requested, Operator shall provide to the parties, within fifteen business days, an Interim Quantity Statement through the end of the last quarter for which Operator has production data, which shall contain similar information as would be contained within a Final Quantity Statement.

D. Pricing

1. For Overproduction Sold

The amount to be paid by an Overproduced party to an Underproduced party for such Underproduced party’s Gas upon cash settlement shall, where the Overproduced party has sold the Gas to an unaffiliated third party, be based upon the price received by the Overproduced party at the time such overproduction occurred (the “price received”) shall be the gross proceeds received, less the following:

- (a) production and/or severance taxes attributable to said Gas production paid by the

Overproduced party;

- (b) royalties, if any, paid by the Overproduced party to an Underproduced party's royalty owner(s) to the extent said payments amounted to a discharge of said Underproduced party's royalty obligation;
- (c) any other payments made by the Overproduced party to obligees of the Underproduced party to the extent said payments by the Overproduced party were required by law and/or amounted to discharge of the obligations of the Underproduced party; and
- (d) all reasonable costs and expenses incurred to third parties in connection with the sale of said Gas; e.g., gathering, transportation, compression, storage, marketing and similar fees.

In the event sales by the Overproduced party were made to an Affiliate and the price paid by such Affiliate was less than the prevailing market price in the area of the Well at the time of the sale, then the price received shall be deemed to be the Dominion Transmission Inc. South Point Index price found inside the Federal Energy Regulatory Commission's Gas Market Report for the applicable month of overproduction, calculated from a pricing bulletin published at the time such overproduction occurred, less those items set forth in a-d above (the "Adjusted South Point Index Price"). Any Underproduced party that is entitled to payment with respect to the applicable cash settlement may, based upon competent evidence, object that sales by the Overproduced party to an Affiliate were at a price less than the prevailing market price in the area of the Well at the time of the sale, in which case the Adjusted South Point Index Price shall be used to price such sales in accordance with the prior sentence.

2. For Overproduction Taken or Utilized and Not Sold

If there is no actual sale to establish the amount received by the Overproduced party because the Overproduced party took such Gas for its own purposes instead of selling it, the amount to be paid by an Overproduced party to an Underproduced party for such Underproduced party's Gas upon cash settlement shall be based upon the Adjusted South Point Index Price.

3. Proceeds for Liquefiable Hydrocarbons Not Included

The parties agree that the terms "price received by an Overproduced party" and "weighted average price received" shall not include any compensation received by a party for liquid hydrocarbons derived from processing its Gas in a Gas processing plant, unless the overproduction for which the Overproduced party is accounting was sold under a Percentage of Proceeds Sale.

E. Calculation, Collection and Distribution of Payments

1. For Cash Settlements at Termination

In the event of a cash settlement at Termination, within ten (10) days after receipt of the Final Quantity Statement from the Operator, each Overproduced party shall furnish to the Operator and the other parties a statement showing the price received for its overproduction on a monthly basis. Within ten (10) days after receipt of such pricing information from all parties, Operator shall submit to each party a statement showing the calculations and the total amount to be paid by each Overproduced party and to be received by each Underproduced party. Cash settlement shall be calculated on the "FIFO" accounting method.

Within twenty (20) days after receipt of said statement from Operator by an Overproduced party, the Overproduced party shall pay all amounts due and owing as reflected on such statement to the Underproduced parties. In the event that all sums due and owing are not paid by an Overproduced party to the applicable Underproduced parties within the time periods set forth in this provision, interest shall accumulate on such unpaid amounts as provided herein. The amount to be received by each Underproduced party shall be determined by apportioning the total amount to

be received by all Underproduced parties from all Overproduced parties among all Underproduced parties in proportion to the total sum to be received by each Underproduced party as a percent of the total sum to be received by all Underproduced parties. The amount to be paid by each Overproduced party to each Underproduced party shall be determined by apportioning the total amount to be paid by all Overproduced parties to each such Underproduced party among all Overproduced parties in proportion to the total sum to be paid by each such Overproduced party to all Underproduced parties as a percent of the total sum to be paid by all Overproduced parties to all Underproduced parties.

2. Optional Cash Settlement Pursuant to Article VII.A.(ii) from an Overproduced party Who Seeks to Transfer an Interest

In the event of a request for an Optional Cash Settlement by an Underproduced party pursuant to Article VII.A.(ii) from an Overproduced party who wishes to Transfer all or a portion of its Percentage Ownership, within twenty (20) working days after receipt of Operator's Interim Quantity Statement, the Overproduced party from whom cash settlement is sought shall provide to Operator a statement showing the price received for its overproduction on a monthly basis. Within ten (10) working days after receipt of such pricing information, Operator shall: (a) calculate the total amount due and owing by the Overproduced party and the total amount to be received by each Underproduced party requesting cash settlement based on the "FIFO" accounting method; and (b) provide the Overproduced party and each such Underproduced party with a statement showing the calculations and the total sum to be paid to said Underproduced party. The Overproduced party shall pay to each such Underproduced party the total amount due and owing as reflected in said statement within twenty (20) working days after receipt of said statement. In the event that all sums due and owing are not paid by an Overproduced party to the applicable Underproduced parties within the time periods set forth in this provision, interest shall accumulate on such unpaid amounts as provided herein.

The parties acknowledge that production and sales data may not be available for a brief period immediately preceding the closing date and prior to the effective date of the Transfer, and the transferring Overproduced party agrees to cash settle for any Gas produced during said period promptly after closing. In the event that said transferring Overproduced party for any reason fails to make all cash settlement payments required under this GBA, the transferee shall be obligated to make said payments.

3. Procedures Applicable to All Cash Settlements

For purposes of all price calculations the overproduction of each Overproduced party shall be apportioned to each Underproduced party in proportion to each Underproduced party's underproduction as a percent of the sum of the underproduction of all Underproduced parties. Overproduced volumes shall be matched to Underproduced volumes based on the order in which the overproduction and underproduction arose. The parties recognize that the months of overproduction by an Overproduced party may not coincide with the months of underproduction by an Underproduced party.

4. Amount Subject to Refund May Be Withheld.

In the event that any portion of the price actually received by an Overproduced party shall be subject to possible refund pursuant to rules and regulations issued by the Federal Energy Regulatory Commission ("FERC"), any state, administrative agency or successor governmental authority having jurisdiction, or any court order, the amount which may be ultimately required to be refunded by FERC or any other entity may be withheld without interest by the Overproduced party until such time as a final determination is made with respect thereto or until the party to whom payment is to be made provides a bond or other security to indemnify the party obligated to make such payments in form satisfactory to the latter.

F. Operator's Liability

Except as otherwise provided herein, Operator is obligated to administer the provisions of this GBA, but shall have no liability to the other parties for losses sustained or liability incurred which arise out of or in connection with the performance of Operator's duties hereunder except such as may result from Operator's gross negligence or willful misconduct.

VIII. OPERATING EXPENSES

The operating expenses are to be borne as provided in the Operating Agreement, regardless of whether all parties are selling or using Gas or whether the sales and use of each are in proportion to their Percentage Ownership.

IX. DELIVERABILITY TESTS

Nothing herein shall be construed to deny any party the right from time to time to produce and take or deliver to the purchaser its full share of the Gas production to meet the deliverability test required by its purchaser. Also, nothing herein shall: (a) require the Operator to produce a Gas Well in excess of its deliverability or the applicable maximum allowable rate where such rate is established by regulatory authority having jurisdiction from time to time; or (b) prevent an Operator from operating the Gas Well in order to conduct such tests as may be required by any applicable regulatory authority from time to time.

X. NOMINATIONS

For each party wishing to sell, utilize or dispose of Gas from a Gas Well subject to this GBA, Operator shall provide each party an initial nomination by well/delivery point(s) six working days prior to the beginning of each month. Operator shall provide each party a revised nomination by well/delivery point as necessary during the month to reflect any change in production. Allocation of gas production in any month in which the total nominations vary from the total production shall be by the Operator according to such procedures as Operator from time to time may reasonably establish. Each non-operator party agrees to indemnify Operator for any charges or penalties incurred because of over or underdeliveries as compared to its nominations, except where such charges or penalties are solely attributable to action taken by Operator in total disregard of such nominations.

XI. TERM

This GBA shall remain in full force and effect for so long as the Operating Agreement is in effect and thereafter until the gas balance accounts are settled in full.

XII. SUCCESSORS AND ASSIGNS

The terms, covenants and conditions of this GBA shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. The parties hereto agree to give notice of the existence of this GBA to any successor in interest and to make any transfer of any interest subject to the Operating Agreement, or any part thereof, expressly subject to the terms of this GBA.

XIII. AUDITS

Any Underproduced party shall have the right for a period of two (2) years after receipt of payment pursuant to a final accounting and after giving written notice to all parties, to audit an Overproduced party's accounts and records relating to such payment. The party conducting such audit shall bear its costs of the audit.

XIV. MISCELLANEOUS

A. No assignment shall relieve the assignor from any obligation to the other parties with

respect to any overproduction taken by assignor to such assignment.

B. Any amount remaining unpaid under the GBA more than thirty (30) days after it is due shall bear interest (commencing the day after said payment was due) at the rate set forth in the Accounting Procedure (Exhibit C to the Operating Agreement).

C. Unless the context otherwise clearly indicates, words used in the singular include the plural, and the plural includes the singular.

D. Each party agrees to maintain the necessary records and documents to enable the gas balancing and cash settlements contemplated hereby to be made.

E. If any party hereto fails to timely provide to Operator the data required hereby to enable gas balancing statements and cash settlements to be promptly made, Operator, or any other party, without prejudice to other remedies, is authorized to audit the records of the non-providing party and such audit shall be at the expense of the audited party.

F. To the extent permitted by law, this GBA shall be in lieu of and take precedence over any law, statute, rule or regulation requiring Gas balancing, revenue sharing or marketing of Gas.

G. In the event that any party is in default of any payment required by this GBA or fails to provide information required under this GBA, Operator is authorized--but not required--upon thirty (30) days notification to said defaulting party, without prejudice to any other remedies it may have, to curtail said party's Gas production from any and all Gas Wells subject to this GBA and such gas may be taken by the other parties in accordance with III.B. above.

H. In the event of a conflict between the terms of this GBA and the Operating Agreement, the terms of this GBA shall govern except where the conflict is between Article VI of this GBA and the Operating Agreement, in which event the Operating Agreement shall govern.

I. Nothing in this GBA shall be construed as precluding cash balancing at any time as may be agreed by the parties.

J. Nothing contained in this GBA shall require an Overproduced Party to pay to an Underproduced Party a sum which would be violative of any law, rule or regulation.

End of Exhibit "E"

EXHIBIT “F”

Attached to and made a part of that certain Operating Agreement dated June 22, 2022, as approved by the Ohio Department of Natural Resources, Division of Oil and Gas Resources Management, for the Bannock N UNN BL Unit.

MODEL FORM RECORDING SUPPLEMENT TO OPERATING AGREEMENT AND FINANCING STATEMENT

THIS AGREEMENT, entered into by and between Ascent Resources – Utica, LLC, hereinafter referred to as “Operator,” and the signatory party or parties other than Operator, hereinafter referred to individually as “Non-Operator,” and collectively as “Non-Operators.”

WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land identified in Exhibit “A” (said land, Leases and Interests being hereinafter called the “Contract Area”), and in any instance in which the Leases or Interests of a party are not of record, the record owner and the party hereto that owns the interest or rights therein are reflected on Exhibit “A”;

WHEREAS, the parties hereto have executed an Operating Agreement dated June 22, 2022 (herein the “Operating Agreement”), covering the Contract Area for the purpose of exploring and developing such lands, Leases and Interests for Oil and Gas; and

WHEREAS, the parties hereto have executed this agreement for the purpose of imparting notice to all persons of the rights and obligations of the parties under the Operating Agreement and for the further purpose of perfecting those rights capable of perfection.

NOW, THEREFORE, in consideration of the mutual rights and obligations of the parties hereto, it is agreed as follows:

1. This agreement supplements the Operating Agreement, which Agreement in its entirety is incorporated herein by reference, and all terms used herein shall have the meaning ascribed to them in the Operating Agreement.
1. The parties do hereby agree that:
 - A. The Oil and Gas Leases and/or Oil and Gas Interests of the parties comprising the Contract Area shall be subject to and burdened with the terms and provisions of this agreement and the Operating Agreement, and the parties do hereby commit such Leases and Interests to the performance thereof.
 - B. The exploration and development of the Contract Area for Oil and Gas shall be governed by the terms and provisions of the Operating Agreement, as supplemented by this agreement.
 - C. All costs and liabilities incurred in operations under this agreement and the Operating Agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties hereto, as provided in the Operating Agreement.
 - D. Regardless of the record title ownership to the Oil and Gas Leases and/or Oil and Gas Interests identified on Exhibit “A,” all production of Oil and Gas from the Contract Area shall be owned by the parties as provided in the Operating Agreement; provided nothing contained in this agreement shall be deemed an assignment or cross-assignment of interests covered hereby.
 - E. Each party shall pay or deliver, or cause to be paid or delivered, all burdens on its share of the production from the Contract Area as provided in the Operating Agreement.

F. An overriding royalty, production payment, net profits interest or other burden payable out of production hereafter created, assignments of production given as security for the payment of money and those overriding royalties, production payments and other burdens payable out of production heretofore created and defined as Subsequently Created Interests in the Operating Agreement shall be (i) borne solely by the party whose interest is burdened therewith, (ii) subject to suspension if a party is required to assign or relinquish to another party an interest which is subject to such burden, and (iii) subject to the lien and security interest hereinafter provided if the party subject to such burden fails to pay its share of expenses chargeable hereunder and under the Operating Agreement, all upon the terms and provisions and in the times and manner provided by the Operating Agreement.

G. The Oil and Gas Leases and/or Oil and Gas Interests which are subject hereto may not be assigned or transferred except in accordance with those terms, provisions and restrictions in the Operating Agreement regulating such transfers.

This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, devisees, legal representatives, and assigns, and the terms hereof shall be deemed to run with the leases or interests included within the lease Contract Area.

H. The parties shall have the right to acquire an interest in renewal, extension and replacement leases, leases proposed to be surrendered, wells proposed to be abandoned, and interests to be relinquished as a result of non-participation in subsequent operations, all in accordance with the terms and provisions of the Operating Agreement.

I. The rights and obligations of the parties and the adjustment of interests among them in the event of a failure or loss of title, each party's right to propose operations, obligations with respect to participation in operations on the Contract Area and the consequences of a failure to participate in operations, the rights and obligations of the parties regarding the marketing of production, and the rights and remedies of the parties for failure to comply with financial obligations shall be as provided in the Operating Agreement.

J. Each party's interest under this agreement and under the Operating Agreement shall be subject to relinquishment for its failure to participate in subsequent operations and each party's share of production and costs shall be reallocated on the basis of such relinquishment, all upon the terms and provisions provided in the Operating Agreement.

K. All other matters with respect to exploration and development of the Contract Area and the ownership and transfer of the Oil and Gas Leases and/or Oil and Gas Interest therein shall be governed by the terms and provisions of the Operating Agreement.

3. The parties hereby grant reciprocal liens and security interests as follows:

A. Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas Leases and Oil and Gas Interests in the Contract Area, and a security interest and/or purchase money security interest in any interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection therewith, to secure performance of all of its obligations under this agreement and the Operating Agreement including but not limited to payment of expense, interest and fees, the proper disbursement of all monies paid under this agreement and the Operating Agreement, the assignment or relinquishment of interest in Oil and Gas Leases as required under this agreement and the Operating Agreement, and the proper performance of operations under this agreement and the Operating Agreement. Such lien and security interest granted by each party hereto shall include such party's leasehold interests, working interests,

operating rights, and royalty and overriding royalty interests in the Contract Area now owned or hereafter acquired and in lands pooled or unitized therewith or otherwise becoming subject to this agreement and the Operating Agreement, the Oil and Gas when extracted therefrom and equipment situated thereon or used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts (including, without limitation, accounts arising from the sale of production at the wellhead), contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the foregoing.

- B. Each party represents and warrants to the other parties hereto that the lien and security interest granted by such party to the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security interest against all persons acquiring an interest in Oil and Gas Leases and Interests covered by this agreement and the Operating Agreement by, through or under such party. All parties acquiring an interest in Oil and Gas Leases and Oil and Gas Interests covered by this agreement and the Operating Agreement, whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject to the lien and security interest granted by the Operating Agreement and this instrument as to all obligations attributable to such interest under this agreement and the Operating Agreement whether or not such obligations arise before or after such interest is acquired.
- C. To the extent that the parties have a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by a party for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any party in the payment of its share of expenses, interest or fees, or upon the improper use of funds by the Operator, the other parties shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such defaulting party's share of Oil and Gas until the amount owed by such party, plus interest, has been received, and shall have the right to offset the amount owed against the proceeds from the sale of such defaulting party's share of Oil and Gas. All purchasers of production may rely on a notification of default from the non-defaulting party or parties stating the amount due as a result of the default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph.
- D. If any party fails to pay its share of expenses within one hundred-twenty (120) days after rendition of a statement therefor by Operator the non-defaulting parties, including Operator, shall, upon request by Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the interest of all such parties. The amount paid by each party so paying its share of the unpaid amount shall be secured by the liens and security rights described in this paragraph 3 and in the Operating Agreement, and each paying party may independently pursue any remedy available under the Operating Agreement or otherwise.
- E. If any party does not perform all of its obligations under this agreement or the Operating Agreement, and the failure to perform subjects such party to foreclosure or execution proceedings pursuant to the provisions of this agreement or the Operating Agreement, to the extent allowed by governing law, the defaulting party waives any available right of redemption from and after the date of judgment, any required valuation or appraisal of the mortgaged or secured property prior to sale, any available right to stay execution or to require a marshalling of assets and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party hereby grants to the other parties a power of sale as

to any property that is subject to the lien and security rights granted hereunder or under the Operating Agreement, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable manner and upon reasonable notice.

- F. The lien and security interest granted in this paragraph 3 supplements identical rights granted under the Operating Agreement.
 - G. To the extent permitted by applicable law, Non-Operators agree that Operator may invoke or utilize the mechanics' or materialmen's lien law of the state in which the Contract Area is situated in order to secure the payment to Operator of any sum due under this agreement and the Operating Agreement for services performed or materials supplied by Operator.
 - H. The above described security will be financed at the wellhead of the well or wells located on the Contract Area and this Recording Supplement may be filed in the land records in the County or Parish in which the Contract Area is located, and as a financing statement in all recording offices required under the Uniform Commercial Code or other applicable state statutes to perfect the above-described security interest, and any party hereto may file a continuation statement as necessary under the Uniform Commercial Code, or other state laws.
4. This agreement shall be effective as of the date of the Operating Agreement as above recited. Upon termination of this agreement and the Operating Agreement and the satisfaction of all obligations thereunder, Operator is authorized to file of record in all necessary recording offices a notice of termination, and each party hereto agrees to execute such a notice of termination as to Operator's interest, upon the request of Operator, if Operator has complied with all of its financial obligations.
 5. This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns. No sale, encumbrance, transfer or other disposition shall be made by any party of any interest in the Leases or Interests subject hereto except as expressly permitted under the Operating Agreement and, if permitted, shall be made expressly subject to this agreement and the Operating Agreement and without prejudice to the rights of the other parties. If the transfer is permitted, the assignee of an ownership interest in any Oil and Gas Lease shall be deemed a party to this agreement and the Operating Agreement as to the interest assigned from and after the effective date of the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale, encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after they have received a copy of the instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. No assignment or other disposition of interest by a party shall relieve such party of obligations previously incurred by such party under this agreement or the Operating Agreement with respect to the interest transferred, including without limitation the obligation of a party to pay all costs attributable to an operation conducted under this agreement and the Operating Agreement in which such party has agreed to participate prior to making such assignment, and the lien and security interest granted by Article VII.B. of the Operating Agreement and hereby shall continue to burden the interest transferred to secure payment of any such obligations.
 6. In the event of a conflict between the terms and provisions of this agreement and the terms and provisions of the Operating Agreement, then, as between the parties, the terms and provisions of the Operating Agreement shall control.
 7. This agreement shall be binding upon each Non-Operator when this agreement or a counterpart thereof has been executed by such Non-Operator and Operator notwithstanding that this agreement is not then or thereafter executed by all of the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which own, in fact, an interest in the Contract Area. In the event that any provision herein is illegal

or unenforceable, the remaining provisions shall not be affected, and shall be enforced as if the illegal or unenforceable provision did not appear herein.

IN WITNESS WHEREOF, this agreement shall be effective as of the 9th day of November, 2018.

OPERATOR

ATTEST OR WITNESS

Ascent Resources – Utica, LLC
an Oklahoma limited liability company

_____ By: Serena D. Evans

_____ Title: Attorney-in-Fact
_____ Ad- 3501 NW 63rd, Oklahoma City, Oklahoma
_____ dress: 73116

NON-OPERATORS

ATTEST OR WITNESS

_____ _____
_____ By: _____

_____ Title: _____
_____ Ad- _____
_____ dress: _____

ATTEST OR WITNESS

_____ _____
_____ By: _____

_____ Title: _____
_____ Ad- _____
_____ dress: _____

ATTEST OR WITNESS

_____ _____
_____ By: _____

_____ Title: _____
_____ Ad- _____
_____ dress: _____

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

On this, the ____ day of _____, 20____, before me _____, the undersigned officer, personally appeared Serena D. Evans, who acknowledged herself to be the Attorney-in-Fact of Ascent Resources - Utica, LLC, an Oklahoma limited liability company, and that she as such Attorney-in-Fact, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the limited liability company by herself as Attorney-in-Fact.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: _____
Signature/Notary Public: _____
Name/Notary Public (print): _____

STATE OF _____)
) §
COUNTY OF _____)

On this, the ____ day of _____, 20____, before me _____, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of _____, _____, and that he as such _____, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as _____.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: _____
Signature/Notary Public: _____
Name/Notary Public (print): _____

STATE OF _____)
) §
COUNTY OF _____)

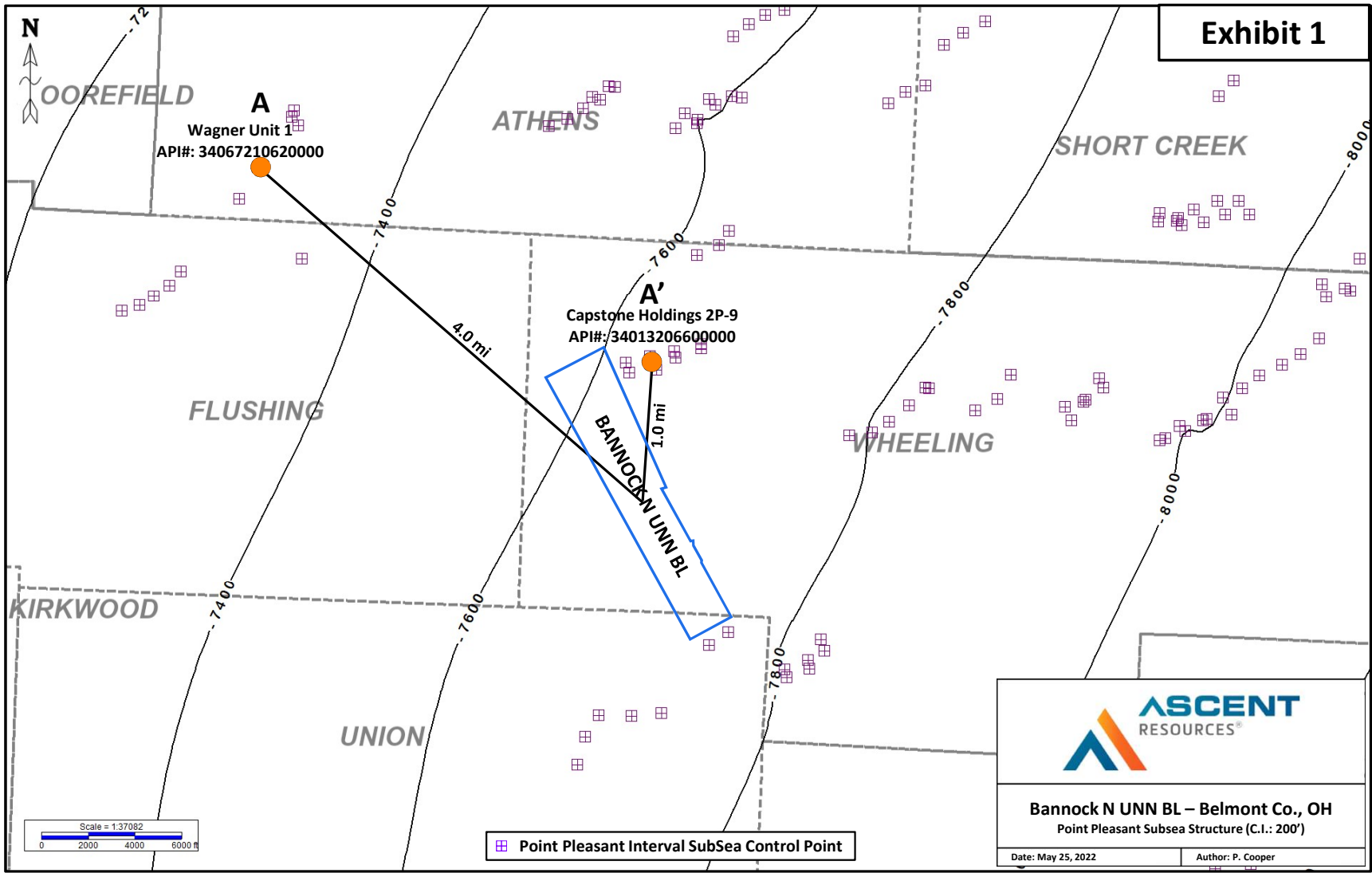
On this, the ____ day of _____, 20____, before me _____, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of _____, _____, and that he as such _____, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as _____.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: _____
Signature/Notary Public: _____
Name/Notary Public (print): _____

This document prepared by:
Ascent Resources – Utica, LLC
3501 NW 63rd
Oklahoma City, OK 73116

Exhibit 1



A
Wagner Unit 1
API#: 34067210620000

A'
Capstone Holdings 2P-9
API#: 34013206600000

BANNOCK N UNN BL

☒ Point Pleasant Interval SubSea Control Point



Bannock N UNN BL – Belmont Co., OH
Point Pleasant Subsea Structure (C.I.: 200')

Date: May 25, 2022

Author: P. Cooper

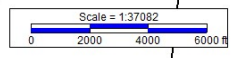
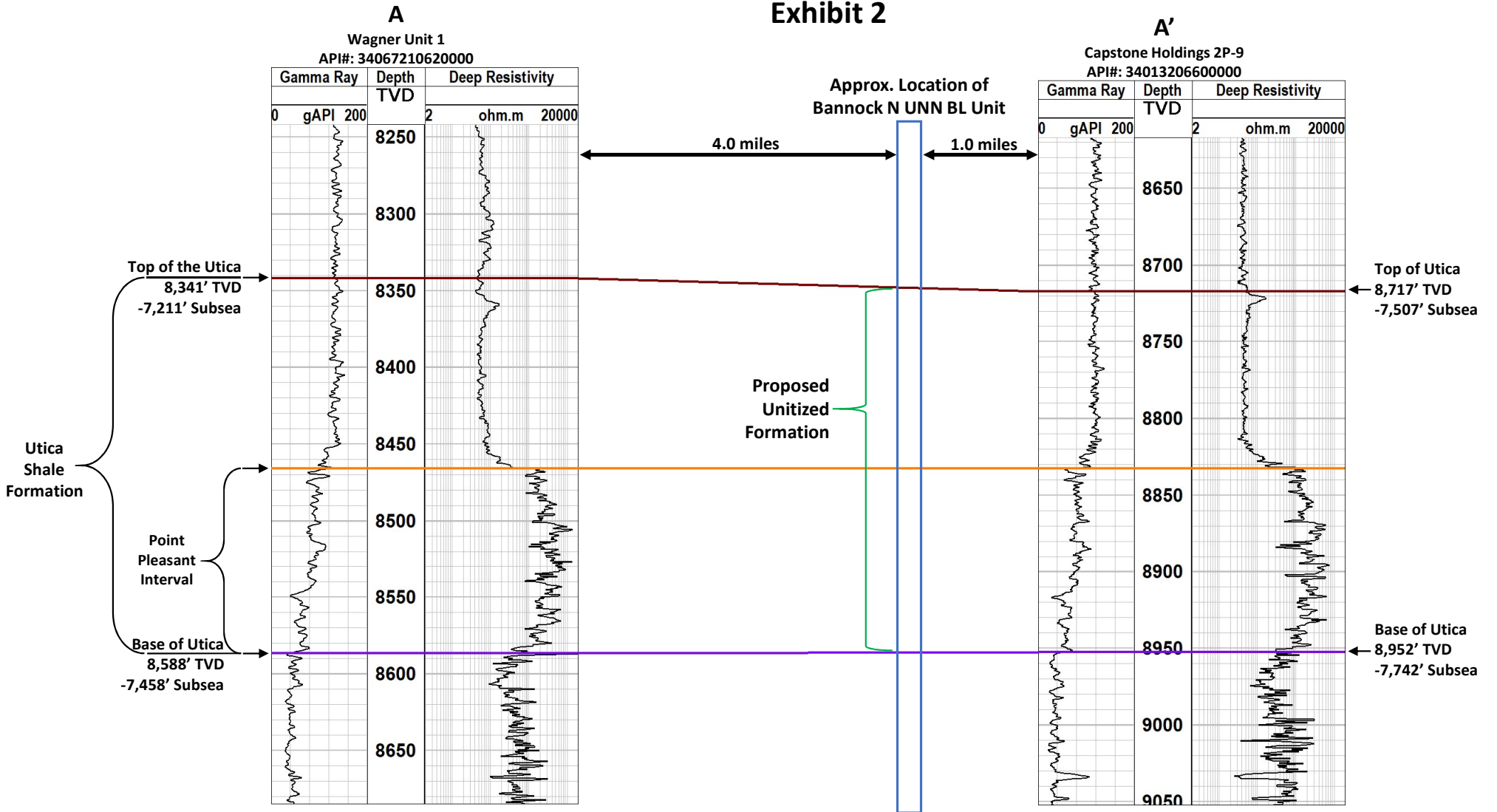
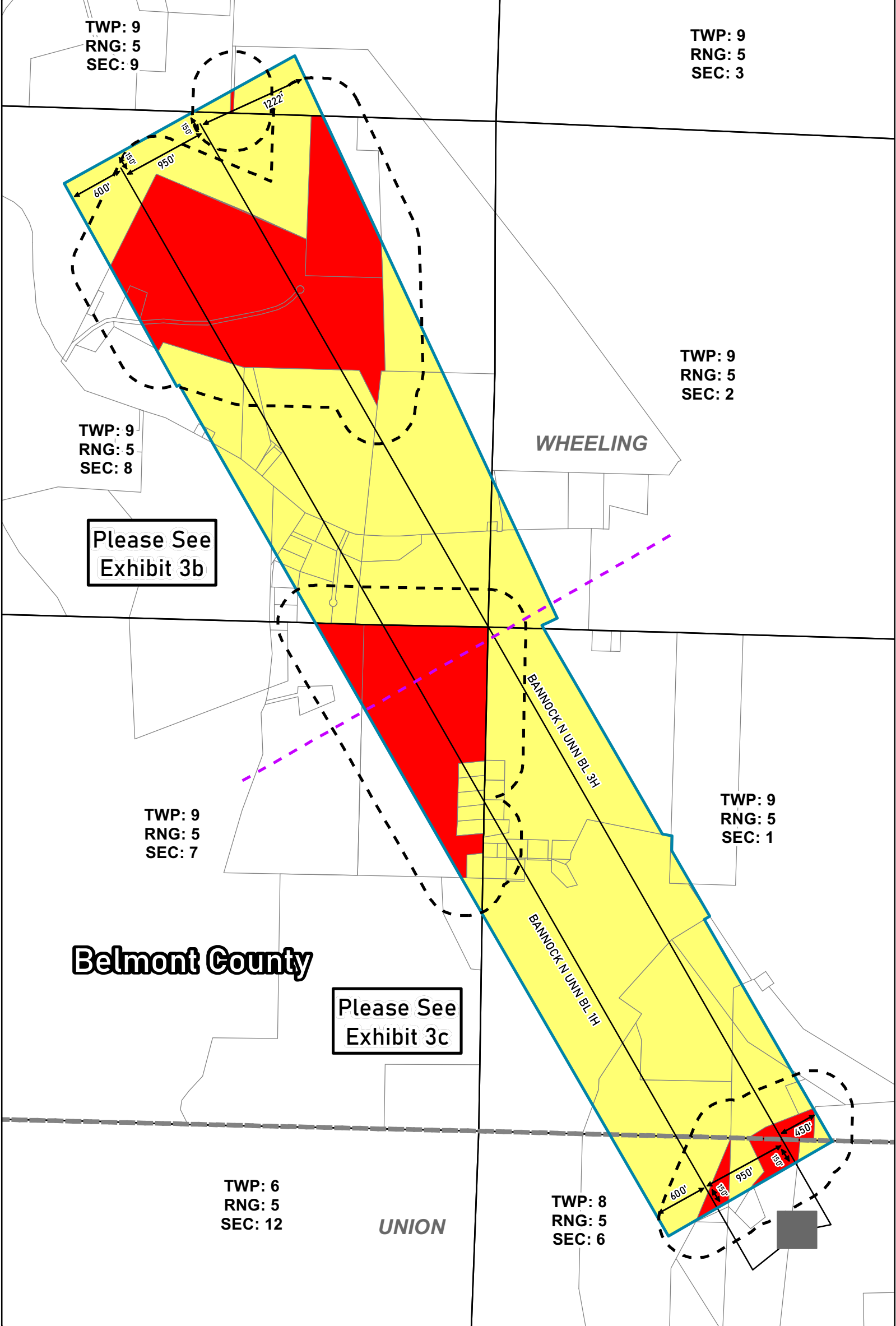


Exhibit 2





TWP: 9
RNG: 5
SEC: 9

TWP: 9
RNG: 5
SEC: 3

TWP: 9
RNG: 5
SEC: 2

TWP: 9
RNG: 5
SEC: 8

Please See
Exhibit 3b

TWP: 9
RNG: 5
SEC: 7

TWP: 9
RNG: 5
SEC: 1

Belmont County

Please See
Exhibit 3c

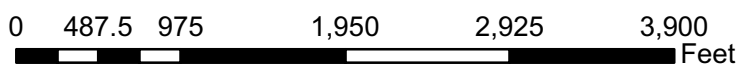
TWP: 6
RNG: 5
SEC: 12

UNION

TWP: 8
RNG: 5
SEC: 6



BANNOCK N UNN BL EXHIBIT 3a: Well Plat

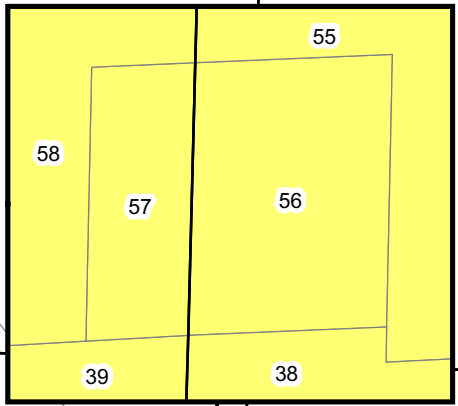


1 INCH = 975 ft.

- BANNOCK N UNN BL UNIT - 669.882 Ac.
- BUFFER - 400 FT.
- LATERALS
- MUNICIPAL TOWNSHIPS
- PLSS SECTION
- COMMITTED PARCELS
- UNLEASED PARCELS
- COUNTY BOUNDARIES
- PAD

Belmont County

TWP: 9
RNG: 5
SEC: 9



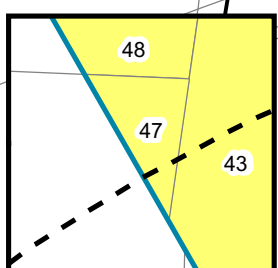
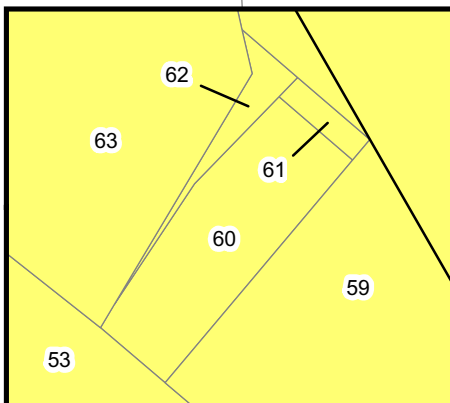
TWP: 9
RNG: 5
SEC: 2

TWP: 9
RNG: 5
SEC: 8

WHEELING

TWP: 9
RNG: 5
SEC: 7

TWP: 9
RNG: 5
SEC: 1



BANNOCK N UNN BL EXHIBIT 3b: Well Plat

0 285 570 1,140 1,710 2,280 Feet

1 INCH = 570 ft.

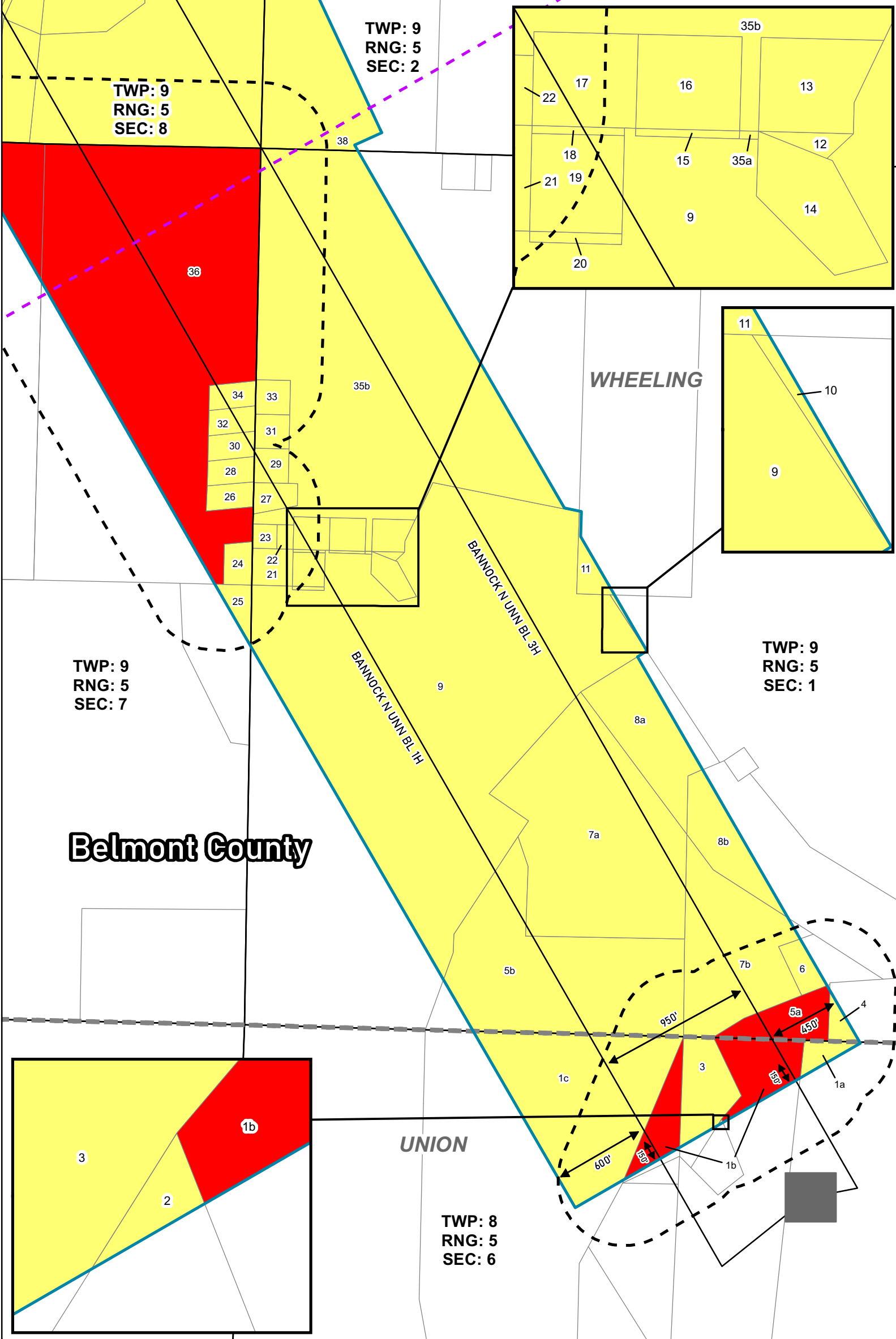
- BANNOCK N UNN BL UNIT - 669,882 Ac.
- BUFFER - 400 FT.
- LATERALS
- MUNICIPAL TOWNSHIPS
- PLSS SECTION
- COMMITTED PARCELS
- UNRELEASED PARCELS
- COUNTY BOUNDARIES
- PAD



NAD 1927 StatePlane Ohio South FIPS 3402

EXHIBIT 3b UNIT PARCEL CHART:

TRACT NO.	PARCEL NO.	AREA IN UNIT (ACRES)
35b	51-00394.000	58.264
36	51-00227.000	50.869
37	51-00228.000	4.691
38	51-00241.001	12.096
39	51-00189.000	27.271
40	51-00189.001	3.340
41	51-00079.000	1.145
42	51-00018.004	3.843
43	51-00018.006	3.259
44	51-00018.000	2.702
45	51-00081.000	1.360
46	51-00018.005	0.796
47	51-00018.009	0.002
48	51-00018.003	0.431
49	51-00018.002	0.919
50	51-00018.001	0.992
51	51-00096.000	1.305
52	51-00036.000	3.148
53	51-00209.000	4.952
54	51-00239.000	0.628
55	51-00422.003	0.914
56	51-00066.000	0.150
57	51-00067.000	0.078
58	51-00210.000	42.691
59	51-00191.000	39.113
60	51-00191.001	0.772
61	51-00191.002	0.070
62	51-00191.003	0.121
63	51-00204.000	5.095
64	51-00235.000	12.993
65	51-00121.000	0.127
66	51-00122.000	0.011
67	51-00172.000	9.452
68	51-00233.000	86.025
69	51-00233.002	1.682
70	51-00233.001	0.823
71	51-00398.000	50.767
72	51-00173.000	20.819
73	51-00176.000	8.623
74	51-00142.000	0.183
75	51-00230.001	1.036
76	51-00120.000	0.239



TWP: 9
RNG: 5
SEC: 2

TWP: 9
RNG: 5
SEC: 8

TWP: 9
RNG: 5
SEC: 7

TWP: 9
RNG: 5
SEC: 1

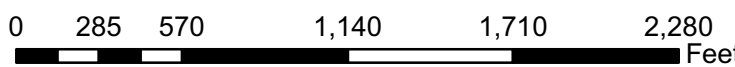
TWP: 8
RNG: 5
SEC: 6

Belmont County

WHEELING

UNION

BANNOCK N UNN BL EXHIBIT 3c: Well Plat



1 INCH = 570 ft.



NAD 1927 StatePlane Ohio South FIPS 3402

- BANNOCK N UNN BL UNIT - 669.882 Ac.
- BUFFER - 400 FT.
- LATERALS
- MUNICIPAL TOWNSHIPS
- PLSS SECTION
- COMMITTED PARCELS
- UNLEASED PARCELS
- COUNTY BOUNDARIES
- PAD

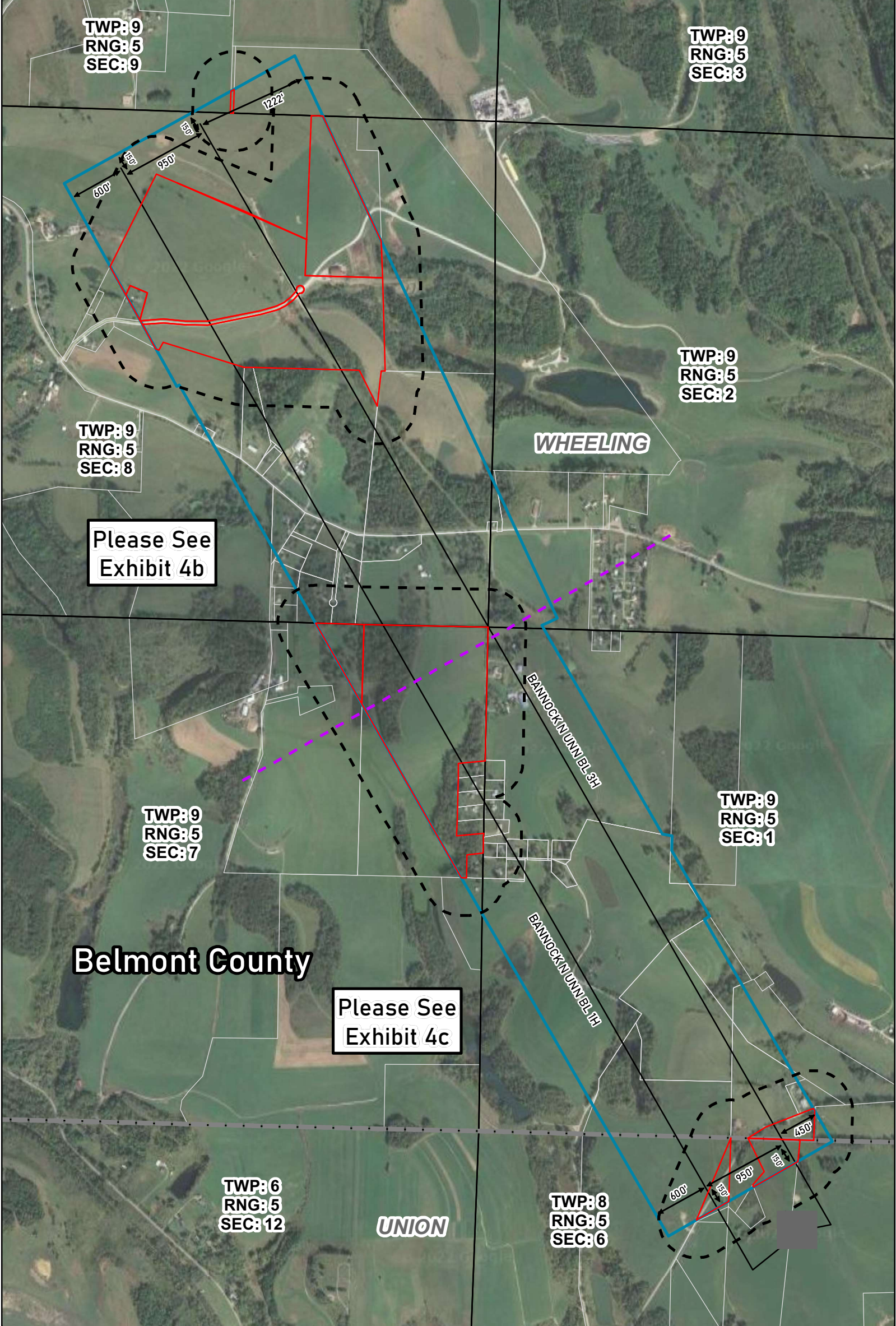
EXHIBIT 3c UNIT PARCEL CHART:

TRACT NO.	PARCEL NO.	AREA IN UNIT (ACRES)
1a	39-00525.000	0.926
1b	39-00525.000	6.248
1c	39-00525.000	17.659
2	39-60043.000	0.011
3	39-00527.000	3.796
4	51-00014.000	0.693
5a	51-00221.000	3.036
5b	51-00221.000	22.150
6	51-00146.003	1.158
7a	51-00146.001	26.690
7b	51-00146.001	12.525
8a	51-00146.000	7.203
8b	51-00146.000	4.316
9	51-00432.000	80.289
10	51-00214.002	0.107
11	51-00195.000	1.025
12	51-00071.000	0.123
13	51-00072.000	1.000
14	51-00078.000	1.011
15	51-00433.000	0.084
16	51-00435.000	0.999
17	51-00421.000	0.998
18	51-00421.000	0.074
19	51-00419.000	0.925
20	51-00419.000	0.102
21	51-00112.000	1.270
22	51-00022.000	0.339
23	51-00023.000	0.501
24	51-00227.002	1.000
25	51-00145.000	0.833
26	51-00227.001	1.003
27	51-00394.002	1.001
28	51-00049.000	0.986
29	51-00434.001	1.002
30	51-00080.000	0.992
31	51-00111.000	1.004
32	51-00093.000	0.992
33	51-00394.001	1.007
34	51-00089.000	0.992
35a	51-00394.000	0.015
35b	51-00394.000	58.264
36	51-00227.000	50.869
38	51-00241.001	12.096

MASTER UNIT PARCEL CHART:

TRACT NO.	PARCEL NO.	AREA IN UNIT (ACRES)	EXHIBIT
1a	39-00525.000	0.926	3c
1b	39-00525.000	6.248	3c
1c	39-00525.000	17.659	3c
2	39-60043.000	0.011	3c
3	39-00527.000	3.796	3c
4	51-00014.000	0.693	3c
5a	51-00221.000	3.036	3c
5b	51-00221.000	22.150	3c
6	51-00146.003	1.158	3c
7a	51-00146.001	26.690	3c
7b	51-00146.001	12.525	3c
8a	51-00146.000	7.203	3c
8b	51-00146.000	4.316	3c
9	51-00432.000	80.289	3c
10	51-00214.002	0.107	3c
11	51-00195.000	1.025	3c
12	51-00071.000	0.123	3c
13	51-00072.000	1.000	3c
14	51-00078.000	1.011	3c
15	51-00433.000	0.084	3c
16	51-00435.000	0.999	3c
17	51-00421.000	0.998	3c
18	51-00421.000	0.074	3c
19	51-00419.000	0.925	3c
20	51-00419.000	0.102	3c
21	51-00112.000	1.270	3c
22	51-00022.000	0.339	3c
23	51-00023.000	0.501	3c
24	51-00227.002	1.000	3c
25	51-00145.000	0.833	3c
26	51-00227.001	1.003	3c
27	51-00394.002	1.001	3c
28	51-00049.000	0.986	3c
29	51-00434.001	1.002	3c
30	51-00080.000	0.992	3c
31	51-00111.000	1.004	3c
32	51-00093.000	0.992	3c
33	51-00394.001	1.007	3c
34	51-00089.000	0.992	3c
35a	51-00394.000	0.015	3c
35b	51-00394.000	58.264	3b/3c
36	51-00227.000	50.869	3b/3c
37	51-00228.000	4.691	3b
38	51-00241.001	12.096	3b/3c
39	51-00189.000	27.271	3b
40	51-00189.001	3.340	3b
41	51-00079.000	1.145	3b
42	51-00018.004	3.843	3b
43	51-00018.006	3.259	3b
44	51-00018.000	2.702	3b
45	51-00081.000	1.360	3b
46	51-00018.005	0.796	3b
47	51-00018.009	0.002	3b
48	51-00018.003	0.431	3b
49	51-00018.002	0.919	3b
50	51-00018.001	0.992	3b
51	51-00096.000	1.305	3b
52	51-00036.000	3.148	3b
53	51-00209.000	4.952	3b
54	51-00239.000	0.628	3b
55	51-00422.003	0.914	3b
56	51-00066.000	0.150	3b
57	51-00067.000	0.078	3b
58	51-00210.000	42.691	3b
59	51-00191.000	39.113	3b
60	51-00191.001	0.772	3b
61	51-00191.002	0.070	3b
62	51-00191.003	0.121	3b
63	51-00204.000	5.095	3b
64	51-00235.000	12.993	3b
65	51-00121.000	0.127	3b
66	51-00122.000	0.011	3b
67	51-00172.000	9.452	3b
68	51-00233.000	86.025	3b
69	51-00233.002	1.682	3b
70	51-00233.001	0.823	3b
71	51-00398.000	50.767	3b
72	51-00173.000	20.819	3b
73	51-00176.000	8.623	3b
74	51-00142.000	0.183	3b
75	51-00230.001	1.036	3b
76	51-00120.000	0.239	3b
TOTALS:		669.882	





TWP: 9
RNG: 5
SEC: 9

TWP: 9
RNG: 5
SEC: 3

TWP: 9
RNG: 5
SEC: 2

TWP: 9
RNG: 5
SEC: 8

Please See
Exhibit 4b

TWP: 9
RNG: 5
SEC: 7

TWP: 9
RNG: 5
SEC: 1

Belmont County

Please See
Exhibit 4c

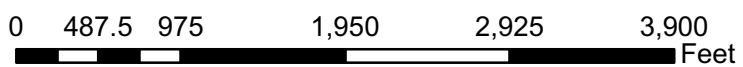
TWP: 6
RNG: 5
SEC: 12

UNION

TWP: 8
RNG: 5
SEC: 6



BANNOCK N UNN BL EXHIBIT 4a: Aerial Plat



1 INCH = 975 ft.

- ▭ BANNOCK N UNN BL UNIT - 669.882 Ac.
- BUFFER - 400 FT.
- LATERALS
- MUNICIPAL TOWNSHIPS
- PLSS SECTION
- TAX PARCELS
- UNRELEASED PARCELS
- COUNTY BOUNDARIES
- PAD

Belmont County

TWP: 9
RNG: 5
SEC: 9



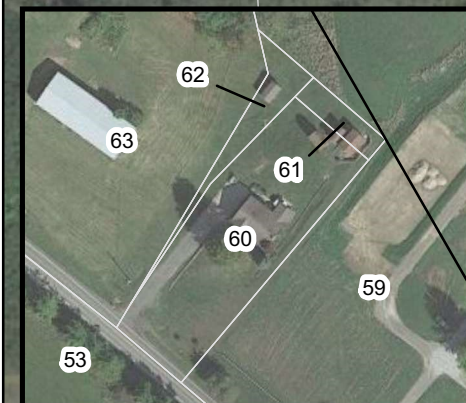
TWP: 9
RNG: 5
SEC: 2

TWP: 9
RNG: 5
SEC: 8

WHEELING

TWP: 9
RNG: 5
SEC: 7

TWP: 9
RNG: 5
SEC: 1



BANNOCK N UNN BL EXHIBIT 4b: Aerial Plat

0 285 570 1,140 1,710 2,280 Feet

1 INCH = 570 ft.

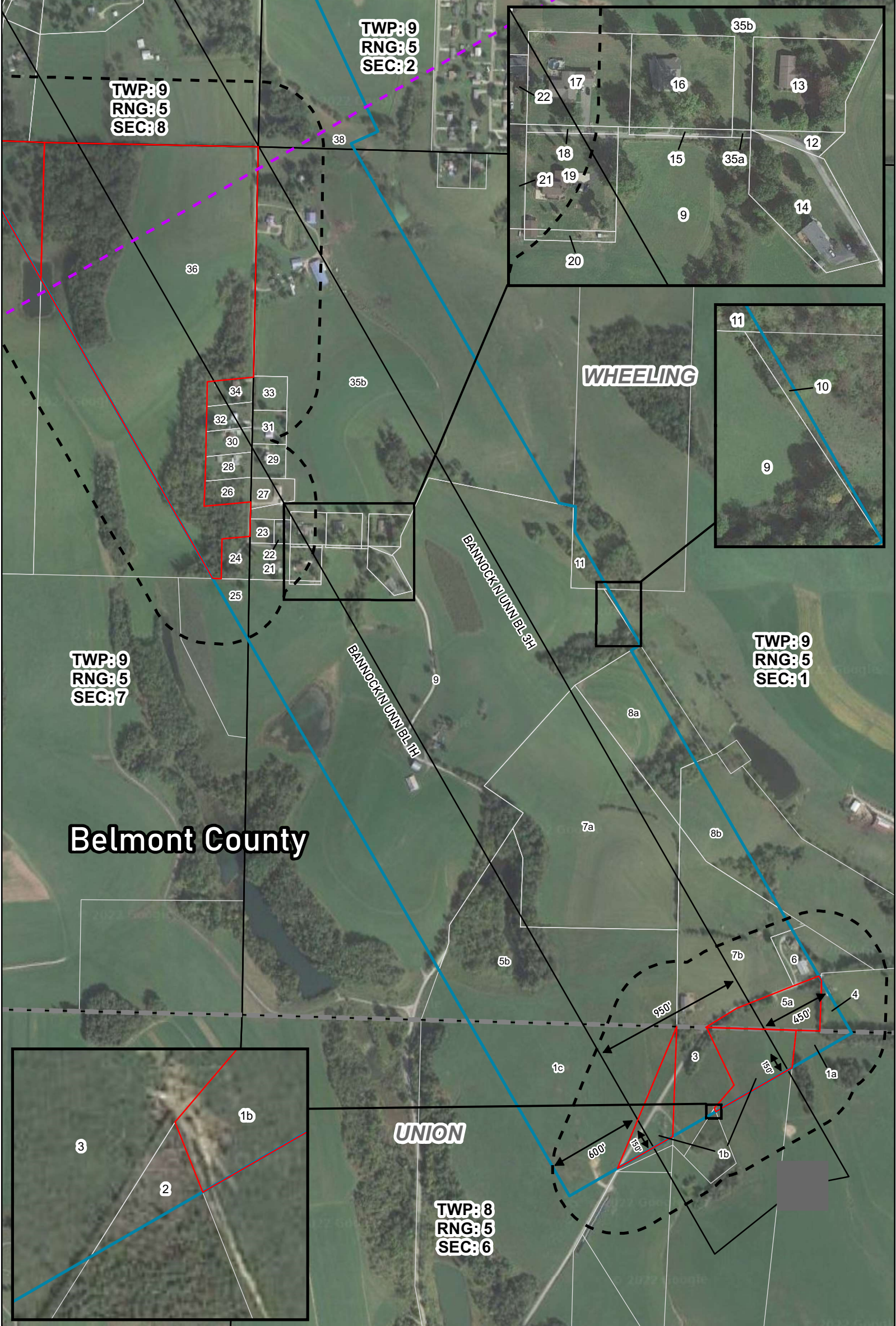
- BANNOCK N UNN BL UNIT - 669.882 Ac.
- BUFFER - 400 FT.
- LATERALS
- MUNICIPAL TOWNSHIPS
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- TAX PARCELS
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NAD 1927 StatePlane Ohio South FIPS 3402

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46	51-00018.005	0.796
47	51-00018.009	0.002
48	51-00018.003	0.431
49	51-00018.002	0.919
50	51-00018.001	0.992
51	51-00096.000	1.305
52	51-00036.000	3.148
53	51-00209.000	4.952
54	51-00239.000	0.628
55	51-00422.003	0.914
56	51-00066.000	0.150
57	51-00067.000	0.078
58	51-00210.000	42.691
59	51-00191.000	39.113
60	51-00191.001	0.772
61	51-00191.002	0.070
62	51-00191.003	0.121
63	51-00204.000	5.095
64	51-00235.000	12.993
65	51-00121.000	0.127
66	51-00122.000	0.011
67	51-00172.000	9.452
68	51-00233.000	86.025
69	51-00233.002	1.682
70	51-00233.001	0.823
71	51-00398.000	50.767
72	51-00173.000	20.819
73	51-00176.000	8.623
74	51-00142.000	0.183
75	51-00230.001	1.036
76	51-00120.000	0.239



Belmont County

WHEELING

UNION

BANNOCK N UNN BL EXHIBIT 4c: Aerial Plat

0 285 570 1,140 1,710 2,280 Feet

1 INCH = 570 ft.



NAD 1927 StatePlane Ohio South FIPS 3402

- ▬ BANNOCK N UNN BL UNIT - 669.882 Ac.
- BUFFER - 400 FT.
- LATERALS
- MUNICIPAL TOWNSHIPS
- PLSS SECTION
- TAX PARCELS
- UNLEASED PARCELS
- COUNTY BOUNDARIES
- PAD

EXHIBIT 4c UNIT PARCEL CHART:

TRACT NO.	PARCEL NO.	AREA IN UNIT (ACRES)
1a	39-00525.000	0.926
1b	39-00525.000	6.248
1c	39-00525.000	17.659
2	39-60043.000	0.011
3	39-00527.000	3.796
4	51-00014.000	0.693
5a	51-00221.000	3.036
5b	51-00221.000	22.150
6	51-00146.003	1.158
7a	51-00146.001	26.690
7b	51-00146.001	12.525
8a	51-00146.000	7.203
8b	51-00146.000	4.316
9	51-00432.000	80.289
10	51-00214.002	0.107
11	51-00195.000	1.025
12	51-00071.000	0.123
13	51-00072.000	1.000
14	51-00078.000	1.011
15	51-00433.000	0.084
16	51-00435.000	0.999
17	51-00421.000	0.998
18	51-00421.000	0.074
19	51-00419.000	0.925
20	51-00419.000	0.102
21	51-00112.000	1.270
22	51-00022.000	0.339
23	51-00023.000	0.501
24	51-00227.002	1.000
25	51-00145.000	0.833
26	51-00227.001	1.003
27	51-00394.002	1.001
28	51-00049.000	0.986
29	51-00434.001	1.002
30	51-00080.000	0.992
31	51-00111.000	1.004
32	51-00093.000	0.992
33	51-00394.001	1.007
34	51-00089.000	0.992
35a	51-00394.000	0.015
35b	51-00394.000	58.264
36	51-00227.000	50.869
38	51-00241.001	12.096

MASTER UNIT PARCEL CHART:

TRACT NO.	PARCEL NO.	AREA IN UNIT (ACRES)	EXHIBIT
1a	39-00525.000	0.926	4c
1b	39-00525.000	6.248	4c
1c	39-00525.000	17.659	4c
2	39-60043.000	0.011	4c
3	39-00527.000	3.796	4c
4	51-00014.000	0.693	4c
5a	51-00221.000	3.036	4c
5b	51-00221.000	22.150	4c
6	51-00146.003	1.158	4c
7a	51-00146.001	26.690	4c
7b	51-00146.001	12.525	4c
8a	51-00146.000	7.203	4c
8b	51-00146.000	4.316	4c
9	51-00432.000	80.289	4c
10	51-00214.002	0.107	4c
11	51-00195.000	1.025	4c
12	51-00071.000	0.123	4c
13	51-00072.000	1.000	4c
14	51-00078.000	1.011	4c
15	51-00433.000	0.084	4c
16	51-00435.000	0.999	4c
17	51-00421.000	0.998	4c
18	51-00421.000	0.074	4c
19	51-00419.000	0.925	4c
20	51-00419.000	0.102	4c
21	51-00112.000	1.270	4c
22	51-00022.000	0.339	4c
23	51-00023.000	0.501	4c
24	51-00227.002	1.000	4c
25	51-00145.000	0.833	4c
26	51-00227.001	1.003	4c
27	51-00394.002	1.001	4c
28	51-00049.000	0.986	4c
29	51-00434.001	1.002	4c
30	51-00080.000	0.992	4c
31	51-00111.000	1.004	4c
32	51-00093.000	0.992	4c
33	51-00394.001	1.007	4c
34	51-00089.000	0.992	4c
35a	51-00394.000	0.015	4c
35b	51-00394.000	58.264	4b/4c
36	51-00227.000	50.869	4b/4c
37	51-00228.000	4.691	4b
38	51-00241.001	12.096	4b/4c
39	51-00189.000	27.271	4b
40	51-00189.001	3.340	4b
41	51-00079.000	1.145	4b
42	51-00018.004	3.843	4b
43	51-00018.006	3.259	4b
44	51-00018.000	2.702	4b
45	51-00081.000	1.360	4b
46	51-00018.005	0.796	4b
47	51-00018.009	0.002	4b
48	51-00018.003	0.431	4b
49	51-00018.002	0.919	4b
50	51-00018.001	0.992	4b
51	51-00096.000	1.305	4b
52	51-00036.000	3.148	4b
53	51-00209.000	4.952	4b
54	51-00239.000	0.628	4b
55	51-00422.003	0.914	4b
56	51-00066.000	0.150	4b
57	51-00067.000	0.078	4b
58	51-00210.000	42.691	4b
59	51-00191.000	39.113	4b
60	51-00191.001	0.772	4b
61	51-00191.002	0.070	4b
62	51-00191.003	0.121	4b
63	51-00204.000	5.095	4b
64	51-00235.000	12.993	4b
65	51-00121.000	0.127	4b
66	51-00122.000	0.011	4b
67	51-00172.000	9.452	4b
68	51-00233.000	86.025	4b
69	51-00233.002	1.682	4b
70	51-00233.001	0.823	4b
71	51-00398.000	50.767	4b
72	51-00173.000	20.819	4b
73	51-00176.000	8.623	4b
74	51-00142.000	0.183	4b
75	51-00230.001	1.036	4b
76	51-00120.000	0.239	4b
TOTALS:		669.882	



EXHIBIT 5: ENGINEERING CALCULATIONS

Unitized BANNOCK N UNN BL

Well Name	Lateral Length (ft.)	Gross Capital (\$M)	Undiscounted Value (\$M)	PV 10 (\$M)	Gross Ultimate Gas (MMcf)	Gross Ultimate Oil (Mbo)	Gross Reserves (Mmcf)
BANNOCK N UNN BL 1H	12,530	\$ 8,342	\$ 61,660	\$ 27,607	20,438	45	20,708
BANNOCK N UNN BL 3H	12,513	\$ 8,335	\$ 61,557	\$ 27,089	20,404	45	20,674
Total	25,043	\$ 16,677	\$ 123,217	\$ 54,696	40,842	90	41,382

Non-Unitized BANNOCK N UNN BL

Well Name	Lateral Length (ft.)	Gross Capital (\$M)	Undiscounted Value (\$M)	PV 10 (\$M)	Gross Ultimate Gas (MMcf)	Gross Ultimate Oil (Mbo)	Gross Reserves (Mmcf)
BANNOCK N UNN BL 1H	0	\$ -	\$ -	\$ -	-	-	-
BANNOCK N UNN BL 3H	0	\$ -	\$ -	\$ -	-	-	-
Total	0	\$ -	\$ -	\$ -	-	-	-

Difference

Well Name	Lateral Length (ft.)	Gross Capital (\$M)	Undiscounted Value (\$M)	PV 10 (\$M)	Gross Ultimate Gas (MMcf)	Gross Ultimate Oil (Mbo)	Gross Reserves (Mmcf)
BANNOCK N UNN BL 1H	12,530	8,342	61,660	27,607	20,438	45	20,708
BANNOCK N UNN BL 3H	12,513	8,335	61,557	27,089	20,404	45	20,674
Total	25,043	16,677	123,217	54,696	40,842	90	41,382
%Δ	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Lease Operating Expenses - First Five Years - Unitization

Well Name	Variable Op Cost Oil (\$M)	Variable Op Cost Gas (\$M)	Variable Op Cost Water (\$M)	Fixed Op Cost (\$M)	Total Op Cost (\$M)
BANNOCK N UNN BL 1H	\$ -	\$ 1,278.61	\$ 296.44	\$ 180.19	\$ 1,755.24
BANNOCK N UNN BL 3H	\$ -	\$ 1,276.88	\$ 296.03	\$ 180.19	\$ 1,753.10
Total	\$ -	\$ 2,555.49	\$ 592.47	\$ 360.38	\$ 3,508.34

Operating Costs

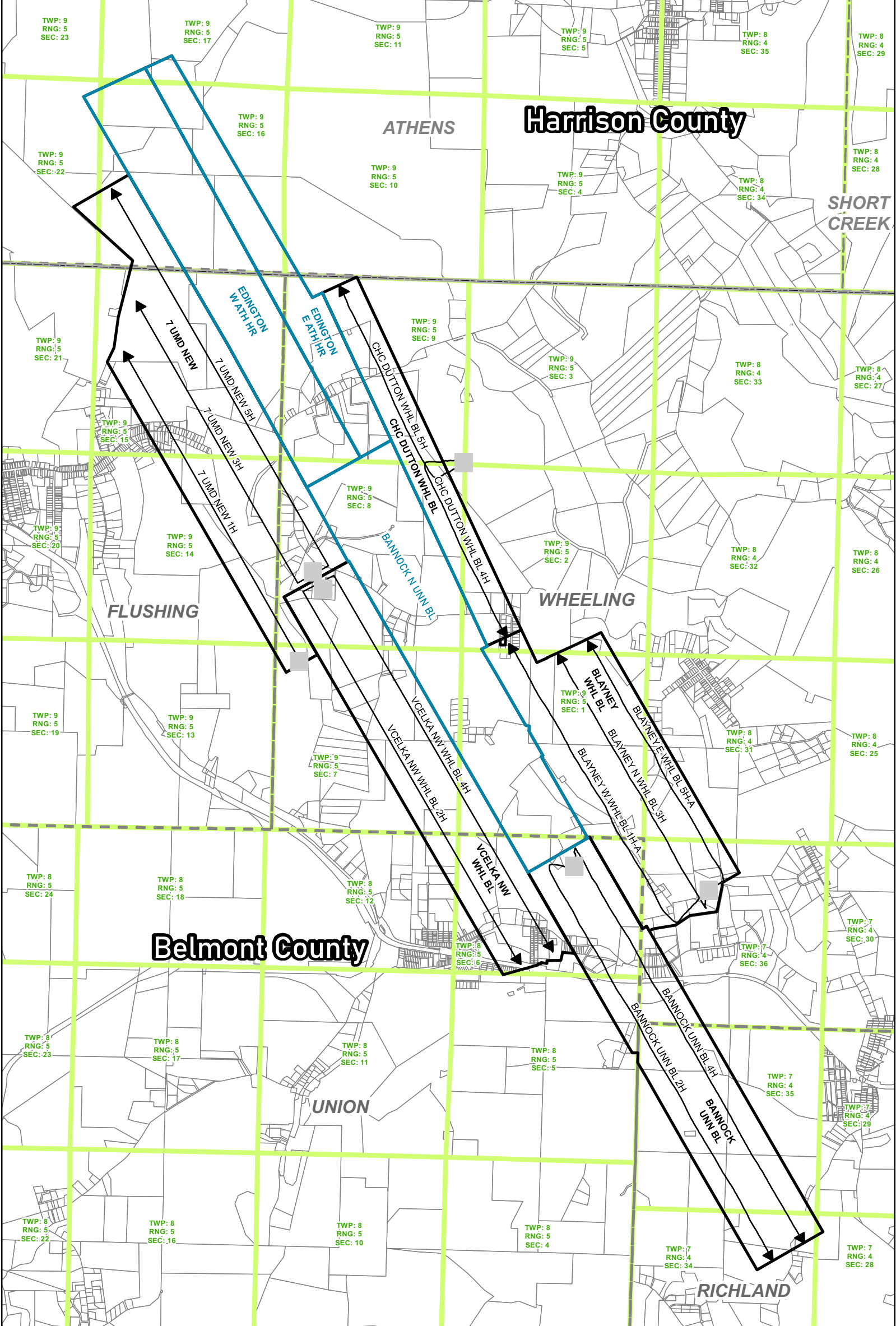
Variable Oil (\$/bbl)	\$ -
Variable Gas (\$/Mcf)	\$ 0.02
Variable Water (\$/bbl)	\$ 3.92
Fixed Op Costs (\$/Month)	\$ 3,003

Lease Operating Expenses - First Five Years - Non-Unitization

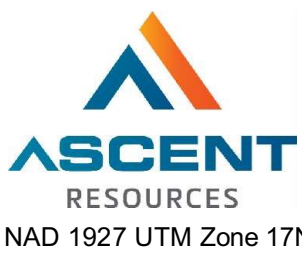
Well Name	Variable Op Cost Oil (\$M)	Variable Op Cost Gas (\$M)	Variable Op Cost Water (\$M)	Fixed Op Cost (\$M)	Total Op Cost (\$M)
BANNOCK N UNN BL 1H	\$ -	\$ -	\$ -	\$ -	\$ -
BANNOCK N UNN BL 3H	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

3/31/2022 Strip Price

Year	Gas Price (\$/mcf)	Oil Price (\$/Bo)
2022	\$ 5.71	\$ 96.43
2023	\$ 4.45	\$ 84.48
2024	\$ 3.77	\$ 77.86
2025	\$ 3.76	\$ 73.27
2026	\$ 3.84	\$ 70.01
2027	\$ 3.92	\$ 68.00
2028	\$ 4.02	\$ 66.87
2029	\$ 4.15	\$ 66.41
2030	\$ 4.32	\$ 66.46
2031	\$ 4.43	\$ 66.75
2032	\$ 4.56	\$ 67.18
2033	\$ 4.69	\$ 67.54
LIFE	\$ 4.83	\$ 67.55

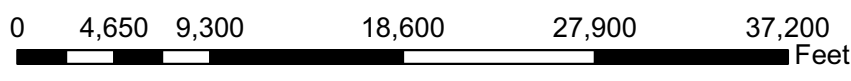


- PLANNED UNIT
- PRODUCING UNITS
- PRODUCING LATERALS
- MUNICIPAL TOWNSHIPS
- PLSS SECTION
- COUNTY BOUNDARIES
- PAD



BANNOCK N UNN BL

EXHIBIT 7: RESERVE CALCULATION



Legend	
	Producing
	ARU Units

EXHIBIT 7

Bannock N UNN BL Unit – Reserve Calculations Wells

WELL NAME	API NO.	LATERAL LENGTH (ft.)	PROD. START DATE	DISTANCE FROM UNIT(mi.)
CHC DUTTON WHL BL 6H	34013208440000	5709	21-Dec-15	1
CHC DUTTON WHL BL 9H	34013208320000	5741	29-Dec-15	0
CHC DUTTON WHL BL 4H	34013208520000	4616	21-Dec-15	0
CHC DUTTON WHL BL 11H	34013208330000	5763	25-Dec-15	1
CHC DUTTON WHL BL 5H	34013208530000	5411	25-Dec-15	0
BRAVO S ATH HR 4H	34067216000000	14546	04-Oct-19	2
BRAVO SE ATH HR 6H	34067215990000	14085	04-Oct-19	2
SKYLINE E WHL BL 4H	34013213710000	9326	22-Jun-19	1
SKYLINE E WHL BL 6H	34013213700000	9793	22-Jun-19	1
ALBERT W KKW BL 2H	34013213850000	15350	28-Sep-19	12
ALBERT SW KKW BL 4H	34013213810000	15751	28-Sep-19	12
ALBERT S KKW BL 6H	34013213830000	16401	28-Sep-19	12
ALBERT SE KKW BL 8H	34013213840000	17114	29-Sep-19	12
ALBERT E KKW BL 10H	34013213820000	16851	29-Sep-19	11
ECHO S ATH HR 6H	34067215880000	6967	22-Aug-19	1

**STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT**

In re the Matter of the Application of Ascent Resources – Utica, LLC for Unit Operation :
:
:
:
:
Bannock N UNN BL Unit :

**AFFIDAVIT OF MIKE RUIZ II
(CONTACTS – UNLEASED MINERAL OWNERS
AND UNCOMMITTED WORKING INTEREST OWNERS)**

I, Mike Ruiz II, being first duly cautioned and sworn, do hereby depose and state as follows:

1. I am a District Landman with Ascent Resources – Utica, LLC (“Applicant”). My day-to-day responsibilities include overseeing and directing lease acquisition for Applicant in Belmont County in the State of Ohio. My duties regularly require me to coordinate my efforts with contractors associated with multi-well field development efforts for the Applicant in the State of Ohio.


2. As part of those responsibilities, I work with and supervise contractors representing Applicant who contact landowners and uncommitted working interest owners to obtain oil and gas leases and commitments, respectively, on behalf of Applicant, including individuals from PLM, LLC (“Contractor”).

3. I have received reports of contacts and attempts to contact that Contractor has made to lease unleased and commit uncommitted lands within the Bannock N UNN BL Unit. Further, I have personal knowledge of contacts that I have made and attempted to make on behalf of Applicant to lease unleased and commit uncommitted lands within the Bannock N UNN BL Unit.

4. Tracts(s) 1b, 5a, 36, 37, 68, 69, 70, 72, 74, and 76 are owned by unleased or partially unleased mineral owners. There are no tracts in the Bannock N UNN BL Unit owned in whole or in part by uncommitted working interest owners.]

5. Applicant has made diligent efforts to obtain a lease with each unleased mineral owner. Those efforts are documented in the attached chart and affidavit and include making telephone calls, e-mail correspondence, and conducting due diligence activities.

Further sayeth Affiant naught.


Mike Ruiz II

JURAT CERTIFICATE

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

Sworn to and subscribed before me this 22nd day of June, 20 22, by Mike Ruiz II. This is a jurat certificate; an oath or affirmation was administered to the signer with regard to this notarial act.



Amanda Krewall
Notary Public
Printed Name: Amanda Krewall
My Commission Expires: 7/27/23

Contact Log - Bannock N UNN BL Unit

Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
1b 5a	39-00525.000 51-00221.000	Vacant Vacant	Charles G. Melchiori, Jr.	57024 Somerton Highway Barnesville OH 43713
5/5/2022	Mail - Broker mailed a letter and disclosure statement to Charles G. Melchiori, Jr., landowner, at 57024 Somerton Highway, Barnesville, OH 43713.			
5/16/2022	Mail - Broker received the signed disclosure statement from landowner.			
5/23/2022	Phone Call - Broker called and spoke with landowner, who informed he is speaking and negotiating for the entire family including: Naomi J. Calovini, the heirs of Nancy J. Gilli, Alice M. Robinson, and Martha Stockert. Broker and landowner scheduled a meeting for 5/26/2022 to discuss the ownership interests of the parties and leasing.			
5/25/2022	Phone Call - Broker called and spoke with landowner, who informed he is sick and rescheduled the meeting.			
6/6/2022	Field Visit - Broker met with landowner at 57024 Somerton Highway, Barnesville, OH 43713, and discussed landowner's concerns over title. Landowner informed they are not interested in a protection lease.			
Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
1b 5a	39-00525.000 51-00221.000	Vacant Vacant	Martha Stockert	11 Delbarton Drive Madison NJ 07490
5/5/2022	Mail - Broker mailed a letter and disclosure statement to Martha Stockert, landowner, at 11 Delbarton Drive, Madison, NJ 07490.			
5/23/2022	Phone Call - Broker called and spoke with Charles G. Melchiori, Jr., landowner's relative, who informed he is speaking and negotiating for the entire family including: Naomi J. Calovini, the heirs of Nancy J. Gilli, Alice M. Robinson, and Martha Stockert. Broker and landowner scheduled a meeting for 5/26/2022 to discuss the ownership interests of the parties and leasing.			
5/25/2022	Phone Call - Broker called and spoke with Charles G. Melchiori, Jr., landowner's relative, who informed he is sick and rescheduled the meeting.			
6/6/2022	Field Visit - Broker met with Charles G. Melchiori, Jr., landowner's relative at 57024 Somerton Highway, Barnesville, OH 43713, and discussed Charles' concerns over title. Charles informed they are not interested in a protection lease.			
Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
1b 5a	39-00525.000 51-00221.000	Vacant Vacant	The Unknown Heirs of Nancy Gilli, deceased	Unknown
5/5/2022	Mail - Broker mailed a letter and disclosure statements to the last known address associated with Nancy J. Gilli, deceased, at 57697 Hospital Road, Bellaire, OH 43906.			
5/23/2022	Phone Call - Broker called and spoke with Charles G. Melchiori, Jr., Nancy Gilli's relative, who informed he is speaking and negotiating for the entire family including: Naomi J. Calovini, the heirs of Nancy J. Gilli, Alice M. Robinson, and Martha Stockert. Broker and landowner scheduled a meeting for 5/26/2022 to discuss the ownership interests of the parties and leasing.			
5/25/2022	Phone Call - Broker called and spoke with Charles G. Melchiori, Jr., Nancy Gilli's relative, who informed he is sick and rescheduled the meeting.			
6/6/2022	Field Visit - Broker met with Charles G. Melchiori, Jr., Nancy Gilli's relative at 57024 Somerton Highway, Barnesville, OH 43713, and discussed Charles' concerns over title. Charles informed they are not interested in a protection lease.			
Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
1b 5a	39-00525.000 51-00221.000	Vacant Vacant	Alice Robinson	109 Everleigh Court Lexington SC 29072
5/5/2022	Mail - Broker mailed a letter and disclosure statement to Alice M. Robinson, landowner, at 109 Everleigh Court, Lexington, SC 29072.			
5/23/2022	Phone Call - Broker called and spoke with Charles G. Melchiori, Jr., landowner's relative, who informed he is speaking and negotiating for the entire family including: Naomi J. Calovini, the heirs of Nancy J. Gilli, Alice M. Robinson, and Martha Stockert. Broker and landowner scheduled a meeting for 5/26/2022 to discuss the ownership interests of the parties and leasing.			
5/25/2022	Phone Call - Broker called and spoke with Charles G. Melchiori, Jr., landowner's relative, who informed he is sick and rescheduled the meeting.			
6/6/2022	Field Visit - Broker met with Charles G. Melchiori, Jr., landowner's relative at 57024 Somerton Highway, Barnesville, OH 43713, and discussed Charles' concerns over title. Charles informed they are not interested in a protection lease.			
6/6/2022	Mail - Broker received the signed disclosure statement from landowner.			
Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
1b 5a	39-00525.000 51-00221.000	Vacant Vacant	Naomi Calovini	70180 Beal Road Lafferty OH 43951
5/5/2022	Mail - Broker mailed a letter and disclosure statement to Naomi J. Calovini, landowner, at 70180 Beal Road, Lafferty, OH 43951.			
5/23/2022	Phone Call - Broker called and spoke with Charles G. Melchiori, Jr., landowner's relative, who informed he is speaking and negotiating for the entire family including: Naomi J. Calovini, the heirs of Nancy J. Gilli, Alice M. Robinson, and Martha Stockert. Broker and landowner scheduled a meeting for 5/26/2022 to discuss the ownership interests of the parties and leasing.			
5/25/2022	Phone Call - Broker called and spoke with Charles G. Melchiori, Jr., landowner's relative, who informed he is sick and rescheduled the meeting.			
6/6/2022	Field Visit - Broker met with Charles G. Melchiori, Jr., landowner's relative at 57024 Somerton Highway, Barnesville, OH 43713, and discussed Charles' concerns over title. Charles informed they are not interested in a protection lease.			
Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
36 37	51-00227.000 51-00228.000	Vacant Agricultural	The Steve Vcelka 05/20/2005 Irrevocable Trust, by Trustees James Michael Vcelka, Jessica Lynn Schafer, and Sandra Zielinski	Attn: James Michael Vcelka and Jessica Lynn Schafer, Trustees 71941 Barylak Road Flushing OH 43977 Attn: Sandra Zielinski, Trustee 44345 Lafferty Road Saint Clairsville OH 43950
5/6/2021	Phone Call - Broker called Steve Vcelka and James Michael Vcelka, Trustees of The Steve Vcelka 05/20/2005 Irrevocable Trust, landowner, but was unable to leave a voicemail.			
5/6/2021	Phone Call - Broker received a phone call from Steve Vcelka, of landowner, and discussed leasing. Steve provided his email address.			
5/6/2021	Email - Broker sent an email to Steve Vcelka, of landowner, including a disclosure statement.			
5/7/2021	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, regarding leasing. Steve informed he would sign and return the disclosure statement.			
5/10/2021	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, who informed the disclosure had been signed and sent back. Broker presented a lease offer. Steve made a counteroffer regarding the royalty and stated he will wait for his attorney to review the lease.			
5/10/2021	Email - Broker sent an email to Steve Vcelka, of landowner, including a sample lease and the discussed lease terms.			
5/26/2021	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, who informed that his attorney is reviewing the lease this week.			
6/9/2021	Email - Broker received an email from attorney Sean Jacobs, representing landowner, including the redlined lease and requested changes to the lease.			
6/9/2021	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, informing that Broker would be in contact after hearing back regarding the lease terms requests.			
6/23/2021	Email - Broker sent an email to attorney Jacobs, representing landowner, including a counteroffer to the requested lease terms.			
6/23/2021	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, updating Steve on the status of the lease negotiations.			
7/8/2021	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, informing that he could not match the requested lease terms, but would stay in contact.			
9/7/2021	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, presenting an updated lease offer. Steve requested that broker send an email with the new lease offer.			
9/7/2021	Email - Broker sent an email to Steve Vcelka, of landowner, including the updated lease offer.			
12/3/2021	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, and presented the current offer. Steve stated he wants more money, but did not provide a counteroffer.			
12/29/2021	Phone Call - Broker called and left a voicemail for Steve Vcelka, of landowner.			
12/29/2021	Mail - Broker mailed a letter and consumer guide to Steve Vcelka, of landowner, at 71941 Barylak Road, Flushing, OH 43977, regarding the possible purchase of the mineral interests.			
12/29/2021	Phone Call - Broker received a phone call from Steve Vcelka, of landowner, informing that he and the Trustees have no interest in receiving an offer to purchase the minerals. Steve informed that Trustee Walter Zielinski is deceased, and is not sure if his widow, Sandra Zielinski is now Trustee. Steve stated he wants to lease and is holding out for more than the current offer.			
1/10/2022	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, informing that a different Broker would be taking over lease negotiations in the future.			
1/10/2022	Email - Broker sent an email to Steve Vcelka, of landowner, including a disclosure statement.			
1/14/2022	Email - Broker received an email from Steve Vcelka, asking Broker to call.			
1/14/2022	Phone Call - Broker called and left a voicemail for Steve Vcelka, of landowner. Steve returned Broker's call and stated he is more interested in the language of the lease than the bonus amount.			
1/14/2022	Email - Broker sent an email to Steve Vcelka, of landowner, and attorney Jacobs, representing landowner, including the current lease offer for review.			
1/17/2022	Email - Broker and attorney Jacobs, representing landowner, exchanged multiple emails discussing the lease terms. Jacobs presented a counteroffer. Broker informed that he could not match the requested terms.			
2/25/2022	Email - Broker sent an email to Steve Vcelka, of landowner, to see if he had changed his mind regarding the current lease offer.			
3/8/2022	Email - Broker sent an email to attorney Jacobs, representing landowner, to see if landowner has changed its mind regarding the current lease offer.			
3/9/2022	Email - Broker received an email from attorney Jacobs, representing landowner, stating there has been no change to landowner's position. Jacobs stated landowner is interested in leasing, but only if the terms match the addendum terms used in previous leases. Jacobs asked that Broker contact him in the future if there are any changes to the offer.			
4/4/2022	Email - Broker sent an email to Steve Vcelka, of landowner, to see if he had changed his mind regarding the current lease offer.			

4/12/2022	Phone Call - Broker called and spoke with Steve Vcelka, of landowner, who stated he has no interest in selling the mineral interests.			
5/5/2022	Email - Broker sent an email to Steve Vcelka, of landowner, to see if the Trustees have changed their mind.			
Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
68	51-00233.000	Vacant	Bedway Land and Minerals Company	Attn: Jonathan Bedway, President 67877 Pancoast Road North Belmont OH 43718
69	51-00233.002	Vacant		
70	51-00233.001	Residential		
76	51-00120.000	Vacant		
9/1/2021	Phone Call - Broker called and left a voicemail for attorney Joshua O'Farrell, representing Bedway Land and Minerals Company, landowner. O'Farrell returned Broker's call and discussed leasing.			
9/1/2021	Email - Broker sent an email to attorney O'Farrell, representing landowner, including a disclosure statement for landowner. Broker received the signed disclosure back, but it was missing initials on the disclosures. Broker sent a reply informing of the missing initials.			
9/2/2021	Phone Call - Broker called and spoke with attorney O'Farrell, representing landowner, informing of the need for landowner to initial the disclosure statement. O'Farrell stated he forwarded the disclosure to landowner.			
9/7/2021	Email - Broker received the signed and completed disclosure statement from landowner.			
9/7/2021	Phone Call - Broker called and left a voicemail for attorney O'Farrell, representing landowner. O'Farrell returned Broker's call and Broker presented a lease offer. O'Farrell requested the offer be emailed.			
9/7/2021	Email - Broker sent an email to attorney O'Farrell, representing landowner, including the lease offer.			
4/21/2022	Phone Call - Broker called and left a voicemail for attorney O'Farrell, representing landowner.			
4/22/2022	Email - Broker sent an email to attorney O'Farrell, representing landowner, including the parcel information and lease terms. O'Farrell stated he would have a counteroffer for Broker soon.			
4/25/2022	Email - Broker sent an email to attorney O'Farrell, representing landowner, including the parcel information and lease terms. O'Farrell stated he would have a counteroffer for Broker soon.			
4/27/2022	Phone Call - Broker called and left a voicemail for attorney O'Farrell, representing landowner.			
4/28/2022	E-mail exchange between John Schneider, Senior Landman of Ascent Resources and attorney O'Farrell for Bedway Land and Minerals Company regarding lease terms for Bedway's acreage.			
4/29/2022	Phone Call - Broker called and spoke with attorney O'Farrell, representing landowner, who informed he had been contacted by another company. O'Farrell informed that he would be working directly with Applicant regarding lease negotiations.			
5/3/2022	E-mail exchange between John Schneider, Senior Landman of Ascent Resources and attorney O'Farrell for Bedway Land and Minerals Company regarding lease terms for Bedway's acreage.			
5/4/2022	E-mail from John Schneider, Senior Landman of Ascent Resources to attorney O'Farrell for Bedway Land and Minerals Company offering lease terms for Bedway's acreage and follow up phone call between the two regarding the terms offered.			
5/6/2022	Email - Broker sent an email to attorney O'Farrell, representing landowner, informing that Broker is still waiting on confirmation that Applicant is taking over negotiations.			
5/9/2022	Email - Broker received an email from attorney O'Farrell, representing landowner, informing that he is already working directly with Applicant regarding the lease negotiations.			
Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
72	51-00173.000	Agricultural	Ohio River Collieries Company	Attn: Thoms G. Gentile, President 70245 Bannock Uniontown Road Saint Clairsville OH 43950
4/21/2021	Phone Call - Broker called and spoke with Anita Rice, of Ohio River Collieries Company, landowner, who informed that attorney Sean Jacobs still represents landowner for any leasing.			
6/21/2021	Phone Call - Broker called and spoke with attorney Jacobs, representing landowner, regarding leasing. Jacobs requested to review the lease offer, but at this point the offer is too low. Broker requested that Jacobs send a counteroffer.			
6/21/2021	Email - Broker sent an email to attorney Jacobs, representing landowner, including the lease offer for review.			
7/21/2021	Phone Call - Broker called and left a voicemail for attorney Jacobs, representing landowner.			
8/27/2021	Phone Call - Broker called and left a voicemail for attorney Jacobs, representing landowner.			
8/31/2021	Phone Call - Broker called and left a voicemail for attorney Jacobs, representing landowner.			
9/15/2021	Phone Call - Broker called and spoke with attorney Jacobs, representing landowner, regarding the current lease offer. Jacobs informed he discussed with landowner and they will not agree to any kind of spud fee lease at this time, and for broker to contact him if the offer changes.			
10/4/2021	Email - Broker sent an email to attorney Jacobs, representing landowner, informing that the subject parcel was being added to the lease negotiations. Broker included the parcel information and included the spud fee lease offer.			
10/7/2021	Phone Call - Broker received a phone call from attorney Jacobs, representing landowner, stating that landowner was not interested in leasing under spud fee terms, and would likely not sign without the same addendum and terms from a previous lease.			
12/14/2021	Phone Call - Broker called and spoke with attorney Jacobs, representing landowner, who stated he would send over the requested addendum terms.			
12/14/2021	Email - Broker received an email from attorney Jacobs, representing landowner, including the requested addendum terms.			
12/28/2021	Email - Broker sent an email to Anita Rice, of landowner, including a Consumer Guide to Agency Relationships, regarding a possible purchase offer of landowner's mineral interests.			
2/10/2022	Email - Broker sent an email to attorney Jacobs, representing landowner, informing that the requested addendum terms had been rejected and restated the current lease offer.			
2/14/2022	Email - Broker received an email from attorney Jacobs, representing landowner, stating he understood Applicant's position, and requested Broker contact him if the offer changes.			
3/14/2022	Email - Broker sent an email to attorney Jacobs, representing landowner, inquiring if landowner has changed its mind regarding the lease offer. Jacobs responded that landowner has not changed its mind, and requested that Broker reach out if the offer changes.			
5/3/2022	Email - Broker sent an email to attorney Jacobs, representing landowner, including an updated lease offer.			
5/3/2022	Email - Broker sent an email to attorney Jacobs, representing landowner, including a complete list of the parcels included in the lease offer.			
5/10/2022	Phone Call - Broker called and left a voicemail for attorney Jacobs, representing landowner.			
5/10/2022	Email - Broker received an email from attorney Jacobs, representing landowner, stating he had informed landowner of the updated lease offer, but has not had a chance to discuss the offer yet.			
5/17/2022	Email - Broker received an email from attorney Jacobs, representing landowner, including a counteroffer.			
Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
74	51-00142.000	Vacant	The John Bedway Revocable Trust, dated 12/21/2000, by United National Bank, Trustee	Attn: United National Bank, Trustee 21 Twelfth Street Wheeling WV 26003
12/17/2021	Phone Call - Broker called and left a voicemail for Attorney Josh O'Farrell, representing all Bedway entities, including mineral owner, regarding leasing.			
12/17/2021	Email - Broker emailed Attorney Josh O'Farrell copies of the lease for his review.			
12/30/2021	Phone Call - Broker called and left a voicemail for John Bedway regarding leasing.			
1/4/2022	Phone Call - Broker received a call from John Bedway regarding leasing. John asked that the Broker email him all the information and they will look at it.			
1/5/2022	Email - Broker emailed John Bedway regarding the Trust and leasing.			
1/10/2022	Phone Call - Broker called and spoke with Jonathan Bedway and discussed the subject parcel and the Trust.			
1/12/2022	Email - Broker received an email from Jonathan Bedway stating that his attorney, Josh O'Farrell would be getting in contact with Broker.			
1/12/2022	Phone Call - Broker called United Bank in Parkersburg, WV and left a voicemail regarding the Trust.			
1/13/2022	Phone Call - Broker called United Bank and spoke with Lakin Whitlatch, Client Service Associate with United Bank Wealth Management. She stated United National Bank was their previous name. She also stated she recognized the name of the trust but will need to do some research and will get back to Broker.			
1/18/2022	Phone Call - Broker called United Bank and spoke with Lakin Whitlatch in Wealth Management. She stated United Bank was removed as trustee in 2016 and they have no part in the trust anymore. However, this statement has not been corroborated by written documentation at this point in time.			
1/19/2022	Email - Broker sent an email to Attorney Josh O'Farrell regarding the Trust.			
1/19/2022	Email - Broker received an email from Attorney Josh O'Farrell stating he would contact Broker later in the week.			
1/19/2022	Phone Call - Broker called and left a voicemail for Lakin Whitlatch regarding her title and Branch address.			
1/21/2022	Email - Broker sent an email to Attorney Josh O'Farrell regarding the Trust.			
1/28/2022	Mail - Broker sent out letters and leasing packet to United National Bank via certified mail.			
1/31/2022	Email - Broker sent an email to Attorney Josh O'Farrell with a copy of the lease attached.			
2/7/2022	Mail - Broker received certified mail return receipt confirming delivery of the lease to United National Bank.			
2/7/2022	Phone Call - Broker received a call from Attorney Josh O'Farrell, discussed lease offer and the Trust.			
2/9/2022	Phone Call - Madeline Skelton, District Landman for Ascent Resources, received a call from Attorney Josh O'Farrell and discussed the lease offer and the Trust.			
2/10/2022	Phone Call - Broker called United Bank and spoke with Lakin Whitlatch in Wealth Management. She stated she would talk with the legal department and try to get more information on the trust.			
2/10/2022	Email - Broker sent an email to Attorney Josh O'Farrell and John Bedway regarding the lease addendum language.			
2/10/2022	Phone Call - Broker called and left voicemail for Attorney Josh O'Farrell regarding the Trust.			
2/11/2022	Phone Call - Broker received a voicemail from Lakin Whitlatch, who stated Broker can contact Eric London at Bowles Rice regarding the Trust.			
2/14/2022	Phone Call - Broker called and left voicemail for Eric London at Bowles Rice regarding the Trust.			
2/14/2022	Phone Call - Broker called and spoke with Jonathan Bedway and discussed the subject parcel and the Trust.			
2/14/2022	Email - Broker sent an email to Jonathan Bedway regarding the lease offer.			
2/17/2022	Phone Call - Madeline Skelton, District Landman for Ascent Resources, called and spoke with Attorney Josh O'Farrell regarding the current lease offer.			
2/18/2022	Phone Call - Broker called and left voicemail for Eric London at Bowles Rice regarding the Trust.			
2/22/2022	Phone Call - Broker called and spoke with Jonathan Bedway and discussed the subject parcel and the Trust.			
2/22/2022	Phone Call - Broker called and left voicemail for Eric London at Bowles Rice regarding the Trust.			
2/22/2022	Phone Call - Broker called and left voicemail for Eric London at Bowles Rice regarding the Trust.			

2/22/2022	Email - Broker sent an email to Jonathan Bedway regarding the lease offer.			
2/23/2022	Phone Call - Broker called and spoke with Jonathan Bedway, who stated he has an affidavit related to the Trust and will forward to Broker.			
2/23/2022	Email - Broker received an email from Jonathan Bedway with an affidavit related to the Trust attached.			
3/23/2022	Email - Broker sent an email to Attorney Josh O'Farrell regarding the updated lease offer.			
3/24/2022	Email - Broker received an email from Attorney Josh O'Farrell regarding the updated lease offer.			
3/24/2022	Phone Call - Broker called Attorney Josh O'Farrell and left voicemail regarding the lease offer.			
3/24/2022	Phone Call - Broker received a call from Attorney Josh O'Farrell, who stated a lease counteroffer above current lease terms.			
4/18/2022	Phone Call - Broker received a voicemail from Attorney Josh O'Farrell regarding the lease offer.			
4/18/2022	Email - Broker received an email from Attorney Josh O'Farrell regarding the updated lease offer.			
4/18/2022	Phone Call - Broker called and spoke with Attorney Josh O'Farrell regarding the lease counteroffer. Broker and Attorney Josh O'Farrell agreed to meet next week to discuss further.			
4/25/2022	Email - Broker received an email from Attorney Josh O'Farrell, showing that a lease on this acreage is also being pursued by another land management company.			
4/26/2022	Email - Broker sent an email to Attorney Josh O'Farrell, to let him know that another land management company is now handling this parcel for leasing.			
4/26/2022	Phone Call - Broker received a call from and spoke to Attorney Josh O'Farrell regarding the other land management company taking over the lease negotiation.			
4/28/2022	Email - Attorney Josh O'Farrell emailed John Schneider, Senior Landman of Ascent Resources regarding the lease offer and requesting that all negotiations go through Ascent.			
4/28/2022	Email - John Schneider, Senior Landman of Ascent Resources sent a follow up email to Attorney Josh O'Farrell stating he is looking into the information in Attorney Josh O'Farrell's email and will get back to Attorney Josh O'Farrell.			
5/3/2022	Email - Attorney Josh O'Farrell emailed John Schneider, Senior Landman of Ascent Resources to see when they could discuss the lease offer.			
5/3/2022	Email - John Schneider, Senior Landman of Ascent Resources sent a follow up email to Attorney Josh O'Farrell stating he almost has all of the information he needs to discuss the lease with Attorney Josh O'Farrell.			
5/3/2022	Email - Attorney Josh O'Farrell emailed John Schneider, Senior Landman of Ascent Resources trying to set up a time to discuss the lease offer.			
5/3/2022	Email - John Schneider, Senior Landman of Ascent Resources sent a follow up email to Attorney Josh O'Farrell stating he is available to discuss the lease offer tomorrow and will give Attorney Josh O'Farrell a call.			
5/3/2022	Email - Attorney Josh O'Farrell emailed John Schneider, Senior Landman of Ascent Resources stating the current offers are not close to what Attorney Josh O'Farrell's client is willing to accept.			
5/4/2022	Email - John Schneider, Senior Landman of Ascent Resources sent a follow up email to Attorney Josh O'Farrell listing Ascent's current offers for the acreage.			
5/4/2022	Phone Call - John Schneider, Senior Landman of Ascent Resources called Attorney Josh O'Farrell to discuss the lease offers in more detail and reiterate Ascent's current offers that were communicated via email.			
5/24/2022	E-mail exchange between John Schneider, Senior Landman of Ascent Resources and Joshua O'Farrell, attorney for Bedway Land and Minerals Company regarding title to the property.			
5/24/2022	E-mail exchange between John Schneider, Senior Landman of Ascent Resources and Joshua O'Farrell, attorney for Bedway Land and Minerals Company, regarding title to the property. The attorney for Bedway Land and Minerals Company also represents this mineral owner, and is looking into curative needed to transfer mineral owner's interest to Bedway Land and Minerals Company, as it appears the mineral owner may have intended to convey this interest to Bedway Land and Minerals Company.			
Tract Number	Parcel Number(s)	Land Use	Unleased Mineral Owner	Address
74	51-00142.000	Vacant	Trust Agreement dated 11/20/2009, by Jonathan Bedway and Marquita Bedway, Trustees	Attn: Jonathan Bedway, Trustee 68039 Pancoast Road North Belmont, OH 43718 Attn: Marquita Bedway, Trustee 15 Dodge Place, #1 Grosse Point, MI 48230
12/17/2021	Phone Call - Broker called and left a voicemail for Attorney Josh O'Farrell, representing all Bedway entities, including mineral owner, regarding leasing.			
12/17/2021	Email - Broker emailed Attorney Josh O'Farrell copies of the lease for his review.			
12/30/2021	Phone Call - Broker called and left a voicemail for John Bedway regarding leasing.			
1/4/2022	Field Visit - Broker stopped by the residence of John Bedway and spoke with his wife, Marquita Bedway, regarding leasing.			
1/4/2022	Phone Call - Broker received a call from John Bedway regarding leasing. John asked that the Broker email him all the information and they will look at it.			
1/5/2022	Email - Broker emailed John Bedway regarding the Trust and leasing.			
1/10/2022	Phone Call - Broker called and spoke with Jonathan Bedway and discussed the subject parcel and the Trust.			
1/12/2022	Email - Broker received an email from Jonathan Bedway stating that his attorney, Josh O'Farrell would be getting in contact with Broker.			
1/19/2022	Email - Broker sent an email to Attorney Josh O'Farrell regarding the Trust.			
1/19/2022	Email - Broker received an email from Attorney Josh O'Farrell stating he would contact Broker later in the week.			
1/21/2022	Email - Broker sent an email to Attorney Josh O'Farrell regarding the Trust.			
1/28/2022	Mail - Broker sent out a letter and leasing packet to Jonathan and Marquita Bedway via certified mail.			
1/31/2022	Email - Broker sent an email to Attorney Josh O'Farrell with a copy of the lease attached.			
2/2/2022	Mail - Broker received certified mail return receipt confirming delivery of the lease to Jonathan and Marquita Bedway.			
2/7/2022	Phone Call - Broker received a call from Attorney Josh O'Farrell, discussed lease offer and the Trust.			
2/9/2022	Phone Call - Madeline Skelton, District Landman for Ascent Resources, received a call from Attorney Josh O'Farrell and discussed the lease offer and the Trust.			
2/10/2022	Email - Broker sent an email to Attorney Josh O'Farrell and John Bedway regarding the lease addendum language.			
2/10/2022	Phone Call - Broker called and left voicemail for Attorney Josh O'Farrell regarding the Trust.			
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2/23/2022	Phone Call - Broker called and spoke with Jonathan Bedway, who stated he has an affidavit related to the Trust and will forward to Broker.			
2/23/2022	Email - Broker received an email from Jonathan Bedway with an affidavit related to the Trust attached.			
3/23/2022	Email - Broker sent an email to Attorney Josh O'Farrell regarding the updated lease offer.			
3/24/2022	Email - Broker received an email from Attorney Josh O'Farrell regarding the updated lease offer.			
3/24/2022	Phone Call - Broker called Attorney Josh O'Farrell and left voicemail regarding the lease offer.			
3/24/2022	Phone Call - Broker received a call from Attorney Josh O'Farrell, who stated a lease counteroffer above current lease terms.			
4/18/2022	Phone Call - Broker received a voicemail from Attorney Josh O'Farrell regarding the lease offer.			
4/18/2022	Email - Broker received an email from Attorney Josh O'Farrell regarding the updated lease offer.			
4/18/2022	Phone Call - Broker called and spoke with Attorney Josh O'Farrell regarding the lease counteroffer. Broker and Attorney Josh O'Farrell agreed to meet next week to discuss further.			
4/25/2022	Email - Broker received an email from Attorney Josh O'Farrell, showing that a lease on this acreage is also being pursued by another land management company.			
4/26/2022	Email - Broker sent an email to Attorney Josh O'Farrell, to let him know that another land management company is now handling this parcel for leasing.			
4/26/2022	Phone Call - Broker received a call from and spoke to Attorney Josh O'Farrell regarding the other land management company taking over the lease negotiation.			
4/28/2022	Email - Attorney Josh O'Farrell emailed John Schneider, Senior Landman of Ascent Resources regarding the lease offer and requesting that all negotiations go through Ascent.			
4/28/2022	Email - John Schneider, Senior Landman of Ascent Resources sent a follow up email to Attorney Josh O'Farrell stating he is looking into the information in Attorney Josh O'Farrell's email and will get back to Attorney Josh O'Farrell.			
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5/3/2022	Email - John Schneider, Senior Landman of Ascent Resources sent a follow up email to Attorney Josh O'Farrell stating he almost has all of the information he needs to discuss the lease with Attorney Josh O'Farrell.			
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5/3/2022	Email - Attorney Josh O'Farrell emailed John Schneider, Senior Landman of Ascent Resources stating the current offers are not close to what Attorney Josh O'Farrell's client is willing to accept.			
5/4/2022	Email - John Schneider, Senior Landman of Ascent Resources sent a follow up email to Attorney Josh O'Farrell listing Ascent's current offers for the acreage.			
5/4/2022	Phone Call - John Schneider, Senior Landman of Ascent Resources called Attorney Josh O'Farrell to discuss the lease offers in more detail and reiterate Ascent's current offers that were communicated via email.			
5/24/2022	E-mail exchange between John Schneider, Senior Landman of Ascent Resources and Joshua O'Farrell, attorney for Bedway Land and Minerals Company regarding title to the property.			
5/24/2022	E-mail exchange between John Schneider, Senior Landman of Ascent Resources and Joshua O'Farrell, attorney for Bedway Land and Minerals Company, regarding title to the property. The attorney for Bedway Land and Minerals Company also represents this mineral owner, and is looking into curative needed to transfer mineral owner's interest to Bedway Land and Minerals Company, as it appears the mineral owner may have intended to convey this interest to Bedway Land and Minerals Company.			

**STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT**

In re the Matter of the Application of Ascent :
Resources – Utica, LLC for Unit Operation :
 :
Bannock N UNN BL Unit :
 :

AFFIDAVIT OF OWNERSHIP

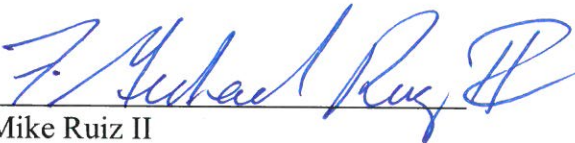
I, Mike Ruiz II, being first duly cautioned and sworn, do hereby depose and state as follows:

1. I am a District Landman with Ascent Resources – Utica, LLC (“Applicant”). My day-to-day responsibilities include all aspects of land work within portions of Belmont County, Ohio, including ordering, examining, curing, and clearing title in advance of the drilling schedule; managing field landmen in leasing efforts; ensuring that surface issues are being addressed in a timely manner; serving as the contact person for attorneys, landowners, and other working interest owners; preparing and negotiating acquisition and trade agreements and proposals; and compiling working interest units and I have personal knowledge of the facts stated herein.

2. Pursuant to Ohio Revised Code § 1509.28, the Applicant has filed an application with the Chief of the Division of Oil and Gas Resources Management requesting an order authorizing Applicant to operate the Unitized Formation and applicable land area, identified as the Bannock N UNN BL Unit, according to the Unit Plan attached thereto (the “Application”) (as those terms are used and defined therein). The Bannock N UNN BL Unit is located in Belmont County, Ohio, and consists of seventy-six (76) separate tracts of land covering approximately 669.882 acres.

3. As of the application date, Applicant is the owner, as that term is defined in Ohio Revised Code § 1509.01(K), of at least 65% of the land overlying the Unitized Formation.

FURTHER AFFIANT SAYETH NAUGHT.


Mike Ruiz II

JURAT CERTIFICATE

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

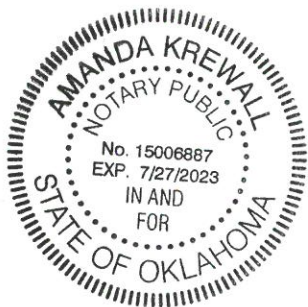
Sworn to and subscribed before me this 22nd day of June, 2022, by Mike Ruiz II. This is a jurat certificate; an oath or affirmation was administered to the signer with regard to this notarial act.



Notary Public

Printed Name: Amanda Krewall

My Commission Expires: 7/27/23



**STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT**

In re the Matter of the Application of Ascent :
Resources – Utica, LLC for Unit Operation :
: :
: :
Bannock N UNN BL Unit :

DUE DILIGENCE AFFIDAVIT

I, Mike Ruiz II, being first duly cautioned and sworn, do hereby affirm and state as follows:

1. Affiant is competent to testify on the matters contained in this affidavit.
2. Affiant is employed as a District Landman at Ascent Resources – Utica, LLC and is responsible for managing field brokers, negotiating lease acquisitions, and handling title matters for operations in the Utica Shale in support of Ascent Resources – Utica, LLC’s development program.
3. Affiant has the authority to sign this affidavit on behalf of Ascent Resources – Utica, LLC.
4. Pursuant to Ohio Revised Code § 1509.28, Ascent Resources – Utica, LLC is filing an application with the Chief of the Division of Oil and Gas Resources Management (“DOGRM”) requesting an order authorizing Ascent Resources – Utica, LLC to operate the Unitized Formation and applicable land area, identified as the Bannock N UNN BL Unit (“Application”). The Bannock N UNN BL Unit is located in Belmont County, Ohio, and as a unit of an entire pool or part thereof consists of seventy-six (76) separate tracts of land covering approximately 669.882 acres.
5. As a function of Affiant’s job duties, Affiant, or persons under Affiant’s direction or supervision, has personal knowledge of the matters set forth in this affidavit. Further, Affiant, or persons under Affiant’s direction or supervision, has reviewed all documents which reflect Ascent Resources – Utica, LLC’s efforts to identify and locate mineral interest owners within the proposed unit.
6. Affiant attests that Ascent Resources – Utica, LLC exercised reasonable due diligence to identify all mineral interest owners within the proposed unit and ascertain their current addresses prior to filing its Application with DOGRM. These efforts included performing title work, including reviewing court records, marriage and birth records, death records, and county auditor tax records, and utilizing electronic resources (e.g., telephone and address listings, heirship research). Affiant further attests that where it was not reasonably possible or practicable to identify all of the mineral interest owners’ identities or addresses, Ascent Resources – Utica, LLC will provide notice by publication of a hearing scheduled pursuant to R.C. 1509.28.
7. Affiant further attests that, to the best of her knowledge and belief, the names and addresses of mineral interest owners that Ascent Resources – Utica, LLC provided to DOGRM were accurate at the time Affiant filed its Application with DOGRM.
8. Affiant understands that the DOGRM is relying on the statements and representations contained in this affidavit to verify that Ascent Resources – Utica, LLC has acted using ordinary standards of due diligence to identify and locate mineral interest owners for tracts contained within the proposed unit. Further Ascent Resources – Utica, LLC understands DOGRM expects Ascent Resources – Utica, LLC to provide to DOGRM updated mineral interest owner information, if any, as soon as is practicable, and understands that updated information may result in a new or rescheduled unitization hearing.
9. Nothing in this Affidavit shall constitute a waiver of right in law or equity by the DOGRM or Ascent Resources – Utica, LLC.

10. Affiant states that the above statements are true and accurate to the best of Affiant's knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Mike Ruiz II
Mike Ruiz II

JURAT CERTIFICATE

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

Sworn to and subscribed before me this 22nd day of June, 2022, by Mike Ruiz II. This is a jurat certificate; an oath or affirmation was administered to the signer with regard to this notarial act.



Amanda Krewall

Notary Public

Printed Name: Amanda Krewall

My Commission Expires: 7/27/23

**STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT**

In re the Matter of the Application of :
Ascent Resources – Utica, LLC for :
Unit Operation :
:
Bannock N UNN BL Unit

WORKING INTEREST OWNER APPROVAL

Ascent Resources – Utica, LLC (“Applicant”) has prepared and/or filed an application asking the Chief of the Division of Oil and Gas Resources Management to issue an order authorizing Applicant to operate the Bannock N UNN BL Unit, located in Belmont County, Ohio, and consisting of seventy-six (76) separate tracts of land covering approximately 669.882 acres, according to the Unit Plan attached thereto (the “Application”).

Applicant is an owner (as that term is defined in Ohio Revised Code § 1509.01(K)) in seventy-one (71) tracts of land covering approximately 533.457 acres contained in the Bannock N UNN BL Unit, or 79.634398% of the lands in the unit, all as more specifically described on attached Exhibit 1.

Pursuant to Ohio Revised Code § 1509.28(A), Applicant hereby approves, and supports the making of, the Application (including without limitation the Unit Plan attached thereto), and further commits the above acreage to the Bannock N UNN BL Unit.

Ascent Resources - Utica, LLC

By: DocuSigned by:
Kade R Smith
E0E05CA05DD04BE...
Kade R. Smith
Attorney-in-Fact

Date: 6/22/2022

Exhibit 1

<u>Tract Number</u>	<u>Mineral Owner</u>	<u>Net Mineral Acres</u>	<u>Parcel ID Number</u>
1a	Capstone Holding Company	0.926	39-00525.000
1c	Jorden Family MR, LLC	17.659	39-00525.000
	Capstone Holding Company		
2	Trustees of Union Township	0.011	39-60043.000
3	Charles G. Melchiori, Jr.	0.759	39-00527.000
3	Martha Stockert	0.759	39-00527.000
3	The Unknown Heirs of Nancy Gilli, deceased	0.759	39-00527.000
3	Alice Robinson	0.759	39-00527.000
3	Naomi Calovini	0.759	39-00527.000
4	Lisa K. Arnold, as survivorship tenant	0.693	51-00014.000
	Kris R. Chini, as survivorship tenant		
5b	Jorden Family MR, LLC	22.150	51-00221.000
	Capstone Holding Company		
6	Michael S. Drake	1.158	51-00146.003
7a	Jorden Family MR, LLC	26.690	51-00146.001
	Michael S. Drake		
7b	Michael S. Drake	12.525	51-00146.001
8a	Jorden Family MR, LLC	7.203	51-00146.000
8b	Lisa K. Arnold, as survivorship tenant	4.316	51-00146.000
	Kris R. Chini, as survivorship tenant		
9	Edward Chini, Sr.	80.289	51-00432.000
	Jorden Family MR, LLC		
10	The James P. Shippy Irrevocable Trust, by Tracie A. Campbell, Trustee	0.107	51-00214.002
11	Ohio River Collieries Company	1.025	51-00195.000
12	Jorden Family MR, LLC	0.123	51-00071.000
13	Capstone Holding Company	1.000	51-00072.000
14	Jorden Family MR, LLC	1.011	51-00078.000
15	Jorden Family MR, LLC	0.084	51-00433.000
	Ohio River Collieries Company		
16	Capstone Holding Company	0.999	51-00435.000

17	Capstone Holding Company	0.998	51-00421.000
18	Jorden Family MR, LLC	0.074	51-00421.000
	Ohio River Collieries Company		
19	Jorden Family MR, LLC	0.925	51-00419.000
	Erin D. Scott		
20	Jorden Family MR, LLC	0.102	51-00419.000
	Ohio River Collieries Company		
21	Jorden Family MR, LLC	1.270	51-00112.000
	Patricia T. Locke		
22	Robert J. Kolanski and wife Deborah L. Kolanski, as survivorship tenants	0.339	51-00022.000
23	Robert J. Kolanski and wife Deborah L. Kolanski, as survivorship tenants	0.501	51-00023.000
24	Michael Magnani and wife, Kelly Magnani, as survivorship tenants	1.000	51-00227.002
25	Jorden Family MR, LLC	0.833	51-00145.000
	Edward Chini, Sr.		
26	Charles D. Marano, Sr. and wife, Patricia L. Marano	1.003	51-00227.001
27	Capstone Holding Company	1.001	51-00394.002
28	Charles D. Marano, Sr. and wife, Patricia L. Marano, as survivorship tenants	0.986	51-00049.000
29	Capstone Holding Company	1.002	51-00434.001
30	Steve E. Forro and wife, Michele R. Forro, as survivorship tenants	0.992	51-00080.000
31	Capstone Holding Company	1.004	51-00111.000
32	Terri J. Tyrell	0.992	51-00093.000
33	Capstone Holding Company	1.007	51-00394.001
34	Bradly L. McGrath	0.992	51-00089.000
35a	Jorden Family MR, LLC	0.015	51-00394.000
	Ohio River Collieries Company		
35b	Capstone Holding Company	58.264	51-00394.000
36	Bounty Minerals, LLC	25.435	51-00227.000
37	Bounty Minerals, LLC	2.346	51-00228.000
38	Edward Chini, Sr. (Life Tenant)	12.096	51-00241.001
	The Edward Chini Jr. Trust dated May 21, 2018, by Trustee Edward Chini, Jr. (Remainderman)		
39	John A. Humphrey	27.271	51-00189.000

40	John A. Humphrey	3.340	51-00189.001
41	Dwain E. Knight and wife, Ann L. Knight, as survivor- ship tenants	1.145	51-00079.000
42	Ronaldo M. Michelena	0.801	51-00018.004
42	Island Resources	0.801	51-00018.004
42	Golden Eagle Resources II, LLC	2.242	51-00018.004
43	Ronaldo M. Michelena	0.679	51-00018.006
43	Island Resources	0.679	51-00018.006
43	Golden Eagle Resources II, LLC	1.901	51-00018.006
44	Ronaldo M. Michelena	0.563	51-00018.000
44	Island Resources	0.563	51-00018.000
44	Golden Eagle Resources II, LLC	1.576	51-00018.000
45	Richard Louis Nucci	1.360	51-00081.000
46	Ronaldo M. Michelena	0.166	51-00018.005
46	Island Resources	0.166	51-00018.005
46	Golden Eagle Resources II, LLC	0.464	51-00018.005
47	Ronaldo M. Michelena	0.000	51-00018.009
47	Island Resources	0.000	51-00018.009
47	Golden Eagle Resources II, LLC	0.001	51-00018.009
48	Ronaldo M. Michelena	0.090	51-00018.003
48	Island Resources	0.090	51-00018.003
48	Golden Eagle Resources II, LLC	0.251	51-00018.003
49	Ronaldo M. Michelena	0.191	51-00018.002
49	Island Resources	0.191	51-00018.002
49	Golden Eagle Resources II, LLC	0.536	51-00018.002
50	Ronaldo M. Michelena	0.207	51-00018.001
50	Island Resources	0.207	51-00018.001
50	Golden Eagle Resources II, LLC	0.579	51-00018.001
51	Chris Howard Vance	1.305	51-00096.000
52	Ronaldo M. Michelena	0.656	51-00036.000
52	Island Resources	0.656	51-00036.000
52	Golden Eagle Resources II, LLC	1.836	51-00036.000
53	Golden Eagle Resources II, LLC	2.476	51-00209.000
53	Joseph Kevin Mudrak	2.476	51-00209.000

54	Ernest C. Banks, Jr., and wife, Kate E. Banks, as survivorship tenants	0.628	51-00239.000
55	Travis A. Pinkston	0.914	51-00422.003
56	Travis A. Pinkston	0.150	51-00066.000
57	Travis A. Pinkston	0.078	51-00067.000
58	Shirley Jeffers	42.691	51-00210.000
59	Ronaldo M. Michelena	8.149	51-00191.000
59	Island Resources	8.149	51-00191.000
59	Golden Eagle Resources II, LLC	22.816	51-00191.000
60	Ronaldo M. Michelena	0.161	51-00191.001
60	Island Resources	0.161	51-00191.001
60	Golden Eagle Resources II, LLC	0.450	51-00191.001
61	Ronaldo M. Michelena	0.015	51-00191.002
61	Island Resources	0.015	51-00191.002
61	Golden Eagle Resources II, LLC	0.041	51-00191.002
62	Ronaldo M. Michelena	0.025	51-00191.003
62	Island Resources	0.025	51-00191.003
62	Golden Eagle Resources II, LLC	0.071	51-00191.003
63	Ronaldo M. Michelena	1.061	51-00204.000
63	Island Resources	1.061	51-00204.000
63	Golden Eagle Resources II, LLC	2.972	51-00204.000
64	Paul E. White	6.497	51-00235.000
64	The Estate of Thaddeus J. White, deceased	6.497	51-00235.000
65	Marilyn Kay White	0.064	51-00121.000
65	The Estate of Thaddeus J. White, deceased	0.064	51-00121.000
66	Paul E. White	0.006	51-00122.000
66	The Estate of Thaddeus J. White, deceased	0.006	51-00122.000
67	John P. Dutton and wife, Rita G. Dutton, as survivorship tenants	9.452	51-00172.000
71	Ohio River Collieries Company	50.767	51-00398.000
72	Ascent Utica Minerals, LLC	10.410	51-00173.000
73	John P. Dutton and wife, Rita G. Dutton, as survivorship tenants	8.623	51-00176.000
75	Ryan Watson	1.036	51-00230.001
	TOTAL ACRES IN UNIT	533.457	

Additional Leases with Adverse Owners:

<u>Tract Number</u>	<u>Adverse Mineral Owner</u>	<u>Potential Net Mineral Acres</u>	<u>Parcel ID Number</u>
1b	Karen Bowman	1.250	39-00525.000
	Jamie Lamb		
	Janice Gwin		
	Greg Gilli		
	Cheryl Butler		
	Michael Gilli		
1b	Capstone Holding Company	6.248	39-00525.000
3	Ohio River Collieries Company	3.796	39-00527.000
3	Karen Bowman	0.759	39-00527.000
	Jamie Lamb		
	Janice Gwin		
	Greg Gilli		
	Cheryl Butler		
	Michael Gilli		
5a	Karen Bowman	0.607	51-00221.000
	Jamie Lamb		
	Janice Gwin		
	Greg Gilli		
	Cheryl Butler		
	Michael Gilli		
7a	Michael S. Drake	26.690	51-00146.001
72	Ascent Utica Minerals, LLC	10.410	51-00173.000
72	Donald Hadley Albrecht	6.940	51-00173.000
	The Richards Revocable Trust dated 12/12/1995, by Donald Hadley Albrecht, Trustee		
	Jean Hadley Richards, by Personal Representative, Donald Hadley Albrecht		
	The Unknown Heirs of Jean H. Richards, deceased		
	Richard Luther Albrecht		
	Carol Davis LaVine		
	Pamela Davis McCrillis		
	Sylvia Stuart Flutcher		

	Anthony Donald Vetta		
	Andrew Dean Fox		
	Stacy Lynne Richards		
	Robert Timothy McCrillis		
	Tamara Jean Snaith		
	Chad Edward LaVine		
72	James H. Jackson	3.470	51-00173.000
	Sheryl L. Morelli		
	Ronald J. Agresta		
	Michelle A. Hall		
	Heather S. Deters		
	Wendy S. Giambrone		
75	Donald Hadley Albrecht	0.345	51-00230.001
	The Richards Revocable Trust dated 12/12/1995, by Donald Hadley Albrecht, Trustee		
	Jean Hadley Richards, by Personal Representative, Donald Hadley Albrecht		
	The Unknown Heirs of Jean H. Richards, deceased		
	Richard Luther Albrecht		
	Carol Davis LaVine		
	Pamela Davis McCrillis		
	Sylvia Stuart Flutcher		
	Anthony Donald Vetta		
	Andrew Dean Fox		
	Stacy Lynne Richards		
	Robert Timothy McCrillis		
	Tamara Jean Snaith		
	Chad Edward LaVine		
75	James H. Jackson	0.173	51-00230.001
	Sheryl L. Morelli		
	Ronald J. Agresta		
	Michelle A. Hall		
	Heather S. Deters		
	Wendy S. Giambrone		
	TOTAL POTENTIAL ACRES IN UNIT	60.687	

**STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT**

In re the Matter of the Application of Ascent :
Resources – Utica, LLC for Unit Operation :
: :
:
:
Bannock N UNN BL Unit :

**PREPARED TESTIMONY OF PAUL COOPER
ON BEHALF OF ASCENT RESOURCES – UTICA, LLC**

Gregory D. Russell (0059718)
James A. Carr II (0084114)
Mark A. Hylton (0088384)
VORYS, SATER, SEYMOUR AND PEASE LLP
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P. O. Box 1008
Columbus, Ohio 43216-1008

Attorneys for Applicant,
Ascent Resources – Utica, LLC

PREPARED DIRECT TESTIMONY OF PAUL COOPER

1 **INTRODUCTION**

2 **Q1. Please introduce yourself to the Division.**

3 A1. My name is Paul Cooper and I am a Geologist employed by Ascent Resources –
4 Utica, LLC (“Ascent”). My business address is 3501 Northwest 63rd Street, Okla-
5 homa City, Oklahoma 73116.

6 **Q2. Can you please describe your educational background?**

7 A2. I hold a Bachelor of Science degree in Geology from Virginia Polytechnic Institute
8 and State University (Virginia Tech).

9 **Q3. Would you briefly describe your professional experience?**

10 A3. I entered the Oil and Gas industry in March of 2007, and I have worked in both
11 service company and operator positions in various roles across several basins for the
12 past fifteen years. I started as a consultant Wellsite Geologist serving geological
13 needs on drilling rigs, which included mudlogging, gas detection, geo-steering, core
14 and wireline supervision, and general consulting. I fulfilled this role for numerous
15 operators in the Williston, DJ, Powder River, and Appalachian basins, giving me a
16 vast amount of unconventional operational experience. Transitioning into working
17 for an operator, I was employed as an Operations Geologist for five years, primarily
18 at Ascent, supervising the geologic needs of operating drilling rigs. In the past four
19 years, I switched to a more analytical role, becoming a Geologist at Ascent. Due to
20 my positions with Ascent, the majority of my operator experience is in Appalachian
21 Basin unconventional operations.

22 **Q4. Are you a member of any professional associations?**

23 A4. I am a member of the American Association of Petroleum Geologists.

24 **Q5. What do you do as a Geologist for Ascent?**

25 A5. In my current role at Ascent, my time is primarily spent interpreting and integrating
26 subsurface data into our workflows. This is most clearly expressed by creating and
27 maintaining our subsurface maps for use across a variety of disciplines as well as
28 helping quality control the data used to generate maps. Additional responsibilities
29 include reviewing geological exhibits to land to verify the geological accuracy of

1 their documentation (such as unitization agreements), aiding in the integration of op-
2 erational data into our analyses, and in general being a geologic resource to other
3 departments within Ascent. Previous to my analytical role at Ascent, I was respon-
4 sible for the prognosis and active geosteering of wells being drilled, integrating with
5 the drilling department to maximize accuracy and efficiency of drilling targeting.

6 **Q6. What goes into the Utica/Point Pleasant Formation development process?**

7 A6. The development process starts with the detailed mapping of various rock/reservoir
8 properties to determine the optimum locations for developing commercial quantities
9 of producible hydrocarbons. This determination is made by gathering and analyzing
10 data from a variety of sources, including wireline well logs, measurements from core
11 material retrieved from a wellbore, and seismic surveys. The development process
12 also includes determining the optimum azimuth for a horizontal wellbore in order to
13 achieve the most efficient reservoir production. This determination is made from a
14 variety of data types, such as wellbore image data, microseismic surveys, and wire-
15 line log data. The preferred azimuth direction of the wellbore, or lateral, is based on
16 how the target formation will behave when hydraulically fractured during the com-
17 pletion process. As is the case with most operators in the Utica play, we drill our
18 wells perpendicular to the maximum current day horizontal stress direction to gener-
19 ate the most effective hydraulic fracture pattern within the reservoir, thereby draining
20 the reservoir as efficiently as possible. In this area of Belmont County, where the
21 Bannock N UNN BL Unit is located, this stress direction is roughly N60°E by
22 S60°W. Therefore, our laterals are drilled perpendicular to this direction at approx-
23 imately N30°W by S30°E. Once we have determined the optimum wellbore azimuth,
24 we search for viable surface locations to construct well pads to most efficiently de-
25 velop our Utica/Point Pleasant mineral leasehold. The horizontal wells, or laterals,
26 are then planned to originate from these surface locations and are drilled on specific
27 dates based on a variety of factors. It is ideal to find well pads that are suitable for
28 multi-well development because this minimizes surface impact and makes the drill-
29 ing and completion process much more efficient than single well pads. Once the well
30 pad locations have been negotiated and settled with the surface owners, we coordi-
31 nate with licensed surveyors and our internal regulatory department to secure well

1 permits. We also work with directional planning consultants to create suitable well-
2 bore plans, or directional plans, which allow us to drill horizontally, often over
3 10,000 feet. Finally, we communicate with the drilling consultants and contractors
4 on the well pad location to successfully drill the lateral wellbore in the targeted strat-
5igraphic interval; this process, of guiding the drill bit, is called “geosteering” the well.
6 After the wells are drilled on a particular well pad, the completion engineers design
7 a hydraulic fracture program that takes in to account a variety of factors, including
8 the geomechanical properties of the strata, well spacing, logistics, and economics.
9 After these wells have been drilled and completed (i.e., hydraulically fractured), they
10 are connected to a gathering system and the wells are “turned in line” as producing
11 wells.

12 **Q7. What is the purpose of your testimony today?**

13 A7. I am testifying in support of the *Application of Ascent Resources – Utica, LLC for*
14 *Unit Operation* (the “Application”), with respect to the Bannock N UNN BL Unit,
15 consisting of seventy-six (76) separate tracts of land totaling approximately 669.882
16 acres in Belmont County, Ohio. My testimony will show that the Unitized Formation
17 described in the Application is part of a pool and thus an appropriate subject of
18 unitization. Additionally, my testimony will support the Unit Plan’s allocation of unit
19 production and expenses to separately owned tracts on a surface-acreage basis, based
20 on the unit area’s nearly uniform thickness and substantially identical geological
21 characteristics throughout.

22 **UNITIZED FORMATION IS PART OF A POOL.**

23 **Q8. To begin, would you tell me what a “pool” is?**

24 A8. A pool is generally understood to be an area of geologically consistent reservoir
25 properties such as thickness, porosity, permeability, and rock type that share an
26 accumulation of hydrocarbons. This is consistent with the Ohio statutory definition
27 of a pool, which is “an underground reservoir containing a common accumulation of
28 oil or gas, or both, but does not include a gas storage reservoir.”

29 **Q9. How is the Unitized Formation defined for the Bannock N UNN BL Unit?**

30 A9. It is defined as the subsurface portion of the Bannock N UNN BL Unit at a
31 stratigraphic interval that is from the top of the Utica Shale Formation to the base of

1 the Utica Shale Formation, which includes the Point Pleasant interval, as more
2 particularly indicated in Attachment 1.

3 **Q10. Do you have an opinion on whether or not the Unitized Formation contemplated**
4 **by the Bannock N UNN BL Unit constitutes a pool or part of a pool?**

5 A10. Yes. It is my opinion, based on my education and professional experience, that the
6 Unitized Formation is part of a pool.

7 **Q11. Why?**

8 A11. Ascent believes the Point Pleasant interval and the encompassing Utica Shale For-
9 mation are both part of the same pool in the proposed Bannock N UNN BL Unit.
10 Based on our analysis of the geological data, which includes wireline logs, core test-
11 ing, image logs, and microseismic data, we think most of the production is from the
12 Point Pleasant interval. However, a small portion of the oil and gas accumulation
13 occurs within that portion of Utica Shale Formation above the Point Pleasant interval.
14 And even though we will drill and target the Point Pleasant interval, some portion of
15 the Utica Shale Formation above the Point Pleasant interval will also be accessed by
16 way of the rock matrix and natural and induced fracturing.

17 **Q12. What data sources did Ascent use in determining the geologic features of the**
18 **Bannock N UNN BL Unit?**

19 A12. We used wireline logs from surrounding wells, core data from the Wagner Unit 1 well
20 (API #: 34067210620000) located about 4 miles northwest of the proposed Bannock
21 N UNN BL Unit, and structural information from previously drilled horizontal wells
22 throughout the area.

23 **Q13. Did you prepare any exhibits to support your opinion?**

24 A13. Attachment 2, Exhibit 1, is a subsea structure map of the Point Pleasant interval
25 around the proposed Bannock N UNN BL Unit, which is outlined in blue. From the
26 structure map, there is no reason to think there are any structural features that would
27 separate the Utica/Point Pleasant reservoir within the proposed Bannock N UNN BL
28 Unit. Attachment 2, Exhibit 2, is a stratigraphic cross-section of two key vertical
29 wells near the proposed Bannock N UNN BL Unit, being the Wagner Unit 1 and
30 Capstone Holdings 2P-9. See Attachment 2, Exhibit 1, for location of the cross-sec-
31 tion wells. The log data curves displayed in both wells are the gamma ray in the left

1 track and the deep resistivity in the right track. As seen on this exhibit, the log data
2 demonstrates that the Utica/Point Pleasant Formation stratigraphy is very consistent
3 and does not significantly change near the proposed Bannock N UNN BL Unit. Ge-
4 ologic properties in general, like thickness and resistivity, are laterally consistent
5 throughout the proposed unit.

6 **Q14. How does this data support your opinion that the Bannock N UNN BL Unit**
7 **should be considered a part of a pool?**

8 A14. The log data demonstrate that formation thickness remains relatively constant across
9 the proposed Bannock N UNN BL Unit. Porosity and resistivity will be relatively
10 uniform across the unit. Based on the foregoing, in my professional opinion, the area
11 within the proposed Bannock N UNN BL Unit boundary is all one geologic unit, or
12 part of the same pool.

13 **Q15. And is this a commonly accepted method of analysis in your profession for**
14 **determining whether a pool or part of a pool exists?**

15 A15. Yes.

16 ALLOCATION METHODOLOGY

17 **Q16. Production and expenses are allocated to the separate tracts in the Bannock N**
18 **UNN BL Unit under the Unit Plan on a surface-acreage basis. Do you have an**
19 **opinion on whether that allocation method is appropriate, given your education**
20 **and professional experience?**

21 A16. Yes. In my opinion, allocation on a surface-acreage basis is appropriate.

22 **Q17. Why?**

23 A17. The relative thickness and reservoir qualities of the Utica/Point Pleasant Formation
24 are expected to be consistent across the Bannock N UNN BL Unit. There are no
25 substantial variations expected across the proposed unit and therefore there is no ge-
26 ologic reason to allocate production using a method other than surface acreage.

27 **Q18. In your experience, is this a common method for allocating production and**
28 **expenses?**

29 A18. Yes.

30 **Q19. Have you seen this allocation method used in other shale basins?**

- 1 A19. Yes. Ascent has used this method on all the units that we have drilled in Ohio to date.
- 2 To my knowledge, similar methods are used in West Virginia, Pennsylvania, Texas,
- 3 Louisiana, and Oklahoma.
- 4 **Q20. Does this conclude your testimony?**
- 5 A20. Yes

**STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT**

In re the Matter of the Application of Ascent :
Resources – Utica, LLC for Unit Operation :
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:
Bannock N UNN BL Unit :

**PREPARED TESTIMONY OF JOSEPH KRENGER
ON BEHALF OF ASCENT RESOURCES – UTICA, LLC**

Gregory D. Russell (0059718)
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52 East Gay Street
P. O. Box 1008
Columbus, Ohio 43216-1008

Attorneys for Applicant,
Ascent Resources – Utica, LLC

PREPARED DIRECT TESTIMONY OF JOSEPH KRENGER

1 **INTRODUCTION.**

2 **Q1. Please introduce yourself to the Division.**

3 A1. My name is Joseph Krenger. I am a Reservoir Engineer II with Ascent Resources –
4 Utica, LLC (“Ascent”). My business address is 3501 NW 63rd St, Oklahoma City,
5 OK 73116.

6 **Q2. Can you please describe your educational background?**

7 A2. I hold a Bachelor of Science degree in Petroleum Engineering from the University of
8 Oklahoma.

9 **Q3. Would you briefly describe your professional experience?**

10 A3. I have more than 10 years of Engineering experience in the upstream E&P sector. I
11 began my career with Devon Energy after college in 2011. I spent the first few years
12 rotating through their Emerging Professionals development program before being
13 more permanently placed within their East Texas asset team. From there, I have
14 served as a Reservoir Engineer for their East Texas and Barnett Shale assets. I served
15 as the reservoir engineering representative over their East Texas and Southern Barnett
16 Shale divestitures. I transitioned to Ascent in March 2019 as a Reservoir Engineer
17 II. Since working for Ascent, I have had a hand in our type curve development,
18 development team planning, reserves estimation and A&D valuations.

19 **Q4. Are you a member of any professional associations?**

20 A4. Yes. I am currently a member of the Society of Petroleum Engineers.

21 **Q5. What do you do as a Reservoir Engineer for Ascent?**

22 A5. As a Reservoir Engineer at Ascent, I am responsible for quantifying hydrocarbon
23 volumes in the Utica/Point Pleasant and Marcellus Shale Formations. This work is
24 utilized in reserve/resource estimation, opportunity assessment, and development
25 optimization activities. In addition, I coordinate data gathering activities such as well
26 testing, PVT analysis, and pressure/temperature measurements, which are all
27 performed in order to better understand the reservoir and forecast well performance
28 more accurately. Some of the tools I use to estimate reserves include decline curve
29 analysis, rate transient analysis, reservoir modeling/simulation, and volumetric
30 calculations.

1 **Q6. What is the purpose of your testimony today?**

2 A6. I am testifying in support of the *Application of Ascent Resources – Utica, LLC for*
3 *Unit Operation* (the “Application”), with respect to Bannock N UNN BL Unit,
4 consisting of seventy-six (76) separate tracts of land totaling approximately 669.882
5 acres in Belmont County, Ohio. My testimony addresses the following: (i) that unit
6 operations for the Bannock N UNN BL Unit are reasonably necessary to increase
7 substantially the ultimate recovery of oil and gas, and (ii) that the value of the
8 estimated additional recovery due to unit operations exceeds its estimated additional
9 costs.

10 **UNIT OPERATIONS ARE REASONABLY NECESSARY TO INCREASE**
11 **SUBSTANTIALLY THE ULTIMATE RECOVERY OF OIL AND GAS.**

12 **Q7. Have you made an estimate of the production you anticipate from the proposed**
13 **Bannock N UNN BL Unit assuming an order authorizing unit operations is**
14 **granted?**

15 A7. Yes, it is estimated that if the Bannock N UNN BL Unit was developed by drilling
16 two (2) well(s) projected to be 12,513 and 12,530 feet in completed lateral length,
17 then 669.882 acres would be effectively developed and 41.382 BCFe of natural gas
18 would be recovered. The calculations are summarized in Attachment 2, Exhibit 5.

19 **Q8. How did you make these estimates?**

20 A8. Using offset well production data, analogous shale plays, decline curve analysis and
21 reservoir modeling/simulation, type curves for similiar wells in the Utica/Point
22 Pleasant Shale were generated. The reserves applied to the well(s) in the Bannock N
23 UNN BL Unit have been estimated based on these type curves. This process is
24 recognized throughout all North American unconventional shale plays and industry
25 accepted assumptions and practices were adhered to.

26 **Q9. Have you made an estimate of the production you anticipate from the proposed**
27 **Bannock N UNN BL Unit assuming an order authorizing unit operations is *not***
28 **granted?**

29 A9. Yes, the results of my calculations are summarized in Attachment 2, Exhibit 5. If an
30 order authorizing unit operations is not granted, Ascent would not be able to complete
31 any lateral feet within the unitized unit. This would also eliminate any recovery of oil

1 or natural gas. The stimulated lateral length reduction is a result of the inability to
2 complete segments within our unit boundary subject to unleased tracts and “stand-
3 off” requirements.

4 **Q10. In your professional opinion, would it be economic to develop the Bannock N**
5 **UNN BL Unit using traditional vertical drilling?**

6 A10. No, vertical well drilling is more applicable in a thicker, more permeable productive
7 interval. Horizontal drilling in conjunction with multi-stage hydraulic fracturing is
8 necessary in tight shale formations such as the Utica/Point Pleasant. This technique
9 has the effect of increasing the surface area exposed to the formation and in turn
10 provides more conduits by which the hydrocarbons can be drained. Without
11 horizontal drilling and stimulation, the permeability is too low to produce sufficient
12 quantities of hydrocarbons to economically justify the cost of development.

13 **Q11. Summarize what your calculations show and the differences between unitized**
14 **vs non-unitized development?**

15 A11. The results of my calculations are summarized in Attachment 2, Exhibit 5. Taking
16 the difference between the unitized and non-unitized development plan, we would
17 lose all producible lateral length. This results in a loss in recoverable reserves of
18 roughly 41.382 BCFe of natural gas.

19 **Q12. Do you believe that the proposed unit operations are reasonably necessary to**
20 **increase substantially the ultimate recovery of oil and gas from the unit area?**

21 A12. Yes, I believe the proposed unit operations are reasonably necessary to increase and
22 best effectively extract the oil and gas reserves for this immediate area. Not doing so
23 would result in a loss of value to all parties involved and make developing the “left
24 behind” reserves economically un-justifiable.

25 **VALUE OF ESTIMATED ADDITIONAL RECOVERY EXCEEDS ITS**
26 **ESTIMATED ADDITIONAL COSTS**

27 **Q13. Let’s turn to the financial side of the project. Generally, in your professional**
28 **experience, how would the economics of a development project such as the**
29 **development of the Bannock N UNN BL Unit be evaluated?**

30 A13. During the reserve estimation process, a production profile that is proportional to the
31 stimulated lateral length was generated to estimate produced volumes over time for

1 the well(s). This, along with a specific pricing scenario, is essential in generating
2 revenues attributable to a well or a project.

3 **Q14. Did you do that here?**

4 A14. Yes, the results of that evaluation are summarized in Attachment 2, Exhibit 5.

5 **Q15. Would you walk us through your economic evaluation, beginning with your
6 estimate of the anticipated revenue stream from the Bannock N UNN BL Unit's
7 development?**

8 A15. I took the estimated ultimate recovery and multiplied it by the NYMEX strip gas and
9 oil prices as of the close of 3/31/2022.

10 **Q16. What about anticipated capital and operating expenses?**

11 A16. Capital and operating expenses were incorporated in my analysis. The total
12 estimated capital is based on the capital costs for both the drilling and completion
13 process. The basis for this estimate comes from recent costs we have experienced
14 and incurred in our Utica drilling program. Our operations group calculates a cost
15 for various lateral lengths that are then scaled based on the respective lateral length(s)
16 of the well(s) in the Bannock N UNN BL Unit. The operating expenses are based on
17 operating experience we have from similar operating areas in Ohio. I look at total
18 operating costs allocated to the well(s). The costs are then categorized as a fixed or
19 variable cost. Operating costs incorporated in this analysis are both fixed and
20 variable cost estimates.

21 **Q17. Did you consider whether the Bannock N UNN BL Unit could be developed
22 using a different, smaller unit or by locating the well pad somewhere else?**

23 A17. Yes, however, there was not a feasible solution for alternative development. Other
24 potential locations were ruled out due to ownership, topography, and setback from
25 dwelling requirements that made it difficult to locate an alternative pad site that
26 would be suitable to develop all of the minerals. Thus, developing the Bannock N
27 UNN BL Unit from the location demonstrated on Attachment 2, Exhibit 3, will
28 maximize efficiency, minimize surface disturbance, and is the sensible decision
29 operationally, environmentally and economically.

1 **Q18. Based on this information and your professional judgment, does the value of the**
2 **estimated additional recovery from the unitized project exceed its estimated**
3 **additional costs?**

4 A18. Yes. The capital expense is \$16.677 million for the unitized project, compared to \$0
5 for the non-unitized project. The undiscounted value of future cash flows from the
6 unitized project is \$123.217 million, compared to \$0 for the non-unitized project.
7 The net present value of future cash flows (assuming a discount rate of 10%) from
8 the unitized project is \$54.696 million, compared to \$0 for the non-unitized project.
9 Thus, the value of the estimated additional recovery from the unitized project exceeds
10 its estimated additional costs.

11 **Q19. Does this conclude your testimony at this time?**

12 A19. Yes

13

**STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS RESOURCES MANAGEMENT**

In re the Matter of the Application of Ascent :
Resources – Utica, LLC for Unit Operation :
:
:
Bannock N UNN BL Unit :

**PREPARED TESTIMONY OF MIKE RUIZ II
ON BEHALF OF ASCENT RESOURCES – UTICA, LLC**

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PREPARED DIRECT TESTIMONY OF MIKE RUIZ II

1 **INTRODUCTION.**

2 **Q1. Please introduce yourself to the Division.**

3 A1. My name is Mike Ruiz II. I am a District Landman with Ascent Resources – Utica,
4 LLC (“Ascent”). My business address is 3501 N.W. 63rd Street, Oklahoma City, OK
5 73116.

6 **Q2. Can you please describe your educational background?**

7 A2. I have a Bachelor of Science degree in Secondary Education from Oklahoma Baptist
8 College, and a Master of Business Administration from Liberty University.

9 **Q3. Would you briefly describe your professional experience?**

10 A3. My land career began when I started working for Chesapeake Energy in 2008, and I
11 worked for Chesapeake Energy for 12 years. From 2008 through 2013, I worked as
12 a Title Landman for Chesapeake working the states of Oklahoma, West Virginia, and
13 Ohio identifying mineral owners and verifying the validity of leases. In 2013, I tran-
14 sitioned to working as an Exploration Landman for Chesapeake putting horizontal
15 units together in Oklahoma and Texas through 2020. In 2021, I started working for
16 Ascent as a District Landman putting horizontal units together in Ohio. My experi-
17 ence includes assisting with multi-rig development programs at multiple companies
18 working in the Utica Shale play in Ohio and West Virginia and the Eagleford Shale
19 play in Texas, and multiple conventional plays in Oklahoma which were developed
20 by unconventional horizontal drilling.

21 **Q4. Are you a member of any professional associations?**

22 A4. I am a member of and a Certified Professional Landman (CPL) with the American
23 Association of Professional Landmen (AAPL), and I am also a member of the Okla-
24 homa City Association of Professional Landmen (OCAPL).

25 **Q5. What do you do as a District Landman for Ascent?**

26 A5. I am responsible for managing field brokers, negotiating lease acquisitions, and
27 handling title matters for our operations in the Utica Shale. I have also been
28 responsible for overseeing our unitization efforts with regard to the Bannock N UNN
29 BL Unit.

30 **Q6. What is the purpose of your testimony today?**

1 A6. I am testifying in support of the *Application of Ascent Resources – Utica, LLC for*
2 *Unit Operation* (the “Application”), with respect to the Bannock N UNN BL Unit,
3 consisting of seventy-six (76) separate tracts of land totaling approximately 669.882
4 acres in Belmont County, Ohio. In particular, I will describe the efforts made by
5 Ascent to put the Bannock N UNN BL Unit together and the Unit Plan that Ascent
6 is proposing.

7 **EFFORTS MADE BY ASCENT TO LEASE UNIT TRACTS.**

8 **Q7. What percentage of the total acreage of the Bannock N UNN BL Unit is**
9 **represented by the oil and gas rights held by Ascent?**

10 A7. Ascent controls more than 79% of the working interest in the unit.

11 **Q8. Why was Ascent not able to acquire the oil and gas rights to all of the acreage**
12 **in the Bannock N UNN BL Unit?**

13 A8. Ascent employees or representatives are still actively engaged in trying to lease the
14 remaining unleased parcels. Ascent is confident that it has made and continues to
15 make diligent efforts to lease the unleased mineral owners within the proposed unit
16 area and that its oil and gas lease offers are fair considering the level of competition
17 for new leases in the area and the amount of primary term needed to develop the
18 proposed unit.

19 **Q9. Have you prepared an affidavit detailing Ascent’s efforts to obtain leases from**
20 **the unleased mineral owners in the Bannock N UNN BL Unit?**

21 A9. Attachment 2, Exhibit 8 highlights Ascent’s efforts to obtain leases on the remaining
22 unleased tracts of land.

23 **Q10. If an unleased mineral owner was to ask to lease with Ascent, would Ascent be**
24 **likely to agree?**

25 A10. Yes. Ascent is willing to lease on reasonable, fair market value terms for the
26 geographic area in which Ascent’s proposed unit is located.

27 **Q11. Could you describe the location of the leased and unleased tracts within the**
28 **Bannock N UNN BL Unit?**

29 A11. Yes. Attachment 2, Exhibit 3 is a colored plat showing each of the tracts in the
30 Bannock N UNN BL Unit, along with the wellbore(s) in same. The tracts highlighted
31 in yellow indicate that Ascent has acquired the necessary rights to fully develop the

1 oil and gas thereunder. The tracts highlighted in red indicate that the tract is unleased
2 or partially unleased.

3 **Q12. Do you have an aerial plat of the Bannock N UNN BL Unit?**

4 A12. Yes, I've attached one as Attachment 2, Exhibit 4.

5 **UNIT PLAN PROVISIONS.**

6 **Q13. Would you describe generally the development plan for the Bannock N UNN
7 BL Unit?**

8 A13. Ascent plans to develop the Bannock N UNN BL Unit from a well pad that is located
9 outside the southern end of the Bannock N UNN BL Unit. From that pad, Ascent
10 plans to drill two (2) horizontal well(s) into the Bannock N UNN BL Unit. These
11 wells are projected to be 12,513 and 12,530 feet in completed lateral length, as shown
12 on Attachment 2, Exhibit 3.

13 **Q14. Does Ascent have a specific timeline for drilling the well(s) in the Bannock N
14 UNN BL Unit?**

15 A14. Ascent intends to spud the Bannock N UNN WHL BL 1H and 3H wells in the fourth
16 quarter of 2022.

17 **Q15. Does Ascent have any other development activity in the immediate area?**

18 A15. Yes, please see Attachment 2, Exhibit 6, which depicts Ascent's units in the area of
19 the Bannock N UNN BL Unit.

20 **Q16. Are you familiar with the Unit Plan proposed by Ascent for the Bannock N UNN
21 BL Unit?**

22 A16. Yes. The Unit Plan proposed by Ascent is attached to the Application and consists
23 of an initial document that establishes the non-operating relationship between the
24 parties in the unit, and an operating agreement and related exhibits that establish how
25 the unit is going to be explored, developed, and produced.

26 **Q17. Turning first to the body of the Unit Plan, marked as Attachment 1 to the
27 Application. Would you describe briefly what it does?**

28 A17. Yes. The general intent of the Unit Plan is to effectively combine the oil and gas
29 rights and interests in the Bannock N UNN BL Unit in a uniform manner so that they
30 can be developed as though each of the tracts were covered by a single lease.

1 **Q18. Are all of the oil and gas rights in the proposed unit combined?**

2 A18. No. The Unit Plan only unitizes the oil and gas rights in and related to the Unitized
3 Formation. The Unitized Formation is those depths located from the top of the Utica
4 Shale formation to the base of the Utica shale formation, which includes the Point
5 Pleasant interval.

6 **Q19. How would production from the Bannock N UNN BL Unit be allocated?**

7 A19. On a surface-acreage basis. Under Article 4 of the Unit Plan, every tract is assigned
8 a tract participation percentage based on surface acreage, as shown on Exhibit A-2
9 to the Unit Operating Agreement. Article 5 of the Unit Plan allocates production
10 based on that tract participation.

11 **Q20. Why use a surface-acreage basis as the method of allocation?**

12 A20. Based on the testimony of Paul Cooper attached to the Application as Attachment 3,
13 a surface-acreage basis is an appropriate method of allocation because the formation
14 thickness and reservoir quality of the Unitized Formation is expected to be consistent
15 across the Bannock N UNN BL Unit.

16 **Q21. Would you go through an example from Exhibit A-2 to the Unit Operating
17 Agreement to illustrate how a surface-acreage basis would be applied to the
18 Bannock N UNN BL Unit?**

19 A21. Yes. If you look at the column on Exhibit A-2 to the Unit Operating Agreement
20 entitled "Surface Acres in Unit (Net)," it shows each mineral owner's net surface
21 acres in each tract included within the Bannock N UNN BL Unit. The adjacent
22 column on Exhibit A-2 shows the related tract participation, which is calculated by
23 dividing those net surface acres by the total number of surface acres in the unit. So,
24 for example, if you look at Tract Number 2 on Exhibit A-2, it shows that this
25 particular tract is owned solely by the Trustees of Union Township. Their net surface
26 acreage in Tract Number 2 is 0.011 acres. This equates to a tract participation of
27 approximately 0.001642% ($0.011 \div 669.882 = 0.001642\%$).

28 **Q22. What does that mean in terms of production allocated to that particular tract?**

29 A22. It would mean this particular tract owned of record by the Trustees of Union
30 Township would have allocated to it 0.001642% of all production from the Bannock
31 N UNN BL Unit, which would then be distributed based on the terms of the lease or

1 other relevant document affecting ownership to production proceeds from the tract.

2 **Q23. Is this the way production would be allocated to the tracts owned, in whole or**
3 **in part, by unleased mineral owners or uncommitted working interest owners?**

4 A23. Yes.

5 **Q24. In your experience, is this an unusual way to allocate production in a unit?**

6 A24. No, this is the customary method for allocating production in a unit.

7 **Q25. How are unit expenses allocated?**

8 A25. Like production in the unit, generally on a surface-acreage basis. Article 3 of the
9 Unit Plan provides that expenses, unless otherwise allocated in the Unit Operating
10 Agreement, will be allocated to each tract of land within the unit in the proportion
11 that the surface acres of each tract bear to the surface acres of the entire unit.

12 **Q26. Who pays the unit expenses?**

13 A26. According to the terms of the proposed Unit Plan, the working interest owners.

14 **Q27. Do the royalty owners pay any part of the unit expenses?**

15 A27. No, unless the terms and conditions of the royalty owner's oil and gas lease dictate
16 otherwise.

17 **Q28. Let's turn to the Unit Operating Agreement. It appears to be based upon**
18 **A.A.P.L. Form 610 – Model Form Operating Agreement, is that correct?**

19 A28. Yes. We typically use a modified version of the 1989. The Form 610, together with
20 its exhibits, is a commonly used form in the industry and is frequently modified to
21 fit the needs of the parties and circumstances.

22 **Q29. Would it be fair to say, then, that you are familiar with the custom and usage of**
23 **the Form 610 and other similar agreements in the industry?**

24 A29. Yes.

25 **Q30. Turning to the Unit Operating Agreement in particular, does it address how**
26 **unit expenses are determined and paid?**

27 A30. Yes. Article III of the Unit Operating Agreement provides that all costs and liabilities
28 incurred in operations shall be borne and paid proportionately by the working interest
29 owners, according to their Unit Participation percentages. Those percentages can be
30 found in Exhibit A-2 to the Unit Operating Agreement. Moreover, the Unit
31 Operating Agreement has attached to it an accounting procedure identified as Exhibit

1 C that offers greater details regarding how unit expenses are determined and paid.

2 **Q31. That's commonly referred to as the COPAS?**

3 A31. Yes, it stands for the Council of Petroleum Accountants Societies, Inc. and is a
4 commonly used form in the industry.

5 **Q32. Based upon your education and professional experience, do you view the terms
6 of Exhibit C as reasonable?**

7 A32. Yes. The terms as presented in Exhibit C are commonly accepted amongst operators
8 and clearly set forth definitions, processes, timelines, etc., so that all parties can fully
9 understand and agree as to those costs and accounting procedures associated with the
10 activity of drilling and producing oil and natural gas wells and units.

11 **Q33. Will there be in-kind contributions made by owners in the unit area for unit
12 operations, such as contributions of equipment?**

13 A33. No.

14 **Q34. How are decisions made regarding unit operations?**

15 A34. Article V of the Unit Operating Agreement designates Ascent as the Unit Operator,
16 with full operational authority for the supervision and conduct of operations in the
17 unit.

18 **Q35. I believe you've already described generally the documents in Exhibits A and C
19 to the Unit Operating Agreement. Let's turn therefore to Exhibit B of the Unit
20 Operating Agreement. What is it?**

21 A35. Exhibit B is a standard oil and gas lease form that is attached to the joint operating
22 agreement to govern any unleased interests owned by the parties. Article III.A of the
23 Unit Operating Agreement provides that if any party owns or acquires an oil and gas
24 interest in the Contract Area, then that interest shall be treated for all purposes of the
25 Unit Operating Agreement as if it were covered by the form of lease attached as
26 Exhibit "B."

27 **Q36. Does this oil and gas lease contain standard provisions that Ascent uses in
28 connection with its operations in Ohio?**

29 A36. Yes.

30 **Q37. Moving on to Exhibit D of the Unit Operating Agreement, would you describe
31 what it is?**

1 A37. Yes, Exhibit D is the insurance exhibit to the joint operating agreement. It sets forth
2 coverage amounts and limitations, and the insurance terms for operations conducted
3 under the Unit Operating Agreement.

4 **Q38. Would you next describe Exhibit E of the Unit Operating Agreement?**

5 A38. Yes. Exhibit E is the Gas Balancing Agreement, which further details the rights and
6 obligations of the parties with respect to marketing and selling any production from
7 the Contract Area.

8 **Q39. Last, would you next describe Exhibit F of the Unit Operating Agreement?**

9 A39. Yes. Exhibit F is a Model Form Recording Supplement to Operating Agreement and
10 Financing Statement, which is a document that is primarily used to give third persons
11 constructive notice of the terms of the Unit Operating Agreement.

12 **Q40. In your professional opinion, given your education and experience, are the**
13 **terms of the Unit Plan, including the terms of the exhibits just discussed, just**
14 **and reasonable?**

15 A40. Yes.

16 **Q41. Does this conclude your testimony?**

17 A41.

